



Ronald van der Leeden
Director
Regulatory Affairs

555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011
Tel: 213.244.2009
Fax: 213.244.4957

RvanderLeeden@semprautilities.com

October 15, 2015

Advice No. 4877
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Annual Regulatory Account Balance Update for Rates Effective
January 1, 2016**

Southern California Gas Company (SoCalGas) hereby submits for approval with the California Public Utilities Commission (Commission) revisions to its revenue requirement and rates effective January 1, 2016.

Purpose

This filing, made each year on or before October 15th, complies with the longstanding practice of updating SoCalGas' revenue requirement for projected year-end regulatory account balances as authorized in Decision (D.) 14-06-007, SoCalGas' Triennial Cost Allocation Proceeding (TCAP). This filing revises SoCalGas' rates to incorporate the projected 2015 year-end regulatory account balances in transportation rates effective January 1, 2016. In compliance with D.11-04-032, this filing also revises the Backbone Transportation Service (BTS) rate effective January 1, 2016.

In addition, in compliance with D.14-06-007, this filing revises SoCalGas' 2015 revenue requirement for Company-Use (CU) Fuel and Unaccounted For (UAF) Gas costs based on the updated Gas Price forecast as shown in Attachment C. Furthermore, in compliance with D.13-05-010, SoCalGas' Test-Year (TY) 2012 General Rate Case (GRC), SoCalGas provides details on the activity recorded in its Transmission Integrity Management Program Balancing Account (TIMPBA) and post-2011 Distribution Integrity Management Program Balancing Account (Post-2011 DIMPBA). SoCalGas also discusses the advice letter process for Greenhouse Gas (GHG) costs and proceeds as addressed in the recently issued Proposed Decision (PD) on Rulemaking (R.) 14-03-003.

Background

The revenue requirement related to the regulatory account balances are amortized in rates over 12 months beginning each January 1st. It should be noted that the revenue requirement herein does not include other revenue requirement adjustments¹ expected to be authorized by the Commission for implementation in transportation rates effective January 1, 2016. SoCalGas will file an advice letter consolidating all Commission-authorized changes in its revenue requirement, and the related changes to its rates, at least three days prior to the January 1, 2016 effective date of such rates.

Customer Rate Impact – Regulatory Account Balances

Total

SoCalGas' transportation revenue requirement will increase by \$210.9 million. The core and noncore customer revenue requirements will increase and decrease by \$220.6 million and \$9.7 million, respectively, as a result of the regulatory account balance update.

Attachment A in this filing shows the Natural Gas Transportation Rate Revenue table summarizing the change in the regulatory account balances and authorized CU Fuel and UAF Gas, the demand determinate for the BTS rate, and corresponding present and proposed rates. Attachment B shows a Summary of Present and Proposed Regulatory Account Balances while Attachments D and E show the calculation of the Pension Balancing Account (PBA) and Post-Retirement Benefits Other than Pensions Balancing Account (PBOPBA) balances to be included in 2016 rates. Attachments F and G show the supporting calculations of the minimum contributions made to the Pension/PBOP Trusts for 2015.

Core Customers

A \$220.6 million increase in the core transportation revenue requirement reflects the amortization of the projected year-end 2015 regulatory account balances. The increase is primarily due to an increase in the undercollected balance in the Core Fixed Cost Account (CFCA) partially offset by removal of the General Rate Case Memorandum Account (GRCMA) undercollected balance, an increase in the overcollected balance in the PBA, and inclusion of the overcollected balance in the New Environmental Regulation Balancing Account (NERBA) Subpart W Subaccount as described below.

CFCA – Pursuant to Advice No. (AL) 4700, SoCalGas was authorized to amortize in 2015 rates a CFCA undercollection of \$126.8 million. The projected CFCA balance for amortization in 2016 rates is \$424.4 million

¹ For example, see SoCalGas Advice No. 4826 - Energy Efficiency Awards for Program Year 2014.

undercollected, representing a revenue requirement increase of \$297.6 million.

GRCMA – Pursuant to D.13-05-010, SoCalGas is authorized to amortize the GRCMA balance over a 31-month period beginning June 1, 2013 through December 31, 2015. In AL 4700, SoCalGas was authorized to amortize in 2015 rates the remaining undercollected balance of \$52.0 million² with any residual balance as of December 31, 2015 to be transferred to the CFCA and Noncore Fixed Cost Account (NFCA). The transportation revenue requirement will decrease by \$52.0 million with the core's allocation being \$48.1 million.

PBA – Pursuant to AL 4700, SoCalGas was authorized to amortize in 2015 rates a PBA overcollection of \$20.1 million. The projected PBA balance for amortization in 2016 rates is \$36.5 million overcollected, representing a revenue requirement decrease of \$16.4 million. The core revenue requirement allocation is \$15.5 million.

NERBA – Subpart W Subaccount – D.13-05-010 authorized SoCalGas to establish the NERBA Subpart W Subaccount to record the difference between actual costs associated with the monitoring and reporting requirements of Subpart W to the Greenhouse Gas Mandatory Reporting Rule and costs authorized in base rates. The NERBA Subpart W Subaccount was authorized for the four-year GRC period beginning January 1, 2012. The projected balance for the NERBA Subpart W Subaccount for amortization in 2016 rates is \$10.1 million overcollected for which the core revenue requirement allocation is \$9.5 million.

The major components of the core revenue requirement increase are as follows:³

Description	Core Revenue Requirement Increase / (Decrease) (in millions of \$)
CFCA	297.6
GRCMA	(48.1)
PBA	(15.5)
NERBA - Subpart W subaccount	(9.5)
Other Regulatory Accounts - net	(3.9)
Total Core Revenue Requirement	220.6

² Identified as the sum of the two amounts for line 3 in Attachment B: GRCMA amount of \$49.495 million and GRCMA Sub allocation for AB32 Admin Fees amount of \$2.491 million.

³ Amounts shown include franchise fees and uncollectibles.

Noncore Customers

A \$9.7 million decrease in the noncore transportation revenue requirement reflects the amortization of the projected year-end 2015 regulatory account balances. The decrease is primarily due to a decrease in the undercollected balance of the NFCA, removal of the GRCMA undercollected balance, and a decrease in the undercollected balance of the Compression Station Fuel & Power Balancing Account (CFPBA) partially offset by an increase in the undercollected balance of the System Reliability Memorandum Account (SRMA) as described below.

NFCA – Pursuant to AL 4700, SoCalGas was authorized to amortize in 2015 rates a NFCA undercollection of \$11.4 million. The projected NFCA balance for amortization in 2016 rates is \$4.2 million undercollected, representing a revenue requirement decrease of \$7.2 million.

GRCMA – As discussed above, the transportation revenue requirement will decrease by \$52.0 million. The noncore revenue requirement allocation of this decrease is \$3.9 million.

CFPBA – Pursuant to AL 4700, SoCalGas was authorized to amortize in 2015 rates a CFPBA undercollection of \$5.5 million. The projected CFPBA balance for amortization in 2016 rates is \$0.1 million undercollected, representing a revenue requirement decrease of \$5.4 million. The noncore revenue requirement allocation of this decrease is \$3.1 million.

SRMA – Pursuant to AL 4700, SoCalGas was authorized to amortize in 2015 rates a SRMA undercollection of \$9.9 million. Pursuant to AL 4690 and 4690-A, SoCalGas is authorized to recover \$12.9 million in system reliability costs incurred for the period of September 1, 2013 through August 31, 2014. Including adjustments for the Memorandum In Lieu of Contract⁴ covering the same period, SoCalGas will amortize \$22.6 million in 2016 rates representing a revenue requirement increase of \$12.7 million. The noncore revenue requirement allocation of this increase is \$8.1 million.

The major components of the noncore revenue requirement decrease are as follows:³

⁴ AL 4394-B is effective from April 1, 2013 through October 1, 2013, per Resolution G-3476. AL 4513-A is effective from November 1, 2013, per Resolution G-3485.

Description	Noncore Revenue Requirement Increase / (Decrease) (in millions of \$)
NFCA	(7.2)
GRCMA	(3.9)
CFPBA	(3.1)
SRMA	8.1
Other Regulatory Accounts - net	(3.6)
Total Noncore Revenue Requirement	(9.7)

Revision to the BTS Rate

Pursuant to AL 4700, SoCalGas was authorized to amortize in 2015 rates a Backbone Transmission Balancing Account (BTBA) undercollection of \$14.3 million. As of December 31, 2015, the BTBA is projected to have an undercollected balance of \$0.5 million, representing a BTS revenue requirement decrease of \$13.7 million. Additionally, SoCalGas updated the BTS Demand pursuant to D.11-04-032. The calculation of the proposed BTS rate for 2016 is detailed below:

Update to BTS Rate

	Present	Proposed	increase (decrease)
Unbundled BTS Revenues w/ FF&U (M\$)	\$147,526	\$147,526	\$0
TIMPBA (BBT) w/o FF&U (M\$)	\$20,215	\$20,215	\$0
BTBA w/o FF&U (M\$)	\$14,010	\$535	(\$13,475)
Total Regulatory Accts w/o FF&U (M\$)	\$34,225	\$20,750	(\$13,475)
FF&U Rate	1.0176	1.0176	
Total Regulatory Accts w FF&U (M\$)	\$34,828	\$21,116	(\$13,712)
BTS Revenue w/ FF&U (M\$)	\$182,354	\$168,642	(\$13,712)
BTS Demand Dth/Day	2,809,327	2,851,800	42,473
BTS rate w/ FF&U \$/Dth day	\$0.17784	\$0.16201	(\$0.01582)

Revenue Requirement Change in CU Fuel and UAF Gas costs

Pursuant to D.14-06-007, the Commission authorized SoCalGas to update the underlying gas price used in determining the authorized costs for Other CU Fuel and UAF Gas. On an annual basis, SoCalGas would update the underlying gas price in the October filing using a forecast of Southern California Citygate gas prices for the next year that is based on current futures prices.

As shown in Attachment C, SoCalGas forecasts the average gas price of \$3.17/MMBtu, a decrease of \$1.11/MMBtu from the \$4.28/MMBtu authorized for

rates effective January 1, 2015. Based on this updated gas price forecast, SoCalGas proposes to revise its authorized costs for Other CU Fuel and UAF Gas to \$25.2 million, a decrease of \$8.8 million compared to the present revenue requirement as shown in the calculation below:

Revenue Requirement Change for Gas Price Impact

	<u>Present</u>	<u>Proposed</u>	<u>Increase</u>
<u>Unaccounted For Gas (UAF):</u>			
System Volumes Mth/yr	9,748,592	9,748,592	
% UAF (as % of end use)	0.761%	0.761%	
UAF Volumes Mth/yr	74,205	74,205	
Gas Price \$/dth	\$4.28	\$3.17	
UAF (M\$)	\$31,790	\$23,543	(\$8,247)
<u>Company Use Gas: Storage Load Balancing</u>			
Volumes Mth/yr	2,914	2,914	
Gas Price \$/dth	\$4.28	\$3.17	
Company Use Gas: Storage Load Balancing (M\$)	\$1,248	\$924	(\$324)
<u>Company Use Other:</u>			
Annual Average Volumes (Mth/year)	2,425	2,425	
Gas Price \$/dth	\$4.28	\$3.17	
Co Use Other (M\$)	\$1,039	\$769	(\$269)
Total Cost	\$34,077	\$25,236	(\$8,841)

Transmission Integrity Management Program Balancing Account (TIMPBA)

In compliance with D.13-05-010, SoCalGas established the TIMPBA to record the difference between the authorized and actual operating and maintenance (O&M) and capital-related costs associated with its Transmission Integrity Management Program (TIMP). Although the TIMPBA is a two-way balancing account, SoCalGas is required to submit a Tier 3 AL to seek recovery of any costs that exceed the authorized TIMP funding level as D.13-05-010's Findings of Fact (FOF) 202 indicates:

A two-way balancing account for SoCalGas to recover the costs of complying with TIMP is appropriate ... and any costs in excess of the authorized TIMP O&M costs and capital expenditures will be subject to recovery through a Tier 3 AL process.

D.13-05-010's FOF 204 further indicates:

Parties will have the opportunity to review the reasonableness of these TIMP-related expenses in SoCalGas' balancing account when those expenses

are reported in the Annual Regulatory Account Balance Update or in the Tier 3 AL filing.

Resolution G-3499 approved SoCalGas AL 4632 authorizing recovery for \$29 million of TIMP costs above authorized funding levels recorded as of December 31, 2013. Effective August 1, 2015, SoCalGas and San Diego Gas & Electric updated rates to recover the \$29 million over a 12-month period. On June 19, 2015, SoCalGas submitted AL 4819 seeking recovery of \$19.1 million of TIMP costs above authorized funding levels for the year 2014. As such, this filing provides a description of the activity recorded in the TIMPBA for 2015. As of August 31, 2015, the TIMPBA recorded an undercollected balance of \$55.7 million which represents a \$7.6 million increase in the undercollected balance for the first eight months of 2015. The increase is comprised of \$24.6 million of O&M costs and \$6.7 million of capital-related costs offset by \$21.3 million of authorized funding and \$2.4 million of amortization revenues.

Post-2011 Distribution Integrity Management Program Balancing Account (Post-2011 DIMPBA)

In compliance with D.13-05-010, SoCalGas established the Post-2011 DIMPBA to record the difference between the authorized and actual O&M and capital-related costs associated with its Distribution Integrity Management Program (DIMP). The Post-2011 DIMPBA is a two-way balancing account, and similar to the TIMPBA, SoCalGas is required to submit a Tier 3 AL to seek recovery of any costs that exceed the authorized DIMP funding level as D.13-05-010's FOF 206 indicates:

A two-way balancing account for SoCalGas to recover the costs of complying with DIMP is appropriate ... and any costs in excess of the authorized DIMP O&M costs and capital expenditures will be subject to recovery through a Tier 3 AL process.

D.13-05-010's FOF 208 further indicates:

Parties will have the opportunity to review the reasonableness of these DIMP-related expenses in SoCalGas' balancing account when those expenses are reported in the Annual Regulatory Account Balance Update or in the Tier 3 AL filing.

In the prior year's filing⁵, SoCalGas provided a description of the activity recorded in the Post-2011 DIMPBA through August 31, 2014. As of August 31, 2015, the Post-2011 DIMPBA has an overcollected balance of \$3.7 million compared to an undercollected balance of \$2.4 million as of August 31, 2013, which represents a \$6.1 million overcollection for the twelve month period ending August 31, 2015. The overcollected activity is comprised of \$30.0 million of authorized funding offset by \$21.6 million of O&M costs and \$2.3 million of capital-related costs.

⁵ SoCalGas AL 4700.

Greenhouse Gas (GHG) Costs and Allowance Proceeds

On September 22, 2015, the Administrative Law Judge issued a PD on R.14-03-003, *Order Instituting Rulemaking to Address Natural Gas Distribution Utility Cost and Revenue Issues Associated with Greenhouse Gas Emissions*. The PD addresses Phase Two issues of the Rulemaking including the methodologies to use when calculating forecast and recorded GHG allowance proceeds and GHG costs associated with complying with the Cap-and-Trade Program. Furthermore, the PD addresses the advice letter process to use when forecasting and reconciling GHG costs and proceeds. Specifically, the PD proposes for each utility to use its existing advice letter process in which it annually projects the year-end balances in various regulatory accounts to be amortized in core and noncore transportation rates on January 1 of the following year, which for SoCalGas, would be this filing, its Annual Regulatory Account Balance Update for Rates filing. However, a final decision on Phase Two issues of R.14-03-003 was not issued prior to October 15, 2015, the filing date of this advice letter, so pending approval of the PD this year, SoCalGas anticipates filing a supplemental advice letter to address its 2015 and 2016 GHG costs and proceeds that will be included in 2016 rates.

Protests

Anyone may protest this advice letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received within 20 days of the date of this advice letter which is November 4, 2015. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division
Attn: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of the Energy Division Tariff Unit (EDTariffUnit@cpuc.ca.gov). A copy of the protest should also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Sid Newsom
Tariff Manager - GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile No. (213) 244-4957
E-mail: snewsom@SempraUtilities.com

Effective Date

SoCalGas believes that this filing is subject to Energy Division disposition, and should be classified as Tier 2 (effective after staff approval) pursuant to General Order (GO) 96-B. This filing is consistent with D.14-06-007, and therefore, SoCalGas respectfully requests that this filing be approved November 14, 2015, which is thirty (30) calendar days after the date filed, for implementation and inclusion in rates effective January 1, 2016.

Notice

A copy of this AL is being sent to SoCalGas' GO 96-B service list and the Commission's service list in A.10-12-006, TY 2012 GRC, and A.11-11-002, 2013 TCAP. Address change requests to the GO 96-B should be directed by electronic mail to tariffs@socialgas.com or call 213-244-3387. For changes to all other service lists, please contact the Commission's Process Office at 415-703-2021 or by electronic mail at process_office@cpuc.ca.gov

Ronald van der Leeden
Director – Regulatory Affairs

Attachments

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SOUTHERN CALIFORNIA GAS COMPANY (U 904G)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Sid Newsom

Phone #: (213) 244-2846

E-mail: SNewsom@semprautilities.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 4877

Subject of AL: Annual Regulatory Account Balance Update for Rates Effective January 1, 2016

Keywords (choose from CPUC listing): GRC, Balancing Account, Transportation Rates

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:
D.11-04-032, D.13-05-010, D.14-06-007

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL¹: N/A

Does AL request confidential treatment? If so, provide explanation: No

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: 11/14/15 AL; 1/1/16 Rates No. of tariff sheets: 0

Estimated system annual revenue effect (%): 7.8 %

Estimated system average rate effect (%): 7.8 %

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: None

Service affected and changes proposed¹: See advice letter

Pending advice letters that revise the same tariff sheets: None

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Ave.,
San Francisco, CA 94102
EDTariffUnit@cpuc.ca.gov

Southern California Gas Company
Attention: Sid Newsom
555 West 5th Street, GT14D6
Los Angeles, CA 90013-1011
SNewsom@semprautilities.com
tariffs@socalgas.com

¹ Discuss in AL if more space is needed.

**ATTACHMENT A
Advice No. 4877**

**Natural Gas Transportation Rate Revenues
Southern California Gas Company
January 2016 Rates
SCG Regulatory Account Update**

	Present Rates			Proposed Rates			Changes			
	Aug-1-15 Volumes Mth	Proposed Rate \$/therm	Aug-1-15 Revenues \$000's	Jan-1-16 Volumes Mth	Proposed Rate \$/therm	Jan-1-16 Revenues \$000's	Revenue Change \$000's	Rate Change \$/therm	% Rate change %	
	A	B	C	D	E	F	G	H	I	
1	CORE									
2	Residential	2,337,534	\$0.71712	\$1,676,283	2,337,534	\$0.77426	\$1,809,853	\$133,569	\$0.05714	8.0%
3	Commercial & Industrial	984,102	\$0.34081	\$335,393	984,102	\$0.41345	\$406,880	\$71,487	\$0.07264	21.3%
4										
5	NGV - Pre SempraWide	117,220	\$0.13434	\$15,747	117,220	\$0.21663	\$25,394	\$9,647	\$0.08230	61.3%
6	SempraWide Adjustment	117,220	\$0.00867	\$1,016	117,220	\$0.00111	\$130	(\$886)	(\$0.00756)	-87.2%
7	NGV - Post SempraWide	117,220	\$0.14300	\$16,763	117,220	\$0.21774	\$25,524	\$8,761	\$0.07474	52.3%
8										
9	Gas A/C	825	\$0.14157	\$117	825	\$0.22290	\$184	\$67	\$0.08133	57.4%
10	Gas Engine	16,774	\$0.12163	\$2,040	16,774	\$0.12163	\$2,040	\$0	\$0.00000	0.0%
11	Total Core	3,456,455	\$0.58748	\$2,030,596	3,456,455	\$0.64936	\$2,244,480	\$213,884	\$0.06188	10.5%
12	NONCORE COMMERCIAL & INDUSTRIAL									
13	Distribution Level Service	893,164	\$0.07035	\$62,834	893,164	\$0.06734	\$60,146	(\$2,688)	(\$0.00301)	-4.3%
14	Transmission Level Service (2)	654,456	\$0.01872	\$12,251	654,456	\$0.01687	\$11,041	(\$1,210)	(\$0.00185)	-9.9%
15	Total Noncore C&I	1,547,620	\$0.04852	\$75,085	1,547,620	\$0.04600	\$71,187	(\$3,898)	(\$0.00252)	-5.2%
16										
17	NONCORE ELECTRIC GENERATION									
18	Distribution Level Service									
19	Pre Sempra Wide	333,969	\$0.05473	\$18,277	333,969	\$0.05191	\$17,335	(\$942)	(\$0.00282)	-5.2%
20	Sempra Wide Adjustment	333,969	(\$0.00910)	(\$3,039)	333,969	(\$0.00902)	(\$3,013)	\$26	\$0.00008	-0.8%
21	Distribution Level Post Sempra Wide	333,969	\$0.04563	\$15,238	333,969	\$0.04288	\$14,322	(\$916)	(\$0.00274)	-6.0%
22	Transmission Level Service (2)	2,641,080	\$0.01555	\$41,067	2,641,080	\$0.01347	\$35,568	(\$5,499)	(\$0.00208)	-13.4%
23	Total Electric Generation	2,975,049	\$0.01893	\$56,305	2,975,049	\$0.01677	\$49,890	(\$6,415)	(\$0.00216)	-11.4%
24										
25	TOTAL RETAIL NONCORE	4,522,669	\$0.02905	\$131,391	4,522,669	\$0.02677	\$121,077	(\$10,314)	(\$0.00228)	-7.8%
26										
27	WHOLESALE & INTERNATIONAL (excluding SDG&E)	317,990	\$0.01521	\$4,838	317,990	\$0.01322	\$4,204	(\$634)	(\$0.00200)	-13.1%
28										
29	OTHER SERVICES (SDG&E, UBS, & BTS)	1,247,558		\$224,521	1,247,558		\$209,161	(\$15,360)		
30										
31	SYSTEM TOTAL w/BTS	9,544,672	\$0.25054	\$2,391,346	9,544,672	\$0.27019	\$2,578,922	\$187,576	\$0.01965	7.8%
32										
33	EOR Revenues	203,920	\$0.03151	\$6,425	203,920	\$0.02911	\$5,936	(\$489)	(\$0.00240)	-7.6%
34	Total Throughput w/EOR Mth/yr	9,748,592			9,748,592					

1) These rates are for Natural Gas Transportation Service from "Citygate to Meter". The BTS rate is for service from Receipt Point to Citygate.
2) All rates include Franchise Fees & Uncollectible charges

**ATTACHMENT B
Advice No. 4877**

**SOUTHERN CALIFORNIA GAS COMPANY
SOCALGAS PRESENT AND PROPOSED REGULATORY ACCOUNT BALANCES (M\$)**

Account Name (1)	Authorized 2015 Amortization			Proposed 01/01/2016 Amortization			Proposed Change		
	Core (2)	Noncore (3)	Total System (4)	Core (5)	Noncore (6)	Total System (7)	Core (8)	Noncore (9)	Total System (10)
REGULATORY ACCOUNTS									
1. Affiliate Transfer Fee Account (ATFA)	(\$110)	(\$7)	(\$117)	(\$152)	(\$9)	(\$161)	(\$41)	(\$3)	(\$44)
2. FERC Settlement Proceeds Memorandum Account (FSPMA)	(\$778)	\$0	(\$778)	(\$488)	\$0	(\$488)	\$289	\$0	\$289
3. General Rate Case Memorandum Account (GRCMA)	\$46,641	\$2,854	\$49,495	\$0	\$0	\$0	(\$46,641)	(\$2,854)	(\$49,495)
GRCMA Sub allocation for AB32 Admin Fees	\$1,425	\$1,065	\$2,491	\$0	\$0	\$0	(\$1,425)	(\$1,065)	(\$2,491)
4. Core Fixed Cost Account (CFCA)	\$126,802	\$0	\$126,802	\$424,383	\$0	\$424,383	\$297,581	\$0	\$297,581
5. Economic Practicality Shortfall Memorandum Account (EPSMA)	\$0	\$871	\$871	\$0	\$415	\$415	\$0	(\$456)	(\$456)
6. California Solar Imitative Thermal Program Memorandum Account (CSITPMA)	\$6,804	\$3,717	\$10,521	\$8,030	\$4,386	\$12,416	\$1,225	\$669	\$1,895
7. Enhanced Oil Recovery Account (EORA)	(\$1,964)	(\$200)	(\$2,164)	(\$1,939)	(\$198)	(\$2,137)	\$25	\$3	\$28
8. Transmission Integrity Management Program Memorandum Account (TIMPBA)	\$4,380	\$3,384	\$7,765	\$4,380	\$3,384	\$7,765	\$0	\$0	\$0
9. Hazardous Substance Cost Recovery Account (HSCRA)	\$1,000	\$1,760	\$2,760	\$29	\$51	\$79	(\$971)	(\$1,710)	(\$2,681)
10. Intervenor Award Memorandum Account (IAMA)	\$371	\$654	\$1,025	\$161	\$284	\$446	(\$210)	(\$370)	(\$580)
11. Master Meter Balancing Account (MMBA)	\$0	\$0	\$0	\$815	\$50	\$865	\$815	\$50	\$865
12. Montebello True-Up Tracking Account (MTTA)	\$0	\$0	\$0	\$2,671	\$1,144	\$3,815	\$2,671	\$1,144	\$3,815
13. New Environmental Regulation Balancing Account (NERBA)									
- AB32 Fees Subaccount	(\$630)	(\$471)	(\$1,102)	(\$194)	(\$145)	(\$338)	\$437	\$327	\$763
- C&T Facilities Subaccount	\$3,056	\$187	\$3,243	\$0	\$0	\$0	(\$3,056)	(\$187)	(\$3,243)
- Subpart W Subaccount	\$0	\$0	\$0	(\$9,491)	(\$581)	(\$10,072)	(\$9,491)	(\$581)	(\$10,072)
14. Noncore Fixed Cost Account (NFCA) Margin	\$0	\$690	\$690	\$0	\$3,519	\$3,519	\$0	\$2,829	\$2,829
15. Noncore Fixed Cost Account (NFCA) Nonmargin	\$0	\$10,687	\$10,687	\$0	\$696	\$696	\$0	(\$9,991)	(\$9,991)
16. Integrated Transmission Balancing Account (ITBA) 2/	\$1,327	\$1,729	\$3,057	\$1,761	\$2,295	\$4,057	\$434	\$566	\$1,000
17. Compressor Station Fuel and Power Balancing Account (CFPBA)	\$2,400	\$3,128	\$5,528	\$23	\$30	\$54	(\$2,377)	(\$3,097)	(\$5,474)
18. Compression Services Balancing Account (CSBA)	(\$287)	(\$0)	(\$287)	(\$293)	\$0	(\$293)	(\$6)	\$0	(\$6)
19. Company-Use Fuel for Load Balancing Account (CUFLBA)	\$23	\$42	\$65	\$41	\$74	\$115	\$18	\$32	\$50
20. System Reliability Memorandum Account (SRMA)	\$3,603	\$6,341	\$9,944	\$8,198	\$14,430	\$22,628	\$4,596	\$8,089	\$12,685
21. Noncore Storage Balancing Account (NSBA)	\$790	\$1,391	\$2,181	(\$197)	(\$348)	(\$545)	(\$988)	(\$1,738)	(\$2,726)
22. Pension Balancing Account (PBA)	(\$18,929)	(\$1,158)	(\$20,087)	(\$34,381)	(\$2,103)	(\$36,485)	(\$15,452)	(\$945)	(\$16,398)
23. PBOP Balancing Account (PBOPBA)	(\$20,196)	(\$1,235)	(\$21,431)	(\$22,136)	(\$1,354)	(\$23,490)	(\$1,940)	(\$119)	(\$2,059)
24. Research Development and Demonstration Expense Account (RDDEA)	(\$480)	(\$29)	(\$509)	\$0	\$0	\$0	\$480	\$29	\$509
25. Research Royalty Memorandum Account (RRMA)	(\$352)	(\$22)	(\$373)	(\$192)	(\$12)	(\$204)	\$159	\$10	\$169
26. Self-Generation Program Memorandum Account (SGPMA)	\$2,948	\$5,189	\$8,137	\$2,948	\$5,189	\$8,137	\$0	\$0	\$0
27. Rewards & Penalties Balancing Account (RPBA)	\$5,275	\$323	\$5,598	(\$293)	(\$18)	(\$311)	(\$5,569)	(\$341)	(\$5,909)
Total Regulatory Accounts	\$163,121	\$40,891	\$204,012	\$383,685	\$31,182	\$414,867	\$220,564	(\$9,709)	\$210,855

Notes:

1/ All amounts include FF&U.

2/ Forecast SoCalGas ITBA Dec 31, 2015 balance is on a combined and re-allocated basis.

**ATTACHMENT C
Advice No. 4877**

**SOUTHERN CALIFORNIA GAS COMPANY
GAS PRICE FORECAST - 2016**

Average of Implied Market Value													
Row Labels	2016-01	2016-02	2016-03	2016-04	2016-05	2016-06	2016-07	2016-08	2016-09	2016-10	2016-11	2016-12	Total
7/27/2015 0:00	3.26	3.26	3.17	2.90	2.89	2.93	3.14	3.14	3.01	3.02	3.22	3.41	3.11
7/28/2015 0:00	3.28	3.28	3.19	2.91	2.90	2.95	3.15	3.16	3.03	3.03	3.23	3.42	3.13
7/29/2015 0:00	3.31	3.31	3.21	2.92	2.91	2.95	3.16	3.16	3.03	3.04		3.41	3.13
7/30/2015 0:00	3.22	3.21	3.13	2.86	2.87	2.90	3.10	3.11	2.98	2.99	3.17	3.36	3.07
7/31/2015 0:00	3.18	3.17	3.09	2.84	2.84	2.87	3.07	3.08	2.94	2.96	3.14	3.33	3.04
8/3/2015 0:00	3.19	3.18	3.10	2.84	2.84	2.87	3.07	3.08	2.94	2.96	3.14	3.32	3.04
8/4/2015 0:00	3.24	3.22	3.13	2.86	2.86	2.89	3.08	3.08	2.95	2.97	3.14	3.32	3.06
8/5/2015 0:00	3.21	3.20	3.10	2.84	2.85	2.88	3.07	3.08	2.94	2.96	3.13	3.31	3.05
8/6/2015 0:00	3.21	3.20	3.10	2.86	2.86	2.89	3.08	3.09	2.95	2.97	3.14	3.32	3.06
8/7/2015 0:00	3.21	3.20	3.10	2.86	2.87	2.90	3.09	3.09	2.95	2.97	3.14	3.32	3.06
8/10/2015 0:00	3.27	3.25	3.14	2.89	2.89	2.92	3.11	3.11	2.97	2.99	3.15	3.33	3.09
8/11/2015 0:00	3.26	3.25	3.13	2.89	2.89	2.92	3.11	3.11	2.97	2.99	3.15	3.33	3.08
8/12/2015 0:00	3.33	3.31	3.19	2.95	2.94	2.97	3.15	3.16	3.02	3.04	3.18	3.36	3.13
8/13/2015 0:00	3.23	3.21	3.09	2.88	2.88	2.91	3.09	3.10	2.96	2.99	3.13	3.31	3.06
8/14/2015 0:00	3.24	3.22	3.10	2.89	2.89	2.92	3.11	3.11	2.98	3.00	3.15	3.32	3.08
8/17/2015 0:00	3.18	3.17	3.04	2.86	2.86	2.89	3.08	3.08	2.95	2.97	3.12	3.29	3.04
8/18/2015 0:00	3.13	3.14	3.01	2.82	2.82	2.85	3.05	3.06	2.92	2.95	3.09	3.27	3.01
8/19/2015 0:00	3.12	3.12	2.99	2.81	2.81	2.84	3.04	3.04	2.91	2.93	3.07	3.25	2.99
8/20/2015 0:00	3.16	3.16	3.02	2.82	2.82	2.85	3.05	3.06	2.92	2.94	3.09	3.26	3.01
8/21/2015 0:00	3.07	3.07	2.94	2.74	2.75	2.78	2.99	2.99	2.86	2.87	3.02	3.20	2.94
8/24/2015 0:00	3.02	3.02	2.89	2.70	2.71	2.74	2.94	2.95	2.82	2.81	2.99	3.16	2.90
8/25/2015 0:00	3.04	3.04	2.91	2.71	2.71	2.74	2.95	2.95	2.81	2.80	2.98	3.15	2.90
8/26/2015 0:00	3.06	3.06	2.93	2.74	2.73	2.76	2.96	2.97	2.83	2.84	3.01	3.17	2.92
8/27/2015 0:00	3.02	3.03	2.90	2.73	2.72	2.75	2.96	2.96	2.83	2.84	3.01	3.17	2.91
8/28/2015 0:00	3.06	3.07	2.94	2.76	2.76	2.78	2.98	2.99	2.86	2.86	3.03	3.20	2.94
8/31/2015 0:00	3.03	3.03	2.91	2.74	2.74	2.76	2.96	2.97	2.84	2.85	3.00	3.17	2.92
9/1/2015 0:00	3.05	3.05	2.91	2.75	2.75	2.77	2.97	2.97	2.84	2.86	3.01	3.18	2.93
9/2/2015 0:00	3.00	3.02	2.87	2.72	2.72	2.75	2.95	2.96	2.83	2.84	2.99	3.16	2.90
9/3/2015 0:00	3.08	3.08	2.92	2.77	2.77	2.80	3.00	3.01	2.88	2.89	3.03	3.20	2.95
9/4/2015 0:00	3.04	3.04	2.89	2.74	2.74	2.77	2.98	2.98	2.86	2.87	3.02	3.20	2.93
9/8/2015 0:00	3.08	3.08	2.93	2.77	2.77	2.80	3.01	3.01	2.88	2.90	3.05	3.23	2.96
Total	3.15	3.15	3.03	2.82	2.82	2.85	3.05	3.05	2.92	2.93	3.09	3.27	3.01

Note: the projected gas price of \$3.01/MMdth is increased by the projected backbone transmission rate to project the Citygate gas price of \$3.17/MMDth.

**ATTACHMENT D
Advice No. 4877**

**SOUTHERN CALIFORNIA GAS COMPANY
PENSION BALANCING ACCOUNT (PBA)
Year 2015**

(Over) / Under Collection M\$

Line		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		actl	actl	actl	actl	actl	actl	actl	actl	fcst	fcst	fcst	fcst	
1	Beginning Balance	(19,744)	(21,389)	(23,034)	(24,679)	(27,009)	(28,654)	(30,298)	(31,942)	(33,586)	(35,234)	(33,892)	(35,550)	(19,744)
1a	Prior Period Adjustment	-	-	-	(697)	-	-	-	-	-	-	-	-	(697)
1b	Adjusted Beginning Balance	(19,744)	(21,389)	(23,034)	(25,376)	(27,009)	(28,654)	(30,298)	(31,942)	(33,586)	(35,234)	(33,892)	(35,550)	(20,441)
2	Recorded Cost	277	277	277	287	280	280	280	280	280	3,280	280	1,635	7,713
3	Authorized Cost	3,565	3,565	3,565	3,565	3,565	3,565	3,565	3,565	3,565	3,565	3,565	3,565	42,780
4	Net position (2-3):	(3,288)	(3,288)	(3,288)	(3,278)	(3,285)	(3,285)	(3,285)	(3,285)	(3,285)	(285)	(3,285)	(1,930)	(35,067)
5	Amortization	(1,645)	(1,645)	(1,645)	(1,645)	(1,645)	(1,645)	(1,645)	(1,645)	(1,645)	(1,645)	(1,645)	(1,645)	(19,739)
6	Current Month Adjustment (4-5):	(1,643)	(1,643)	(1,643)	(1,633)	(1,640)	(1,640)	(1,640)	(1,640)	(1,640)	1,360	(1,640)	(285)	(54,806)
7	Current Month Interest**:	(2)	(2)	(2)	-	(5)	(3)	(4)	(4)	(8)	(18)	(18)	(18)	(84)
8	Total Current Month Activity (6+7):	(1,645)	(1,645)	(1,645)	(1,633)	(1,645)	(1,643)	(1,644)	(1,644)	(1,648)	1,342	(1,658)	(303)	(15,412)
9	Ending Balance (1b+8):	(21,389)	(23,034)	(24,679)	(27,009)	(28,654)	(30,298)	(31,942)	(33,586)	(35,234)	(33,892)	(35,550)	(35,853)	(35,853)

** Interest applied to average monthly balance as follows: $((\text{Beg. Bal.} + (\text{Beg. Bal.} + \text{Current Month Adjustment})) / 2) * (\text{Int. Rate} / 12)$

Interest Assumption: 0.13% 0.12% 0.12% 0.11% 0.10% 0.12% 0.14% 0.13% 0.28% 0.62% 0.62% 0.62%

Supporting Calculation - 2015 Net Pension Revenue/Costs

	Authorized Cost	Recorded Cost
Gross Revenue/costs	46,384	4,355
Lees: Amount capitalized	(8,164)	0
Less: Billings to SDG&E/Unregulated Affiliates	(1,531)	0
Plus: Billings from SDG&E	5,597	446
Depreciation/Return 1/	494	2,912
Net Costs	<u>\$42,780</u>	<u>\$7,713</u>

1/ Reflects the depreciation and return differential associated with authorized/actual capitalization.

**ATTACHMENT E
Advice No. 4877**

**SOUTHERN CALIFORNIA GAS COMPANY
POST RETIREMENT BENEFITS OTHER THAN PENSION BALANCING ACCOUNT (PBOBPA)
Year 2015
(Over) / Under Collection M\$**

Line	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
	actl	actl	actl	actl	actl	actl	actl	actl	fcst	fcst	fcst	fcst		
1	Beginning Balance	(20,974)	(21,176)	(21,377)	(21,578)	(21,828)	(22,024)	(22,178)	(22,333)	(22,484)	(22,706)	(22,934)	(23,162)	(20,974)
1a	Prior Period Adjustment	-	-	-	(63)	-	-	-	-	-	-	-	-	(63)
1b	Adjusted Beginning Balance	(20,974)	(21,176)	(21,377)	(21,641)	(21,828)	(22,024)	(22,178)	(22,333)	(22,484)	(22,706)	(22,934)	(23,162)	(21,037)
2	Recorded Cost	84	86	85	99	90	132	132	135	68	68	68	375	1,421
3	Authorized Cost	2,039	2,039	2,039	2,039	2,039	2,039	2,039	2,039	2,039	2,039	2,039	2,039	24,469
4	Net position (2-3):	(1,955)	(1,953)	(1,954)	(1,940)	(1,949)	(1,907)	(1,907)	(1,904)	(1,971)	(1,971)	(1,971)	(1,664)	(23,048)
5	Amortization	(1,755)	(1,755)	(1,755)	(1,755)	(1,755)	(1,755)	(1,755)	(1,755)	(1,755)	(1,755)	(1,755)	(1,755)	(21,060)
6	Current Month Adjustment (4-5):	(200)	(198)	(199)	(185)	(194)	(152)	(152)	(149)	(216)	(216)	(216)	91	(44,108)
7	Current Month Interest**:	(2)	(2)	(2)	(2)	(2)	(2)	(3)	(2)	(5)	(12)	(12)	(12)	(58)
8	Total Current Month Activity (6+7):	(202)	(201)	(201)	(187)	(196)	(154)	(155)	(151)	(222)	(228)	(228)	79	(2,046)
9	Ending Balance (1b+8):	(21,176)	(21,377)	(21,578)	(21,828)	(22,024)	(22,178)	(22,333)	(22,484)	(22,706)	(22,934)	(23,162)	(23,083)	(23,083)

** Interest applied to average monthly balance as follows: $((\text{Beg. Bal.} + (\text{Beg. Bal.} + \text{Current Month Adjustment})/2) * (\text{Int. Rate}/12))$

Interest Assumption:	0.13%	0.12%	0.12%	0.11%	0.10%	0.12%	0.14%	0.13%	0.28%	0.62%	0.62%	0.62%
-----------------------------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Supporting Calculation - 2015 Net PBOP Revenue/Costs

	Authorized Cost	Recorded Cost
Gross Revenue/costs	28,114	290
Lees: Amount capitalized	(4,948)	0
Less: Billings to SDG&E/Unregulated Affiliates	(528)	0
Plus: Billings from SDG&E	1,532	454
Depreciation/Return 1/	299	677
Net Costs	<u>\$24,469</u>	<u>\$1,421</u>

1/ Reflects the depreciation and return differential associated with authorized/actual capitalization.

ATTACHMENT F
Advice No. 4877

Southern California Gas Company
Pension Plan

Based on 2015 Draft Actuarial Results
Development of 2015 Minimum Required Contribution

1. 2015 Funding target liability	\$1,639,476,113	
[Net Effective Interest Rate]	6.29%	
2. 2015 Plan Actuarial Value of Assets	\$1,694,820,123	
3. Funding shortfall [MAX [(1) - (2),0]]	\$0	
4. Excess assets [MAX [(2) - (1),0]]	\$55,344,010	
5. 2015 Plan Normal Cost		\$59,775,405
[includes estimated plan expenses of \$8,300,000]		
6. 2009 shortfall amortization charge (amortized through 2015) *		0
7. 2010 shortfall amortization charge (amortized through 2016) *		0
8. 2011 shortfall amortization charge (amortized through 2017) *		0
9. 2012 shortfall amortization charge (amortized through 2018) *		0
10. 2013 shortfall amortization charge (amortized through 2019) *		0
11. 2014 shortfall amortization charge (amortized through 2020) *		0
12. Funding shortfall base *		
(a) Present value of 2009 shortfall amortization charge	0	
[based on amortization over 1 years at 4.72%]		
(b) Present value of 2010 shortfall amortization charge	0	
[based on amortization over 2 years at 4.72%]		
(c) Present value of 2011 shortfall amortization charge	0	
[based on amortization over 3 years at 4.72%]		
(d) Present value of 2012 shortfall amortization charge	0	
[based on amortization over 4 years at 4.72%]		
(e) Present value of 2013 shortfall amortization charge	0	
[based on amortization over 5 years at 4.72%]		
(f) Present value of 2014 shortfall amortization charge	0	
[based on amortization over first 5 years at 4.72% and next year at 6.11%]		
(g) 2015 funding shortfall base		
[(3) - (12(a)) - (12(b)) - (12(c)) - (12(d)) - (12(e)) - (12(f))]	\$0	
13. 2015 Amortization factor		
[based on amortization of shortfall over 7 years, assuming		
a 4.72% rate for the first 5 years and 6.11% rate for the final 2 years]	0.00000000	
14. 2015 funding shortfall to be amortized in 2015 - 2021 [12(g) x (13)]		0
15. 2015 Minimum required contribution *		\$4,431,395
[(5) - (4) , amount as of 1/1/2015]		

Timing of 2015 Minimum Required Contribution

Funding

First quarterly contribution deposited on April 1, 2015	\$0
Second quarterly contribution deposited on July 1, 2015	\$0
Third quarterly contribution deposited on October 1, 2015	\$3,300,000
Final 2015 contribution estimated to be deposited on December 15, 2015	\$1,355,143
Sum of payments made for the 2015 Plan Year	\$4,655,143

1/1/2015 Present value of 2015 Plan Year contributions

\$4,431,395

* If the plan does not have a funding shortfall, then prior shortfall amortization bases are deemed fully amortized and there is no new shortfall amortization base for the current year. In addition, the minimum funding requirement is equal to the target normal cost less the excess assets.

ATTACHMENT G
Advice No. 4877

Southern California Gas Company
Postretirement Welfare Plans

Development of 2015 Contribution
Based on Draft Actuarial Results

1. 2015 APBO	\$827,521,572	
2. Discount rate	4.15%	
3. 2015 Fair Value of Assets	\$869,694,363	
4. 2015 Plan Service Cost		\$17,238,251
5. Interest cost		34,321,358
6. Expected return on assets [based on expected return of 7% on assets]		(55,608,318)
7. Transition obligation amortization		0
8. Prior service cost amortization		(1,988,226)
9. Unrecognized (gain)/loss amortization		0
10. Net periodic benefit cost		(\$6,036,935)

Timing of Estimated 2015 Contribution

	Funding
Contributions through December 31 made primarily in quarterly installments	\$0