

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



November 3, 2016

Advice Letter 5047-G

Ronald van der Leeden
Director, Regulatory Affairs
Southern California Gas
555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011

**SUBJECT: Annual Regulatory Account Balance Update for Rates Effective
January 1, 2017**

Dear Mr. van der Leeden:

Advice Letter 5047-G is withdrawn per SoCalGas withdrawal letter dated October 31, 2016.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph
Director, Energy Division



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 31, 2016

Mr. Edward F. Randolph
Director, Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Subject: Annual Regulatory Account Balance Update for Rates Effective January 1, 2017

Southern California Gas Company (SoCalGas) hereby withdraws Advice No. (AL) 5047, filed on October 17, 2016. The purpose AL 5047 was to revise SoCalGas' rates to incorporate the projected 2016 year-end regulatory account balances in transportation rates effective January 1, 2017.

Since AL 5047 was filed, it was determined by SoCalGas that the filing was not served to all of the parties on the Advice Letter's service list. Per procedural guidance from Energy Division, SoCalGas hereby withdraws AL 5047 and will refile the Advice Letter as AL 5054 on October 31, 2016.

Sincerely,

Ronald van der Leeden
Director, Regulatory Affairs

cc: Energy Division Tariff Unit
Belinda Gatti, Energy Division
All recipients of AL 5047



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 17, 2016

Advice No. 5047
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Annual Regulatory Account Balance Update for Rates Effective
January 1, 2017**

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, 2017.

Purpose

This filing, made each year on or before October 15th,¹ 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 2016 year-end regulatory account balances in transportation rates effective January 1, 2017. In compliance with D.11-04-032, this filing also revises the Backbone Transportation Service rate effective January 1, 2017.

In addition, in compliance with D.14-06-007, this filing revises SoCalGas' 2016 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, as required by D.15-10-032, Attachments H and I include the requested tables detailing information on among other things the forecasted revenue requirement for Greenhouse Gas (GHG) costs and the GHG allowance proceeds. However, as explained below, SoCalGas is not requesting to place these revenue requirements in rates at this time.

¹ October 15, 2016 falls on a Saturday, so the filing date is moved to Monday, October 17, 2016.

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 adjustments² expected to be authorized by the Commission for implementation in transportation rates effective January 1, 2017. SoCalGas will file an advice letter (AL) 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, 2017 effective date of such rates.

Customer Rate Impact – Regulatory Account Balances

Total

SoCalGas' transportation revenue requirement will decrease by \$286.9 million. The core and noncore customer revenue requirements will decrease by \$278.6 million and \$8.3 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 2017 rates. Attachments F and G show the supporting calculations of the minimum contributions made to the Pension/PBOP Trusts for 2016.

Core Customers

A \$278.6 million decrease in the core transportation revenue requirement reflects the amortization of the projected year-end 2016 regulatory account balances. The decrease is primarily due to a decrease in the undercollected balance in the Core Fixed Cost Account (CFCA) partially offset by decreases in the overcollected balances of the Deductible Tax Repairs Benefit Memorandum Account (DTRBMA), PBA, and PBOPBA as described below.

CFCA – Pursuant to Advice No. (AL) 4877, SoCalGas was authorized to amortize in 2016 rates a CFCA undercollection of \$424.3 million. The projected CFCA balance for amortization in 2017 rates is \$86.2 million undercollected, representing a revenue requirement decrease of \$338.1 million.

² For example, see SoCalGas Advice No. 5024 - Energy Efficiency Incentive Award for Program Years (PY) 2014 and 2015.

DTRBMA – Pursuant to AL 4990, rate implementation filing for D.16-06-054, SoCalGas' Test Year 2016 General Rate Case, SoCalGas is authorized to amortize the DTRBMA overcollected balance of \$73.3 million (\$51.8 million annually) over a 17-month period beginning August 1, 2016 through December 31, 2017. As discussed below, SoCalGas has updated the DTRBMA overcollected balance to be \$53.5 million. As of December 31, 2016, SoCalGas will have amortized \$21.5 million ($\$73.3 \text{ million} / 17 \text{ months} \times 5 \text{ months}$). SoCalGas' remaining DTRBMA balance will be \$32.0 million ($\$53.5 \text{ million less } \21.5 million) to be amortized in 2017 rates. The transportation revenue requirement will increase by \$19.8 million with the core's allocation being \$18.6 million.

As discussed above, at August 1, 2016, SoCalGas incorporated a revenue requirement adjustment for the DTRBMA overcollected balance of \$72.1 million (excludes FF&U). As noted at the time, the revenue requirement adjustment was based on a forecast of tax repair deductions at year-end 2015. SoCalGas indicated it expected to update the balance upon filing its 2015 federal and state income tax returns (the federal and state income tax returns were filed on September 15, 2016 and October 15, 2016, respectively). This filing updates the balance in the DTRBMA to reflect the final tax repairs deductions actually claimed on the 2015 tax returns and replaces the revenue requirement previously based on a forecast. The actual tax deductions claimed were \$32.2 million less than the year-end 2015 forecast ($\$121.0 \text{ million actual vs. } \$153.2 \text{ million forecast}$). The actual tax repairs deduction is based on a detailed statistical study of work orders capitalized during 2015 whereas the year-end estimate was based on an average of prior years' tax repairs deductions.

PBA – Pursuant to AL 4877, SoCalGas was authorized to amortize in 2016 rates a PBA overcollection of \$36.5 million. The projected PBA balance for amortization in 2017 rates is \$19.0 million overcollected, representing a revenue requirement increase of \$17.5 million. The core revenue requirement allocation is \$16.4 million.

PBOPBA – Pursuant to AL 4877, SoCalGas was authorized to amortize in 2016 rates a PBOPBA overcollection of \$23.5 million. The projected PBOPBA balance for amortization in 2017 rates is \$1.7 million overcollected, representing a revenue requirement increase of \$21.8 million. The core revenue requirement allocation is \$20.4 million.

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

³ Amounts shown include franchise fees and uncollectibles.

Description	Core Revenue Requirement Increase / (Decrease) (in millions of \$)
CFCA	(338.1)
DTRBMA	18.6
PBA	16.4
PBOPBA	20.4
Other Regulatory Accounts - net	4.1
Total Core Revenue Requirement	(278.6)

Noncore Customers

An \$8.3 million decrease in the noncore transportation revenue requirement reflects the amortization of the projected year-end 2016 regulatory account balances. The decrease is primarily due to a change in the Noncore Fixed Cost Account (NFCA) balance from an undercollection to an overcollection and a decrease in the undercollected balance for the System Reliability Memorandum Account (SRMA) partially offset by a change in the Noncore Storage Balancing Account (NSBA) balance from an overcollection to undercollection and an increase in the undercollected balance of the California Solar Initiative Thermal Program Memorandum Account (CSITPMA) as described below.

NFCA – Pursuant to AL 4877, SoCalGas was authorized to amortize in 2016 rates a NFCA undercollection of \$4.2 million. The projected NFCA balance for amortization in 2017 rates is \$2.0 million overcollected, representing a revenue requirement decrease of \$6.2 million.

SRMA – Pursuant to AL 4877, SoCalGas was authorized to amortize in 2016 rates a SRMA undercollection of \$22.6 million. Pursuant to AL 4866-A, SoCalGas is authorized to recover \$4.7 million in system reliability costs incurred for the period of September 1, 2014 through August 31, 2015. Including adjustments for the Memorandum In Lieu of Contract⁴ covering the same period, SoCalGas will amortize \$7.9 million in 2017 rates representing a revenue requirement decrease of \$14.7 million. The noncore revenue requirement allocation of this decrease is \$9.4 million.

NSBA – Pursuant to AL 4877, SoCalGas was authorized to amortize in 2016 rates a NSBA overcollection of \$0.5 million. The projected NSBA balance for amortization in 2017 rates is \$3.6 million undercollected, representing a revenue requirement increase of \$4.1 million. The noncore revenue requirement allocation of this increase is \$2.7 million.

⁴ AL 4513-A is effective from November 1, 2013 to October 31, 2014 per Resolution G-3485 and continues for two subsequent one-year terms ending not later than October 31, 2016.

CSITPMA – Pursuant to AL 4877, SoCalGas was authorized to amortize in 2016 rates a CSITPMA undercollection of \$12.4 million. The projected CSITPMA balance for amortization in 2017 rates is \$19.6 million undercollected, representing a revenue requirement increase of \$7.2 million. The noncore revenue requirement allocation of this increase is \$2.6 million.

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

Description	Noncore Revenue Requirement Increase / (Decrease) (in millions of \$)
NFCA	(6.2)
SRMA	(9.4)
NSBA	2.7
CSITPMA	2.6
Other Regulatory Accounts - net	2.0
Total Noncore Revenue Requirement	(8.3)

Revision to the BTS Rate

Pursuant to AL 4877, SoCalGas was authorized to amortize in 2016 rates a BTBA undercollection of \$0.5 million. As of December 31, 2016, the BTBA is projected to have an undercollected balance of \$9.0 million, representing a BTS revenue requirement increase of \$8.5 million. Additionally, SoCalGas updated the BTS Demand pursuant to D.11-04-032. The calculation of the proposed BTS rate for 2017 is detailed below:

Update to BTS Rate

	Present	Proposed	increase (decrease)
Unbundled BTS Revenues w /FFU (\$000's)	\$147,526	\$147,526	\$0
PSRMA-BBT SCG w/o FFU \$000	\$3,611	\$3,611	\$0
PSRMA-BBT SDG&E w/o FFU \$000	\$0	\$0	\$0
SECCBA-BBT SCG w/o FFU \$000	\$4,349	\$4,349	\$0
SECCBA-BBT SDG&E w/o FFU \$000	\$23	\$23	\$0
SEEBBA-BBT SCG w/o FFU \$000	\$23,721	\$23,721	\$0
SEEBBA-BBT SDG&E w/o FFU \$000	\$17	\$17	\$0
TIMPBA-BBT w/o FFU \$000	\$13,333	\$13,333	\$0
BTBA w/o FFU (\$000's)	\$535	\$9,007	\$8,472
FFU Rate	1.0174	1.0174	0.0000
Balancing Accounts w / FFU (\$000's)	\$46,382	\$55,001	\$8,619
BTS Revenue w /FFU (\$000's)	\$193,907	\$202,526	\$8,619
BTS Demand Dth/Day	2,851,800	2,740,828	(110,972)
BTS rate w /FFU \$/dth day	\$0.18629	\$0.20244	\$0.01616

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 \$3.38/MMBtu, an increase of \$0.21/MMBtu from the \$3.17/MMBtu authorized for rates effective January 1, 2016. Based on this updated gas price forecast, SoCalGas proposes to revise its authorized costs for Other CU Fuel and UAF Gas to \$26.9 million, an increase of \$1.7 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	\$3.17	\$3.38	
UAF (M\$)	\$23,543	\$25,105	\$1,562
<u>Company Use Gas: Storage Load Balancing</u>			
Volumes Mth/yr	2,914	2,914	
Gas Price \$/dth	\$3.17	\$3.38	
Company Use Gas: Storage Load Balancing (M\$)	\$924	\$986	\$61
<u>Company Use Other:</u>			
Annual Average Volumes (Mth/year)	2,425	2,425	
Gas Price \$/dth	\$3.17	\$3.38	
Co Use Other (M\$)	\$769	\$820	\$51
Total Costs	\$25,236	\$26,911	\$1,674

Greenhouse Gas (GHG) Revenue Requirement and Reporting Requirements

D.15-10-032 addresses the procedures necessary for natural gas corporations to comply with the California Cap on GHG Emissions and Market-Based Compliance Mechanisms (Cap-and-Trade Program), provides a set of tables and requirements for SoCalGas to use to annually forecast compliance costs and allowance proceeds, and requires SoCalGas to include those tables and reasonable supporting information regarding methodologies and assumptions in this Advice filing.

On April 7, 2016, the Commission adopted D.16-04-013, which granted limited rehearing of D.15-10-032 on the disbursement of natural gas GHG allowance proceeds to residential ratepayers. The decision also vacated certain Ordering Paragraphs which effectively put on hold the introduction of GHG costs into rates as well as the disbursement of any GHG proceeds.

As required by D.15-10-032, Attachment H to this filing includes four of the requested tables, including a brief description of each table. Also, as required by D.15-10-032, Attachment I to this filing includes Table B (Recorded GHG Costs) and SoCalGas' 2017 Compliance Instrument Procurement Limit. Per General Order (GO) 66-C, Section 583 of the Public Utilities Code, and D.15-10-032, Attachment I is provided confidentially to the Energy Division. The GHG revenue requirements and net allowance proceeds available for return are summarized in the table below.

\$ millions

Description	2015		2016		2017	
	Forecast ¹	Recorded ²	Forecast ³	Recorded ⁴	Forecast	Recorded
GHG Revenue Requirement:	81.7	60.3	108.1	80.2	123.1	N/A
GHG Allowance Proceeds:						
Allowance Proceeds	(71.8)	(68.4)	(85.3)	(77.7)	(97.3)	N/A
Less: Outreach and Admin Expenses	3.7	1.3	3.9	0.7	4.0	N/A
Net GHG Proceeds Available for Customer Returns	(68.1)	(67.1)	(81.4)	(77.0)	(93.2)	-

¹2015 Forecast Revenue Requirement from Preliminary Statement filed January 20, 2015 in Rulemaking 14-03-003.

²2015 Recorded Compliance Instrument Costs and Allowance Proceeds are updated from those provided in AL 4877-A to include actual expenses for the entire year.

³2016 Forecast Revenue Requirement and Allowance Proceeds from AL 4877-A.

⁴2016 Recorded Compliance Instrument Costs and Allowance Proceeds includes actual expenses for January through September and forecasted expenses for October through December.

Pursuant to D.16-04-013, SoCalGas is not requesting to place these revenues requirements in rates at this time pending further direction by the Commission. However, for illustrative purposes, rate impacts are provided in Attachment H under various scenarios that may be approved in the future.

Protests

Anyone may protest this AL 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 AL, which is November 6, 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
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 GO 96-B. This filing is consistent with D.14-06-007 and therefore SoCalGas respectfully requests that this filing be approved November 16, 2016, which is thirty (30) calendar days after the date filed, for implementation and inclusion in rates effective January 1, 2017.

Notice

A copy of this AL is being sent to SoCalGas' GO 96-B service list and the Commission's service list in A.14-11-014, TY 2016 GRC, A14-12-017, Phase I of 2017 TCAP, and R.14-03-003. 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) #: 5047

Subject of AL: Annual Regulatory Account Balance Update for Rates Effective January 1, 2017

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.14-06-007, and D.15-10-032

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: See the Declaration of Confidentiality.

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: 11/16/16 AL; 1/1/17 Rates

No. of tariff sheets: 0

Estimated system annual revenue effect (%): -10.4 %

Estimated system average rate effect (%): -10.4 %

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. 5047**

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

	Present Rates			Proposed Rates			Changes			
	Sep-1-16	Average	Sep-1-16	Jan-1-17	Proposed	Jan-1-17	Revenue	Rate	% Rate	
	Volumes	Rate	Revenues	Volumes	Rate	Revenues	Change	Change	change	
	Mth	\$/therm	\$000's	Mth	\$/therm	\$000's	\$000's	\$/therm	%	
	A	B	C	D	E	F	G	H	I	
1	CORE									
2	Residential	2,337,534	\$0.82577	\$1,930,262	2,337,534	\$0.74638	\$1,744,688	(\$185,574)	(\$0.07939)	-9.6%
3	Commercial & Industrial	984,102	\$0.43695	\$430,002	984,102	\$0.34777	\$342,238	(\$87,764)	(\$0.08918)	-20.4%
4										
5	NGV - Pre SempraWide	117,220	\$0.22351	\$26,200	117,220	\$0.12953	\$15,184	(\$11,016)	(\$0.09398)	-42.0%
6	SempraWide Adjustment	117,220	\$0.00847	\$993	117,220	\$0.01685	\$1,976	\$983	\$0.00838	99.0%
7	NGV - Post SempraWide	117,220	\$0.23198	\$27,193	117,220	\$0.14639	\$17,160	(\$10,033)	(\$0.08559)	-36.9%
8										
9	Gas A/C	825	\$0.23098	\$190	825	\$0.13604	\$112	(\$78)	(\$0.09494)	-41.1%
10	Gas Engine	16,774	\$0.15232	\$2,555	16,774	\$0.15231	\$2,555	(\$0)	(\$0.00000)	0.0%
11	Total Core	3,456,455	\$0.69152	\$2,390,202	3,456,455	\$0.60951	\$2,106,753	(\$283,449)	(\$0.08201)	-11.9%
12										
13	NONCORE COMMERCIAL & INDUSTRIAL									
14	Distribution Level Service	893,164	\$0.07253	\$64,783	893,164	\$0.07188	\$64,199	(\$583)	(\$0.00065)	-0.9%
15	Transmission Level Service (2)	654,456	\$0.01839	\$12,036	654,456	\$0.01828	\$11,966	(\$70)	(\$0.00011)	-0.6%
16	Total Noncore C&I	1,547,620	\$0.04964	\$76,819	1,547,620	\$0.04921	\$76,165	(\$653)	(\$0.00042)	-0.9%
17										
18	NONCORE ELECTRIC GENERATION									
19	Distribution Level Service									
20	Pre Sempra Wide	333,969	\$0.06483	\$21,651	333,969	\$0.06236	\$20,827	(\$824)	(\$0.00247)	-3.8%
21	Sempra Wide Adjustment	333,969	(\$0.00804)	(\$2,687)	333,969	(\$0.00774)	(\$2,586)	\$101	\$0.00030	-3.7%
22	Distribution Level Post Sempra Wide	333,969	\$0.05678	\$18,964	333,969	\$0.05462	\$18,241	(\$723)	(\$0.00216)	-3.8%
23	Transmission Level Service (2)	2,641,080	\$0.01510	\$39,868	2,641,080	\$0.01319	\$34,847	(\$5,021)	(\$0.00190)	-12.6%
24	Total Electric Generation	2,975,049	\$0.01978	\$58,832	2,975,049	\$0.01784	\$53,088	(\$5,744)	(\$0.00193)	-9.8%
25										
26	TOTAL RETAIL NONCORE	4,522,669	\$0.02999	\$135,650	4,522,669	\$0.02858	\$129,253	(\$6,398)	(\$0.00141)	-4.7%
27										
28	WHOLESALE & INTERNATIONAL (excluding SDG&E)	317,990	\$0.01489	\$4,736	317,990	\$0.01293	\$4,112	(\$624)	(\$0.00196)	-13.2%
29										
30	OTHER SERVICES (SDG&E, UBS, & BTS)	1,247,558		\$230,820	1,247,558		\$233,946	\$3,127		
31	SYSTEM TOTAL w/BTS	9,544,672	\$0.28931	\$2,761,408	9,544,672	\$0.25921	\$2,474,064	(\$287,344)	(\$0.03011)	-10.4%
32										
33	EOR Revenues	203,920	\$0.03733	\$7,613	203,920	\$0.03526	\$7,190	(\$422)	(\$0.00207)	-5.5%
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. 5047**

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

Account Name (1)	Authorized 09/2016 Amortization			Proposed 01/01/2017 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)	(\$151)	(\$10)	(\$161)	\$52	\$3	\$55	\$203	\$13	\$216
2. FERC Settlement Proceeds Memorandum Account (FSPMA)	(\$488)	\$0	(\$488)	\$53	\$0	\$53	\$541	\$0	\$541
3. General Rate Case Memorandum Account (GRCMA)	\$43,896	\$2,775	\$46,671	\$44,152	\$2,744	\$46,896	\$255	(\$31)	\$225
4. GRCMA Sub allocation for AB32 Admin Fees	(\$154)	(\$115)	(\$268)	(\$154)	(\$115)	(\$268)	\$0	\$0	\$0
5. Deductible Tax Repairs Benefits Memorandum Account (DTRBMA)	(\$48,692)	(\$3,077)	(\$51,769)	(\$30,116)	(\$1,871)	(\$31,987)	\$18,576	\$1,206	\$19,782
6. Core Fixed Cost Account (CFCA)	\$424,272	\$0	\$424,272	\$86,177	\$0	\$86,177	(\$338,095)	\$0	(\$338,095)
7. Economic Practicality Shortfall Memorandum Account (EPSMA)	\$0	\$415	\$415	\$0	\$637	\$637	\$0	\$222	\$222
8. California Solar Initiative Thermal Memorandum Account (CSITPMA)	\$8,028	\$4,385	\$12,412	\$12,704	\$6,939	\$19,643	\$4,676	\$2,554	\$7,231
9. Enhanced Oil Recovery Account (EORA)	(\$1,939)	(\$198)	(\$2,136)	(\$2,856)	(\$291)	(\$3,147)	(\$917)	(\$93)	(\$1,011)
10. Transmission Integrity Mgmt Program Memorandum Account (TIMPBA - Local T)	\$2,888	\$2,232	\$5,120	\$2,888	\$2,233	\$5,122	\$0	\$2	\$2
11. Hazardous Substance Cost-Recovery Account (HSCRA)	\$29	\$51	\$79	\$1,131	\$1,990	\$3,121	\$1,102	\$1,940	\$3,042
12. Intervenor Award Memorandum Account (IAMA)	\$161	\$284	\$446	\$38	\$66	\$104	(\$124)	(\$218)	(\$341)
13. Gain / Loss on Sale Memorandum Account (GLOSMA)	\$0	\$0	\$0	(\$93)	(\$6)	(\$99)	(\$93)	(\$6)	(\$99)
14. Master Meter Balancing Account (MMBA)	\$814	\$51	\$865	\$591	\$37	\$627	(\$223)	(\$15)	(\$238)
15. Montebello True-Up Tracking Account (MTTA)	\$2,671	\$1,144	\$3,814	\$0	\$0	\$0	(\$2,671)	(\$1,144)	(\$3,814)
16. New Environmental Regulation Bal Account (NERBA) - Admin Fees Subaccount	(\$194)	(\$145)	(\$338)	\$517	\$387	\$904	\$711	\$531	\$1,242
17. New Environmental Regulation Bal Account (NERBA) - Subpart W Subaccount	(\$9,471)	(\$599)	(\$10,069)	(\$369)	(\$23)	(\$392)	\$9,102	\$576	\$9,677
18. Noncore Fixed Cost Account (NFCA) Margin	\$0	\$3,518	\$3,518	\$0	(\$1,530)	(\$1,530)	\$0	(\$5,048)	(\$5,048)
19. Noncore Fixed Cost Account (NFCA) Nonmargin	\$0	\$696	\$696	\$0	(\$475)	(\$475)	\$0	(\$1,171)	(\$1,171)
20. Integrated Transmission Balancing Account (ITBA) 2/	\$1,761	\$2,295	\$4,056	(\$663)	(\$864)	(\$1,527)	(\$2,424)	(\$3,159)	(\$5,583)
21. Compressor Station Fuel and Power Balancing Account (CFPBA)	\$23	\$30	\$54	\$439	\$572	\$1,011	\$416	\$542	\$958
22. Compression Services Balancing Account (CSBA)	(\$293)	\$0	(\$293)	(\$34)	\$0	(\$34)	\$259	\$0	\$259
23. Company-Use Fuel for Load Balancing Account (CUFLBA)	\$41	\$74	\$115	(\$203)	(\$369)	(\$573)	(\$244)	(\$444)	(\$688)
24. System Reliability Memorandum Account (SRMA)	\$8,196	\$14,426	\$22,622	\$2,868	\$5,048	\$7,916	(\$5,328)	(\$9,378)	(\$14,705)
25. Noncore Storage Balancing Account (NSBA)	(\$197)	(\$347)	(\$545)	\$1,313	\$2,311	\$3,624	\$1,511	\$2,659	\$4,169
26. Pension Balancing Account (PBA)	(\$34,307)	(\$2,168)	(\$36,475)	(\$17,911)	(\$1,113)	(\$19,024)	\$16,396	\$1,055	\$17,451
27. PBOP Balancing Account (PBOPBA)	(\$22,088)	(\$1,396)	(\$23,484)	(\$1,642)	(\$102)	(\$1,744)	\$20,446	\$1,294	\$21,740
28. Pipeline Safety and Reliability Memo Acct (PSRMA) - Local Transmission	\$1,203	\$929	\$2,132	\$1,203	\$930	\$2,133	\$0	\$1	\$1
29. Pipeline Safety and Reliability Memo Acct (PSRMA) - Distribution	\$1,538	\$73	\$1,611	\$1,538	\$73	\$1,611	\$0	\$0	\$0
30. Safety Enhancement Capital Cost Balancing Account (SECCBA) - Local Trans	\$821	\$634	\$1,455	\$821	\$635	\$1,456	\$0	\$0	\$0
31. Safety Enhancement Capital Cost Balancing Account (SECCBA) - Distribution	\$8,516	\$405	\$8,921	\$8,516	\$405	\$8,922	\$0	\$0	\$0
32. Safety Enhancement Expense Balancing Account (SEEBBA) - Local Trans	\$3,960	\$3,059	\$7,019	\$3,960	\$3,061	\$7,021	\$0	\$2	\$2
33. Safety Enhancement Expense Balancing Account (SEEBBA) - Distribution	\$10,200	\$485	\$10,685	\$10,200	\$485	\$10,685	\$0	\$0	\$0
34. Research Development and Demonstration Expense Account (RDDEA)	\$0	\$0	\$0	(\$875)	(\$54)	(\$930)	(\$875)	(\$54)	(\$930)
35. Research Royalty Memorandum Account (RRMA)	(\$192)	(\$12)	(\$204)	\$0	\$0	\$0	\$192	\$12	\$204
36. Self-Generation Program Memorandum Account (SGPMA)	\$2,947	\$5,188	\$8,135	\$2,947	\$5,188	\$8,135	\$0	\$0	\$0
37. Natural Gas Appliance Testing Memo Account (NGATMA)	\$0	\$0	\$0	\$1,871	\$116	\$1,987	\$1,871	\$116	\$1,987
38. Rewards & Penalties Balancing Account (RPBA)	\$3,682	\$233	\$3,915	(\$212)	(\$13)	(\$225)	(\$3,894)	(\$246)	(\$4,140)
Total Regulatory Accounts	\$407,482	\$35,315	\$442,798	\$128,852	\$27,036	\$155,888	(\$278,630)	(\$8,280)	(\$286,910)

Notes:

- 1/ All amounts include FF&U.
2/ Forecasted SoCalGas ITBA December 31, 2016 balance is on a combined and re-allocated basis.

**ATTACHMENT C
Advice No. 5047**

**SOUTHERN CALIFORNIA GAS COMPANY
GAS PRICE FORECAST - 2017**

Row Labels	2017-01	2017-02	2017-03	2017-04	2017-05	2017-06	2017-07	2017-08	2017-09	2017-10	2017-11	2017-12	Total
8/1/2016	3.36	3.34	3.30	3.03	3.00	3.03	3.06	3.07	3.05	3.08	3.13	3.27	3.14
8/2/2016	3.32	3.30	3.26	3.02	3.00	3.03	3.06	3.07	3.06	3.08	3.13	3.26	3.13
8/3/2016	3.39	3.38	3.33	3.07	3.04	3.07	3.10	3.11	3.09	3.11	3.16	3.29	3.18
8/4/2016	3.39	3.37	3.32	3.07	3.04	3.07	3.10	3.11	3.09	3.11	3.16	3.29	3.18
8/5/2016	3.34	3.33	3.28	3.04	3.01	3.05	3.08	3.09	3.07	3.09	3.14	3.27	3.15
8/8/2016	3.32	3.31	3.27	3.03	3.00	3.04	3.07	3.08	3.06	3.08	3.13	3.27	3.14
8/9/2016	3.23	3.23	3.19	2.96	2.94	2.98	3.01	3.02	3.00	3.03	3.08	3.22	3.07
8/10/2016	3.20	3.19	3.15	2.94	2.92	2.95	2.98	2.99	2.98	3.00	3.06	3.20	3.05
8/11/2016	3.19	3.19	3.15	2.93	2.91	2.95	2.98	2.99	2.97	2.99	3.05	3.20	3.04
8/12/2016	3.20	3.20	3.16	2.93	2.90	2.94	2.97	2.98	2.96	2.98	3.04	3.18	3.04
8/15/2016	3.21	3.21	3.16	2.93	2.91	2.94	2.97	2.98	2.96	2.99	3.04	3.18	3.04
8/16/2016	3.23	3.23	3.19	2.95	2.92	2.96	2.99	3.00	2.98	3.00	3.06	3.20	3.06
8/17/2016	3.22	3.22	3.18	2.94	2.91	2.94	2.98	2.99	2.97	2.99	3.05	3.20	3.05
8/18/2016	3.24	3.24	3.20	2.95	2.92	2.95	2.99	3.00	2.98	3.00	3.06	3.20	3.06
8/19/2016	3.15	3.16	3.12	2.90	2.88	2.92	2.95	2.96	2.94	2.96	3.02	3.17	3.01
8/22/2016	3.16	3.17	3.13	2.91	2.89	2.92	2.95	2.96	2.95	2.97	3.02	3.17	3.02
8/23/2016	3.24	3.24	3.20	2.95	2.93	2.95	2.98	2.99	2.98	3.00	3.05	3.19	3.06
8/24/2016	3.29	3.29	3.25	2.99	2.97	2.99	3.02	3.03	3.02	3.04	3.09	3.23	3.10
8/25/2016	3.33	3.32	3.28	3.01	2.97	3.00	3.03	3.04	3.02	3.04	3.10	3.23	3.11
8/26/2016	3.34	3.34	3.30	3.02	2.98	3.01	3.04	3.04	3.03	3.05	3.10	3.24	3.12
8/29/2016	3.33	3.33	3.28	3.02	2.99	3.02	3.05	3.06	3.04	3.06	3.12	3.25	3.13
8/30/2016	3.28	3.28	3.24	2.99	2.97	2.99	3.02	3.03	3.02	3.04	3.09	3.22	3.10
8/31/2016	3.33	3.33	3.28	3.02	2.99	3.02	3.05	3.05	3.04	3.06	3.12	3.25	3.13
9/1/2016	3.24	3.25	3.21	2.98	2.95	2.98	3.01	3.02	3.00	3.03	3.08	3.22	3.08
9/2/2016	3.23	3.23	3.20	2.97	2.95	2.98	3.01	3.02	3.00	3.02	3.08	3.21	3.07
9/6/2016	3.19	3.19	3.16	2.95	2.93	2.96	2.99	3.00	2.99	3.01	3.07	3.20	3.05
9/7/2016	3.18	3.18	3.14	2.94	2.92	2.95	2.98	2.99	2.98	3.00	3.06	3.19	3.04
9/8/2016	3.27	3.27	3.23	2.99	2.96	2.99	3.02	3.03	3.02	3.04	3.10	3.23	3.09
9/9/2016	3.24	3.25	3.21	2.99	2.96	2.99	3.02	3.03	3.02	3.04	3.10	3.23	3.09
9/12/2016	3.30	3.30	3.25	3.02	2.99	3.02	3.05	3.06	3.04	3.06	3.12	3.24	3.12
9/13/2016	3.30	3.30	3.26	3.03	3.00	3.03	3.06	3.07	3.05	3.07	3.12	3.25	3.13
Henry Hub average price	3.26	3.26	3.22	2.98	2.96	2.99	3.02	3.03	3.01	3.03	3.09	3.22	3.09
Basis differential (1)	-0.01	-0.24	0.02	0.06	0.02	-0.08	-0.19	-0.18	-0.12	-0.05	-0.10	-0.23	-0.09
Total	3.27	3.50	3.21	2.93	2.94	3.06	3.21	3.20	3.13	3.08	3.19	3.45	3.18

Note 1/ represents a 2-year average basis differential between Henry Hub and SoCalBorder gas price.

Note 2/ the projected gas price of \$3.18/MMDth is increased by the projected backbone transmission rate to project the Citygate gas price of \$3.38/MMDth.

**ATTACHMENT D
Advice No. 5047**

**SOUTHERN CALIFORNIA GAS COMPANY
PENSION BALANCING ACCOUNT (PBA)
Year 2016**

(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	(35,513)	(35,829)	(36,148)	(36,469)	(37,481)	(37,758)	(52,232)	(54,878)	(57,527)	(60,176)	(27,674)	(30,175)	(35,513)
1a	Prior Period Adjustment	-	-	-	(868)	-	-	-	-	-	-	-	-	(868)
1b	Adjusted Beginning Balance	(35,513)	(35,829)	(36,148)	(37,336)	(37,481)	(37,758)	(52,232)	(54,878)	(57,527)	(60,176)	(27,674)	(30,175)	(36,381)
2	Recorded Cost	272	272	271	448	316	(1,582)	0	(2)	-	35,145	136	14,110	49,387
3	Authorized Cost	3,565	3,565	3,565	3,565	3,565	15,849	5,612	5,612	5,612	5,612	5,612	5,612	67,348
4	Net position (2-3):	(3,293)	(3,293)	(3,294)	(3,117)	(3,249)	(17,431)	(5,612)	(5,615)	(5,612)	29,533	(5,476)	8,498	(17,961)
5	Amortization	(2,988)	(2,988)	(2,988)	(2,988)	(2,988)	(2,988)	(2,988)	(2,988)	(2,988)	(2,988)	(2,988)	(2,988)	(35,853)
6	Current Month Adjustment (4-5):	(305)	(305)	(306)	(129)	(262)	(14,443)	(2,624)	(2,627)	(2,625)	32,521	(2,488)	11,486	(53,814)
7	Current Month Interest**:	(11)	(14)	(14)	(16)	(15)	(31)	(22)	(22)	(25)	(19)	(13)	(11)	(211)
8	Total Current Month Activity (6+7):	(316)	(319)	(320)	(145)	(277)	(14,474)	(2,646)	(2,648)	(2,649)	32,502	(2,501)	11,475	17,681
9	Ending Balance (1b+8):	(35,829)	(36,148)	(36,469)	(37,481)	(37,758)	(52,232)	(54,878)	(57,527)	(60,176)	(27,674)	(30,175)	(18,700)	(18,700)

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

Interest Assumption:	0.36%	0.47%	0.47%	0.47%	0.48%	0.48%	0.49%	0.46%	0.50%	0.52%	0.52%	0.52%
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Supporting Calculation - 2016 Net Pension Revenue/Costs

	Authorized Cost	Recorded Cost
Gross Revenue/costs	82,089	70,293
Lees: Amount capitalized	(16,582)	(19,569)
Less: Billings to SDG&E/Unregulated Affiliates	(982)	(1,799)
Plus: Billings from SDG&E	1,867	0
Depreciation/Return 1/	956	462
Net Costs	<u>\$67,348</u>	<u>\$49,387</u>

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

**ATTACHMENT E
Advice No. 5047**

**SOUTHERN CALIFORNIA GAS COMPANY
POST RETIREMENT BENEFITS OTHER THAN PENSION BALANCING ACCOUNT (PBOBPA)
Year 2016
(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	(23,350)	(23,340)	(23,375)	(23,412)	(23,464)	(23,507)	(12,526)	(10,730)	(8,932)	(7,148)	(5,363)	(3,578)	(23,350)
1a	Prior Period Adjustment	-	-	-	20	-	-	-	-	-	-	-	-	20
1b	Adjusted Beginning Balance	(23,350)	(23,340)	(23,375)	(23,392)	(23,464)	(23,507)	(12,526)	(10,730)	(8,932)	(7,148)	(5,363)	(3,578)	(23,330)
2	Recorded Cost	132	90	88	53	81	(321)	14	14	1	1	1	78	230
3	Authorized Cost	2,039	2,039	2,039	2,039	2,039	(9,376)	137	137	137	137	137	137	1,639
4	Net position (2-3):	(1,907)	(1,949)	(1,951)	(1,986)	(1,958)	9,054	(123)	(123)	(136)	(136)	(136)	(59)	(1,409)
5	Amortization	(1,924)	(1,924)	(1,924)	(1,924)	(1,924)	(1,924)	(1,924)	(1,924)	(1,924)	(1,924)	(1,924)	(1,924)	(23,083)
6	Current Month Adjustment (4-5):	17	(25)	(28)	(63)	(34)	10,978	1,801	1,801	1,788	1,788	1,788	1,865	(24,493)
7	Current Month Interest**:	(7)	(9)	(9)	(9)	(9)	4	(5)	(4)	(3)	(3)	(2)	(1)	(58)
8	Total Current Month Activity (6+7):	10	(35)	(37)	(72)	(43)	10,982	1,796	1,797	1,784	1,785	1,786	1,864	21,616
9	Ending Balance (1b+8):	(23,340)	(23,375)	(23,412)	(23,464)	(23,507)	(12,526)	(10,730)	(8,932)	(7,148)	(5,363)	(3,578)	(1,714)	(1,714)

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

Interest Assumption: 0.36% 0.47% 0.47% 0.47% 0.48% 0.48% 0.49% 0.46% 0.50% 0.52% 0.52% 0.52%

Supporting Calculation - 2016 Net PBOP Revenue/Costs

	Authorized Cost	Recorded Cost
Gross Revenue/costs	1,518	196
Lees: Amount capitalized	(307)	(55)
Less: Billings to SDG&E/Unregulated Affiliates	(157)	(5)
Plus: Billings from SDG&E	567	88
Depreciation/Return 1/	18	6
Net Costs	<u>\$1,639</u>	<u>\$230</u>

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

ATTACHMENT F
Advice No. 5047

Southern California Gas Company
Pension Plan
Based on 2016 Draft Actuarial Results
Development of 2016 Minimum Required Contribution

1. 2016 Funding target liability	\$1,644,683,409	
[Net Effective Interest Rate]	6.12%	
2. 2016 Plan Actuarial Value of Assets	\$1,626,526,741	
3. Funding shortfall [MAX [(1) - (2),0]]	\$18,156,668	
4. Excess assets [MAX [(2) - (1),0]]	\$0	
5. 2016 Plan Normal Cost		\$64,045,070
[includes estimated plan expenses of \$11,000,000]		
6. 2010 shortfall amortization charge (amortized through 2016) *		0
7. 2011 shortfall amortization charge (amortized through 2017) *		0
8. 2012 shortfall amortization charge (amortized through 2018) *		0
9. 2013 shortfall amortization charge (amortized through 2019) *		0
10. 2014 shortfall amortization charge (amortized through 2020) *		0
11. 2015 shortfall amortization charge (amortized through 2021) *		0
12. Funding shortfall base *		
(a) Present value of 2010 shortfall amortization charge	0	
[based on amortization over 1 years at 4.43%]		
(b) Present value of 2011 shortfall amortization charge	0	
[based on amortization over 2 years at 4.43%]		
(c) Present value of 2012 shortfall amortization charge	0	
[based on amortization over 3 years at 4.43%]		
(d) Present value of 2013 shortfall amortization charge	0	
[based on amortization over 4 years at 4.43%]		
(e) Present value of 2014 shortfall amortization charge	0	
[based on amortization over 5 years at 4.43%]		
(f) Present value of 2015 shortfall amortization charge	0	
[based on amortization over first 5 years at 4.43% and next year at 5.91%]		
(g) 2016 funding shortfall base		
[(3) - (12(a)) - (12(b)) - (12(c)) - (12(d)) - (12(e)) - (12(f))]	\$18,156,668	
13. 2016 Amortization factor		
[based on amortization of shortfall over 7 years, assuming		
a 4.43% rate for the first 5 years and 5.91% rate for the final 2 years]	0.16522343	
14. 2016 funding shortfall to be amortized in 2016 - 2022 [12(g) x (13)]		\$2,999,907
15. 2016 Minimum required contribution *		\$67,044,977
[(5) + (6) + (7) + (8) + (9) + (10) + (11) + (14) , amount as of 1/1/2016]		
Timing of 2016 Minimum Required Contribution		Funding
First quarterly contribution deposited on April 1, 2016		\$0
Second quarterly contribution deposited on July 1, 2016		\$0
Third quarterly contribution deposited on October 3, 2016		\$50,300,000
Final 2016 contribution estimated to be deposited on December 15, 2016		\$20,050,433
Sum of payments made for the 2016 Plan Year		\$70,350,433
1/1/2016 Present value of 2016 Plan Year contributions		\$67,044,977

* 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. 5047

Southern California Gas Company
Postretirement Welfare Plans

Development of 2016 Contribution
Based on Final Actuarial Results

1. 2016 APBO	\$724,496,799	
2. Discount rate	4.50%	
3. 2016 Fair Value of Assets	\$822,144,082	
4. 2016 Plan Service Cost		\$14,101,908
5. Interest cost		32,459,454
6. Expected return on assets [based on expected return of 7% on assets]		(57,420,214)
7. Transition obligation amortization		0
8. Prior service cost amortization		(2,551,265)
9. Unrecognized (gain)/loss amortization		0
10. Net periodic benefit cost		(\$13,410,117)

Timing of Estimated 2016 Contribution

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

ATTACHMENT H
Advice No. 5047

Table A: Forecast Revenue Requirement

Line	Description	2015		2016		2017	
		Forecast ¹	Recorded ²	Forecast ³	Recorded ⁴	Forecast	Recorded
1	Gross Throughput (MMcf)	822,829		821,630		796,758	
2	Throughput to Covered Entities (MMcf)	(410,647)		(408,577)		(386,822)	
3	Net Throughput to End Users (MMcf) (Line 1 + Line 2)	412,182		413,053	N/A	409,937	N/A
4	Lost and Unaccounted for Gas (MMcf)			6,253		6,063	
5	Total Supplied Gas (MMcf) (Line 3 + Line 4)	412,182		419,306	N/A	416,000	N/A
6	Emissions Conversion Factor (MTCO ₂ e/MMcf)	54.43		54.64		54.64	
7	Compliance Obligation for End Users and LUAF (MTCO ₂ e) (Line 5 * Line 6)	22,435,190		22,912,713		22,732,064	
8	Compliance Obligation for Company Facilities (MTCO ₂ e)	200,674		214,065		199,466	
9	Gross Compliance Obligation (MTCO₂e) (Line 7 + Line 8)	22,635,864		23,126,778		22,931,530	
10	Directly Allocated Allowances	(21,988,508)		(21,545,943)		(21,126,670)	
11	Percentage Consigned to Auction	25%		30%		35%	
12	Consigned Allowances (Line 10 * Line 11)	5,497,127		6,463,782		7,394,334	
13	Net Compliance Obligation (MTCO₂e) (Line 9 + Line 10+ Line 12)	6,144,483		8,044,617		9,199,194	
14	Proxy GHG Allowance Price	\$ 13.06		\$ 13.20		\$ 13.15	
15	Compliance Instrument Cost	\$ 80,246,950	\$ 59,223,936	\$ 106,188,942	\$ 78,575,744	\$ 121,006,199	
16	Interest		\$ 31,088		\$ 225,026		
17	Franchise Fees & Uncollectibles	\$ 1,415,556	\$ 1,045,259	\$ 1,873,173	\$ 1,368,805	\$ 2,101,933	
18	Revenue Requirement (Line 15 + Line 16 + Line 17)	\$ 81,662,507	\$ 60,300,283	\$ 108,062,115	\$ 80,169,576	\$ 123,108,132	N/A
19	Previous Year's Cost Balancing Subaccount Balance w/ FFU	\$ -		\$ -		\$ -	
20	Revenue Requirement to be Included in Rates (Line 18 + Line 19)	\$ 81,662,507		\$ 108,062,115		\$ 123,108,132	
21	Covered Entity Rate Impact (\$/therm) ⁵						
22	Non-Covered Entity Rate Impact (\$/therm) ⁵						

Illustrative Rate Impacts: For Informational Purposes Only

	2015	2016	2017
2017 Rev Req + 50% of 2015 and 2016 Rev Reqs	\$0	\$0	\$217,970,443
2017 Rev Req + 50% of 2015 Rev Req	\$0	\$0	\$163,939,385
2017 Rev Req only	\$0	\$0	\$123,108,132
2017 Rev Req + 50% of 2015 and 2016 Rev Reqs (excl. end-user rev req)	\$0	\$0	\$12,169,399
2017 Rev Req + 50% of 2015 Rev Req (excl. end user rev req)	\$0	\$0	\$8,436,848
2017 Rev Req only (Excl. end user rev req)	\$0	\$0	\$7,103,332
Non-Covered Entity Rate Impacts (\$/therm)			
2017 Rev Req + 50% of 2015 and 2016 Rev Reqs	\$0.00000	\$0.00000	\$0.05245
2017 Rev Req + 50% of 2015 Rev Req	\$0.00000	\$0.00000	\$0.03955
2017 Rev Req only	\$0.00000	\$0.00000	\$0.02959
Covered Entity Rate Impacts (\$/therm)			
2017 Rev Req + 50% of 2015 and 2016 Rev Reqs	\$0.00000	\$0.00000	\$0.00127
2017 Rev Req + 50% of 2015 Rev Req	\$0.00000	\$0.00000	\$0.00088
2017 Rev Req only	\$0.00000	\$0.00000	\$0.00074

Table A Notes:

¹2015 Forecast Revenue Requirement from Preliminary Statement filed January 20, 2015 in Rulemaking 14-03-003.

²2015 Recorded Compliance Instrument Costs are updated from those provided in AL 4877-A to include actual expenses for the entire year.

³201 Forecast Revenue Requirement from AL 4877-A.

⁴2016 Recorded Compliance Instrument Costs includes actual expenses for January through September and forecasted expenses for October through December.

⁵Not included, pending Application for Rehearing

Supporting Information:

FF&U %	1.764%	1.764%	1.764%	1.737%	1.737%
LUAF %	0.761%	0.761%	0.761%	0.761%	0.761%
System Throughput	9,544,672		9,544,672		9,544,672
Non-Covered Entity Throughput	4,040,305		4,040,305		4,021,584

Revenue Requirement to be Included in Rates w/FFU

End-User Revenue Requirement w/FFU	\$ 78,995,473	\$ 100,597,014	\$ 116,004,800
LUAF Revenue Requirement w/FFU	\$ -	\$ 4,589,599	\$ 4,433,980
Company Facilities Revenue Requirement w/FFU	\$ 2,667,033	\$ 2,875,503	\$ 2,669,352
Total Revenue Requirement w/FFU	\$ 81,662,507	\$ 108,062,115	\$ 123,108,132

Cost Balancing Account Balances

End-User w/ FFU	\$ -	\$ -	\$ -
LUAF w/ FFU	\$ -	\$ -	\$ -
Company Facilities w/ FFU	\$ -	\$ -	\$ -
Total Balancing Accounts w/FFU	\$ -	\$ -	\$ -
Total GHG Costs in Rates w/ FFU	\$ 81,662,507	\$ 108,062,115	\$ 123,108,132

Revenue Requirement to be Included in Rates w/out FFU

End-User Revenue Requirement w/out FFU	\$ 77,626,148	\$ 98,853,243	\$ 114,024,149
LUAF Revenue Requirement w/out FFU	\$ -	\$ 4,510,041	\$ 4,358,274
Company Facilities Revenue Requirement w/out FFU	\$ 2,620,802	\$ 2,825,658	\$ 2,623,776
Total Revenue Requirement w/out FFU	\$ 80,246,950	\$ 106,188,942	\$ 121,006,199

Cost Balancing Account Balances

End-User w/o FFU	\$ -	\$ -	\$ -
LUAF w/o FFU	\$ -	\$ -	\$ -
Company Facilities w/o FFU	\$ -	\$ -	\$ -
Total Balancing Accounts w/o FFU	\$ -	\$ -	\$ -
Total GHG Costs in Rates w/out FFU	\$ 80,246,950	\$ 106,188,942	\$ 121,006,199

Check \$ - \$ - \$ -

Attachment H – Table A Description

SoCalGas' Gross Compliance Obligation is calculated as the 2017 throughput forecast in the most recent California Gas Report *less* the throughput associated with covered entities *plus* an estimate for LUAF gas and a forecast of emissions for SoCalGas' applicable Covered Facilities. SoCalGas' directly allocated allowances are reduced by 35%, which is the minimum consignment percentage required for 2017 by the Cap-and-Trade Program regulations. The Proxy GHG Allowance Price is the 5-day average of forward prices for October 3-7 on the Intercontinental Exchange (ICE) for a California Carbon Allowance (CCA) with December delivery in 2017.

The resulting 2017 Forecast Revenue Requirement is \$123.1 million (including FF&U). This is composed of \$116.0 million for end-users, \$4.4 million for LUAF gas, and \$2.7 million for company facilities. To the extent that any of these revenue requirements are ultimately approved for inclusion in rates in 2017, they will be grossed-up to ensure full recovery over the remainder of 2017.

Note that Table A (line 19) includes a Previous Year's Cost Balancing Subaccount Balance of \$0, even though the three GHG Balancing Account (GHGBA) cost subaccounts are forecast to be undercollected a combined total of \$141.5 million as of December 31, 2016. This is because, as explained previously, D.16-04-013 granted limited rehearing of D.15-10-032 and put in hold the introduction of GHG costs into rates as well as the disbursement of any GHG proceeds. However, SoCalGas 2015 and 2016 revenue requirements, which total \$189.7 million, have also been approved but have yet to be included in rates. Should SoCalGas be authorized to eventually amortize these revenue requirements in rates, the undercollected balance in the GHGBA cost subaccounts would decrease, and any proposed amortization here would amount to "double counting" of those costs. Therefore, until the Commission provides further guidance in R.14-03-003 regarding the timing of the amortization of these revenue requirements, SoCalGas cannot estimate the appropriate Cost Balancing Subaccount Balance at this time.

Also note that Table A does not include rate impacts (lines 21 and 22). For illustrative purposes only pending direction in R.14-03-003, SoCalGas is providing 2017 System-average rate impacts for Covered Entities (who are only responsible for costs associated with LUAF gas and company facilities) and Non-Covered Entities (who are responsible for all GHG related costs) beneath Table A under three scenarios:

- In the first scenario, SoCalGas' 2015 and 2016 revenue requirements are collected 50% in 2017 and 50% in 2018.
- In the second scenario, 50% of just the 2015 revenue requirement is collected in 2017 and 50% in 2018, while the 2016 revenue requirement would be collected 50% in each of the years 2019 and 2020.
- The third scenario shows the illustrative rate impacts of just the 2017 revenue requirement.

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Table C: GHG Allowance Proceeds

Line	Description	2015		2016		2017	
		Forecast ¹	Recorded ²	Forecast ³	Recorded ⁴	Forecast	Recorded
1	Proxy GHG Allowance Price (\$/MT)	\$ 13.06		\$ 13.20		\$ 13.15	
2	Directly Allocated Allowances	21,988,508		21,545,943		21,126,670	
3	Percentage Consigned to Auction	25%		30%		35%	
4	Consigned Allowances	5,497,127		6,463,782		7,394,334	
5	Allowance Proceeds	\$ (71,792,479)	\$ (68,370,517)	\$ (85,321,922)	\$ (77,426,331)	\$ (97,265,069)	
6	Previous Year's Revenue Balancing Subaccount Balance	\$ -	\$ -	\$ -	\$ -	\$ -	
7	Interest		\$ (47,130)		\$ (312,544)		
8	Subtotal Allowance Proceeds (\$) (Line 5 + Line 6 + Line 7)	\$ (71,792,479)	\$ (68,417,647)	\$ (85,321,922)	\$ (77,738,875)	\$ (97,265,069)	N/A
9	Outreach and Admin Expenses (\$) (from Table D)	\$ 3,656,000	\$ 1,345,791	\$ 3,884,083	\$ 708,719	\$ 4,021,629	N/A
10	Net GHG Proceeds Available for Customer Returns (\$) (Line 8 + Line 9)	\$ (68,136,479)	\$ (67,071,856)	\$ (81,437,839)	\$ (77,030,156)	\$ (93,243,440)	N/A
11	Number of Residential Households	5,432,358		5,948,156		6,128,113	
12	Per Household California Climate Credit (\$) (Line 10 / Line 11) ⁵						
Illustrative Climate Credits: For Informational Purposes Only		2015		2016		2017	
2017 Net GHG Proceeds + 50% of 2015 and 2016 Net GHG Proceeds		\$0		\$0		\$168,030,599	
2017 Net GHG Proceeds + 50% of 2015 Net GHG Proceeds		\$0		\$0		\$127,311,680	
2017 Net GHG Proceeds		\$0		\$0		\$93,243,440	
California Climate Credit to Residential Households							
2017 Net GHG Proceeds + 50% of 2015 and 2016 Net GHG Proceeds		\$0.00		\$0.00		\$27.42	
2017 Net GHG Proceeds + 50% of 2015 Net GHG Proceeds		\$0.00		\$0.00		\$20.78	
2017 Net GHG Proceeds		\$0.00		\$0.00		\$15.22	
California Climate Credit to All Non-Covered Entities							
2017 Net GHG Proceeds + 50% of 2015 and 2016 Net GHG Proceeds		\$0.00		\$0.00		\$26.52	
2017 Net GHG Proceeds + 50% of 2015 Net GHG Proceeds		\$0.00		\$0.00		\$20.09	
2017 Net GHG Proceeds		\$0.00		\$0.00		\$14.71	

Table C Notes:

¹2015 Forecast Allowance Proceeds from Preliminary Statement filed January 20, 2015 in Rulemaking 14-03-003.

²2015 Recorded Allowance Proceeds and interest updated from that provided in AL 4877-A to include actual expenses for the entire year.

³2016 Forecast Allowance Proceeds from AL 4877-A.

⁴2016 Recorded Allowance Proceeds and interest includes actual expenses for January through September and forecasted expenses for October through December.

⁵Not included, pending Application for Rehearing

Supporting Information:

Number of Residential Households	6,128,113
Number of Non-Residential Non-Covered Entities	208,980

Attachment H – Table C

The same Proxy GHG Allowance Price is used for the forecast of GHG Allowance Proceeds as for the Forecast Revenue Requirement discussed in Table A. Table C estimates the consigned allowances as 35% of SoCalGas' directly allocated allowances for 2017, consistent with Table A. The 2017 Outreach and Administration Expenses are incorporated from Table D. In total, SoCalGas forecasts net 2017 GHG Allowance Proceeds of \$93.2 million.

For the same reason as described above for Table A, Table C (Line 6) includes a Previous Year's Revenue Balancing Subaccount Balance of \$0, even though the subaccount is forecasted to be overcollected approximately \$146.2 million as of December 31, 2016. SoCalGas' 2015 and 2016 net GHG proceeds available for customer returns, which total \$149.6 million, have also been approved but have yet to be included in rates.

Also as with Table A, Table C does not include a proposed California Climate Credit (Line 12). For illustrative purposes only pending direction in R.14-03-003, SoCalGas is providing 2017 California Climate Credit estimates below in Table C under six scenarios:

- In the first scenario, the California Climate Credit continues to be provided only to residential customers, and SoCalGas' 2015 and 2016 revenue requirements are returned 50% in 2017 and 50% in 2018.
- In the second scenario, California Climate Credits for residential customers are calculated with 50% of just the 2015 revenue requirement to be returned in 2017 and 50% in 2018, while the 2016 revenue requirement will be returned 50% in each of the years 2019 and 2020.
- The third scenario provides the illustrative California Climate Credit for residential customers calculated with just the 2017 revenue requirement.
- The fourth, fifth, and sixth scenarios are the same as the first three scenarios, except that the California Climate Credit is provided to all non-covered entities.

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Table D: GHG Outreach and Administrative Expenses

Line	Description	2015		2016		2017	
		Forecast ¹	Recorded ²	Forecast ³	Recorded ⁴	Forecast	Recorded
1	Outreach Expenses						
2	Detail of Outreach Activity (\$)	\$ 2,000,000	\$ 646,548	\$ 2,000,000	\$ 12,144	\$ 2,000,000	
3	Subtotal Outreach (\$)	\$ 2,000,000	\$ 646,548	\$ 2,000,000	\$ 12,144	\$ 2,000,000	N/A
4	Administrative Expenses						
5	Acquisition (\$)	\$ 276,000	\$ 291,460	\$ 269,912	\$ 197,825	\$ 299,807	
6	Billing (\$)	\$ 573,000	\$ 3,848	\$ 783,578	\$ 160,300	\$ -	
7	Program Management (\$)	\$ 807,000	\$ 403,339	\$ 830,593	\$ 332,356	\$ 1,721,822	
8	Subtotal Administrative (\$)	\$ 1,656,000	\$ 698,647	\$ 1,884,083	\$ 690,481	\$ 2,021,629	N/A
9	Subtotal Outreach and Administrative (\$)	\$ 3,656,000	\$ 1,345,195	\$ 3,884,083	\$ 702,625	\$ 4,021,629	
10	Interest (\$)		\$ 596		\$ 6,094		
11	Total (\$)	\$ 3,656,000	\$ 1,345,791	\$ 3,884,083	\$ 708,719	\$ 4,021,629	N/A

Notes:

¹2015 Forecast Acquisition and Program Management Expenses from Preliminary Statement filed January 20, 2015 in Rulemaking 14-03-003. 2015 Forecast Outreach and Billing expenses from Opening Comments filed February 27, 2015 in Rulemaking 14-03-003.

²2015 Recorded expenses are updated from those provided in AL 4877-A to include actual expenses for the entire year.

³2016 Forecast Expenses from AL 4877-A.

⁴2016 Recorded expenses includes actual expenses for January through September.

Attachment H – Table D

D.15-10-032 approved SoCalGas' supplemental customer education and outreach plan, and authorized SoCalGas to track and record outreach costs in the GHG Memorandum Account (GHGMA).¹ However, this outreach plan was never put into place due to the Commission's granting of rehearing. At this point, SoCalGas is including for 2017 the same \$2.0 million forecast for outreach costs as included in AL 4877-A for 2016, pending the result of the rehearing. SoCalGas' forecasts incremental administrative costs at \$4.0 million. These consist of program management and acquisition-related costs. SoCalGas will potentially have billing costs as a result of the rehearing, but cannot forecast those costs at this time.

Actual administrative costs for the twelve-month period of October 1, 2015 to September 30, 2016 total \$1.5 million² consisting of outreach costs of \$0.7 million, program management costs of \$0.4 million, acquisition-related costs and billing costs of \$0.4 million, and a minor amount for regulatory account interest.

Pursuant to D.15-10-032, outreach and administrative expenses are to be recovered from GHG allowance proceeds. As discussed above, SoCalGas proposes to transfer \$1.5 million in allowance proceeds from the Consignment Revenue Subaccount of the GHGBA to the GHGMA to offset actual expenses, including interest, recorded in the GHGMA as of September 30, 2016. As noted in AL 4877-A, subsequent annual transfers of allowance proceeds will be proposed to offset administrative costs recorded in the GHGMA for the following twelve-month period ending September 30th in connection with SoCalGas' next annual Regulatory Account Balance Update filing.

¹ D.15-10-032 at p. 65, Ordering Paragraph 16.

² \$0.8 million for the last three months of 2015 (total admin costs of \$1.3 million for 2015 less \$0.5 million already approved by AL 4877-A for the first nine months of 2015) plus \$0.7 million for the first nine months of 2016.

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Table E: Compliance Obligation Over Time

	2015	2016	2017	2018	2019	2020
Natural Gas Fuel Supplier Compliance Obligation (MTCO₂e)	20,448,387	N/A	N/A	N/A	N/A	N/A
Company Facility Compliance Obligation (MTCO₂e)	238,948	N/A	N/A	N/A	N/A	N/A

ATTACHMENT I

Advice No. 5047

**Net Natural Gas Compliance Obligation
Purchase Limits and Recorded GHG Costs**

**CONFIDENTIAL AND PROTECTED MATERIAL PROVIDED ONLY TO THE ENERGY
DIVISION PURSUANT TO PUC SECTION 583, GO 66-C, AND D.16-08-024**

**BEFORE THE PUBLIC UTILITIES
COMMISSION OF THE STATE OF CALIFORNIA**

**DECLARATION OF JAMES Y. NAKATA
REGARDING CONFIDENTIALITY OF CERTAIN DATA**

I, James Y. Nakata, do declare as follows:


1. I am the Manager - Energy and Finance, designated by Paul Goldstein, Officer and VP -Gas Acquisition in the Gas Acquisition Department for Southern California Gas Company ("SoCalGas") to submit this declaration. I have reviewed the attached Attachment I to Advice Letter 5047, the Annual Regulatory Account Balance Update for Rates Effective January 1, 2017, submitted concurrently herewith (the "Attachment"). In addition, I am personally familiar with the facts and representations in this Declaration and, if called upon to testify, I could and would testify to the following based upon my personal knowledge and/or belief.

2. I hereby provide this Declaration in accordance with Decision ("D.") D-16-08-024 to demonstrate that the confidential information ("Protected Information") provided in the Appendix is within the scope of data protected as confidential under applicable law, and pursuant to Public Utilities ("PUC") Code § 583 and General Order ("GO") 66-C, as described in Attachment A.

3. In accordance with the legal authority described herein, the Protected Information should be protected from public disclosure.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed this 17th day of October, 2016, at Los Angeles, California.



James Y. Nakata
Manager – Energy and Finance

ATTACHMENT A

SoCalGas Request for Confidentiality on the following information in Attachment I of Advice Letter 5047

Location/Title of Protected Information	Legal Justification for Withholding	Basis for Confidentiality Treatment
<p>Advice Letter 5047 Attachment I – Net Natural Gas Compliance Obligation Purchase Limits – items shaded in gray</p>	<p>D.15-10-032, including Appendix B (Greenhouse Gas Information Confidentiality Protocols, Section 1.d)</p> <p>GO 66-C Section 2.2(b)</p> <p>Gov’t Code §§6254(k), 6254.7 (d), Evidence Code 1060, Civil Code §3426 et seq.</p>	<p>Commercially sensitive Cap-and-Trade information such as internal forecast of compliance obligation falls under the “Confidential” category included in the Confidentiality Protocols of D.15-10-032 (Appendix B).</p> <p>Disclosure of this information would place SoCalGas at an unfair disadvantage relative to other Cap-and-Trade market participants and result in higher Cap-and-Trade compliance costs for SoCalGas and its end-use ratepayers.</p> <p>SoCalGas derives economic value from this trade secret information being confidential, as it gives SoCalGas an opportunity to obtain a business advantage over competitors in the Cap-and-Trade market who do not know or use it.</p>
<p>Advice Letter 5047 Attachment I – Table B: Recorded GHG Costs</p>	<p>17 CCR Section 95914(c)(1)</p> <p>D.15-10-032, including Appendix B (Greenhouse Gas Information Confidentiality Protocols Sections 1.a to 1.c.)</p> <p>GO 66-C Section 2.2(b)</p> <p>Gov’t Code §§6254(k), 6254.7 (d), Evidence Code 1060, Civil Code §3426 et seq.</p>	<p>17 CCR Section 95914(c)(1) of the Cap-and-Trade regulations prohibits disclosure of any auction-related information, except when the release is made by a privately-owned utility to its regulatory agency pursuant to its rules, orders or decisions (Section 95914(c)(2)). Violation of Section 95914 may subject SoCalGas to penalties by the California Air Resources Board.</p> <p>Auction-related information also falls under the “Confidential” category included in the Confidentiality Protocols of D.15-10-032 (Appendix B).</p> <p>Disclosure of this information would place SoCalGas at an unfair business</p>

		<p>disadvantage relative to other Cap-and-Trade market participants and results in higher Cap-and-Trade compliance costs for SoCalGas and its end-use ratepayers.</p> <p>SoCalGas derives economic value from this trade secret information being confidential, as it gives SoCalGas an opportunity to obtain a business advantage over competitors in the Cap-and-Trade market who do not know or use it.</p>
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