

PUBLIC UTILITIES COMMISSION505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

March 16, 2017

Advice Letter 5017-G-A

Ray Ortiz
Tariff Manager
Southern California Gas Company
555 West 5th Street, GT14D6
Los Angeles, CA 90013-1011

SUBJECT: Establishment of the Pipeline Safety Enhancement Plan Phase 2 Memorandum Account (PSEP-P2MA) and Updated Revenue Requirement Pursuant to Decision (D.) 16-08-003

Dear Mr. Ortiz:

This disposition letter approves Southern California Gas Company's (SoCalGas) Tier 1 Advice Letter (AL) 5017-G-A, which creates a memorandum account for Pipeline Safety Enhancement Plan (PSEP) Phase 2 engineering and design work and updates the utility's revenue requirement to allow SoCalGas interim rate recovery, subject to refund, of 50% of properly recorded PSEP costs.

Background

On August 22, 2016, SoCalGas filed Advice Letter 5017-G requesting approval of the PSEP Phase 2 Memorandum account and updated revenue requirement. On August 31, 2016, supplemental AL 5017-G-A was filed, which replaced the first advice letter in its entirety.

The Utility Reform Network (TURN) filed a protest on September 20, 2016, arguing that the proposal for interim rate recovery included "an incorrect inter-class allocation that would assign to core customers more than their share of the associated costs." TURN was specifically concerned with the method used to allocate high pressure distribution (HPD) costs, maintaining that a functionalized method should be used rather than the Long Run Marginal Cost (LRMC) method.

In its September 27, 2016, reply to TURN's protest, SoCalGas asked the California Public Utilities Commission (CPUC) to clarify which method should be used. SoCalGas noted that in a related PSEP reasonableness review proceeding, Application (A.) 14-12-016, the utility had initially used a functionalized method to allocate PSEP costs for high pressure distribution projects. The Southern California Generation Coalition (SCGC) protested, arguing that the Long Run Marginal Cost method should be used instead. Since no party had challenged SCGC's protest at the time AL 5017-G-A was filed, SoCalGas chose to use the LRMC method in the advice letter.

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The CPUC adopted Decision (D.) 16-12-063 on December 15, 2017, which requires the use of the functionalized method for allocating high pressure distribution costs.

The Proposed Decision for A.14-12-016, distributed on September 9, 2016, supported the use of the LRMC method for high pressure distribution costs. TURN protested the use of the LRMC in its reply comments to the Proposed Decision filed on October 4, 2016.

On November 8, 2016, Commissioner Florio distributed an alternate proposed decision for A.14-12-016, which supported the use of the functionalized method for allocating HPD costs. The alternate proposed decision was approved on December 15, 2016, in D.16-12-063. Conclusion of Law 24 of that decision states as follows:


24. PSEP costs functionalized as high pressure distribution shall be allocated using the existing marginal demand measures for high pressure distribution costs, as initially proposed by the Applicants and consistent with D.14-06-007. This allocation shall be implemented in Applicants' rate change for January 1, 2017.

Beginning January 1, 2017, the revenue requirement for PSEP HPD projects should be calculated using the functionalized method as required by D.16-12-063. SoCalGas filed Tier 1 Advice Letter 5075-G on December 29, 2016, to make this change.

Since AL 5017-G-A was properly filed as a Tier 1 advice letter, it went into effect on September 1, 2016, even though it was suspended by Energy Division on September 29, 2016. The revenue requirement for the period from September 1, 2016, through December 31, 2016, should thus be calculated using the LRMC method for PSEP high pressure distribution projects as described in AL 5017-G-A.

Advice Letter 5017-G-A is approved.

Sincerely,



Edward Randolph
Director, Energy Division

CC: ROrtiz@semprautilities.com
bfinkelstein@turn.org
npedersen@hanmor.com



Ronald van der Leeden

Director
Regulatory Affairs

555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011
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RvanderLeeden@semprautilities.com

August 31, 2016

Advice No. 5017-A
(U 904 G)

Public Utilities Commission of the State of California

Subject: Supplement - Establishment of the Pipeline Safety Enhancement Plan Phase 2 Memorandum Account (PSEP-P2MA) and Updated Revenue Requirement Pursuant to Decision (D.) 16-08-003

Southern California Gas Company (SoCalGas) hereby requests California Public Utilities Commission (Commission) approval of modifications to its Preliminary Statement, Part VI, Memorandum Accounts, applicable throughout its service territory, as shown on Attachment A.

Purpose

This supplemental filing replaces in its entirety Advice No. (AL) 5017, Establishment of the PSEP-P2MA and Updated Revenue Requirement Pursuant to D.16-08-003, filed on August 22, 2016. This supplemental filing accounts for San Diego Gas & Electric Company (SDG&E) Pipeline Safety and Reliability Memorandum Account (PSRMA) system integration adjustment revisions and consolidates the rate revisions in AL 4995-A, Supplement - Triennial Cost Allocation Proceeding (TCAP) Rate Implementation - D.16-06-039, filed on August 1, 2016 and effective September 1, 2016, with the rate revisions included in AL 5017.

AL 5017-A complies with Ordering Paragraph (OP) 1 of D.16-08-003, Decision Authorizing Memorandum Accounts and Interim Rate Increase Subject to Refund. D.16-08-003 granted the request of SoCalGas and SDG&E for the creation of memorandum accounts and adopted the proposal for an interim rate increase subject to refund.

Background

On June 17, 2015, SDG&E and SoCalGas filed Application (A.) 15-06-013 seeking authorization to proceed with Phase 2 of their Pipeline Safety Enhancement Plan (PSEP) and to establish memorandum accounts to record planning and engineering design costs. As part of PSEP Phase 2, SDG&E and SoCalGas intend to pressure test or replace 660

miles of Low-Consequence-Area¹ pipelines that do not have sufficient documentation of a pressure test to at least 1.25 times Maximum Allowable Operating Pressure (MAOP). Phase 2 is also intended to include approximately 1,200 miles of pipelines that were pressure tested prior to the adoption of federal pressure testing regulations in 1971.

On August 18, 2016, the Commission issued D.16-08-003 – Decision Authorizing Memorandum Accounts and Interim Rate Increase Subject to Refund which granted the request of SDG&E and SoCalGas for the creation of memorandum accounts and adopted the proposal for an interim rate increase subject to refund.

Establishment of the PSEP-P2MA

Pursuant to OP 1 of D.16-08-003, SoCalGas is establishing a Pipeline Safety Enhancement Plan Phase 2 Memorandum Account (PSEP-P2MA) to record the planning and engineering costs associated with Phase 2 PSEP projects. SoCalGas will seek amortization of costs properly recorded in the PSEP-P2MA in the reasonableness reviews scheduled for PSEP projects or future General Rate Case(s).

Interim Rate Recovery – 50% of PSEP Revenue Requirements

Pursuant to OP 3.a. of D.16-08-003, SoCalGas is authorized interim rate recovery of 50% of the recorded balances in its Safety Enhancement Expense Balancing Account (SEEBBA), Safety Enhancement Capital Cost Balancing Account (SECCBA) and Pipeline Safety and Reliability Memorandum Account (PSRMA). Based on 50% of SoCalGas' June 30, 2016 balances recorded in these accounts, reduced by amounts currently under review in SoCalGas' PSRMA reasonableness review application, the interim cost recovery for the amortization period beginning September 1, 2016 through December 31, 2017 is \$86 million, without Franchise Fees and Uncollectibles (FF&U). As a result, SoCalGas' 2016 transportation revenue requirement will increase by \$64.5 million, without FF& U (i.e., total revenue requirement of \$86 million times [4 months/total 16-month amortization period] times gross-up factor [12 months/ 4 months 2016 amortization]) for rates effective September 1, 2016. The remaining amortization will be included in January 1, 2017 rates in connection with SoCalGas' annual consolidated rate filing.²

¹ D.16-08-003, mimeo., at 8. To establish Phase 2 memorandum accounts consistent with D.16-08-003, SDG&E's AL 2506-G mirrors the language used in D.16-08-003. SoCalGas and SDG&E understand the term "Low-Consequence-Area" to indicate less populated areas, such as Class 1 and 2 (non-High Consequence Area) locations.

² Future amortization will be updated in connection with SoCalGas' annual regulatory account balance update filing for rates beginning January 1, 2018 and subsequent years based on recorded balances in SoCalGas' SEEBBA, SECCBA and PSRMA, reduced by the revenue requirements associated with costs currently under review through other Commission proceedings, consistent with OP 3.b. of D.16-08-003.

Revenue Requirement Impact by Class of Service

<u>Class of Service</u>	<u>Applicable Rate Schedules</u>	<u>Net M\$ (with FF&U) Increase/(Decrease)</u>
Core	GR, GS, GM, GO-AC, G-NGVR, GL, G-10, G-AC, G-EN, G-NGV	\$26.2
Noncore	GT-F, GT-I, GT-TLS	\$5.4
BTS and Other Services	\$32.3
		<hr/>
TOTAL		\$63.9

Triennial Cost Allocation Proceeding (TCAP) Rate Implementation – (D.) 16-06-039

Pursuant to OPs 1, 4 - 38 of D.16-06-039, SoCalGas and SDG&E filed a rate update in SoCalGas' AL 4995-A and SDG&E's AL 2492-G to adopt an embedded cost of storage of \$83.6 million, to recover the Honor Rancho storage Memorandum Account under-collection, of \$12.6 million, as of December 31, 2015, and to update the storage costs allocation. SoCalGas' AL 4995-A and SDG&E's AL 2492-G-A are to be effective on September 1, 2016.

Sempra-Wide Rate Adjustments and Transmission System Integration (w/FF&U)

The revenue requirement impacts below also include adjustments in the:

- 1) Sempra-wide NGV adjustment of \$0.0 million;
- 2) Sempra-wide EG adjustment of (\$0.02) million;
- 3) Transmission Level Service (TLS) adjustment of \$0.07 million; and
- 4) System Integration adjustment of (\$1.54) million.

The system integration adjustment ensures that customers of SoCalGas and SDG&E pay for the combined transmission costs of both utilities pursuant to D.06-04-033 and SoCalGas' AL 3771. All rate changes are filed to be effective concurrently with the SDG&E gas transportation rates to equalize the Sempra-wide NGV, EG and TLS rates effective September 1, 2016.

Since both TCAP and the PSEP regulatory account balance amortizations are being implemented on September 1, 2016, the net impact of to the Revenue Requirement of both proceedings are shown below:

PSEP and TCAP Revenue Requirement Impact by Class of Service

<u>Class of Service</u>	<u>Applicable Rate Schedules</u>	<u>Net M\$ (with FF&U) Increase/(Decrease)</u>
Core	GR, GS, GM, GO-AC, G-NGVR, GL, G-10, G-AC, G-EN, G-NGV	\$37.8
Noncore	GT-F, GT-I, GT-TLS	\$9.9
BTS and Other Services	\$28.6
TOTAL		<hr/> \$76.3

Protest

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 September 20, 2016. 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
Attention: 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 1 (effective pending disposition) pursuant to General Order (GO) 96-B. This filing is in compliance with D.16-08-003, and therefore, SoCalGas respectfully requests that

this Advice Letter become effective for service on and after September 1, 2016, concurrent with the September 2016 core monthly pricing Advice Letter.

Notice

A copy of this Advice Letter is being sent to SoCalGas' GO 96-B service list and the Commission's service list in A.15-06-013, et al. Address change requests to the GO 96-B should be directed by electronic mail to tariffs@socalgas.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) #: 5017-A

Subject of AL: Supplement - Establishment of the Pipeline Safety Enhancement Plan Phase 2
Memorandum Account (PSEP-P2MA) and Updated Revenue Requirement Pursuant to Decision (D.) 16-08-003

Keywords (choose from CPUC listing): Balancing Account; Memorandum 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.16-08-003

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: 9/1/16

No. of tariff sheets: 41

Estimated system annual revenue effect (%): 2.8%

Estimated system average rate effect (%): 2.8%

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: PS II, PS V, PS VI, PS XI, GR, GS, GM, GO-AC, G-NGVR, GL, G-10, G-AC, G-NGV, GT-F, GT-I, GT-TLS, G-BTS, and TOCs

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

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. 5017-A

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 53077-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 1	Revised 52963-G Revised 53028-G, 53000- G
Revised 53078-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 2	Revised 52964-G Revised 53001-G
Revised 53079-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 3	Revised 52965-G Revised 53030-G, 53002- G
Revised 53080-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 4	Revised 52966-G Revised 53031-G, 52800- G
Revised 53081-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 5	Revised 52967-G Revised 53032-G, 52801- G
Revised 53082-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 6	Revised 52968-G Revised 53033-G, 53003- G
Revised 53083-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 11	Revised 52969-G Revised 53034-G, 52918- G
Revised 53084-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 12	Revised 52970-G Revised 53035-G, 52919- G
Revised 53085-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 13	Revised 52971-G Revised 53036-G, 52920- G
Revised 53086-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 14	Revised 52972-G Revised 53037-G, 52806- G
Revised 53087-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, SAFETY ENHANCEMENT CAPITAL COST, BALANCING ACCOUNT (SECCBA), Sheet 2	Revised 53038-G Original 52333-G
Revised 53088-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, SAFETY ENHANCEMENT EXPENSE BALANCING ACCOUNT (SEEBA)	Revised 53039-G Revised 52334-G
Revised 53089-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, DESCRIPTION AND LISTING OF MEMORANDUM ACCOUNTS, Sheet 1	Revised 53040-G Revised 52585-G
Revised 53090-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, PIPELINE	Revised 53041-G Revised 50527-G

ATTACHMENT A
Advice No. 5017-A

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
	SAFETY AND RELIABILITY MEMORANDUM ACCOUNT (PSRMA), Sheet 2	
Original 53091-G	PRELIMINARY STATEMENT - PART VI – MEMORANDUM ACCOUNTS, PIPELINE SAFETY ENHANCEMENT PLAN – PHASE 2 MEMORANDUM ACCOUNT, (PSEP-P2MA), Sheet 1	Original 53042-G
Revised 53092-G	PRELIMINARY STATEMENT, PART XI, PERFORMANCE BASED REGULATION, Sheet 7	Revised 52974-G Revised 53043-G, 52812- G
Revised 53093-G	Schedule No. GR, RESIDENTIAL SERVICE, (Includes GR, GR-C and GT-R Rates), Sheet 1	Revised 52975-G Revised 53044-G, 53004- G
Revised 53094-G	Schedule No. GS, SUBMETERED MULTI- FAMILY SERVICE, (Includes GS, GS-C and GT-S Rates), Sheet 2	Revised 52976-G Revised 53045-G, 53005- G
Revised 53095-G	Schedule No. GM, MULTI-FAMILY SERVICE, (Includes GM-E, GM-C, GM-EC, GM-CC, GT- ME, GT-MC and all GMB Rates), Sheet 2	Revised 52977-G Revised 53046-G, 53006- G
Revised 53096-G	Schedule No. GM, MULTI-FAMILY SERVICE, (Includes GM-E, GM-C, GM-EC, GM-CC, GT- ME, GT-MC and all GMB Rates), Sheet 3	Revised 52978-G Revised 53047-G, 53007- G
Revised 53097-G	SCHEDULE NO. GO-AC, OPTIONAL RATES FOR CUSTOMERS PURCHASING NEW GAS, AIR CONDITIONING EQUIPMENT (Includes GO-AC and GTO-AC Rates), Sheet 1	Revised 52979-G Revised 53048-G, 52925- G
Revised 53098-G	Schedule No. G-NGVR, NATURAL GAS SERVICE FOR HOME REFUELING OF MOTOR VEHICLES, (Includes G-NGVR, G- NGVRC and GT-NGVR Rates), Sheet 1	Revised 52980-G Revised 53049-G, 53008- G
Revised 53099-G	Schedule No. GL, STREET AND OUTDOOR LIGHTING, NATURAL GAS SERVICE, Sheet 1	Revised 52981-G Revised 53050-G, 52927- G
Revised 53100-G	Schedule No. G-10, CORE COMMERCIAL AND INDUSTRIAL SERVICE, (Includes GN- 10, GN-10C and GT-10 Rates), Sheet 2	Revised 52982-G Revised 53051-G, 53009- G
Revised 53101-G	Schedule No. G-AC, CORE AIR	Revised 52983-G

ATTACHMENT A
Advice No. 5017-A

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
	CONDITIONING SERVICE FOR COMMERCIAL AND INDUSTRIAL, (Includes G-AC, G-ACC and GT-AC Rates), Sheet 1	Revised 53052-G, 53010- G
Revised 53102-G	Schedule No. G-NGV, NATURAL GAS SERVICE FOR MOTOR VEHICLES, (Includes G-NGU, G-NGUC, G-NGC and GT-NGU Rates), Sheet 1	Revised 52984-G Revised 53053-G, 53012- G
Revised 53103-G	Schedule No. G-NGV, NATURAL GAS SERVICE FOR MOTOR VEHICLES, (Includes G-NGU, G-NGUC, G-NGC and GT-NGU Rates), Sheet 2	Revised 52985-G Revised 53054-G, 53013- G
Revised 53104-G	Schedule No. GT-F, FIRM INTRASTATE TRANSPORTATION SERVICE, FOR DISTRIBUTION CUSTOMERS, Sheet 1	Revised 52986-G Revised 53055-G, 52824- G
Revised 53105-G	Schedule No. GT-F, FIRM INTRASTATE TRANSPORTATION SERVICE, FOR DISTRIBUTION CUSTOMERS, Sheet 2	Revised 52987-G Revised 53056-G, 52825- G
Revised 53106-G	Schedule No. GT-I, INTERRUPTIBLE INTRASTATE TRANSPORTATION SERVICE, FOR DISTRIBUTION LEVEL CUSTOMERS, Sheet 1	Revised 52988-G Revised 53057-G, 52826- G
Revised 53107-G	Schedule No. GT-I, INTERRUPTIBLE INTRASTATE TRANSPORTATION SERVICE, FOR DISTRIBUTION LEVEL CUSTOMERS, Sheet 2	Revised 52989-G Revised 53058-G, 52827- G
Revised 53108-G	Schedule No. GT-TLS, INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 2	Revised 52990-G Revised 53059-G, 52828- G
Revised 53109-G	Schedule No. GT-TLS, INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 3	Revised 52991-G Revised 53060-G, 52829- G
Revised 53110-G	Schedule No. GT-TLS, INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 4	Revised 52992-G Revised 53061-G, 52830- G
Revised 53111-G	Schedule No. G-BTS, BACKBONE TRANSPORTATION SERVICE, Sheet 3	Revised 53062-G Revised 52832-G
Revised 53112-G	TABLE OF CONTENTS	Revised 53016-G
Revised 53113-G	TABLE OF CONTENTS	Revised 53071-G

ATTACHMENT A
Advice No. 5017-A

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 53114-G	TABLE OF CONTENTS	Revised 53072-G
Revised 53115-G	TABLE OF CONTENTS	Revised 52957-G
Revised 53116-G	TABLE OF CONTENTS	Revised 52958-G
Revised 53117-G	TABLE OF CONTENTS	Revised 52837-G

PRELIMINARY STATEMENT
PART II
SUMMARY OF RATES AND CHARGES

Sheet 1

RESIDENTIAL CORE SERVICE

Schedule GR (Includes GR, GR-C and GT-R Rates)

	Baseline <u>Usage</u>	Non-Baseline <u>Usage</u>	Customer Charge <u>per meter, per day</u>	
GR ^{1/}	96.712¢	122.712¢	16.438¢	I,I
GR-C ^{2/}	96.712¢	122.712¢	16.438¢	
GT-R	60.562¢	86.562¢	16.438¢	I,I

Schedule GS (Includes GS, GS-C and GT-S Rates)

GS ^{1/}	96.712¢	122.712¢	16.438¢	I,I
GS-C ^{2/}	96.712¢	122.712¢	16.438¢	
GT-S	60.562¢	86.562¢	16.438¢	I,I

Schedule GM (Includes GM-E, GM-C, GM-EC, GM-CC, GT-ME, GT-MC, and all GMB Rates)

GM-E ^{1/}	96.712¢	122.712¢	16.438¢	I,I
GM-C ^{1/}	N/A	122.712¢	16.438¢	I
GM-EC ^{2/}	96.712¢	122.712¢	16.438¢	I,I
GM-CC ^{2/}	N/A	122.712¢	16.438¢	I
GT-ME	60.562¢	86.562¢	16.438¢	I,I
GT-MC	N/A	86.562¢	16.438¢	I
GM-BE ^{1/}	56.224¢	64.910¢	\$12.289	I,R
GM-BC ^{1/}	N/A	64.910¢	\$12.289	R
GM-BEC ^{2/}	56.224¢	64.910¢	\$12.289	I,R
GM-BCC ^{2/}	N/A	64.910¢	\$12.289	R
GT-MBE	20.074¢	28.760¢	\$12.289	I,R
GT-MBC	N/A	28.760¢	\$12.289	R

^{1/} The residential core procurement charge as set forth in Schedule No. G-CP is 35.628¢/therm which includes the core brokerage fee.

^{2/} The residential cross-over rate as set forth in Schedule No. G-CP is 35.628¢/therm which includes the core brokerage fee.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5017-A
 DECISION NO. 16-08-003

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED Aug 31, 2016
 EFFECTIVE Sep 1, 2016
 RESOLUTION NO. _____

PRELIMINARY STATEMENT
 PART II
 SUMMARY OF RATES AND CHARGES

Sheet 2

(Continued)

RESIDENTIAL CORE SERVICE (Continued)

Schedule G-NGVR (Includes G-NGVR, G-NGVRC and GT-NGVR, Rates)

	All Usage	Customer Charge per meter, per day
G-NGVR ^{1/}	59.093¢	32.877¢
G-NGVRC ^{2/}	59.093¢	32.877¢
GT-NGVR	22.943¢	32.877¢

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|
I

NON-RESIDENTIAL CORE SERVICE

Schedule G-10 ^{3/} (Includes GN-10, GN-10C and GT-10 Rates)

	<u>Tier I</u>	<u>Tier II</u>	<u>Tier III</u>
GN-10 ^{1/}	100.600¢	74.324¢	56.706¢
GN-10C ^{2/}	100.600¢	74.324¢	56.706¢
GT-10	64.450¢	38.174¢	20.556¢

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I,I,I

Customer Charge
 Per meter, per day:

All customers except "Space Heating Only"	49.315¢
"Space Heating Only" customers:	
Beginning Dec. 1 through Mar. 31	\$1.48760
Beginning Apr. 1 through Nov. 30	None

^{1/} The core procurement charge as set forth in Schedule No. G-CP is 35.628¢/therm which includes the core brokerage fee.

^{2/} The cross-over rate as set forth in Schedule No. G-CP is 35.628¢/therm which includes the core brokerage fee.

^{3/} Schedule GL rates are set commensurate with GN-10 rate in Schedule G-10.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5017-A
 DECISION NO. 16-08-003

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED Aug 31, 2016
 EFFECTIVE Sep 1, 2016
 RESOLUTION NO. _____

PRELIMINARY STATEMENT
 PART II
SUMMARY OF RATES AND CHARGES

Sheet 3

(Continued)

NON-RESIDENTIAL CORE SERVICE (Continued)

Schedule G-AC

G-AC ^{1/} : rate per therm	56.106¢	I
G-ACC ^{2/} : rate per therm	56.106¢	
GT-AC: rate per therm	19.956¢	I
Customer Charge: \$150/month		

Schedule G-EN

G-EN ^{1/} : rate per therm	48.328¢	
G-ENC ^{2/} : rate per therm	48.328¢	
GT-EN: rate per therm	12.178¢	
Customer Charge: \$50/month		

Schedule G-NGV

G-NGU ^{1/} : rate per therm	57.588¢	I
G-NGUC ^{2/} : rate per therm	57.588¢	
G-NGU plus G-NGC Compression Surcharge	162.592¢	
G-NGUC plus G-NGC Compression Surcharge	162.592¢	
GT-NGU	21.960¢	I
P-1 Customer Charge: \$13/month		
P-2A Customer Charge: \$65/month		

NONCORE RETAIL SERVICE

Schedules GT-F & GT-I

Noncore Commercial/Industrial (GT-F3 & GT-I3)

Customer Charge:	
GT-F3D/GT-I3D: Per month	\$350

Transportation Charges: (per therm)

GT-F3D/GT-I3D:		
Tier I 0 - 20,833 Therms	15.899¢	I
Tier II 20,834 - 83,333 Therms	9.792¢	
Tier III 83,334 - 166,667 Therms	5.885¢	
Tier IV Over 166,667 Therms	3.094¢	I

Enhanced Oil Recovery (GT-F4 & GT-I4)

Transportation Charge	5.618¢	I
Customer Charge: \$500/month		

(Continued)

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 DECISION NO. 16-08-003

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PRELIMINARY STATEMENT
PART II
SUMMARY OF RATES AND CHARGES

Sheet 4

(Continued)

NONCORE RETAIL SERVICE (Continued)

Schedules GT-NC (Continued)

Electric Generation (GT-F5 & GT-I5)

For customers using less than 3 million therms per year

Transportation Charge 14.454¢ I

Customer Charge: \$50

For customers using 3 million therms or more per year

Transportation Charge 4.379¢ I

Customer Charge: N/A

Schedule GT-TLS (Commercial/Industrial)

GT-3CA, Class-Average Volumetric Rate Option

Volumetric Charge 1.843¢ I

GT-3RS, Reservation Rate Option

Reservation Rate, per therm per day 0.619¢ I

Usage Charge, per therm 1.010¢ |

Volumetric Transportation Charge for Non-Bypass Customers 2.067¢ |

Volumetric Transportation Charge for Bypass Customers 2.365¢ I

Schedule GT-TLS (Enhanced Oil Recovery)

GT-4CA, Class-Average Volumetric Rate Option

Volumetric Charge 1.555¢ I

GT-4RS, Reservation Rate Option

Reservation Rate, per therm per day 0.619¢ I

Usage Charge, per therm 0.722¢ |

Volumetric Transportation Charge for Non-Bypass Customers 1.779¢ |

Volumetric Transportation Charge for Bypass Customers 2.077¢ I

Schedule GT-TLS (Electric Generation)

GT-5CA, Class-Average Volumetric Rate Option

Volumetric Charge 1.555¢ I

GT-5RS, Reservation Rate Option

Reservation Rate, per therm per day 0.619¢ I

Usage Charge, per therm 0.722¢ |

Volumetric Transportation Charge for Non-Bypass Customers 1.779¢ |

Volumetric Transportation Charge for Bypass Customers 2.077¢ I

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PRELIMINARY STATEMENT
 PART II
SUMMARY OF RATES AND CHARGES

Sheet 5

(Continued)

WHOLESALE SERVICE

Schedule GT-TLS (Long Beach)

GT-7CA, Class-Average Volumetric Rate Option

Volumetric Charge 1.485¢

I

GT-7RS, Reservation Rate Option

Reservation Rate, per therm per day 0.617¢

I

Usage Charge, per therm 0.654¢

|

Volumetric Transportation Charge for Non-Bypass Customers 1.707¢

|

Volumetric Transportation Charge for Bypass Customers 2.004¢

I

Schedule GT-TLS (San Diego Gas & Electric)

GT-8CA, Class-Average Volumetric Rate Option

Volumetric Charge 1.239¢

I

Schedule GT-TLS (Southwest Gas)

GT-9CA, Class-Average Volumetric Rate Option

Volumetric Charge 1.485¢

I

GT-9RS, Reservation Rate Option

Reservation Rate, per therm per day 0.617¢

I

Usage Charge, per therm 0.654¢

|

Volumetric Transportation Charge for Non-Bypass Customers 1.707¢

|

Volumetric Transportation Charge for Bypass Customers 2.004¢

I

Schedule GT-TLS (City of Vernon)

GT-10CA, Class-Average Volumetric Rate Option

Volumetric Charge 1.485¢

I

GT-10RS, Reservation Rate Option

Reservation Rate, per therm per day 0.617¢

I

Usage Charge, per therm 0.654¢

|

Volumetric Transportation Charge for Non-Bypass Customers 1.707¢

|

Volumetric Transportation Charge for Bypass Customers 2.004¢

I

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PRELIMINARY STATEMENT
 PART II
SUMMARY OF RATES AND CHARGES

Sheet 6

(Continued)

WHOLESALE (Continued)

Schedule GT-TLS (ECOGAS)

GT-12CA, Class-Average Volumetric Rate Option		
Volumetric Charge	1.485¢	I
GT-12RS, Reservation Rate Option		
Reservation Rate, per therm per day	0.617¢	I
Usage Charge, per therm	0.654¢	
Volumetric Transportation Charge for Non-Bypass Customers	1.707¢	
Volumetric Transportation Charge for Bypass Customers	2.004¢	I

PROCUREMENT CHARGE

Schedule G-CP

Non-Residential Core Procurement Charge, per therm	35.628¢
Non-Residential Cross-Over Rate, per therm	35.628¢
Residential Core Procurement Charge, per therm	35.628¢
Residential Cross-Over Rate, per therm	35.628¢
Adjusted Core Procurement Charge, per therm	35.468¢

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)	
June 2016	46.651¢
July 2016	51.768¢
August 2016	TBD*
Noncore Retail Standby (SP-NR)	
June 2016	46.757¢
July 2016	51.874¢
August 2016	TBD*
Wholesale Standby (SP-W)	
June 2016	46.757¢
July 2016	51.874¢
August 2016	TBD*

*To be determined (TBD). Pursuant to Resolution G-3316, the Standby Charges will be filed by a separate advice letter at least one day prior to September 25.

(Continued)

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PRELIMINARY STATEMENT
 PART II
SUMMARY OF RATES AND CHARGES

Sheet 11

(Continued)

RATE COMPONENT SUMMARY

CORE

Residential Sales Service

Charge
(per therm)

Base Margin	65.497¢	I
Other Operating Costs and Revenues	5.568¢	
Regulatory Account Amortization	11.496¢	I
EOR Revenue allocated to Other Classes	(0.255¢)	R
EOR Costs allocated to Other Classes	0.202¢	I
Gas Engine Rate Cap Adjustment	0.068¢	I
Sempra-Wide Adjustment (NGV Only)	0.000¢	
Procurement Rate (w/o Brokerage Fee)	35.468¢	
Core Brokerage Fee Adjustment	0.160¢	

Total Costs	118.205¢	I

Non-Residential - Commercial/Industrial

Charge
(per therm)

Base Margin	30.157¢	I
Other Operating Costs and Revenues	1.172¢	
Regulatory Account Amortization	12.358¢	I
EOR Revenue allocated to Other Classes	(0.117¢)	R
EOR Costs allocated to Other Classes	0.093¢	I
Gas Engine Rate Cap Adjustment	0.032¢	I
Sempra-Wide Adjustment (NGV Only)	0.000¢	
Procurement Rate (w/o Brokerage Fee)	35.468¢	
Core Brokerage Fee Adjustment	0.160¢	

Total Costs	79.323¢	I

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PRELIMINARY STATEMENT
 PART II
SUMMARY OF RATES AND CHARGES

Sheet 12

(Continued)

RATE COMPONENT SUMMARY (Continued)

CORE (Continued)

Non-Residential - Air Conditioning

Charge
(per therm)

Base Margin	9.621¢	I
Other Operating Costs and Revenues	0.626¢	
Regulatory Account Amortization	12.849¢	I
EOR Revenue allocated to Other Classes	(0.037¢)	R
EOR Costs allocated to Other Classes	0.030¢	I
Gas Engine Rate Cap Adjustment	0.010¢	
Sempra-Wide Adjustment (NGV Only)	0.000¢	
Procurement Rate (w/o Brokerage Fee)	35.468¢	
Core Brokerage Fee Adjustment	0.160¢	

Total Costs	58.726¢	I

Non-Residential - Gas Engine

Charge
(per therm)

Base Margin	13.261¢	I
Other Operating Costs and Revenues	0.712¢	
Regulatory Account Amortization	12.728¢	I
EOR Revenue allocated to Other Classes	(0.052¢)	R
EOR Costs allocated to Other Classes	0.041¢	I
Gas Engine Rate Cap Adjustment	(11.458¢)	R
Sempra-Wide Adjustment (NGV Only)	0.000¢	
Procurement Rate (w/o Brokerage Fee)	35.468¢	
Core Brokerage Fee Adjustment	0.160¢	

Total Costs	50.860¢	

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PRELIMINARY STATEMENT
 PART II
SUMMARY OF RATES AND CHARGES

Sheet 13

(Continued)

RATE COMPONENT SUMMARY (Continued)

CORE (Continued)

Non-Residential - NGV

	<u>Charge</u> (per therm)	
Base Margin	9.044¢	I
Other Operating Costs and Revenues	0.590¢	
Regulatory Account Amortization	12.715¢	I
EOR Revenue allocated to Other Classes	(0.035¢)	R
EOR Costs allocated to Other Classes	0.028¢	I
Gas Engine Rate Cap Adjustment	0.009¢	
Sempra-Wide Adjustment (NGV Only)	0.847¢	I
Procurement Rate (w/o Brokerage Fee)	35.468¢	
Core Brokerage Fee Adjustment	0.160¢	

Total Costs	58.826¢	I

NON-CORE

Commercial/Industrial - Distribution

	<u>Charge</u> (per therm)	
Base Margin	6.199¢	I
Other Operating Costs and Revenues	0.205¢	
Regulatory Account Amortization	0.854¢	I
EOR Revenue allocated to Other Classes	(0.024¢)	R
EOR Costs allocated to Other Classes	0.019¢	I

Total Transportation Related Costs	7.253¢	I

Distribution Electric Generation

	<u>Charge</u> (per therm)	
Base Margin	5.753¢	I
Other Operating Costs and Revenues	0.182¢	
Regulatory Account Amortization	0.551¢	I
EOR Revenue allocated to Other Classes	(0.022¢)	R
EOR Costs allocated to Other Classes	0.018¢	I
Sempra-Wide Common Adjustment (EG Only)	(0.804¢)	R

Total Transportation Related Costs	5.678¢	I

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PRELIMINARY STATEMENT
PART II
SUMMARY OF RATES AND CHARGES

Sheet 14

(Continued)

RATE COMPONENT SUMMARY (Continued)

NON-CORE (Continued)

Distribution EOR and EG

	<u>Charge</u> (per therm)
Base Margin	5.753¢
Other Operating Costs and Revenues	0.182¢
Regulatory Account Amortization	0.551¢
EOR Revenue allocated to Other Classes	(0.022¢)
EOR Costs allocated to Other Classes	0.018¢
Sempra-Wide Adjustment (EG Only)	(0.804¢)

Total Transportation Related Costs	5.678¢

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Wholesale - San Diego Gas & Electric

	<u>Charge</u> (per therm)
Base Margin	0.764¢
Other Operating Costs and Revenues	0.128¢
Regulatory Account Amortization	0.348¢
EOR Revenue allocated to Other Classes	(0.003¢)
EOR Costs allocated to Other Classes	0.002¢

Total Transportation Related Costs	1.239¢

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Transmission Level Service (TLS)

	<u>Charge</u> (per therm)
Base Margin	0.891¢
Other Operating Costs and Revenues	0.159¢
Regulatory Account Amortization	0.586¢
EOR Revenue allocated to Other Classes	(0.003¢)
EOR Costs allocated to Other Classes	0.003¢
TLS Adjustment	(0.069¢)

Total Transportation Related Costs	1.567¢

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PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
SAFETY ENHANCEMENT CAPITAL COST
BALANCING ACCOUNT (SECCBA)

Sheet 2

(Continued)

5. Disposition

Pursuant to D.14-06-007, SoCalGas is required to file cost recovery applications to review the reasonableness of the completed PSEP capital projects and the capital-related costs recorded in the SECCBA. SoCalGas may file annual applications after December 31, 2015 to seek recovery of the SECCBA. Pursuant to OP 3.a. of D.16-08-003, SoCalGas is authorized interim rate recovery of 50% of the recorded SECCBA balance, subject to refund. The SECCBA balance for determining interim rate recovery shall be reduced by amounts currently under Commission review. Upon Commission approval of the application or advice letter requesting interim rate recovery, SoCalGas will amortize the SECCBA balance in rates.

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PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
SAFETY ENHANCEMENT EXPENSE BALANCING ACCOUNT (SEEBA)

1. Purpose

The SEEBA is an interest bearing balancing account recorded on SoCalGas' financial statements. Pursuant to Decision (D.) 14-06-007, SoCalGas' 2013 Triennial Cost Allocation Proceeding (TCAP), and modified by D.15-12-020, the SEEBA will record incremental operating & maintenance (O&M) costs associated with SoCalGas' Pipeline Safety Enhancement Plan (PSEP). SoCalGas will begin recording costs effective June 12, 2014, the date of the 2013 TCAP decision.

2. Applicability

See Disposition section.

3. Rates

The balance in the SEEBA will be included in gas rates upon Commission approval.

4. Accounting Procedures

SoCalGas shall maintain the SEEBA by recording entries at the end of each month, net of applicable FF&U, as follows:

- a) A debit entry equal to the incremental O&M costs related to SoCalGas' PSEP excluding the cost for pressure testing of pipeline segments installed after 1955 "where pressure test records are not available that provide the minimum information to demonstrate compliance with the industry or regulatory strength testing and record keeping requirements then applicable" (See D.15-12-020, at 24; Ordering Paragraph 1);
- b) An entry equal to the amortization of the SEEBA balance as authorized by the Commission; and
- c) An entry equal to interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

5. Disposition

Pursuant to D.14-06-007, SoCalGas is required to file cost recovery applications to review the reasonableness of the PSEP O&M costs recorded in the SEEBA. SoCalGas may file annual applications after December 31, 2015 to seek recovery of the SEEBA. Pursuant to OP 3.a. of D.16-08-003, SoCalGas is authorized interim rate recovery of 50% of the recorded SEEBA balance, subject to refund. The SEEBA balance for determining interim rate recovery shall be reduced by amounts currently under Commission review. Upon Commission approval of the application or advice letter requesting interim rate recovery, SoCalGas will amortize the SEEBA balance in rates.

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PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS Sheet 1
DESCRIPTION AND LISTING OF MEMORANDUM ACCOUNTS

A. GENERAL

Memorandum accounts are special accounts authorized by the Commission for the purpose of tracking certain costs and revenues. Please refer to each individual memorandum account description for the specific accounting treatment applicable to each account.

B. LISTING OF MEMORANDUM ACCOUNTS

- PCB Expense Account (PCBEA)
- Research Development and Demonstration Expense Account (RDDEA)
- Curtailed Violation Penalty Account (CVPA)
- Economic Practicality Shortfall Memorandum Account (EPSMA)
- Catastrophic Event Memorandum Account (CEMA)
- Vernon Avoided Distribution Cost Memorandum Account (VADCMA)
- Vernon Negotiated Core Contract Memorandum Account (VNCCMA)
- Research Royalty Memorandum Account (RRMA)
- Intervenor Award Memorandum Account (IAMA)
- Z Factor Account (ZFA)
- Self-Generation Program Memorandum Account (SGPMA)
- FERC Settlement Proceeds Memorandum Account (FSPMA)
- Gain/Loss On Sale Memorandum Account (GLOSMA)
- Affiliate Transfer Fee Account (ATFA)
- Firm Access and Storage Rights Memorandum Account (FASRMA)
- System Reliability Memorandum Account (SRMA)
- Fire Hazard Prevention Memorandum Account (FHPMA)
- California Solar Initiative Thermal Program Memorandum Account (CSITPMA)
- Honor Rancho Storage Memorandum Account (HRSMA)
- Wildfire Expense Memorandum Account (WEMA)
- Honor Rancho Cost Recovery Memorandum Account (HRCRMA)
- Natural Gas Appliance Testing Memorandum Account (NGATMA)
- Energy Savings Assistance Programs Memorandum Account (ESAPMA)
- General Rate Case Memorandum Account (GRCMA)
- Pipeline Safety and Reliability Memorandum Account (PSRMA)
- Aliso Canyon Memorandum Account (ACMA)
- Energy Data Request Memorandum Account (EDRMA)
- Residential Disconnect Memorandum Account (RDMA)
- Greenhouse Gas Memorandum Account (GHGMA)
- General Rate Case Memorandum Account 2016 (GRCMA2016)
- Operational Flow Cost Memorandum Account (OFCMA)
- Deductible Tax Repairs Benefits Memorandum Account (DTRBMA)
- Aliso Canyon Revenue and Cost Memorandum Account (ACRCMA)
- Assembly Bill 802 Memorandum Account (AB802MA)
- Marketing, Education and Outreach Memorandum Account (MEOMA)
- Emergency Energy Savings Assistance Program Memorandum Account (EESAPMA)

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PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS
PIPELINE SAFETY AND RELIABILITY MEMORANDUM ACCOUNT (PSRMA)

Sheet 2

(Continued)

4. Accounting Procedures (Continued)

- d) An entry equal to the amortization of the PSRMA balance as authorized by the Commission;
and
- e) An entry equal to the interest on the average balance in the account during the month,
calculated in the manner described in the Preliminary Statement, Part I, J.

5. Disposition

Pursuant to D.14-06-007, SoCalGas is required to file a separate application to review the reasonableness of costs recorded in the PSRMA for recovery in rates. Pursuant to OP 3.a. of D.16-08-003, SoCalGas is authorized interim rate recovery of 50% of the recorded PSRMA balance, subject to refund. The PSRMA balance for determining interim rate recovery shall be reduced by amounts currently under Commission review. Upon Commission approval of the application or advice letter requesting interim rate recovery, SoCalGas will amortize the PSRMA balance in rates.

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PRELIMINARY STATEMENT - PART VI – MEMORANDUM ACCOUNTS Sheet 1
PIPELINE SAFETY ENHANCEMENT PLAN – PHASE 2 MEMORANDUM ACCOUNT
(PSEP-P2MA)

1. Purpose

The PSEP-P2MA is an interest bearing memorandum account recorded on SoCalGas' financial statements and is authorized by Decision (D.) 16-08-003. The purpose of the PSEP-P2MA is to record the incremental costs associated with planning and engineering for Phase 2 PSEP projects. The PSEP-P2MA will record O&M and capital-related costs.

2. Applicability

This account shall apply to all gas customers except for those specifically excluded by the Commission.

3. Rates

See Disposition Section.

4. Accounting Procedures

SoCalGas shall maintain the PSEP-P2MA by recording entries at the end of each month as follows, net of FF&U, where applicable:

- a) A debit entry equal to the actual incremental operating and maintenance (O&M) costs for the implementation of SoCalGas' PSEP-P2 as authorized in D.16-08-003;
- b) A debit entry equal to the actual incremental capital-related revenue requirements (i.e., depreciation, taxes and return) for the implementation of SoCalGas' PSEP-P2 as authorized in D.16-08-003;
- c) An entry equal to amortization authorized by the Commission; and
- d) An entry equal to the interest on the average balance in the account during the month, calculated in the manner described in the Preliminary Statement, Part I, J.

5. Disposition

Pursuant to D.16-08-003, Ordering Paragraph 1, SoCalGas is authorized to seek amortization of costs in the reasonableness reviews scheduled for PSEP projects or future General Rate Case(s) (GRC). The balance in the PSEP-P2MA shall be allocated consistent with the existing cost allocation and rate design for the SoCalGas as set forth in Triennial Cost Allocation Proceeding D.14-06-007, Ordering Paragraph 9.

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PRELIMINARY STATEMENT
PART XI
PERFORMANCE BASED REGULATION

Sheet 7

(Continued)

F. CORE PRICING FLEXIBILITY (Continued)

2. Class Average Long Run Marginal Cost (LRMC) Floor Rates

- a. D.98-01-040, Finding of Fact No. 5, allows SoCalGas the option to discount core transportation rates down to a LRMC floor rate; however, SoCalGas may not discount the cost of gas. For this program, the LRMC floor rate includes the following components: customer related, medium-pressure distribution, high-pressure distribution, transmission, seasonal storage, load balancing, company use transmission, unaccounted for gas, and interstate pipeline demand charges. In addition to these components, the full transportation rate includes the following components: non-marginal costs in base margin, PITCO/POPCO transition costs, core averaging costs, and other exclusion costs.
- b. The following table lists the full transportation rates authorized by D.14-06-007, and the class average LRMC floor rates authorized by D.98-01-040. LRMC Floor Rates were updated with new values established in D.00-04-060, D.01-12-018, and SoCalGas Advice No. 4053, effective January 1, 2010. Full Transportation Rates are updated with new values established in D.16-08-003 and Advice No. 5017-A effective September 1, 2016. The floor rates represent the lowest possible average annual rate by class under which SoCalGas can serve gas. These rates represent a starting point for the program and, pursuant to Commission order, may be modified in future rate proceedings.

<u>Class</u>	<u>Full Transportation Rate</u>	<u>LRMC Floor Rate</u>
Residential	82.6 cents/therm	23.3 cents/therm
G-10, 0 to 3 Mth	71.0 cents/therm	36.2 cents/therm
G-10, 3-50 Mth	40.6 cents/therm	10.8 cents/therm
G-10, 50-250 Mth	25.0 cents/therm	6.5 cents/therm
G-10, >250Mth	23.0 cents/therm	4.2 cents/therm
Gas A/C	23.1 cents/therm	5.7 cents/therm
Gas Engines	15.2 cents/therm	4.9 cents/therm
NGV	23.2 cents/therm	3.7 cents/therm

- c. Optional tariffs or negotiated rate contracts that would result in average annual rates below class average LRMC will be subject to Commission approval through the Expedited Application Docket (EAD) process.
- d. With prior Commission approval under the EAD process, SoCalGas may discount average annual rates to a floor of customer-specific LRMC that includes the full interstate pipeline reservation charges allocated to core customers.

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Schedule No. GR
RESIDENTIAL SERVICE
 (Includes GR, GR-C and GT-R Rates)

Sheet 1

APPLICABILITY

The GR rate is applicable to natural gas procurement service to individually metered residential customers.

The GR-C, cross-over rate, is a core procurement option for individually metered residential core transportation customers with annual consumption over 50,000 therms, as set forth in Special Condition 10.

The GT-R rate is applicable to Core Aggregation Transportation (CAT) service to individually metered residential customers, as set forth in Special Condition 11.

The California Alternate Rates for Energy (CARE) discount of 20%, reflected as a separate line item on the bill, is applicable to income-qualified households that meet the requirements for the CARE program as set forth in Schedule No. G-CARE.

TERRITORY

Applicable throughout the service territory.

RATES

	<u>GR</u>	<u>GR-C</u>	<u>GT-R</u>
Customer Charge, per meter per day:	16.438¢	16.438¢	16.438¢

For "Space Heating Only" customers, a daily Customer Charge applies during the winter period from November 1 through April 30 ^{1/} :	33.149¢	33.149¢	33.149¢
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Baseline Rate, per therm (baseline usage defined in Special Conditions 3 and 4):

Procurement Charge: ^{2/}	35.628¢	35.628¢	N/A
Transmission Charge: ^{3/}	61.084¢	61.084¢	60.562¢
Total Baseline Charge:	96.712¢	96.712¢	60.562¢

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Non-Baseline Rate, per therm (usage in excess of baseline usage):

Procurement Charge: ^{2/}	35.628¢	35.628¢	N/A
Transmission Charge: ^{3/}	87.084¢	87.084¢	86.562¢
Total Non-Baseline Charge:	122.712¢	122.712¢	86.562¢

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^{1/} For the summer period beginning May 1 through October 31, with some exceptions, usage will be accumulated to at least 20 Ccf (100 cubic feet) before billing.

(Footnotes continue next page.)

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Schedule No. GS Sheet 2
SUBMETERED MULTI-FAMILY SERVICE
 (Includes GS, GS-C and GT-S Rates)

(Continued)

RATES (Continued)

	<u>GS</u>	<u>GS-C</u>	<u>GT-S</u>	
<u>Baseline Rate</u> , per therm (baseline usage defined in Special Conditions 3 and 4):				
Procurement Charge: ^{2/}	35.628¢	35.628¢	N/A	
Transmission Charge: ^{3/}	61.084¢	61.084¢	60.562¢	I,I,I
Total Baseline Charge:	96.712¢	96.712¢	60.562¢	I,I,I
<u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):				
Procurement Charge: ^{2/}	35.628¢	35.628¢	N/A	
Transmission Charge: ^{3/}	87.084¢	87.084¢	86.562¢	I,I,I
Total Non-Baseline Charge:	122.712¢	122.712¢	86.562¢	I,I,I

Submetering Credit

A daily submetering credit of 26.860¢ shall be applicable for each CARE qualified residential unit and 23.573¢ for each other qualified residential unit for customers on Schedule No. GS. However, in no instance shall the monthly bill be less than the Minimum Charge.

Minimum Charge

The Minimum Charge shall be the applicable monthly Customer Charge.

Additional Charges

Rates may be adjusted to reflect any applicable taxes, Franchise Fees or other fees, regulatory surcharges, and interstate or intrastate pipeline charges that may occur.

SPECIAL CONDITIONS

- Definitions: The definitions of principal terms used in this schedule are found either herein or in Rule No. 1, Definitions.

(Footnotes continued from previous page.)

^{2/} This charge is applicable to Utility Procurement Customers and includes the G-CPR Procurement Charge as shown in Schedule No. G-CP, which is subject to change monthly, as set forth in Special Condition 8.

^{3/} CAT Transmission Charges include a 0.522 cents per therm credit to amortize an overcollection in the FERC Settlement Proceeds Memorandum Account during 2016 as authorized in Advice No. 4877 approved on December 18, 2015 and D.14-06-007.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5017-A
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ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED Aug 31, 2016
 EFFECTIVE Sep 1, 2016
 RESOLUTION NO. _____

Schedule No. GM
MULTI-FAMILY SERVICE

Sheet 2

(Includes GM-E, GM-C, GM-EC, GM-CC, GT-ME, GT-MC and all GMB Rates)

(Continued)

APPLICABILITY (Continued)

Multi-family Accommodations built prior to December 15, 1981 and currently served under this schedule may also be eligible for service under Schedule No. GS. If an eligible Multi-family Accommodation served under this schedule converts to an applicable submetered tariff, the tenant rental charges shall be revised for the duration of the lease to reflect removal of the energy related charges.

Eligibility for service hereunder is subject to verification by the Utility.

TERRITORY

Applicable throughout the service territory.

RATES

	<u>GM/GT-M</u>	<u>GMB/GT-MB</u>
<u>Customer Charge</u> , per meter, per day:	16.438¢	\$12.289

For "Space Heating Only" customers, a daily Customer Charge applies during the winter period from November 1 through April 30^{1/}: 33.149¢

GM

	<u>GM-E</u>	<u>GM-EC</u> ^{3/}	<u>GT-ME</u> ^{4/}	
<u>Baseline Rate</u> , per therm (baseline usage defined per Special Conditions 3 and 4):				
Procurement Charge: ^{2/}	35.628¢	35.628¢	N/A	
<u>Transmission Charge</u> :	61.084¢	61.084¢	60.562¢	I,I,I
Total Baseline Charge (all usage):	96.712¢	96.712¢	60.562¢	I,I,I
<u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):				
Procurement Charge: ^{2/}	35.628¢	35.628¢	N/A	
<u>Transmission Charge</u> :	87.084¢	87.084¢	86.562¢	I,I,I
Total Non Baseline Charge (all usage):.....	122.712¢	122.712¢	86.562¢	I,I,I
	<u>GM-C</u>	<u>GM-CC</u> ^{3/}	<u>GT-MC</u> ^{4/}	
<u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):				
Procurement Charge: ^{2/}	35.628¢	35.628¢	N/A	
<u>Transmission Charge</u> :	87.084¢	87.084¢	86.562¢	I,I,I
Total Non Baseline Charge (all usage):.....	122.712¢	122.712¢	86.562¢	I,I,I

^{1/} For the summer period beginning May 1 through October 31, with some exceptions, usage will be accumulated to at least 20 one hundred cubic feet (Ccf) before billing.
 (Footnotes continue next page.)

(Continued)

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Schedule No. GM
MULTI-FAMILY SERVICE

Sheet 3

(Includes GM-E, GM-C, GM-EC, GM-CC, GT-ME, GT-MC and all GMB Rates)

(Continued)

RATES (Continued)

GMB

	<u>GM-BE</u>	<u>GM-BEC</u> ^{3/}	<u>GT-MBE</u> ^{4/}	
<u>Baseline Rate</u> , per therm (baseline usage defined per Special Conditions 3 and 4):				
Procurement Charge: ^{2/}	35.628¢	35.628¢	N/A	
<u>Transmission Charge</u> :	<u>20.596¢</u>	<u>20.596¢</u>	<u>20.074¢</u>	I,I,I
Total Baseline Charge (all usage):.....	56.224¢	56.224¢	20.074¢	I,I,I
 <u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):				
Procurement Charge: ^{2/}	35.628¢	35.628¢	N/A	
<u>Transmission Charge</u> :	<u>29.282¢</u>	<u>29.282¢</u>	<u>28.760¢</u>	R,R,R
Total Non-Baseline Charge (all usage):	64.910¢	64.910¢	28.760¢	R,R,R
	<u>GM-BC</u>	<u>GM-BCC</u> ^{3/}	<u>GT-MBC</u> ^{4/}	
<u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):				
Procurement Charge: ^{2/}	35.628¢	35.628¢	N/A	
<u>Transmission Charge</u> :	<u>29.282¢</u>	<u>29.282¢</u>	<u>28.760¢</u>	R,R,R
Total Non-Baseline Charge (all usage):	64.910¢	64.910¢	28.760¢	R,R,R

Minimum Charge

The Minimum Charge shall be the applicable monthly Customer Charge.

Additional Charges

Rates may be adjusted to reflect any applicable taxes, franchise fees or other fees, regulatory surcharges, and interstate or intrastate pipeline charges that may occur.

(Footnotes continued from previous page.)

^{2/} This charge is applicable to Utility Procurement Customers and includes the G-CPR Procurement Charge as shown in Schedule No. G-CP, which is subject to change monthly, as set forth in Special Condition 7.

^{3/} These Cross-Over Rate charges will be applicable for only the first 12 months of service for residential core transportation customers who consumed over 50,000 therms: (1) in the last 12 months and who have transferred from procuring their gas commodity from an Core Transport Agent (CTA) to utility procurement unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California; and (2) who return to core procurement service for up to 90 days while deciding whether to switch to a different CTA.

^{4/} CAT Transmission Charges include a 0.522 cents per therm credit to amortize an overcollection in the FERC Settlement Proceeds Memorandum Account during 2016 as authorized in Advice No. 4877 approved on December 18, 2015 and D.14-06-007.

(Continued)

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SCHEDULE NO. GO-AC Sheet 1
OPTIONAL RATES FOR CUSTOMERS PURCHASING NEW GAS
AIR CONDITIONING EQUIPMENT (Includes GO-AC and GTO-AC Rates)

APPLICABILITY

The Gas Air Conditioning (AC) optional rate program is for residential customers who 1) would normally qualify for service under Schedule No. GR, and 2) have, within 12 months prior to sign-up, purchased a newly constructed home with gas AC, installed gas AC equipment in a newly constructed home, or replaced an existing gas AC unit with a new, more efficient gas AC unit.

The GO-AC rate is applicable to natural gas procurement service for individually metered residential customers.

The GTO-AC rate is applicable to Core Aggregation Transportation (CAT) service to individually metered residential customers.

TERRITORY

Applicable throughout the service territory.

RATES

<u>RATES</u>	<u>GO-AC</u>	<u>GTO-AC</u> ^{3/}
<u>Customer Charge</u> , per meter per day: ^{1/}	16.438¢	16.438¢
<u>Baseline Rate</u> , per therm (baseline usage defined per Special Condition 3):		
<u>Procurement Charge</u> : ^{2/}	35.628¢	N/A
<u>Transmission Charge</u> :	<u>61.084¢</u>	<u>60.562¢</u>
<u>Total Baseline Charge</u> :	96.712¢	60.562¢
<u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):		
<u>Procurement Charge</u> : ^{2/}	35.628¢	N/A
<u>Transmission Charge</u> :	<u>87.084¢</u>	<u>86.562¢</u>
<u>Total Non-Baseline Charge</u> :	122.712¢	86.562¢

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^{1/} The Customer Charge is the Customer Charge as set forth in Schedule No. GR. If Customer Charge is collected under another rate schedule, no duplicate charge is collected hereunder.

^{2/} This charge is applicable for service to Utility Procurement Customers and include the G-CPR Procurement Charge as shown in Schedule No. G-CP, which is subject to change monthly, as set forth in Special Condition 7.

^{3/} CAT Transmission Charges include a 0.522 cents per therm credit to amortize an overcollection in the FERC Settlement Proceeds Memorandum Account during 2016 as authorized in Advice No. 4877 approved on December 18, 2015 and D.14-06-007.

(Continued)

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Schedule No. G-NGVR

Sheet 1

NATURAL GAS SERVICE FOR HOME REFUELING OF MOTOR VEHICLES
 (Includes G-NGVR, G-NGVRC and GT-NGVR Rates)

APPLICABILITY

The G-NGVR rate is applicable to natural gas procurement service to individually metered residential customers who have an installed natural gas vehicle (NGV) home refueling appliance, as set forth in Special Conditions 3 and 5.

The G-NGVRC, cross-over rate, is a core procurement option for individually metered residential core transportation customers with annual consumption over 50,000 therms, as set forth in Special Condition 10.

The GT-NGVR rate is applicable to Core Aggregation Transportation (CAT) service to individually metered residential customers, as set forth in Special Condition 11.

The California Alternate Rates for Energy (CARE) discount of 20%, reflected as a line item on the bill, is applicable to income-qualified households that meet the requirements for the CARE program as set forth in Schedule No. G-CARE.

TERRITORY

Applicable throughout the service territory.

RATES

	<u>G-NGVR</u>	<u>G-NGVRC</u>	<u>GT-NGVR</u> ^{2/}
<u>Customer Charge</u> , per meter per day	32.877¢	32.877¢	32.877¢
<u>Rate</u> , per therm			
Procurement Charge ^{1/}	35.628¢	35.628¢	N/A
Transmission Charge	23.465¢	23.465¢	22.943¢
Commodity Charge	59.093¢	59.093¢	22.943¢

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^{1/} This charge is applicable to Utility Procurement Customers and includes the G-CPR Procurement Charge as shown in Schedule No. G-CP, which is subject to change monthly, as set forth in Special Condition 7.

^{2/} CAT Transmission Charges include a 0.522 cents per therm credit to amortize an overcollection in the FERC Settlement Proceeds Memorandum Account during 2016 as authorized in Advice No. 4877 approved on December 18, 2015 and D.14-06-007.

(Continued)

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Schedule No. GL
STREET AND OUTDOOR LIGHTING
NATURAL GAS SERVICE

Sheet 1

APPLICABILITY

Applicable to natural gas service supplied from the Utility's core portfolio, as defined in Rule No. 1, for continuous street and outdoor lighting in lighting devices approved by the Utility. Service under this schedule is conditional upon arrangements mutually satisfactory to the customer and the Utility for connection of customer's lighting devices to Utility's facilities.

The minimum term of service hereunder is one month, as described in Special Condition 2.

TERRITORY

Applicable throughout the system.

RATES

The charges are based upon the monthly non-residential procurement charge as set forth in Schedule No. G-CP; and the GN-10 class average transportation rate.

The non-residential procurement charge is determined as set forth in Schedule No. G-CP, in the manner approved by D.96-08-037, and subject to change monthly as described in Special Condition 3.

Rate "X" Lighting only service

<u>Hourly Lamp Rating in Cu.Ft.</u>	<u>Charge</u> <u>Per Lamp Per Month</u> (<u>\$</u>)	
1.99 cu.ft. per hr. or less	11.80	I
2.00 - 2.49 cu.ft. per hr	13.37	
2.50 - 2.99 cu.ft. per hr	16.34	
3.00 - 3.99 cu.ft. per hr	20.80	
4.00 - 4.99 cu.ft. per hr	26.74	
5.00 - 7.49 cu.ft. per hr	37.14	
7.50 - 10.00 cu.ft. per hr	52.00	I
For each cu.ft. per hour of total capacity in excess of 10 cu.ft. per hour	5.94	I

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Schedule No. G-10 Sheet 2
CORE COMMERCIAL AND INDUSTRIAL SERVICE
(Includes GN-10, GN-10C and GT-10 Rates)

(Continued)

RATES (Continued)

All Procurement, Transmission, and Commodity Charges are billed per therm.

	<u>Tier I</u> ^{1/}	<u>Tier II</u> ^{1/}	<u>Tier III</u> ^{1/}	
GN-10: ^{6/} Applicable to natural gas procurement service to non-residential core customers, including service not provided under any other rate schedule.				
Procurement Charge: ^{2/} G-CPNR	35.628¢	35.628¢	35.628¢	
<u>Transmission Charge:</u> GPT-10	<u>64.972¢</u>	<u>38.696¢</u>	<u>21.078¢</u>	I,I,I
Commodity Charge: GN-10	100.600¢	74.324¢	56.706¢	I,I,I
GN-10C: ^{6/} Core procurement service for previous non-residential transportation-only customers returning to core procurement service, including CAT customers with annual consumption over 50,000 therms, as further defined in Schedule No. G-CP.				
Procurement Charge: ^{2/} G-CPNRC	35.628¢	35.628¢	35.628¢	
<u>Transmission Charge:</u> GPT-10	<u>64.972¢</u>	<u>38.696¢</u>	<u>21.078¢</u>	I,I,I
Commodity Charge: GN-10C	100.600¢	74.324¢	56.706¢	I,I,I
GT-10: ^{4/6/} Applicable to non-residential transportation-only service including CAT service, as set forth in Special Condition 13.				
Transmission Charge: GT-10	64.450¢ ^{3/}	38.174¢ ^{3/}	20.556¢ ^{3/}	I,I,I

^{1/} Tier I rates are applicable for the first 250 therms used per month. Tier II rates are applicable for usage above Tier I quantities and up through 4,167 therms per month. Tier III rates are applicable for all usage above 4,167 therms per month. Under this schedule, the winter season shall be defined as December 1 through March 31 and the summer season as April 1 through November 30.

^{2/} This charge is applicable for service to Utility Procurement Customers as shown in Schedule No. G-CP, in the manner approved by D.96-08-037, and subject to change monthly, as set forth in Special Condition 5.

^{3/} These charges are equal to the core commodity rate less the following two components as approved in D.97-04-082: (1) the weighted average cost of gas; and (2) the core brokerage fee.

^{4/} CAT Transmission Charges include a 0.522 cents per therm credit to amortize an overcollection in the FERC Settlement Proceeds Memorandum Account during 2016 as authorized in Advice No. 4877 approved on December 18, 2015 and D.14-06-007.

(Footnotes continue next page.)

(Continued)

Schedule No. G-AC Sheet 1
CORE AIR CONDITIONING SERVICE FOR COMMERCIAL AND INDUSTRIAL
 (Includes G-AC, G-ACC and GT-AC Rates)

APPLICABILITY

Applicable to natural gas core service for qualifying gas cooling uses, as specified herein, at each Facility classified in Rule No. 23 as Priority 1 and 2A or receiving service under Schedule No. G-10. In addition, this schedule is applicable to all qualifying core Priority 1 and 2A uses at each Facility served in combination with noncore service.

The California Alternate Rates for Energy (CARE) discount of 20%, reflected as a separate line item on the bill, is limited to Non-Profit Group Living Facilities and Agricultural Employee Housing Facilities that meet the requirements for the CARE program as set forth in Schedule No. G-CARE.

TERRITORY

Applicable throughout the service territory.

RATES

<u>Customer Charge</u> , Per Month		\$150.00	
	<u>G-AC</u>	<u>G-ACC</u> ^{2/}	<u>GT-AC</u> ^{3/4/}
Procurement Charge: ^{1/}	35.628¢	35.628¢	N/A
<u>Transmission Charge</u> :	<u>20.478¢</u>	<u>20.478¢</u>	<u>19.956¢</u>
Total Charge:	56.106¢	56.106¢	19.956¢

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Minimum Charge

The Minimum Charge shall be the applicable monthly Customer Charge.

Late Payment Charge

A late payment charge may be added to a customer's bill whenever a customer fails to pay for services under this schedule as set forth in Rule No. 12, Payment of Bills, and for core aggregation transportation customers, as set forth in Rule No. 32.

^{1/} This charge is applicable for service to Utility Procurement Customers as shown in Schedule No. G-CP, in the manner approved by D.96-08-037, and subject to change monthly, as set forth in Special Condition 4.

^{2/} The G-ACC rate is a procurement option for core transportation customers with annual consumption over 50,000 therms as set forth in Special Condition 8.

^{3/} The GT-AC rate is applicable to Core Aggregation Transportation service.

^{4/} CAT Transmission Charges include a 0.522 cents per therm credit to amortize an overcollection in the FERC Settlement Proceeds Memorandum Account during 2016 as authorized in Advice No. 4877 approved on December 18, 2015 and D.14-06-007.

(Continued)

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Schedule No. G-NGV

Sheet 1

NATURAL GAS SERVICE FOR MOTOR VEHICLES
 (Includes G-NGU, G-NGUC, G-NGC and GT-NGU Rates)

APPLICABILITY

Applicable to the sale of natural gas at the customer's premises (G-NGU, G-NGC and G-NGUC rates) and to the transportation of customer-owned gas (GT-NGU rate) for use in motor vehicles. Service under this schedule shall be classified as end-use priority 1 or 2A in accordance with Rule No. 23.

TERRITORY

Applicable throughout the service territory.

RATES

	<u>P-1 Service</u>	<u>P-2A Service</u>
<u>Customer Charge</u> , per month	\$13.00	\$65.00

Commodity and Transmission Charges

Customer-Funded Fueling Station

Compression of natural gas to the pressure required for its use as motor vehicle fuel will be performed by the customer using customer's equipment at the customer's designated premises.

Rate, uncompressed per therm

	<u>G-NGU</u>	<u>G-NGUC</u> ^{1/}	<u>GT-NGU</u> ^{2/}
<u>Procurement Charge</u> : ^{3/}	35.628¢	35.628¢	N/A
<u>Transmission Charge</u> :	21.960¢	21.960¢	21.960¢
<u>Uncompressed Commodity Charge</u> :	57.588¢	57.588¢	21.960¢

I,I,I
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^{1/} Applicable only the first 12 months of service for non-residential core transportation customers with qualifying load who consumed over 50,000 therms in the last 12 months, unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California.

^{2/} Applicable to transportation-only service, including Core Aggregation Transportation service.

^{3/} This charge is applicable for service to Utility Procurement Customers and include the G-CPNR Procurement Charge as shown in Schedule No. G-CP, which is subject to change monthly, as set forth in Special Condition 4.

(Continued)

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Schedule No. G-NGV

Sheet 2

NATURAL GAS SERVICE FOR MOTOR VEHICLES
 (Includes G-NGU, G-NGUC, G-NGC and GT-NGU Rates)

(Continued)

RATES (Continued)

Commodity and Transmission Charges (Continued)

Utility-Funded Fueling Station

G-NGC Compression Surcharge, per therm 105.004¢

Low Carbon Fuel Standard (LCFS) Rate Credit, per therm^{4/} 0.000¢

The G-NGC Compression Surcharge will be added to the G-NGU Uncompressed rate per therm, or the G-NGUC Uncompressed rate per therm as applicable, as indicated in the Customer-Funded Fueling Station section above. The resultant total compressed rate is:

G-NGU plus G-NGC and LCFS Rate Credit, compressed per therm 162.592¢

G-NGUC plus G-NGC and LCFS Rate Credit, compressed per therm 162.592¢

Compression of natural gas to the pressure required for its use as motor vehicle fuel will be performed by the Utility from a Utility-funded fueling station.

For billing purposes, the number of therms compressed at a Utility-funded station, will be expressed in gasoline gallon equivalents at the dispenser.

Cap-and-Trade Cost Exemption 0.000¢/therm

The Cap-and-Trade Cost Exemption is applicable to customers who are identified by the California Air Resources Board (CARB) as being Covered Entities for their Greenhouse Gas (GHG) emissions as part of the Cap-and-Trade program. A customer who is supplying fuel to a facility on behalf of the owner (e.g. tolling arrangement) of a facility that has been identified by CARB as a Covered Entity, may receive the Cap-and-Trade Cost Exemption if so authorized by the facility owner and agreed to by the Utility. Applicable Cap-and-Trade Cost Exemptions may be provided from the date CARB identifies a customer as being a Covered Entity, or provided based upon documentation satisfactory to the Utility for the time period for which the customer was a Covered Entity, whichever is earlier.

Minimum Charge

The Minimum Charge shall be the applicable monthly Customer Charge.

4/ As set forth in Special Condition 18.

(Continued)

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Schedule No. GT-TLS
INTRASTATE TRANSPORTATION SERVICE
FOR TRANSMISSION LEVEL CUSTOMERS

Sheet 2

(Continued)

RATES

Class-Average Volumetric Rate Option

Transportation Charges (CA)

Rate, per therm

GT-3CA, Commercial/Industrial	1.843¢	I
GT-4CA, Enhanced Oil Recovery	1.555¢	
GT-5CA, Electric Generation*	1.555¢	
GT-7CA, Wholesale - City of Long Beach	1.485¢	
GT-8CA, Wholesale - San Diego Gas & Electric	1.239¢	I
GT-9CA, Wholesale - Southwest Gas Corporation's service territory in southern California	1.485¢	I
GT-10CA, Wholesale - City of Vernon	1.485¢	
GT-12CA, Wholesale - ECOGAS Mexico, S. de R.L. de C.V.	1.485¢	I

* The amount of gas applicable under the electric generation rate is determined in accordance with the provisions stated in Special Condition 18 herein.

Additional Charges

Rates may be adjusted to reflect any applicable taxes, franchise or other fees or regulatory surcharges approved or directed by the CPUC.

Reservation Rate Option

Contract Quantity

Customer will specify a uniform Daily Reservation Quantity (DRQ) for service under this rate option subject to the Utility's approval which will not be unreasonably withheld. For Bypass customers, the DRQ is subject to Utility's capacity availability. The DRQ, which may be zero, shall be reflected in Schedule A of the Master Services Contract as scheduled quantities applicable to RS service. Metered usage above Customer's DRQ on a daily basis will be subject to a volumetric transportation charge for non-Bypass or Bypass customers, respectively, as specified in Special Conditions 4.a.ii and 4.b.i.

(Continued)

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Schedule No. GT-TLS
INTRASTATE TRANSPORTATION SERVICE
FOR TRANSMISSION LEVEL CUSTOMERS

Sheet 3

(Continued)

RATES (Continued)

Reservation Rate Option (Continued)

Reservation Charges (RS)

Customer will pay reservation charges based on its DRQ.

Daily Reservation Rate

Rate, per therm per day

GT-3RS, Commercial/Industrial	0.619¢	I
GT-4RS, Enhanced Oil Recovery	0.619¢	
GT-5RS, Electric Generation*	0.619¢	
GT-7RS, Wholesale - City of Long Beach	0.617¢	I
GT-9RS, Wholesale - Southwest Gas Corporation's service territory in southern California.	0.617¢	I
GT-10RS, Wholesale - City of Vernon	0.617¢	
GT-12RS, Wholesale - ECOGAS Mexico, S. de R.L. de C.V.	0.617¢	I

Usage Charge for RS

In addition to the Reservation Charge, Customer will pay a Usage Charge for RS for gas consumed by Customer up to its DRQ.

Rate, per therm

GT-3RS, Commercial/Industrial	1.010¢	I
GT-4RS, Enhanced Oil Recovery	0.722¢	
GT-5RS, Electric Generation*	0.722¢	
GT-7RS, Wholesale - City of Long Beach	0.654¢	I
GT-9RS, Wholesale - Southwest Gas Corporation's service territory in southern California	0.654¢	I
GT-10RS, Wholesale - City of Vernon	0.654¢	
GT-12RS, Wholesale - ECOGAS Mexico, S. de R.L. de C.V.	0.654¢	I

* The amount of gas applicable under the electric generation rate is determined in accordance with the provisions stated in Special Condition 18 herein.

(Continued)

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 DECISION NO. 16-08-003

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Schedule No. GT-TLS

Sheet 4

INTRASTATE TRANSPORTATION SERVICE
FOR TRANSMISSION LEVEL CUSTOMERS

(Continued)

RATES (Continued)

Reservation Rate Option (Continued)

Volumetric Transportation Charges for Non-Bypass Customers (NV)

In addition to a Reservation Charge and a Usage Charge for gas consumed by Customer up to its DRQ, a Non-Bypass customer will pay a volumetric transportation charge for gas consumed by Customer above its DRQ.

Rate, per therm

GT-3NV, Commercial/Industrial	2.067¢	I
GT-4NV, Enhanced Oil Recovery	1.779¢	
GT-5NV, Electric Generation*	1.779¢	
GT-7NV, Wholesale - City of Long Beach	1.707¢	I
GT-9NV, Wholesale - Southwest Gas Corporation's service territory in southern California	1.707¢	I
GT-10NV, Wholesale - City of Vernon	1.707¢	
GT-12NV, Wholesale - ECOGAS Mexico, S. de R.L. de C.V.	1.707¢	I

Volumetric Transportation Charges for Bypass Customers (BV)

In addition to a Reservation Charge and a Usage Charge for gas consumed by Customer up to its DRQ, a Bypass customer will pay a volumetric transportation charge for gas consumed by Customer above its DRQ.

Rate, per therm

GT-I3BV, Commercial/Industrial	2.365¢	I
GT-I4BV, Enhanced Oil Recovery	2.077¢	
GT-I5BV, Electric Generation*	2.077¢	
GT-I7BV, Wholesale - City of Long Beach	2.004¢	I
GT-I9BV, Wholesale - Southwest Gas Corporation's service territory in southern California	2.004¢	I
GT-I10BV, Wholesale - City of Vernon	2.004¢	
GT-I12BV, Wholesale - ECOGAS Mexico, S. de R.L. de C.V.	2.004¢	I

* The amount of gas applicable under the electric generation rate is determined in accordance with the provisions stated in Special Condition 18 herein.

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Schedule No. G-BTS
BACKBONE TRANSPORTATION SERVICE

Sheet 3

(Continued)

RATES

BACKBONE TRANSPORTATION RIGHTS

This Schedule provides for both firm and interruptible backbone transportation service rights. This Schedule is applicable at all Receipt Points available under the following rates:

<u>Rate</u>	<u>Description of Service</u>	<u>Term</u>	<u>Rate Structure</u>	<u>Reservation Rate (per Dth per day)</u>	<u>Volumetric Rate (per Dth)</u>	
G-BTS1	Firm	Three Years*	100% Reservation	\$0.18629	\$0.0	I
G-BTS2	Firm	Three Years	Modified Fixed Variable	\$0.14903	\$0.03726	I,I
G-BTS3	Firm	Three to Twenty Years**	100% Reservation	Cost Based	\$0.0	
G-BTSN1	Short Term Firm	Up to Three Years	100% Reservation	Market Based up to \$0.18629	\$0.0	I
G-BTSN2	Short Term Firm	Up to Three Years	Modified Fixed Variable	Market Based up to \$0.14903	\$0.03726	I I
G-BTS4	Interruptible	Up to Three Years	100% Volumetric	\$0.0	Market Based up to \$0.18629	I

* Terms are available for up to twenty years during Step 3 of the open season.
 ** Customers taking service under G-BTS3 and Rule No. 39 will also pay the G-BTS1 rate.

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Schedule No. GT-F

Sheet 1

FIRM INTRASTATE TRANSPORTATION SERVICE
FOR DISTRIBUTION CUSTOMERS

APPLICABILITY

Applicable for firm intrastate transportation-only service for the following customers receiving Noncore Distribution Level Service as defined in Rule No. 1: (1) commercial and industrial, and enhanced oil recovery use at each facility classified as noncore, as defined in Rule No. 1, and (2) electric generation plants.

TERRITORY

Applicable throughout the service territory.

RATES

Customer Charges

GT-F3D, Commercial/Industrial, per month	\$350
GT-F4D, Enhanced Oil Recovery, per month	\$500
GT-F5D, Electric Generation using less than 3 million therms per year Per month	\$50

The applicable GT-F5D monthly customer charge shall be determined on the basis of the customer's GT-F5D usage (combined with GT-I5D usage, if applicable) for the most recent twelve-month period. For customers with less than twelve months of historical usage, the customer charge shall be determined on a pro rata basis using the months for which usage is available.

If the applicable customer charge is collected under Schedule No. GT-I, no duplicative charge shall be collected hereunder.

Transportation Charges

GT-F3D, Commercial/Industrial
Rate, per therm

Tier I	0 - 20,833 Therms	15.899¢
Tier II	20,834 - 83,333 Therms	9.792¢
Tier III	83,334 - 166,667 Therms	5.885¢
Tier IV	Over 166,667 Therms	3.094¢

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Schedule No. GT-F
FIRM INTRASTATE TRANSPORTATION SERVICE
FOR DISTRIBUTION CUSTOMERS

Sheet 2

(Continued)

RATES (Continued)

Transportation Charges (Continued)

GT-F4D, Enhanced Oil Recovery			
Rate, per therm	5.618¢		I
GT-F5D, Electric Generation*			
For customers using less than 3 million therms per year			
Rate, per therm	14.454¢		I
For customers using 3 million therms or more per year			
Rate, per therm	4.379¢		I

The applicable GT-F5D transmission charge shall be determined on the basis of the customer's GT-F5D usage (combined with GT-I5D usage, if applicable) for the most recent twelve-month period. For customers with less than twelve months of historical usage, the transportation charge shall be determined on a pro rata basis using the months for which usage is available.

* The amount of gas applicable under the electric generation rate is determined in accordance with the provisions stated in Special Condition 22 herein.

California Air Resources Board (CARB) Fee Credit (0.066¢)/therm

The CARB Fee Credit is applicable to Commercial/Industrial, Enhanced Oil Recovery and Electric Generation customers who are identified by CARB as being billed directly for CARB administrative fees. A customer who is supplying fuel to a facility on behalf of the owner (e.g. tolling arrangement) of a facility that has been identified by CARB as being billed directly, may receive the CARB Fee Credit if so authorized by the facility owner and agreed to by the utility. Applicable CARB Fee Credits may be provided from the date CARB identifies a customer as being direct billed, or provided based upon documentation satisfactory to the Utility for the time period for which payments were made directly to CARB, whichever is earlier.

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Schedule No. GT-I

Sheet 1

INTERRUPTIBLE INTRASTATE TRANSPORTATION SERVICE
FOR DISTRIBUTION LEVEL CUSTOMERS

APPLICABILITY

Applicable for interruptible intrastate transportation-only service for the following customers receiving Noncore Distribution Level Service as defined in Rule No. 1: (1) commercial and industrial, and enhanced oil recovery use at each facility classified as noncore, as defined in Rule No. 1, and (2) electric generation plants. All such noncore customers shall be eligible to receive interruptible intrastate transportation service under this schedule.

TERRITORY

Applicable throughout the service territory.

RATES

Customer Charges

GT-I3D, Commercial/Industrial, per month	\$350
GT-I4D, Enhanced Oil Recovery, per month	\$500
GT-I5D, Electric Generation using less than 3 million therms per year Per month	\$50

The applicable GT-I5D monthly customer charge shall be determined on the basis of the customer's GT-I5D usage (combined with GT-F5D usage, if applicable) for the most recent twelve-month period. For customers with less than twelve months of historical usage, the customer charge shall be determined on a pro rata basis using the months for which usage is available.

If the applicable customer charge is collected under Schedule No. GT-F, no duplicative charge shall be collected hereunder.

Transportation Charges

GT-I3D, Commercial/Industrial
Rate, per therm

Tier I	0 - 20,833 Therms	15.899¢
Tier II	20,834 - 83,333 Therms	9.792¢
Tier III	83,334 - 166,667 Therms	5.885¢
Tier IV	Over 166,667 Therms	3.094¢

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Schedule No. GT-I

Sheet 2

INTERRUPTIBLE INTRASTATE TRANSPORTATION SERVICE
FOR DISTRIBUTION LEVEL CUSTOMERS

(Continued)

RATES (Continued)

Transportation Charges (Continued)

GT-I4D, Enhanced Oil Recovery		
Rate, per therm	5.618¢	I
GT-I5D, Electric Generation*		
For customers using less than 3 million therms per year		
Rate, per therm	14.454¢	I
For customers using 3 million therms or more per year		
Rate, per therm	4.379¢	I

The applicable GT-I5D transmission charge shall be determined on the basis of the customer's GT-I5D usage (combined with GT-F5D usage, if applicable) for the most recent twelve-month period. For customers with less than twelve months of historical usage, the transportation charge shall be determined on a pro rata basis using the months for which usage is available.

* The amount of gas applicable under the electric generation rate is determined in accordance with the provisions stated in Special Condition 16 herein.

California Air Resources Board (CARB) Fee Credit (0.066¢)/therm

The CARB Fee Credit is applicable to Commercial/Industrial, Enhanced Oil Recovery and Electric Generation customers who are identified by CARB as being billed directly for CARB administrative fees. A customer who is supplying fuel to a facility on behalf of the owner (e.g. tolling arrangement) of a facility that has been identified by CARB as being billed directly, may receive the CARB Fee Credit if so authorized by the facility owner and agreed to by the utility. Applicable CARB Fee Credits may be provided from the date CARB identifies a customer as being direct billed, or provided based upon documentation satisfactory to the Utility for the time period for which payments were made directly to CARB, whichever is earlier.

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Part VIII Gas Cost Incentive Mechanism (GCIM) 45890-G,45891-G,42774-G,45892-G
51525-G,42777-G

Part IX Hazardous Substances Mechanism (HSM) 48973-G,26200-G,26201-G

Part XI Performance Based Regulation (PBR) 52810-G,52811-G,49328-G,49329-G
49330-G,49331-G,53092-G,49333-G,49334-G
49335-G,50458-G,49337-G,493338-G,49339-G,49340-G

Part XII Gain/Loss On Sale Mechanism 42134-G,42135-G,42136-G,42137-G,42138.1-G

Part XIII Native Gas Program Mechanism (NGPM)42599-G, 42600-G, 42601-G, 42602-G
42603-G, 42604-G, 42605-G

Part XIV Cost of Capital Mechanism (CCM) 49802-G

T

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 5017-A
DECISION NO. 16-08-003

ISSUED BY
Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
SUBMITTED Aug 31, 2016
EFFECTIVE Sep 1, 2016
RESOLUTION NO. _____

ATTACHMENT B
Advice No. 5017-A

Natural Gas Transportation Rate Revenues

Attachment B

Advice No.5017-A

**Natural Gas Transportation Rate Revenues
Southern California Gas Company
09/01/2016 Storage Phase I and PSEP Phase II filings**

	Present Rates			Proposed Rates			Changes		
	Aug-1-16 Volumes Mth	Average Rate \$/therm	Aug-1-16 Revenues \$000's	Sep-1-16 Volumes Mth	Proposed Rate \$/therm	Sep-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	\$0.81285	\$1,900,056	2,337,534	\$0.82577	\$1,930,262	\$30,206	\$0.01292	1.6%
3 Commercial & Industrial	984,102	\$0.42967	\$422,842	984,102	\$0.43695	\$430,002	\$7,160	\$0.00728	1.7%
4									
5 NGV - Pre SempraWide	117,220	\$0.22028	\$25,821	117,220	\$0.22351	\$26,200	\$379	\$0.00323	1.5%
6 SempraWide Adjustment	117,220	\$0.00843	\$989	117,220	\$0.00847	\$993	\$4	\$0.00004	0.4%
7 NGV - Post SempraWide	117,220	\$0.22871	\$26,809	117,220	\$0.23198	\$27,193	\$384	\$0.00327	1.4%
8									
9 Gas A/C	825	\$0.22788	\$188	825	\$0.23098	\$190	\$3	\$0.00310	1.4%
10 Gas Engine	16,774	\$0.15232	\$2,555	16,774	\$0.15232	\$2,555	(\$0)	(\$0.00000)	0.0%
11 Total Core	3,456,455	\$0.68060	\$2,352,450	3,456,455	\$0.69152	\$2,390,202	\$37,752	\$0.01092	1.6%
12									
13 NONCORE COMMERCIAL & INDUSTRIAL									
14 Distribution Level Service	893,164	\$0.06996	\$62,482	893,164	\$0.07253	\$64,783	\$2,300	\$0.00258	3.7%
15 Transmission Level Service (2)	654,456	\$0.01651	\$10,806	654,456	\$0.01839	\$12,036	\$1,230	\$0.00188	11.4%
16 Total Noncore C&I	1,547,620	\$0.04736	\$73,288	1,547,620	\$0.04964	\$76,819	\$3,531	\$0.00228	4.8%
17									
18 NONCORE ELECTRIC GENERATION									
19 Distribution Level Service									
20 Pre Sempra Wide	333,969	\$0.06225	\$20,790	333,969	\$0.06483	\$21,651	\$860	\$0.00258	4.1%
21 Sempra Wide Adjustment	333,969	(\$0.00798)	(\$2,665)	333,969	(\$0.00804)	(\$2,687)	(\$21)	(\$0.00006)	0.8%
22 Distribution Level Post Sempra Wide	333,969	\$0.05427	\$18,125	333,969	\$0.05678	\$18,964	\$839	\$0.00251	4.6%
23 Transmission Level Service (2)	2,641,080	\$0.01322	\$34,902	2,641,080	\$0.01510	\$39,868	\$4,965	\$0.00188	14.2%
24 Total Electric Generation	2,975,049	\$0.01782	\$53,027	2,975,049	\$0.01978	\$58,832	\$5,805	\$0.00195	10.9%
25									
26 TOTAL RETAIL NONCORE	4,522,669	\$0.02793	\$126,315	4,522,669	\$0.02999	\$135,650	\$9,335	\$0.00206	7.4%
27									
28 WHOLESALE & INTERNATIONAL (excluding SDG&E)	317,990	\$0.01301	\$4,138	317,990	\$0.01489	\$4,736	\$598	\$0.00188	14.4%
29									
30 OTHER SERVICES (SDG&E, UBS, & BTS)	1,247,558		\$202,208	1,247,558		\$230,820	\$28,612		
31 SYSTEM TOTAL w/BTS	9,544,672	\$0.28132	\$2,685,112	9,544,672	\$0.28931	\$2,761,408	\$76,297	\$0.00799	2.8%
32									
33 EOR Revenues	203,920	\$0.03511	\$7,160	203,920	\$0.03733	\$7,613	\$453	\$0.00222	6.3%
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