

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



December 13, 2016

**Advice Letter 5060**

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

**Subject: Triennial Cost Allocation Proceeding (TCAP) Phase 2  
Implementation – D.16-10-004**

Dear Mr. van der Leeden:

Advice Letter 5060 is effective as of January 1, 2017.

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  
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November 14, 2016

Advice No. 5060  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Triennial Cost Allocation Proceeding (TCAP) Phase 2 Implementation  
– Decision (D.) 16-10-004**

Southern California Gas Company (SoCalGas) hereby submits for filing revisions to its tariffs, applicable throughout its service territory, as shown on Attachment A.

**Purpose**

This filing complies with Ordering Paragraph (OP) 6 of D.16-10-004, *Decision Adopting Gas Demand Forecasts, Cost Allocations, and Rate Designs for Southern California Gas Company and San Diego Gas & Electric Company*, which states:

Within 30 days from the effective date of this Order, stated below, Southern California Gas Company and San Diego Gas and Electric Company shall each file a Tier 2 advice letter (AL) that contains revised rates and charges that implement the demand forecasts, cost allocations, and rate designs adopted by today's decision.<sup>1</sup>

The revisions included in this filing present the tariff changes necessary to implement D.16-10-004. The tariff changes are requested to be effective January 1, 2017. The rates presented herein do not include other revenue requirement adjustments expected to be authorized by the Commission for implementation in transportation rates effective January 1, 2017.<sup>2</sup> SoCalGas annually files an advice letter consolidating all Commission-authorized changes in its revenue requirement, and the related changes to its rates, at least three days prior to the January 1 effective date

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<sup>1</sup> D.16-10-004, mimeo., at 69.

<sup>2</sup> For example, see SoCalGas Advice No. 5054 - Annual Regulatory Account Balance Update for Rates Effective January 1, 2017.

of such rates. San Diego Gas & Electric (SDG&E) is concurrently making a related filing, SDG&E Advice Letter 2531-G, for changes in its tariffs associated with D.16-10-004.

### **Background**

OP 1 of D.16-10-004 approves the Settlement Agreement filed in A.15-07-014 on May 27, 2016 by SoCalGas, SDG&E, and ten other parties.<sup>3</sup> OP 3 clarifies that SoCalGas shall use the composite tier method to calculate tier differentials for their residential gas customers, while OP 5 states that, starting January 1, 2017, a tier differential ratio of 1.15 to 1.00 shall be used to determine Tier 2 and Tier 1 rates for SoCalGas' residential gas customers.

### **Tariff Revisions**

In addition to the changes in transportation revenues as a result of D.16-10-004, the following tariffs are also revised in accordance with D.16-10-004 in the manner as described below.

#### **Preliminary Statements – Regulatory Accounts**

- **Core Fixed Cost Account (CFCA)**

The CFCA is modified to establish two subaccounts. One subaccount will record the cost and revenue activity related to the natural gas vehicles (NGV) customer class and the other subaccount will record the cost and revenue activity related to all other Core classes. The NGV subaccount will be allocated only to the NGV customer class. The non-NGV Core subaccount will be allocated to all non-NGV Core customer classes using the current methodology of Equal Cents Per Therm (ECPT).<sup>4</sup> The CFCA will begin tracking at the subaccount level upon approval of this advice letter, with the first rates impacted by the subaccounts occurring January 1, 2018. Pursuant to OP 2, the balance in the NGV subaccount of the CFCA will be amortized exclusively in the rates for the NGV customer class, even if the rates adjusted to reflect those balances become effective after the term of the Settlement Agreement.<sup>5</sup>

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<sup>3</sup> A Joint Motion to adopt the Settlement Agreement was filed on May 27, 2016 by SoCalGas, SDG&E, Office of Ratepayer Advocates (ORA), The Utility Reform Network (TURN), California Manufacturers & Technology Association (CMTA), City of Long Beach Gas & Oil Department (LB), Clean Energy Fuels Corp. (Clean Energy), Indicated Shippers, Southern California Edison Company (SCE), Southern California Generation Coalition (SCGC), Southwest Gas Corporation (SWG), and The Western Manufactured Housing Communities Association (WMA).

<sup>4</sup> See D.16-10-004, mimeo., at A-4 (Settlement Agreement Section II.B.1.b).

<sup>5</sup> D.16-10-004, mimeo., at 68.

Additionally, a true-up mechanism to amortize in rates the additional unamortized over- or under-collection that remains in the CFCA at the end of each year is added to the preliminary statement. If the unamortized portion of the CFCA balance is greater than 10% of the total amount of the authorized margin recorded in the CFCA for the last four months of the year, then SoCalGas will file an advice letter proposing to update rates for the unamortized portion of the CFCA balance. SoCalGas will file a Tier 2 advice letter by February 28<sup>th</sup> in the following year requesting the rate update to be effective April 1<sup>st</sup>. Rates will be updated to reflect recovery or refund of the unamortized portion of the CFCA balance over the remaining nine months of the year.<sup>6</sup>

- Research Development & Demonstration Expense Account (RDDEA)

The residual balance of the 2008-2011 program cycle of the RDDEA is transferred to the CFCA and NFCA based on the allocation methodology consistent with this account, and the 2008-2011 program cycle is eliminated.<sup>7</sup>

- Curtailment Violations Penalty Account (CVPA)

The balance of the CVPA related to a December 27, 2012 localized curtailment of interruptible non-Core customers in the northern San Joaquin Valley (SJV) system is to be refunded as a bill credit to those noncore customers who curtailed as a pro-rata share of the balance based on its usage in a comparable non-curtailment period.<sup>8</sup>

The balance of the CVPA related to two curtailment events of Standby Procurement Service (one beginning December 7, 2013, the other beginning February 6, 2014) is transferred to the CFCA and Noncore Fixed Cost Account (NFCA). The allocation between the CFCA and NFCA will be based on customer usage that occurred in December 2012 and February 2013 for those CAT customers and non-Core customers who were asked to curtail and complied with the curtailment order, respectively.<sup>9</sup>

The balance of the CVPA related to a November 3, 2014, localized partial curtailment on interruptible non-Core customers in order to facilitate Pipeline Safety Enhancement Plan work is transferred to the NFCA.<sup>10</sup>

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<sup>6</sup>See D.16-10-004, mimeo., at A-8 (Settlement Agreement Section II.C.5.a).

<sup>7</sup>See D.16-10-004, mimeo., at A-8 (Settlement Agreement Section II.C.5.b).

<sup>8</sup>See D.16-10-004, mimeo., at A-8-A9 (Settlement Agreement Section II.C.6.a).

<sup>9</sup>See D.16-10-004, mimeo., at A-8-A9 (Settlement Agreement Section II.C.6.b).

<sup>10</sup>See D.16-10-004, mimeo., at A-8-A9 (Settlement Agreement Section II.C.6.c).

D.16-10-004 would have also adopted forward-looking provisions for the treatment of curtailment penalties booked in the CVPA. However, this provision would only exist “unless and until policy and operational changes proposed in A.15-06-020 are approved and implemented . . .”<sup>11</sup> D.16-07-008 adopted a settlement agreement in A.15-06-020, which stated “(c)urtailment noncompliance charge revenue is allocated to the Noncore Fixed Cost Account (NFCA) at each respective utility and revenue from the assessment of G-IMB daily balancing standby charge will be allocated to the Purchased Gas Account (PGA).”<sup>12</sup> Accordingly, this term has been superseded. Given that the balance in the CVPA will be \$0 after SoCalGas provides the bill credit refund and records the transfers as discussed above, and that future curtailment violation charges will be credited to the NFCA and the PGA, the CVPA is now closed.

- Backbone Transmission Balancing Account (BTBA)

The BTBA is modified to note that discounts to interruptible and firm BTS contracts (with and without alternate receipt point rights) will be included in the BTBA, and will be reflected in BTS rates the following year.<sup>13</sup> Accordingly, the Discount Cost Subaccount is removed, and any residual balance will be transferred to the BTBA Subaccount.

- System Operator Gas Account (SOGA)

The SOGA is established to record costs and revenues from the System Operator’s buying and selling of gas at the SoCalGas City Gate to resolve California Producer Operational Balancing Agreements (CPOBA) cashout activity and pipeline Operational Balancing Agreements (OBA) imbalances. The costs and revenues recorded in the SOGA are limited to those directly associated with buying and selling gas in support of cashing out of California producer imbalances or pipeline operating imbalances. The SOGA is allocated to SoCalGas’ transportation rates ECPT.<sup>14</sup>

### Preliminary Statement Part III, Cost Allocation and Revenue Requirement

- The Gas Margin section is updated to reflect the annual base revenues and cost allocation factors in accordance with D.16-10-004. In addition, the preliminary statement format has been updated to remove outdated language and reflect the current cost allocation mechanism.

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<sup>11</sup> See D.16-10-004, mimeo., at A-7 (Settlement Agreement Section II.B.5.a).

<sup>12</sup> See D.16-07-008, mimeo., at A-8 (Settlement Agreement Section II.B.4.k).

<sup>13</sup> See D.16-10-004, mimeo., at A-4 (Settlement Agreement Section II.C.4.a).

<sup>14</sup> See D.16-10-004, mimeo., at A-4 (Settlement Agreement Section II.B.3).

## Rate Schedules and Rules

- Schedule No. GS

The submetering credit is updated in compliance with D.16-10-004. The daily submetering credit is updated to be 30.674 cents for each CARE qualified residential unit and 27.386 cents for each other qualified residential unit.<sup>15</sup>

- Schedule Nos. G-CP and G-IMB

D.16-10-004 increases the core brokerage fee to 0.204 cents per therm (excluding franchise fees and uncollectibles).<sup>16</sup> For Schedule Nos. G-CP and G-IMB, the core brokerage fee with franchise fees and uncollectibles is 0.208 cents per therm.

- Schedule No. G-BTS

Schedule No. G-BTS is modified to eliminate all references to long-term intrastate transportation agreements (LTKs). It is also modified to assign BTS open season Step 2 bidding rights directly to balancing agents based on their respective customer balancing responsibilities.<sup>17</sup>

- Rule No. 41

In conjunction with the establishment of the SOGA, SoCalGas Rule No. 41 is modified to provide the System Operator the ability to buy and sell gas at the SoCalGas City Gate to resolve CPOBA cashout activity and pipeline OBA imbalances.<sup>18</sup>

## BTS Rate

D.16-10-004 adopts a calculation of the BTS rate that includes setting the denominator as an estimated average BTS subscription/utilization based on BTS firm SFV contracts, scheduled MFV, and interruptible throughput.<sup>19</sup> On October 31, 2016, SoCalGas filed Advice No. 5054, its Annual Regulatory Account Balance Update for Rates Effective January 1, 2017, which updated the BTS denominator for 2017 from 2,851,800 Dth/d to 2,740,828 Dth/d. Given the change adopted by this TCAP decision, the BTS denominator that will be used to calculate BTS rates beginning on January 1, 2017 is updated to 2,515,426 Dth/d. The following table illustrates this

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<sup>15</sup> See D.16-10-004, mimeo., at A-4 (Settlement Agreement Section II.B.1.d).

<sup>16</sup> See D.16-10-004, mimeo., at A-4 (Settlement Agreement Section II.B.1.c).

<sup>17</sup> See D.16-10-004, mimeo., at A-4 (Settlement Agreement Section II.C.4).

<sup>18</sup> See D.16-10-004, mimeo., at A-4 (Settlement Agreement Section II.B.3).

<sup>19</sup> See D.16-10-004, mimeo., at A-4 (Settlement Agreement Section II.C.4.b).

change, along with the change in allocated BTS revenue. The BTS denominator will continue to be updated annually using the new methodology.

	<u>Present</u>	<u>Proposed</u>	<u>Increase (Decrease)</u>
Unbundled BTS Revenues (\$000's)	\$147,526	\$217,993	\$70,467
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
SEEBA-BBT SCG w/o FFU \$000	\$23,721	\$23,721	\$0
SEEBA-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	\$535	\$0
FFU Rate	1.0174	1.0174	0.0000
Balancing Accounts w/ FFU (\$000's)	\$46,382	\$46,382	\$0
BTS Revenue w/FFU (\$000's)	<u>\$193,907</u>	<u>\$264,374</u>	<u>\$70,467</u>
BTS Demand Dth/Day	<u>2,851,800</u>	<u>2,515,423</u>	<u>(336,377)</u>

### **NGV Compression Rate Adder**

The Settlement Agreement's section on the Natural Gas Vehicle compression rate adder calls for the adder to be \$1.03134/therm.<sup>20</sup> However, this adder was calculated prior to SoCalGas' recent General Rate Case implementation resulting from D.16-06-054. D.16-06-054 slightly adjusted SoCalGas' Franchise Fee & Uncollectible (FF&U) factors. As a result of the new FF&U factor, the compressor adder in Schedule No. G-NGV has slightly increased, to \$1.03136/therm.

### **Billing Determinants**

The Settlement Agreement approved by D.16-10-004 included updates to the billing determinants SoCalGas uses to set transportation rates.<sup>21</sup> The updated billing determinants are shown in the table below.

<sup>20</sup> See D.16-10-004, mimeo., at A-4 (Settlement Agreement Section II.B.1.e).

<sup>21</sup> See D.16-10-004, mimeo., at A-D-1 (Settlement Agreement Appendix D).

<b>Billing Determinants</b>	<b>Volumes (Mdth)</b>
Residential	243,516
Core C&I	102,319
Gas AC	77
Gas Engine	2,070
NGV	15,710
<hr/> Total Core	<hr/> 363,691
Noncore C&I	152,534
Electric Generation	267,779
EOR	23,157
Wholesale and International	157,696
<hr/> Total Noncore	<hr/> 601,166
<hr/> <hr/> Total SoCalGas	<hr/> <hr/> 964,857

### **Rate Impact by Class of Service**

D.16-10-004 adopts a new allocation of costs between the customer classes, as well as new billing determinants used to develop rates. In addition, it adopts the allocation of certain existing and new regulatory accounts, as well as updates to other operating costs, such as Company Use Fuel costs.

The TCAP rates are requested to become effective on January 1, 2017, to reflect these new allocations and updates to costs. Attachment B details the Revenue and Rate changes as compared to present rates, which became effective September 1, 2016. As noted earlier, these rate changes will be incorporated in SoCalGas' Annual Consolidated Rate Update advice letter filed at the end of December for rates effective January 1, 2017.

The table below summarizes the impact on revenue requirement by class due to the TCAP implementation.

<b>Class of Service</b>	<b>Applicable Rate Schedules</b>	<b>Million\$ (Includes FF&amp;U) Increase/(Decrease)</b>
Core	GR, GS, GM, GO-AC, G-NGVR, GL, G10, G-AC, G-EN, G-NGV	(\$53.0)
Noncore	GT-NC, G-TLS	(\$8.9)
Backbone Transportation Service (BTS) and Other Services	G-BTS	\$71.3
System Total		\$9.4

### **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 or December 4, 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

A copy of the protest should also be sent via e-mail to the attention of the Energy Division Tariff Unit ([EDTariffUnit@cpuc.ca.gov](mailto: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](mailto:snewsom@SempraUtilities.com)

### **Effective Date**

SoCalGas believes that this filing is subject to Energy Division disposition and, per OP 6 of D.16-10-004, is classified as Tier 2. SoCalGas respectfully requests that this filing become effective on January 1, 2017.

**Notice**

A copy of this advice letter is being sent to SoCalGas' General Order (GO) 96-B service list and the Commission's service list in A.15-07-014, SoCalGas' TCAP Phase 1. Address change requests to the GO 96-B should be directed by electronic mail to [tariffs@socialgas.com](mailto:tariffs@socialgas.com) or call 213-244-3387. For changes to all other service lists, please contact the Commission's Process Office at 415-703-2021 or by electronic mail at [Process\\_Office@cpuc.ca.gov](mailto:Process_Office@cpuc.ca.gov).

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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) #: 5060

Subject of AL: Triennial Cost Allocation Proceeding (TCAP) Phase 2 Implementation – Decision

(D.) 16-10-004

Keywords (choose from CPUC listing): Memorandum Account; Balancing Account

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

D.16-10-004

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 AL<sup>1</sup>: N/A

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

Resolution Required?  Yes  No

Tier Designation:  1  2  3

Requested effective date: 1/1/17

No. of tariff sheets: 59

Estimated system annual revenue effect (%): 1.7%

Estimated system average rate effect (%): 1.7%

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: Preliminary Statements: Part II, Part III, Part V, Part VI, and Part XI; Schedules:

GR, GS, GM, GO-AC, G-NGVR, GL, G-10, G-AC, G-EN, G-NGV, G-CP, GT-NC, GT-TLS, G-IMB, G-BTS,

G-TCA, Rule No. 41, and TOCs.

Service affected and changes proposed<sup>1</sup>: 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](mailto:EDTariffUnit@cpuc.ca.gov)

Southern California Gas Company  
Attention: Sid Newsom  
555 West 5<sup>th</sup> Street, GT14D6  
Los Angeles, CA 90013-1011  
[SNewsom@semprautilities.com](mailto:SNewsom@semprautilities.com)  
[Tariffs@socalgas.com](mailto:Tariffs@socalgas.com)

<sup>1</sup> Discuss in AL if more space is needed.

ATTACHMENT A  
Advice No. 5060

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 53421-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 1	Revised 53402-G
Revised 53422-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 2	Revised 53403-G
Revised 53423-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 3	Revised 53404-G
Revised 53424-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 4	Revised 53080-G*
Revised 53425-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 5	Revised 53081-G
Revised 53426-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 6	Revised 53405-G
Revised 53427-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 11	Revised 53373-G
Revised 53428-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 12	Revised 53374-G
Revised 53429-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 13	Revised 53375-G
Revised 53430-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 14	Revised 53086-G
Revised 53431-G	PRELIMINARY STATEMENT, PART III, COST ALLOCATION AND REVENUE REQUIREMENT, Sheet 1	Revised 52973-G
Revised 53432-G	PRELIMINARY STATEMENT, PART III, COST ALLOCATION AND REVENUE REQUIREMENT, Sheet 3	Revised 50448-G
Revised 53433-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, CORE FIXED COST ACCOUNT (CFCA), Sheet 1	Revised 53073-G
Revised 53434-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, CORE FIXED COST ACCOUNT (CFCA), Sheet 2	Revised 53073-G Revised 53074-G
Revised 53435-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, CORE FIXED COST ACCOUNT (CFCA), Sheet 3	Revised 53074-G Revised 53075-G
Original 53436-G	PRELIMINARY STATEMENT - PART V -	Revised 53074-G

ATTACHMENT A  
Advice No. 5060

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
	BALANCING ACCOUNTS, CORE FIXED COST ACCOUNT (CFCA), Sheet 4	Revised 53075-G
Revised 53437-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, BACKBONE TRANSMISSION BALANCING ACCOUNT (BTBA), Sheet 1	Revised 50696-G Revised 50697-G
Revised 53438-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, BACKBONE TRANSMISSION BALANCING ACCOUNT (BTBA), Sheet 2	Revised 50697-G Original 50698-G
Revised 53439-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, DESCRIPTION AND LISTING OF MEMORANDUM ACCOUNTS, Sheet 2	Revised 53172-G
Revised 53440-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, CURTAILMENT VIOLATION PENALTY ACCOUNT (CVPA), Sheet 1	Revised 50454-G
Original 53441-G	PRELIMINARY STATEMENT-PART VI-MEMORANDUM ACCOUNTS, SYSTEM OPERATOR GAS ACCOUNT (SOGA), Sheet 1	
Revised 53442-G	PRELIMINARY STATEMENT, PART XI, PERFORMANCE BASED REGULATION, Sheet 7	Revised 53092-G
Revised 53443-G	Schedule No. GR, RESIDENTIAL SERVICE, (Includes GR, GR-C and GT-R Rates), Sheet 1	Revised 53406-G
Revised 53444-G	Schedule No. GR, RESIDENTIAL SERVICE, (Includes GR, GR-C and GT-R Rates), Sheet 2	Revised 52193-G
Revised 53445-G	Schedule No. GS, SUBMETERED MULTI-FAMILY SERVICE, (Includes GS, GS-C and GT-S Rates), Sheet 2	Revised 53407-G
Revised 53446-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 53408-G
Revised 53447-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 53409-G
Revised 53448-G	SCHEDULE NO. GO-AC, OPTIONAL RATES FOR CUSTOMERS PURCHASING NEW GAS,	Revised 53380-G

ATTACHMENT A  
Advice No. 5060

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
	AIR CONDITIONING EQUIPMENT (Includes GO-AC and GTO-AC Rates), Sheet 1	
Revised 53449-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 53410-G
Revised 53450-G	Schedule No. GL, STREET AND OUTDOOR LIGHTING, NATURAL GAS SERVICE, Sheet 1	Revised 53382-G
Revised 53451-G	Schedule No. G-10, CORE COMMERCIAL AND INDUSTRIAL SERVICE, (Includes GN-10, GN-10C and GT-10 Rates), Sheet 2	Revised 53411-G
Revised 53452-G	Schedule No. G-AC, CORE AIR CONDITIONING SERVICE FOR COMMERCIAL AND INDUSTRIAL, (Includes G-AC, G-ACC and GT-AC Rates), Sheet 1	Revised 53412-G
Revised 53453-G	Schedule No. G-EN, CORE GAS ENGINE WATER PUMPING SERVICE FOR COMMERCIAL , AND INDUSTRIAL (Includes G-EN, G-ENC and GT-EN Rates), Sheet 1	Revised 53413-G
Revised 53454-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 53414-G
Revised 53455-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 53415-G
Revised 53456-G	Schedule No. G-CP, CORE PROCUREMENT SERVICE, Sheet 2	Revised 53416-G
Revised 53457-G	Schedule No. G-CP, CORE PROCUREMENT SERVICE, Sheet 3	Revised 53417-G
Revised 53458-G	Schedule No. GT-NC, INTRASTATE TRANSPORTATION SERVICE, FOR DISTRIBUTION LEVEL CUSTOMERS, Sheet 1	Revised 53320-G
Revised 53459-G	Schedule No. GT-NC, INTRASTATE TRANSPORTATION SERVICE, FOR DISTRIBUTION LEVEL CUSTOMERS, Sheet 2	Revised 53321-G
Revised 53460-G	Schedule No. GT-TLS, INTRASTATE TRANSPORTATION SERVICE, FOR	Revised 53328-G

ATTACHMENT A  
Advice No. 5060

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 53461-G	TRANSMISSION LEVEL CUSTOMERS, Sheet 2 Schedule No. GT-TLS, INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 3	Revised 53329-G
Revised 53462-G	Schedule No. GT-TLS, INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 4	Revised 53330-G
Revised 53463-G	Schedule No. GT-TLS, INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 5	Revised 52831-G
Revised 53464-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 2	Revised 53365-G
Revised 53465-G	Schedule No. G-BTS, BACKBONE TRANSPORTATION SERVICE, Sheet 3	Revised 53111-G
Revised 53466-G	Schedule No. G-BTS, BACKBONE TRANSPORTATION SERVICE, Sheet 9	Revised 47180-G
Revised 53467-G	Schedule No. G-BTS, BACKBONE TRANSPORTATION SERVICE, Sheet 10	Revised 47181-G
Revised 53468-G	Schedule No. G-BTS, BACKBONE TRANSPORTATION SERVICE, Sheet 11	Revised 47182-G
Revised 53469-G	Schedule No. G-BTS, BACKBONE TRANSPORTATION SERVICE, Sheet 12	Revised 47182-G
Revised 53470-G	Schedule No. G-BTS, BACKBONE TRANSPORTATION SERVICE, Sheet 13	Revised 47183-G
Revised 53471-G	Schedule No. G-TCA, TRANSPORTATION CHARGE ADJUSTMENT, Sheet 1	Revised 47183-G
Revised 53472-G	Rule No. 41, UTILITY SYSTEM OPERATION, Sheet 11	Revised 47184-G
Revised 53473-G	TABLE OF CONTENTS	Original 53353-G
Revised 53474-G	TABLE OF CONTENTS	Revised 53418-G
Revised 53475-G	TABLE OF CONTENTS	Revised 53419-G
Revised 53476-G	TABLE OF CONTENTS	Revised 53360-G
Revised 53477-G	TABLE OF CONTENTS	Revised 53420-G
Revised 53478-G	TABLE OF CONTENTS	Revised 53175-G
Revised 53479-G	TABLE OF CONTENTS	Revised 53176-G
		Revised 53117-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 Usage	Non-Baseline Usage	Customer Charge per meter, per day	
GR <sup>1/</sup> .....	89.995¢	123.510¢	16.438¢	R,I
GR-C <sup>2/</sup> .....	89.995¢	123.510¢	16.438¢	R,I
GT-R .....	57.470¢	90.985¢	16.438¢	I,I

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

GS <sup>1/</sup> .....	89.995¢	123.510¢	16.438¢	R,I
GS-C <sup>2/</sup> .....	89.995¢	123.510¢	16.438¢	R,I
GT-S .....	57.470¢	90.985¢	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 <sup>1/</sup> .....	89.995¢	123.510¢	16.438¢	R,I
GM-C <sup>1/</sup> .....	N/A	123.510¢	16.438¢	I
GM-EC <sup>2/</sup> .....	89.995¢	123.510¢	16.438¢	R,I
GM-CC <sup>2/</sup> .....	N/A	123.510¢	16.438¢	I
GT-ME .....	57.470¢	90.985¢	16.438¢	I,I
GT-MC .....	N/A	90.985¢	16.438¢	I
GM-BE <sup>1/</sup> .....	55.297¢	68.557¢	13.518¢	I,I,I
GM-BC <sup>1/</sup> .....	N/A	68.557¢	13.518¢	I,I
GM-BEC <sup>2/</sup> .....	55.297¢	68.557¢	13.518¢	I,I,I
GM-BCC <sup>2/</sup> .....	N/A	68.557¢	13.518¢	I,I
GT-MBE .....	22.772¢	36.032¢	13.518¢	I,I,I
GT-MBC .....	N/A	36.032¢	13.518¢	I,I

<sup>1/</sup> The residential core procurement charge as set forth in Schedule No. G-CP is 32.305¢/therm which includes the core brokerage fee.

<sup>2/</sup> The residential cross-over rate as set forth in Schedule No. G-CP is 32.305¢/therm which includes the core brokerage fee.

(Continued)

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 DECISION NO. 16-10-004

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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 <sup>1/</sup> .....	54.082¢	32.877¢
G-NGVRC <sup>2/</sup> .....	54.082¢	32.877¢
GT-NGVR .....	21.557¢	32.877¢

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NON-RESIDENTIAL CORE SERVICE

Schedule G-10 <sup>3/</sup> (Includes GN-10, GN-10C and GT-10 Rates)

	<u>Tier I</u>	<u>Tier II</u>	<u>Tier III</u>
GN-10 <sup>1/</sup> .....	89.351¢	66.824¢	51.719¢
GN-10C <sup>2/</sup> .....	89.351¢	66.824¢	51.719¢
GT-10 .....	56.826¢	34.299¢	19.194¢

R,R,R  
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R,R,R

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

<sup>1/</sup> The core procurement charge as set forth in Schedule No. G-CP is 32.305¢/therm which includes the core brokerage fee.

<sup>2/</sup> The cross-over rate as set forth in Schedule No. G-CP is 32.305¢/therm which includes the core brokerage fee.

<sup>3/</sup> Schedule GL rates are set commensurate with GN-10 rate in Schedule G-10.

(Continued)

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PRELIMINARY STATEMENT  
 PART II  
 SUMMARY OF RATES AND CHARGES

Sheet 3

(Continued)

NON-RESIDENTIAL CORE SERVICE (Continued)

Schedule G-AC

G-AC <sup>1/</sup> : rate per therm .....	51.996¢	R
G-ACC <sup>2/</sup> : rate per therm .....	51.996¢	
GT-AC: rate per therm .....	19.471¢	R
Customer Charge: \$150/month		

Schedule G-EN

G-EN <sup>1/</sup> : rate per therm .....	46.395¢	I
G-ENC <sup>2/</sup> : rate per therm .....	46.395¢	
GT-EN: rate per therm .....	13.870¢	I
Customer Charge: \$50/month		

Schedule G-NGV

G-NGU <sup>1/</sup> : rate per therm .....	53.448¢	R
G-NGUC <sup>2/</sup> : rate per therm .....	53.448¢	
G-NGU plus G-NGC Compression Surcharge .....	156.584¢	
G-NGUC plus G-NGC Compression Surcharge .....	156.584¢	
GT-NGU .....	21.143¢	R
P-1 Customer Charge: \$13/month		
P-2A Customer Charge: \$65/month		

NONCORE RETAIL SERVICE

Schedules GT-NC

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 .....	14.603¢	R
Tier II 20,834 - 83,333 Therms .....	9.030¢	
Tier III 83,334 - 166,667 Therms .....	5.466¢	
Tier IV Over 166,667 Therms .....	2.918¢	R

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

Transportation Charge .....	6.024¢	I
Customer Charge: \$500/month		

(Continued)

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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 ..... 11.110¢ R

Customer Charge: \$50

For customers using 3 million therms or more per year

Transportation Charge ..... 4.177¢ R

Customer Charge: N/A

Schedule GT-TLS (Commercial/Industrial)

GT-3CA, Class-Average Volumetric Rate Option

Volumetric Charge ..... 1.967¢ I

GT-3RS, Reservation Rate Option

Reservation Rate, per therm per day ..... 0.620¢ I

Usage Charge, per therm ..... 1.006¢ R

Volumetric Transportation Charge for Non-Bypass Customers ..... 2.211¢ I

Volumetric Transportation Charge for Bypass Customers ..... 2.535¢ I

Schedule GT-TLS (Enhanced Oil Recovery)

GT-4CA, Class-Average Volumetric Rate Option

Volumetric Charge ..... 1.691¢ I

GT-4RS, Reservation Rate Option

Reservation Rate, per therm per day ..... 0.620¢ I

Usage Charge, per therm ..... 0.730¢ |

Volumetric Transportation Charge for Non-Bypass Customers ..... 1.935¢ |

Volumetric Transportation Charge for Bypass Customers ..... 2.259¢ I

Schedule GT-TLS (Electric Generation)

GT-5CA, Class-Average Volumetric Rate Option

Volumetric Charge ..... 1.691¢ I

GT-5RS, Reservation Rate Option

Reservation Rate, per therm per day ..... 0.620¢ I

Usage Charge, per therm ..... 0.730¢ |

Volumetric Transportation Charge for Non-Bypass Customers ..... 1.935¢ |

Volumetric Transportation Charge for Bypass Customers ..... 2.259¢ I

(Continued)

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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 ..... 1.618¢ I

GT-7RS, Reservation Rate Option

Reservation Rate, per therm per day ..... 0.618¢ I

Usage Charge, per therm ..... 0.660¢ |

Volumetric Transportation Charge for Non-Bypass Customers ..... 1.861¢ |

Volumetric Transportation Charge for Bypass Customers ..... 2.185¢ I

Schedule GT-TLS (San Diego Gas & Electric)

GT-8CA, Class-Average Volumetric Rate Option

Volumetric Charge ..... 1.255¢ I

Schedule GT-TLS (Southwest Gas)

GT-9CA, Class-Average Volumetric Rate Option

Volumetric Charge ..... 1.618¢ I

GT-9RS, Reservation Rate Option

Reservation Rate, per therm per day ..... 0.618¢ I

Usage Charge, per therm ..... 0.660¢ |

Volumetric Transportation Charge for Non-Bypass Customers ..... 1.861¢ |

Volumetric Transportation Charge for Bypass Customers ..... 2.185¢ I

Schedule GT-TLS (City of Vernon)

GT-10CA, Class-Average Volumetric Rate Option

Volumetric Charge ..... 1.618¢ I

GT-10RS, Reservation Rate Option

Reservation Rate, per therm per day ..... 0.618¢ I

Usage Charge, per therm ..... 0.660¢ |

Volumetric Transportation Charge for Non-Bypass Customers ..... 1.861¢ |

Volumetric Transportation Charge for Bypass Customers ..... 2.185¢ 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 ..... 1.618¢

GT-12RS, Reservation Rate Option

Reservation Rate, per therm per day ..... 0.618¢

Usage Charge, per therm ..... 0.660¢

Volumetric Transportation Charge for Non-Bypass Customers ..... 1.861¢

Volumetric Transportation Charge for Bypass Customers ..... 2.185¢

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PROCUREMENT CHARGE

Schedule G-CP

Non-Residential Core Procurement Charge, per therm ..... 32.353¢

Non-Residential Cross-Over Rate, per therm ..... 32.353¢

Residential Core Procurement Charge, per therm ..... 32.353¢

Residential Cross-Over Rate, per therm ..... 32.353¢

Adjusted Core Procurement Charge, per therm ..... 32.145¢

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IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)

August 2016 ..... 51.340¢

September 2016 ..... 45.777¢

October 2016 ..... TBD\*

Noncore Retail Standby (SP-NR)

August 2016 ..... 51.446¢

September 2016 ..... 45.883¢

October 2016 ..... TBD\*

Wholesale Standby (SP-W)

August 2016 ..... 51.446¢

September 2016 ..... 45.883¢

October 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 November 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	62.450¢
Other Operating Costs and Revenues	5.397¢
Regulatory Account Amortization	10.904¢
EOR Revenue allocated to Other Classes	(0.323¢)
EOR Costs allocated to Other Classes	0.206¢
Gas Engine Rate Cap Adjustment	0.114¢
Sempra-Wide Adjustment (NGV Only)	0.000¢
Procurement Rate (w/o Brokerage Fee)	32.145¢
Core Brokerage Fee Adjustment	0.208¢
	-----
Total Costs	111.101¢

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Non-Residential - Commercial/Industrial

Charge  
(per therm)

Base Margin	24.147¢
Other Operating Costs and Revenues	1.179¢
Regulatory Account Amortization	11.870¢
EOR Revenue allocated to Other Classes	(0.125¢)
EOR Costs allocated to Other Classes	0.080¢
Gas Engine Rate Cap Adjustment	0.044¢
Sempra-Wide Adjustment (NGV Only)	0.000¢
Procurement Rate (w/o Brokerage Fee)	32.145¢
Core Brokerage Fee Adjustment	0.208¢
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Total Costs	69.548¢

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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	8.922¢
Other Operating Costs and Revenues	0.658¢
Regulatory Account Amortization	12.211¢
EOR Revenue allocated to Other Classes	(0.046¢)
EOR Costs allocated to Other Classes	0.029¢
Gas Engine Rate Cap Adjustment	0.016¢
Sempra-Wide Adjustment (NGV Only)	0.000¢
Procurement Rate (w/o Brokerage Fee)	32.145¢
Core Brokerage Fee Adjustment	0.208¢
	-----
Total Costs	54.143¢

Non-Residential - Gas Engine

Charge  
(per therm)

Base Margin	19.292¢
Other Operating Costs and Revenues	0.717¢
Regulatory Account Amortization	11.952¢
EOR Revenue allocated to Other Classes	(0.100¢)
EOR Costs allocated to Other Classes	0.064¢
Gas Engine Rate Cap Adjustment	(15.772¢)
Sempra-Wide Adjustment (NGV Only)	0.000¢
Procurement Rate (w/o Brokerage Fee)	32.145¢
Core Brokerage Fee Adjustment	0.208¢
	-----
Total Costs	48.506¢

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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	9.651¢
Other Operating Costs and Revenues	0.618¢
Regulatory Account Amortization	12.058¢
EOR Revenue allocated to Other Classes	(0.050¢)
EOR Costs allocated to Other Classes	0.032¢
Gas Engine Rate Cap Adjustment	0.018¢
Sempra-Wide Adjustment (NGV Only)	0.280¢
Procurement Rate (w/o Brokerage Fee)	32.145¢
Core Brokerage Fee Adjustment	0.208¢
	-----
Total Costs	54.960¢

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NON-CORE

Commercial/Industrial - Distribution

	<u>Charge</u> (per therm)
Base Margin	5.546¢
Other Operating Costs and Revenues	0.227¢
Regulatory Account Amortization	0.852¢
EOR Revenue allocated to Other Classes	(0.029¢)
EOR Costs allocated to Other Classes	0.018¢
	-----
Total Transportation Related Costs	6.614¢

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Distribution Electric Generation

	<u>Charge</u> (per therm)
Base Margin	6.363¢
Other Operating Costs and Revenues	0.149¢
Regulatory Account Amortization	0.569¢
EOR Revenue allocated to Other Classes	(0.033¢)
EOR Costs allocated to Other Classes	0.021¢
Sempra-Wide Common Adjustment (EG Only)	(1.039¢)
	-----
Total Transportation Related Costs	6.030¢

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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	6.363¢
Other Operating Costs and Revenues	0.149¢
Regulatory Account Amortization	0.569¢
EOR Revenue allocated to Other Classes	(0.033¢)
EOR Costs allocated to Other Classes	0.021¢
Sempra-Wide Adjustment (EG Only)	(1.039¢)
	-----
Total Transportation Related Costs	6.030¢

Wholesale - San Diego Gas & Electric

	<u>Charge</u> (per therm)
Base Margin	0.754¢
Other Operating Costs and Revenues	0.148¢
Regulatory Account Amortization	0.355¢
EOR Revenue allocated to Other Classes	(0.004¢)
EOR Costs allocated to Other Classes	0.002¢
	-----
Total Transportation Related Costs	1.255¢

Transmission Level Service (TLS)

	<u>Charge</u> (per therm)
Base Margin	1.014¢
Other Operating Costs and Revenues	0.181¢
Regulatory Account Amortization	0.607¢
EOR Revenue allocated to Other Classes	(0.005¢)
EOR Costs allocated to Other Classes	0.003¢
TLS Adjustment	(0.095¢)
	-----
Total Transportation Related Costs	1.705¢

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PRELIMINARY STATEMENT

Sheet 1

PART III  
COST ALLOCATION AND REVENUE REQUIREMENT

A. TRIENNIAL COST ALLOCATION PROCEEDING:

1. In a Triennial Cost Allocation Proceeding (TCAP), the Utility shall file and the Commission shall authorize an allocation of the Utility's revenue requirement and reallocation of balancing account balances among customer classes, the rates for core customers and the rates for noncore customers.
2. Other decisions by the Commission may require rate revisions at times other than those specified herein.

B. REVENUE REQUIREMENT:

The Utility's revenue requirement consists of the sum total of all estimated costs to provide service for the forecast period. Rates will be established to recover all items in the Revenue Requirement. The components of the revenue requirement are as follows:

1. GAS MARGIN

This amount shall be the total annual base revenues authorized by the Commission. The authorized gas margin pursuant to SoCalGas Advice No. 5060, effective January 1, 2017, is \$2,117,886,000. Of the total revenues, \$1,865,636,000 is allocated to the core market and \$252,250,000 is allocated to the noncore market.

2. REGULATORY ACCOUNTS

Included below are the major balancing accounts. For a complete listing of all regulatory accounts, please refer to Preliminary Statement, Parts V, VI, and VII.

a. CORE FIXED COST ACCOUNT (CFCA) BALANCE

The revenue requirement shall include an amortization of the forecasted revision-date balance in the CFCA based on the latest data available. This amortization will be reflected in rates for core customers only. (See Preliminary Statement, Part V for a description of the CFCA.)

b. NONCORE FIXED COST ACCOUNT (NFCA) BALANCE

The revenue requirement is the amortization of the forecasted revision-date balance in the NFCA based on the latest data available. This amortization will be reflected in rates for noncore customers only. (See Preliminary Statement, Part V for a description of the NFCA.)

(Continued)

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PRELIMINARY STATEMENT

Sheet 3

PART III  
COST ALLOCATION AND REVENUE REQUIREMENT

(Continued)

B. REVENUE REQUIREMENT: (Continued)

5. COST AND REVENUE ALLOCATION FACTORS

These factors were determined pursuant to D.16-10-004 and SoCalGas Advice No. 5060, effective January 1, 2017, and are used to allocate costs and revenues to the core and noncore customer classes.

	<u>Factor</u>		
	<u>Core</u>	<u>Noncore</u>	
		<u>(including wholesale)</u>	
<u>Cost Categories:</u>			
Unaccounted-for Gas	0.711	0.289	I,R
Company Use Gas: Storage	0.377	0.623	I,R
Core Fixed Cost Account	1.000	0.000	
Noncore Fixed Cost Account	0.000	1.000	
Enhanced Oil Recovery Account	0.942	0.058	I,R
 <u>Revenue Categories:</u>			
Exchange and Interutility Transactions	0.403	0.597	I,R
Core Brokerage Fee Adjustment	1.000	0.000	
Noncore Brokerage Fee Adjustment	0.000	1.000	

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PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS  
CORE FIXED COST ACCOUNT (CFCA)

Sheet 1

1. Purpose

The CFCA is an interest bearing balancing account recorded on SoCalGas' financial statements. The purpose of this account is to balance the difference between the authorized margin, (excluding the transmission revenue requirements and Backbone Transportation Service (BTS) revenue requirement) and other non-gas costs as detailed below, including funding of SoCalGas' Gas Assistance Fund (GAF) program pursuant to Advice No. 4168, and storage costs associated with the allocation of storage adopted in D.08-12-020 that are not currently reflected in current rates, allocated to the core market with revenues intended to recover these costs. Pursuant to Advice No. 3963, SoCalGas establishes a separate subaccount in the CFCA to track authorized funding by the CPUC and related funds actually used in providing eligible customers with assistance in paying their bills in connection with SoCalGas' Gas Assistance Fund (GAF) program.

In accordance with Advice No. 4177-A, filed pursuant to D.07-08-029, D.10-09-001, and Resolution G-3489, the CFCA will be credited for the core's allocation of the System Modification Fee (SMF) charged to California Producers to offset the system modification costs which have been incorporated in base rates in connection with SoCalGas' 2012 General Rate Case (GRC).

In accordance with Advice No. 4772 filed pursuant to D.13-05-010, the CFCA will be debited for the core's allocation of the revenue requirement adjustments to comply with the normalization requirements of Internal Revenue Code Section 168(i)(9), as interpreted by the Internal Revenue Service in Private Letter Ruling (PLR) 136851-14. These revenue requirement adjustments are associated with SoCalGas' net operating loss carry-forward amounts that should have been used to reduce SoCalGas' accumulated deferred income tax liability balance in determining SoCalGas' authorized rate base in connection with SoCalGas' 2012 GRC.

Pursuant to D.16-06-046, the CFCA will record the net savings associated with the closure of four SoCalGas branch offices. SoCalGas will continue to adjust the CFCA until the net savings resulting from the branch office closures are incorporated in SoCalGas' GRC.

Pursuant to D.16-10-004, SoCalGas' 2017 Triennial Cost Allocation Proceeding (TCAP), the CFCA (excluding GAF activity) is segregated into two subaccounts: NGV Class Subaccount and non-NGV Core Subaccount. The NGV Class Subaccount will balance the difference between the authorized margin (excluding transmission and BTS revenue requirements) and other non-gas costs allocated to the NGV customer class with revenues intended to recover these costs. The non-NGV Core Subaccount will balance the difference between the authorized margin (excluding transmission and BTS revenue requirements) and other non-gas costs allocated to all other core classes (i.e., excluding the NGV class) with revenues intended to recover these costs. In addition, as described in detail in Section 8. below, D.16-10-004 authorizes SoCalGas to implement a true-up mechanism to amortize in rates the additional unamortized over- or under-collection that remains in the CFCA at the end of each year.

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 DECISION NO. 16-10-004

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**Dan Skopec**  
 Vice President  
 Regulatory Affairs

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 RESOLUTION NO. \_\_\_\_\_

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS  
CORE FIXED COST ACCOUNT (CFCA)

Sheet 2

(Continued)

2. Applicability

The CFCA shall apply to all core gas customers.

3. Rates

The projected year-end CFCA balance will be applied to core gas transportation rates.

4. Accounting Procedures – NGV Class Subaccount

SoCalGas shall maintain the NGV Class Subaccount within the CFCA by recording entries at the end of each month, net of FF&U, as follows:

- a. A debit entry equal to the seasonalized monthly amount of the authorized margin allocated to the NGV customer class;
- b. A debit entry equal to the recorded cost of the core portion of company-use fuel (excluding transmission and load balancing company-use fuel) allocated to the NGV customer class;
- c. A debit entry equal to the recorded cost for the core portion of unaccounted for gas allocated to the NGV customer class;
- d. A debit entry equal to the record cost for the core portion of well incidents and surface leaks allocated to the NGV customer class;
- e. A credit entry equal to the following recorded revenues: transportation revenues from deliveries to NGV customers; revenues from the sale of core storage capacity rights to NGV customers; base revenues that would have been collected from NGV customers absent the core pricing flexibility program, and other revenues that the Commission has directed SoCalGas to allocate to the NGV customer class;
- f. An entry to amortize the previous year’s subaccount balance;
- g. A credit entry equal to the NGV customer class portion of the core’s allocation of the SMF charged to California Producers; and
- h. An entry equal to interest on the average balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

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PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS  
CORE FIXED COST ACCOUNT (CFCA)

Sheet 3

(Continued)

5. Accounting Procedures – non-NGV Core Subaccount

SoCalGas shall maintain the non-NGV Core Subaccount within the CFCA by recording entries at the end of each month, net of FF&U, as follows:

- a. A debit entry equal to the seasonalized monthly amount of the core authorized margin excluding the allocation for the NGV customer class;
- b. A one-time debit entry equal to the adjustment to the adopted revenue requirements for Test Year 2012 and Attrition Years 2013 through 2014 to comply with the normalization requirements pursuant to PLR 136851-14;
- c. A debit entry equal to the adjustment to the adopted revenue requirements for Attrition Year 2015, prorated on a seasonalized basis during the year, to comply with the normalization requirements pursuant to PLR 136851-14;
- d. A debit entry equal to the recorded cost of the core portion of company-use fuel (excluding transmission and load balancing company-use fuel) excluding the allocation for the NGV customer class;
- e. A debit entry equal to the recorded cost for the core portion of unaccounted for gas excluding the allocation for the NGV customer class;
- f. A debit entry equal to the recorded cost for the core portion of well incidents and surface leaks excluding the allocation for the NGV customer class;
- g. A debit entry equal to the actual funds used, up to amounts authorized by the Commission, in providing eligible customers with assistance in paying their bills in connection with SoCalGas' Gas Assistance Fund (GAF) program;
- h. An adjustment to reflect storage costs consistent with the allocation of storage adopted in D.08-12-020 that are not currently reflected in current transportation rates;
- i. A credit entry equal to the core portion excluding the NGV customer class of the following recorded revenues: transportation revenues from core deliveries; revenues from the sale of core storage capacity rights; base revenues that would have been collected from customers absent the core pricing flexibility program, *net Low Operational Flow Order (OFO) noncompliance charge revenues from core customers as addressed in the Settlement Agreement approved by a December 1, 2016 CPUC decision in Application (A).15-06-020*, and other revenues that the Commission has directed SoCalGas to allocate to the core market; (the italicized section of this procedure is temporary and will end upon the expiration of the term in the referenced Ruling. Specifically, that settlement term will conclude upon the earlier of: (1) any superseding decision or order by the Commission, (2) return of Aliso Canyon to at least 450 MMcfd of injection capacity and 1,395 MMcfd of withdrawal capacity, or (3) March 31, 2017);
- j. An entry to amortize the previous year's subaccount balance;
- k. A credit entry equal to the core's allocation excluding the NGV customer class of the SMF charged to California Producers;

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PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS  
CORE FIXED COST ACCOUNT (CFCA)

Sheet 4

(Continued)

5. Accounting Procedures – non-NGV Core Subaccount (Continued) L,T
- l. A credit entry equal to the net savings associated with the closure of SoCalGas’ branch offices pursuant to D.16-06-046; and L
- m. An entry equal to interest on the average balance in the subaccount during the month, calculated in the manner described in Preliminary Statement, Part I, J. L
6. Accounting Procedures – GAF Subaccount L,T
- SoCalGas shall maintain the GAF Subaccount by recording entries at the end of each month, net of FF&U, as follows: L
- a. A debit entry equal to actual funds provided to customers for paying their gas bills; |
- b. A credit entry equal to funds to be used in providing customers with assistance in paying their gas bills; and |
- c. An entry equal to interest on the average balance in the subaccount during the month, calculated in the manner described in Preliminary Statement, Part I, J. |
7. Disposition L,T
- In each annual October regulatory account balance update filing, SoCalGas will amortize the projected year-end CFCA balance effective January 1 of the following year. The projected year-end balance for the non-NGV Core Subaccount will be allocated to all non-NGV core customer classes on an Equal Cents Per Therm (ECPT) basis. The NGV Class Subaccount will be allocated only to the NGV customer class. L
- For the GAF Subaccount, the disposition of any unspent funds will be addressed in SoCalGas’ next annual regulatory account update filing or other appropriate filing. L,N
8. True-up Mechanism N
- D.16-10-004 authorizes SoCalGas the following rate trigger mechanism detailed below to determine whether a true-up of rates will be made for the unamortized portion of the CFCA balance (total of all subaccounts). |
- SoCalGas will total the authorized margin recorded in the CFCA for the last four months of the year and compare 10% of the total amount to the unamortized portion of the CFCA balance. |
  - If the unamortized portion of the CFCA balance is greater than 10% of the total amount SoCalGas will file an advice letter proposing to update rates for the unamortized portion of the CFCA balance. |
  - SoCalGas will file a Tier 2 advice letter by February 28<sup>th</sup> of the following year requesting the rate update to be effective April 1. Rates will be updated to reflect recovery or refund of the unamortized portion of the CFCA balance over the remaining nine months of the year. |

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PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS  
BACKBONE TRANSMISSION BALANCING ACCOUNT (BTBA)

Sheet 1

1. Purpose

The BTBA is an interest-bearing balancing account that is recorded on the Utility's financial statements pursuant to D.06-04-033, D.06-12-031, Resolution G-3407, and D.11-04-032. The BTBA consists of two subaccounts: the BTBA Subaccount and IT Cost Subaccount. The purpose of the BTBA Subaccount is to record the difference between the authorized Backbone Transportation Service (BTS) revenue requirement and the actual BTS revenues from firm and interruptible access to SoCalGas' transmission system. Pursuant to D. 11-03-029, the BTBA Subaccount will also record interruptible and firm off-system deliveries in excess of any applicable system reliability costs and system implementation costs associated with providing off-system delivery service. Pursuant to D.11-04-032, SoCalGas establishes the IT Cost Subaccount to record and recover information technology costs incurred to enhance Backbone Transportation Service. Pursuant to D.16-10-004, the costs of providing discounts to interruptible BTS and firm BTS contracts with and without alternate receipt point rights are recovered in the BTBA subaccount. Pursuant to a December 1, 2016 CPUC decision in Application (A.) 15-06-020, the incremental costs associated with providing a temporary service for trading scheduled quantities and daily imbalances are recovered in the BTBA, as described in Rule No. 30.

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2. Applicability

The BTBA shall apply to all customers with firm or interruptible Backbone Transportation Service rights.

3. Rates

The projected year-end BTBA balance will be applied as described in item 5 below.

4. Accounting Procedures

BTBA Subaccount

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

- a. A debit entry equal to one-twelfth of the BTS revenue requirement;
- b. A debit entry equal to the incremental costs associated with providing the temporary service for trading scheduled quantities and daily imbalances, as described in Rule No. 30;
- c. A credit entry equal to the recorded BTS revenues;
- d. An entry to amortize the previous year's balance;

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PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS  
BACKBONE TRANSMISSION BALANCING ACCOUNT (BTBA)

Sheet 2

(Continued)

4. Accounting Procedures (Continued)

- e. A credit entry equal to any net revenues from off-system delivery services (i.e., that were made available in the Southern System for the flow days where fixed deliveries were made into the Southern System to maintain system reliability) in excess of system reliability costs for these flow days and system implementation costs associated with providing off-system delivery service;
- f. A credit entry equal to 100% of the recorded revenues from interruptible and firm off-system delivery services not reflected in entry "e" and in excess of system implementation costs associated with providing off-system delivery service; and
- g. An entry equal to interest on the average of the balance in the BTBA Subaccount during the month, calculated in the manner described in Preliminary Statement, Part I, J.

IT Cost Subaccount

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

- a. A debit entry equal to the capital-related costs (such as depreciation, return on investment, and related taxes) associated with information technology costs;
- b. A debit entry equal to incremental O&M expenses associated with information technology enhancements;
- c. An entry to amortize the previous year's balance; and
- d. An entry equal to interest on the average of the balance in the subaccount during the month, calculated in the manner described in Preliminary Statement, Part I, J.

5. Disposition

The revenue requirement associated with firm and interruptible Backbone Transportation Service is excluded from the revenue requirement underlying the Utility's gas transportation rates and is recovered separately through BTS charges under Schedule No. G-BTS, Backbone Transportation Service. In each annual October regulatory account balance update filing, SoCalGas will amortize the projected year-end BTBA and IT Cost Subaccount balances in all BTS rates effective January 1 of the following year.

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EFFECTIVE Jan 1, 2017

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

Sheet 2

(Continued)

B. LISTING OF MEMORANDUM ACCOUNTS (Continued)

Pipeline Safety Enhancement Plan – Phase 2 Memorandum Account (PSEP-P2MA)  
Tax Memorandum Account (TMA)  
Officer Compensation Memorandum Account (OCMA)  
Winter Demand Response Memorandum Account (WDRMA)  
System Operator Gas Account (SOGA)

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PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS Sheet 1  
CURTAILMENT VIOLATION PENALTY ACCOUNT (CVPA)

1. Purpose

The CVPA is a memorandum account. The purpose of this account is to record actual revenues from the assessment of penalties for violation of curtailment, and expenses associated with installation of electronic metering for curtailment monitoring. Pursuant to Decision (D.) 16-07-008, Gas Curtailment Proceeding, effective November 1, 2016, noncompliance charges from customers for violation of curtailment events will no longer be recorded in CVPA.

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2. Applicability

See Disposition section.

3. Rates

Amounts recorded in the CVPA will be refunded to applicable customers upon Commission approval.

4. Accounting Procedures

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

- a. A credit entry equal to all curtailment penalty charges collected;
- b. A debit entry equal to recorded expenditures for installation of electronic metering for purpose of curtailment monitoring;
- c. A debit entry to refund overcollections pursuant to Commission authorization; and
- d. An entry equal to the 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

In connection with SoCalGas' Cost Allocation Proceeding, SoCalGas provides the CVPA balance and a plan to refund accumulated charges for curtailment violations. Pursuant to D.16-10-004, SoCalGas' 2017 Triennial Cost Allocation Proceeding (TCAP), SoCalGas will (1) refund monies including interest of curtailment charges from the December 27, 2012 curtailment event as a bill credit to noncore customers who curtailed; (2) transfer curtailment charges including interest from two curtailment events of Standby Procurement Service beginning on December 7, 2013 and February 6, 2014 to the CFCA and NFCA for amortization in rates; and (3) transfer \$24 in curtailment charges related to the November 3, 2014 curtailment event to the NFCA for amortization in rates. Once completed, the CVPA will be closed and eliminated.

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PRELIMINARY STATEMENT-PART VI-MEMORANDUM ACCOUNTS  
SYSTEM OPERATOR GAS ACCOUNT (SOGA)

Sheet 1

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1. Purpose

The SOGA is an interest bearing memorandum account that is recorded on SoCalGas' financial statements. Pursuant to Decision (D.) 16-10-004, SoCalGas' 2017 Triennial Cost Allocation proceeding (TCAP), the purpose of the SOGA is to record cost and revenue transactions resulting from operational imbalances and cash out provisions associated with the California Producer Operational Balancing Agreements (CPOBA) and the administration of the pipeline Operational Balancing Agreements (OBA).

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2. Applicability

The SOGA will apply to gas customers.

3. Rates

The projected year-end SOGA balance will be applied to gas transportation rates.

4. Accounting Procedures

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

- a) A debit entry equal to cost transactions associated with buying gas in support of cashing out California producer imbalances and pipeline operating imbalances;
- b) A credit entry equal to revenue transactions associated with selling gas in support of cashing out California producer imbalances and pipeline operating imbalances;
- c) An entry to amortize the SOGA balance; and
- d) 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

In each annual October regulatory account balance update filing, SoCalGas will amortize the projected year-end SOGA balance effective January 1 of the following year. The projected year-end balance will be allocated on an Equal Cents Per Therm (ECPT) basis.

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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.16-10-004 and Advice No. 5060 effective January 1, 2017. 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	78.7 cents/therm	23.3 cents/therm
G-10, 0 to 3 Mth	63.0 cents/therm	36.2 cents/therm
G-10, 3-50 Mth	36.2 cents/therm	10.8 cents/therm
G-10, 50-250 Mth	22.8 cents/therm	6.5 cents/therm
G-10, >250Mth	21.1 cents/therm	4.2 cents/therm
Gas A/C	21.8 cents/therm	5.7 cents/therm
Gas Engines	16.2 cents/therm	4.9 cents/therm
NGV	22.6 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>
<u>Customer Charge</u> , 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 <sup>1/</sup> : .....	33.149¢	33.149¢	33.149¢
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Baseline Rate, per therm (baseline usage defined in Special Conditions 3 and 4):

<u>Procurement Charge</u> : <sup>2/</sup> .....	32.305¢	32.305¢	N/A
<u>Transmission Charge</u> : <sup>3/</sup> .....	<u>57.690¢</u>	<u>57.690¢</u>	<u>57.470¢</u>
<u>Total Baseline Charge</u> : .....	89.995¢	89.995¢	57.470¢

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

<u>Procurement Charge</u> : <sup>2/</sup> .....	32.305¢	32.305¢	N/A
<u>Transmission Charge</u> : <sup>3/</sup> .....	<u>91.205¢</u>	<u>91.205¢</u>	<u>90.985¢</u>
<u>Total Non-Baseline Charge</u> : .....	123.510¢	123.510¢	90.985¢

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<sup>1/</sup> 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. GR  
RESIDENTIAL SERVICE  
 (Includes GR, GR-C and GT-R Rates)  
 (Continued)

Sheet 2

RATES (Continued)

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

1. Definitions: The definitions of principal terms used in this schedule are found either herein or in Rule No. 1, Definitions.
2. Number of Therms: The number of therms to be billed shall be determined in accordance with Rule No. 2.
3. Baseline Usage: The following quantities of gas used in individually metered residences not in a Multi-family Accommodation complex are to be billed at the Baseline rates. Usage in excess of applicable baseline allowances will be billed at the Non-Baseline rates.

<u>Per Residence</u>	<u>Daily Therm Allowance</u>		
	<u>for Climate Zones*</u>		
	<u>1</u>	<u>2</u>	<u>3</u>
Summer (May 1-Oct. 31)	0.473	0.473	0.473
Winter (Nov. 1-Apr. 30)	1.691	1.823	2.950

(Footnotes continued from previous page.)

<sup>2/</sup> 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.

<sup>3/</sup> CAT Transmission Charges include a 0.220 cents per therm credit to amortize an overcollection in the FERC Settlement Proceeds Memorandum Account during 2017 as authorized in Advice No. 5054 approved on November 30, 2016 and D.16-10-004.

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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: <sup>2/</sup> .....	32.305¢	32.305¢	N/A	
Transmission Charge: <sup>3/</sup> .....	<u>57.690¢</u>	<u>57.690¢</u>	<u>57.470¢</u>	R,R,R
Total Baseline Charge: .....	89.995¢	89.995¢	57.470¢	R,R,R
 <u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):				
Procurement Charge: <sup>2/</sup> .....	32.305¢	32.305¢	N/A	
Transmission Charge: <sup>3/</sup> .....	<u>91.205¢</u>	<u>91.205¢</u>	<u>90.985¢</u>	I,I,I
Total Non-Baseline Charge: .....	123.510¢	123.510¢	90.985¢	I,I,I

Submetering Credit

A daily submetering credit of 30.674¢ shall be applicable for each CARE qualified residential unit and 27.386¢ 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.)

<sup>2/</sup> 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.

<sup>3/</sup> CAT Transmission Charges include a 0.220 cents per therm credit to amortize an overcollection in the FERC Settlement Proceeds Memorandum Account during 2017 as authorized in Advice No. 5054 approved on November 30, 2016 and D.16-10-004.

(Continued)

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**Dan Skopec**  
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 Regulatory Affairs

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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¢	\$13.518	I

For "Space Heating Only" customers, a daily Customer Charge applies during the winter period from November 1 through April 30<sup>1/</sup>: ..... 33.149¢

GM

	<u>GM-E</u>	<u>GM-EC</u> <sup>3/</sup>	<u>GT-ME</u> <sup>4/</sup>	
<u>Baseline Rate</u> , per therm (baseline usage defined per Special Conditions 3 and 4):				
Procurement Charge: <sup>2/</sup> .....	32.305¢	32.305¢	N/A	
<u>Transmission Charge</u> : .....	<u>57.690¢</u>	<u>57.690¢</u>	<u>57.470¢</u>	R,R,R
Total Baseline Charge (all usage): .....	89.995¢	89.995¢	57.470¢	R,R,R

<u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):				
Procurement Charge: <sup>2/</sup> .....	32.305¢	32.305¢	N/A	
<u>Transmission Charge</u> : .....	<u>91.205¢</u>	<u>91.205¢</u>	<u>90.985¢</u>	I,I,I
Total Non Baseline Charge (all usage):.....	123.510¢	123.510¢	90.985¢	I,I,I

	<u>GM-C</u>	<u>GM-CC</u> <sup>3/</sup>	<u>GT-MC</u> <sup>4/</sup>	
<u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):				
Procurement Charge: <sup>2/</sup> .....	32.305¢	32.305¢	N/A	
<u>Transmission Charge</u> : .....	<u>91.205¢</u>	<u>91.205¢</u>	<u>90.985¢</u>	I,I,I
Total Non Baseline Charge (all usage):.....	123.510¢	123.510¢	90.985¢	I,I,I

<sup>1/</sup> 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.)

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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> <sup>3/</sup>	<u>GT-MBE</u> <sup>4/</sup>	
<u>Baseline Rate</u> , per therm (baseline usage defined per Special Conditions 3 and 4):				
Procurement Charge: <sup>2/</sup> .....	32.305¢	32.305¢	N/A	
<u>Transmission Charge</u> : .....	<u>22.992¢</u>	<u>22.992¢</u>	<u>22.772¢</u>	I,I,I
Total Baseline Charge (all usage):.....	55.297¢	55.297¢	22.772¢	I,I,I
 <u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):				
Procurement Charge: <sup>2/</sup> .....	32.305¢	32.305¢	N/A	
<u>Transmission Charge</u> : .....	<u>36.252¢</u>	<u>36.252¢</u>	<u>36.032¢</u>	I,I,I
Total Non-Baseline Charge (all usage): .....	68.557¢	68.557¢	36.032¢	I,I,I
	<u>GM-BC</u>	<u>GM-BCC</u> <sup>3/</sup>	<u>GT-MBC</u> <sup>4/</sup>	
<u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):				
Procurement Charge: <sup>2/</sup> .....	32.305¢	32.305¢	N/A	
<u>Transmission Charge</u> : .....	<u>36.252¢</u>	<u>36.252¢</u>	<u>36.032¢</u>	I,I,I
Total Non-Baseline Charge (all usage): .....	68.557¢	68.557¢	36.032¢	I,I,I

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.)

<sup>2/</sup> 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.

<sup>3/</sup> 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.

<sup>4/</sup> CAT Transmission Charges include a 0.220 cents per therm credit to amortize an overcollection in the FERC Settlement Proceeds Memorandum Account during 2017 as authorized in Advice No. 5054 approved on November 30, 2016 and D.16-10-004.

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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>GO-AC</u>	<u>GTO-AC</u> <sup>3/</sup>
<u>Customer Charge</u> , per meter per day: <sup>1/</sup> .....	16.438¢	16.438¢
<u>Baseline Rate</u> , per therm (baseline usage defined per Special Condition 3):		
<u>Procurement Charge</u> : <sup>2/</sup> .....	32.305¢	N/A
<u>Transmission Charge</u> : .....	<u>57.690¢</u>	<u>57.470¢</u>
<u>Total Baseline Charge</u> : .....	89.995¢	57.470¢
<u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):		
<u>Procurement Charge</u> : <sup>2/</sup> .....	32.305¢	N/A
<u>Transmission Charge</u> : .....	<u>91.205¢</u>	<u>90.985¢</u>
<u>Total Non-Baseline Charge</u> : .....	123.510¢	90.985¢

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<sup>1/</sup> 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.

<sup>2/</sup> 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.

<sup>3/</sup> CAT Transmission Charges include a 0.220 cents per therm credit to amortize an overcollection in the FERC Settlement Proceeds Memorandum Account during 2017 as authorized in Advice No. 5054 approved on November 30, 2016 and D.16-10-004.

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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> <sup>2/</sup>
<u>Customer Charge</u> , per meter per day .....	32.877¢	32.877¢	32.877¢
<u>Rate</u> , per therm			
Procurement Charge <sup>1/</sup> .....	32.305¢	32.305¢	N/A
<u>Transmission Charge</u> .....	<u>21.777¢</u>	<u>21.777¢</u>	<u>21.557¢</u>
Commodity Charge .....	54.082¢	54.082¢	21.557¢

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<sup>1/</sup> 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.

<sup>2/</sup> CAT Transmission Charges include a 0.220 cents per therm credit to amortize an overcollection in the FERC Settlement Proceeds Memorandum Account during 2017 as authorized in Advice No. 5054 approved on November 30, 2016 and D.16-10-004.

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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 .....	10.34	R
2.00 - 2.49 cu.ft. per hr .....	11.72	
2.50 - 2.99 cu.ft. per hr .....	14.32	
3.00 - 3.99 cu.ft. per hr .....	18.22	
4.00 - 4.99 cu.ft. per hr .....	23.43	
5.00 - 7.49 cu.ft. per hr .....	32.54	
7.50 - 10.00 cu.ft. per hr .....	45.56	R
For each cu.ft. per hour of total capacity in excess of 10 cu.ft. per hour .....	5.21	R

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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> <sup>1/</sup>	<u>Tier II</u> <sup>1/</sup>	<u>Tier III</u> <sup>1/</sup>	
<u>GN-10</u> <sup>6/</sup> : Applicable to natural gas procurement service to non-residential core customers, including service not provided under any other rate schedule.				
Procurement Charge: <sup>2/</sup> G-CPNR .....	32.305¢	32.305¢	32.305¢	
<u>Transmission Charge</u> : GPT-10 .....	<u>57.046¢</u>	<u>34.519¢</u>	<u>19.414¢</u>	R,R,R
Commodity Charge: GN-10 .....	89.351¢	66.824¢	51.719¢	R,R,R
<u>GN-10C</u> <sup>6/</sup> : 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: <sup>2/</sup> G-CPNRC .....	32.305¢	32.305¢	32.305¢	
<u>Transmission Charge</u> : GPT-10 .....	<u>57.046¢</u>	<u>34.519¢</u>	<u>19.414¢</u>	R,R,R
Commodity Charge: GN-10C .....	89.351¢	66.824¢	51.719¢	R,R,R
<u>GT-10</u> <sup>4/6/</sup> : Applicable to non-residential transportation-only service including CAT service, as set forth in Special Condition 13.				
Transmission Charge: GT-10 .....	56.826¢ <sup>3/</sup>	34.299¢ <sup>3/</sup>	19.194¢ <sup>3/</sup>	R,R,R

<sup>1/</sup> 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.

<sup>2/</sup> 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.

<sup>3/</sup> 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.

<sup>4/</sup> CAT Transmission Charges include a 0.220 cents per therm credit to amortize an overcollection in the FERC Settlement Proceeds Memorandum Account during 2017 as authorized in Advice No. 5054 approved on November 30, 2015 and D.16-10-004.

(Footnotes continue next page.)

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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

Customer Charge, Per Month ..... \$150.00

	<u>G-AC</u>	<u>G-ACC</u> <sup>2/</sup>	<u>GT-AC</u> <sup>3/4/</sup>
Procurement Charge: <sup>1/</sup> .....	32.305¢	32.305¢	N/A
<u>Transmission Charge</u> : .....	<u>19.691¢</u>	<u>19.691¢</u>	<u>19.471¢</u>
Total Charge: .....	51.996¢	51.996¢	19.471¢

R,R,R  
R,R,R

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.

<sup>1/</sup> 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.

<sup>2/</sup> 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.

<sup>3/</sup> The GT-AC rate is applicable to Core Aggregation Transportation service.

<sup>4/</sup> CAT Transmission Charges include a 0.220 cents per therm credit to amortize an overcollection in the FERC Settlement Proceeds Memorandum Account during 2017 as authorized in Advice No. 5054 approved on November 30, 2016 and D.16-10-004.

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Schedule No. G-EN

Sheet 1

CORE GAS ENGINE WATER PUMPING SERVICE FOR COMMERCIAL  
 AND INDUSTRIAL (Includes G-EN, G-ENC and GT-EN Rates)

APPLICABILITY

Applicable to natural gas core service for qualifying gas engine water pumping uses, as specified herein, at each Facility classified in Rule No. 23 as Priority 1 and 2A, including both procurement services (G-EN rates) and transportation-only service (GT-EN rates). In addition, this schedule is applicable to all qualifying core Priority 1 and 2A uses at each Facility served in combination with noncore service.

Service under this schedule is optional.

TERRITORY

Applicable throughout the service territory.

RATES

Customer Charge, Per Month ..... \$50.00

Rate, per therm

	<u>G-EN</u>	<u>G-ENC</u> <sup>2/</sup>	<u>GT-EN</u> <sup>3/4/</sup>
Procurement Charge: <sup>1/</sup> .....	32.305¢	32.305¢	N/A
<u>Transmission Charge</u> : .....	14.090¢	14.090¢	13.870¢
Total Charge: .....	46.395¢	46.395¢	13.870¢

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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.

<sup>1/</sup> 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.

<sup>2/</sup> The G-ENC rate is a procurement option for core transportation customers with annual consumption over 50,000 therms as set forth in Special Condition 8.

<sup>3/</sup> The GT-EN rate is applicable to Core Aggregation Transportation service.

<sup>4/</sup> CAT Transmission Charges include a 0.220 cents per therm credit to amortize an overcollection in the FERC Settlement Proceeds Memorandum Account during 2017 as authorized in Advice No. 5054 approved on November 30, 2016 and D.16-10-004.

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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> <sup>1/</sup>	<u>GT-NGU</u> <sup>2/</sup>
<u>Procurement Charge</u> : <sup>3/</sup> .....	32.305¢	32.305¢	N/A
<u>Transmission Charge</u> : .....	21.143¢	21.143¢	21.143¢
<u>Uncompressed Commodity Charge</u> : .....	53.448¢	53.448¢	21.143¢

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<sup>1/</sup> 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.

<sup>2/</sup> Applicable to transportation-only service, including Core Aggregation Transportation service.

<sup>3/</sup> 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.

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 RESOLUTION NO. \_\_\_\_\_

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 ..... 103.136¢

R

Low Carbon Fuel Standard (LCFS) Rate Credit, per therm<sup>4/</sup> ..... 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 them 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 them ..... 156.584¢

R

G-NGUC plus G-NGC and LCFS Rate Credit, compressed per therm .... 156.584¢

R

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)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 5060  
 DECISION NO. 16-10-004

ISSUED BY  
**Dan Skopec**  
 Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Nov 14, 2016  
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 RESOLUTION NO. \_\_\_\_\_

Schedule No. G-CP  
CORE PROCUREMENT SERVICE

Sheet 2

(Continued)

RATES (Continued)

G-CPNR (Continued)

Cost of Gas, per therm .....	32.145¢
Brokerage Fee, per therm .....	<u>0.208¢</u>
Total Core Procurement Charge, per therm .....	32.353¢

I  
I

G-CPNRC

This is the non-residential Cross-Over Rate authorized in D.02-08-065. This charge will be applicable for the first 12 months of service for: (1) customers who transfer from noncore service to core procurement service, except noncore customers who have been disqualified from noncore service and are required to return to core service; (2) non-residential core transportation customers 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, or (3) non-residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service and switch back to transportation only service within 90 days.

The monthly gas procurement charge is comprised of: (1) the higher of the Cost of Gas in the G-CPNR rate above, less authorized franchise fees and uncollectible expenses, or the Adjusted Border Price; (2) authorized franchise fees and uncollectible expenses; and (3) authorized core brokerage fee.

The Border Price is equal to the average of the first of the month "Southern Cal Border Avg." index from Natural Gas Intelligence and the "Southern California Gas Co., California" index from Inside FERC. The Adjusted Border Price is equal to the Border Price, plus backbone transportation service charges as described in D.11-04-032.

Cost of Gas, (1) and (2) above, per therm .....	32.145¢
Brokerage Fee, per therm .....	<u>0.208¢</u>
Total Core Procurement Charge, per therm .....	32.353¢

I  
I

G-CPR

This charge is for residential service. Pursuant to D.96-08-037, Utility was authorized to change the residential gas procurement charge monthly concurrent with its implementation of the 1996 BCAP Decision (D.97-04-082).

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 5060  
 DECISION NO. 16-10-004

ISSUED BY  
**Dan Skopec**  
 Vice President  
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(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Nov 14, 2016  
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 RESOLUTION NO. \_\_\_\_\_

Schedule No. G-CP  
CORE PROCUREMENT SERVICE

Sheet 3

(Continued)

RATES (Continued)

G-CPR (Continued)

The monthly residential gas procurement charge is comprised of: (1) the weighted average estimated cost of gas (WACOG) for the current month, derived in the manner set forth in D.98-07-068, including reservation charges associated with interstate pipeline capacity contracts entered into by the Utility pursuant to D.04-09-022 and D.02-06-023, and the carrying cost of storage inventory pursuant to D.07-12-019; (2) authorized franchise fees and uncollectible expenses; (3) authorized core brokerage fee; (4) any adjustments for over- or under- collection imbalance in the Core Purchased Gas Account (CPGA) imbalance band as defined and approved in D.98-07-068; (5) backbone transportation service charges as described in D.11-04-032; and (6) an adjustment for the Gas Cost Incentive Mechanism (GCIM) reward/penalty pursuant to D.02-06-023. The CPGA component is an adder in the case of an under-collection and a subtracter in the case of an over-collection.

Cost of Gas, per therm .....	32.145¢
Brokerage Fee, per therm .....	<u>0.208¢</u>
Total Core Procurement Charge, per therm .....	32.353¢

I  
I

G-CPRC

This is the residential Cross-Over Rate authorized in D.02-08-065. This charge will be applicable for the first 12 months for: (1) residential core transportation customers who consumed over 50,000 therms in the last 12 months and who transfer to utility procurement, or (2) residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service and switch back to transportation only service within 90 days.

The monthly gas procurement charge is comprised of: (1) the higher of the Cost of Gas in the G-CPR rate above, less authorized franchise fees and uncollectible expenses, or the Adjusted Border Price; (2) authorized franchise fees and uncollectible expenses; and (3) authorized core brokerage fee.

The Border Price is equal to the average of the first of the month "Southern Cal Border Avg." index from Natural Gas Intelligence and the "Southern California Gas Co., California" index from Inside FERC. The Adjusted Border Price is equal to the Border Price, plus backbone transportation service charges as described in D.11-04-032.

Cost of Gas, (1) and (2) above, per therm .....	32.145¢
Brokerage Fee, per therm .....	<u>0.208¢</u>
Total Core Procurement Charge, per therm .....	32.353¢

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The Border Price will be posted on the Utility's Internet web site at <http://www.socalgas.com>.

(Continued)

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(TO BE INSERTED BY CAL. PUC)  
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 RESOLUTION NO. \_\_\_\_\_

Schedule No. GT-NC

Sheet 1

INTRASTATE TRANSPORTATION SERVICE  
FOR DISTRIBUTION LEVEL CUSTOMERS

APPLICABILITY

Applicable for 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 intrastate transportation service under this schedule.

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 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.

Transportation Charges

GT-F3D, Commercial/Industrial  
Rate, per therm

Tier I	0 - 20,833 Therms .....	14.603¢
Tier II	20,834 - 83,333 Therms .....	9.030¢
Tier III	83,334 - 166,667 Therms .....	5.466¢
Tier IV	Over 166,667 Therms .....	2.918¢

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(Continued)

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 EFFECTIVE Jan 1, 2017  
 RESOLUTION NO. \_\_\_\_\_

Schedule No. GT-NC

Sheet 2

INTRASTATE TRANSPORTATION SERVICE  
FOR DISTRIBUTION LEVEL CUSTOMERS

(Continued)

RATES (Continued)

Transportation Charges (Continued)

GT-F4D, Enhanced Oil Recovery			
Rate, per therm .....	6.024¢		I
GT-F5D, Electric Generation*			
For customers using less than 3 million therms per year			
Rate, per therm .....	11.110¢		R
For customers using 3 million therms or more per year			
Rate, per therm .....	4.177¢		R

The applicable GT-F5D transportation charge shall be determined on the basis of the customer's GT-F5D usage 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 ..... (0.068¢)/therm I

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.

(Continued)

(TO BE INSERTED BY UTILITY)  
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Schedule No. GT-TLS

Sheet 2

INTRASTATE TRANSPORTATION SERVICE  
FOR TRANSMISSION LEVEL CUSTOMERS

(Continued)

RATES

Class-Average Volumetric Rate Option

Transportation Charges (CA)

Rate, per therm

GT-3CA, Commercial/Industrial .....	1.967¢	I
GT-4CA, Enhanced Oil Recovery .....	1.691¢	
GT-5CA, Electric Generation* .....	1.691¢	
GT-7CA, Wholesale - City of Long Beach .....	1.618¢	
GT-8CA, Wholesale - San Diego Gas & Electric .....	1.255¢	I
GT-9CA, Wholesale - Southwest Gas Corporation's service territory in southern California .....	1.618¢	I
GT-10CA, Wholesale - City of Vernon .....	1.618¢	
GT-12CA, Wholesale - ECOGAS Mexico, S. de R.L. de C.V. ....	1.618¢	I

\* The amount of gas applicable under the electric generation rate is determined in accordance with the provisions stated in Special Condition 17 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)

(TO BE INSERTED BY UTILITY)  
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Schedule No. GT-TLS

Sheet 3

INTRASTATE TRANSPORTATION SERVICE  
FOR TRANSMISSION LEVEL CUSTOMERS

(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 .....	0.620¢	I
GT-4RS, Enhanced Oil Recovery .....	0.620¢	
GT-5RS, Electric Generation* .....	0.620¢	
GT-7RS, Wholesale - City of Long Beach .....	0.618¢	I
GT-9RS, Wholesale - Southwest Gas Corporation's service territory in southern California. ....	0.618¢	I
GT-10RS, Wholesale - City of Vernon .....	0.618¢	
GT-12RS, Wholesale - ECOGAS Mexico, S. de R.L. de C.V. ....	0.618¢	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 .....	1.006¢	R
GT-4RS, Enhanced Oil Recovery .....	0.730¢	I
GT-5RS, Electric Generation* .....	0.730¢	
GT-7RS, Wholesale - City of Long Beach .....	0.660¢	I
GT-9RS, Wholesale - Southwest Gas Corporation's service territory in southern California .....	0.660¢	I
GT-10RS, Wholesale - City of Vernon .....	0.660¢	
GT-12RS, Wholesale - ECOGAS Mexico, S. de R.L. de C.V. ....	0.660¢	I

\* The amount of gas applicable under the electric generation rate is determined in accordance with the provisions stated in Special Condition 17 herein.

(Continued)

(TO BE INSERTED BY UTILITY)  
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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 .....	2.211¢	I
GT-4NV, Enhanced Oil Recovery .....	1.935¢	
GT-5NV, Electric Generation* .....	1.935¢	
GT-7NV, Wholesale - City of Long Beach .....	1.861¢	I
GT-9NV, Wholesale - Southwest Gas Corporation's service territory in southern California .....	1.861¢	I
GT-10NV, Wholesale - City of Vernon .....	1.861¢	
GT-12NV, Wholesale - ECOGAS Mexico, S. de R.L. de C.V. ....	1.861¢	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 .....	2.535¢	I
GT-I4BV, Enhanced Oil Recovery .....	2.259¢	
GT-I5BV, Electric Generation* .....	2.259¢	
GT-I7BV, Wholesale - City of Long Beach .....	2.185¢	I
GT-I9BV, Wholesale - Southwest Gas Corporation's service territory in southern California .....	2.185¢	I
GT-I10BV, Wholesale - City of Vernon .....	2.185¢	
GT-I12BV, Wholesale - ECOGAS Mexico, S. de R.L. de C.V. ....	2.185¢	I

\* The amount of gas applicable under the electric generation rate is determined in accordance with the provisions stated in Special Condition 17 herein.

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 5060  
 DECISION NO. 16-10-004

ISSUED BY  
**Dan Skopec**  
 Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Nov 14, 2016  
 EFFECTIVE Jan 1, 2017  
 RESOLUTION NO. \_\_\_\_\_

Schedule No. GT-TLS

Sheet 5

INTRASTATE TRANSPORTATION SERVICE  
 FOR TRANSMISSION LEVEL CUSTOMERS

(Continued)

RATES (Continued)

Reservation Rate Option (Continued)

Additional Charges

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

California Air Resources Board (CARB) Fee Credit ..... (0.068)¢/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.

Cap-and-Trade Cost Exemption ..... 0.000¢/therm

The Cap-and-Trade Cost Exemption is applicable to customers who are identified by 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.

Monthly Minimum Charge

The Monthly Minimum Charge shall apply to a Bypass customer only. The Monthly Minimum Charge shall recover the Utility's actual Customer-related service costs. Customer-related service costs shall be limited to actual operations and maintenance costs of the metering equipment and other related facilities at the Customer's meter(s) that are owned and operated by the Utility necessary to deliver gas in accordance with the Utility's rules and procedures, good industry practice, and governmental regulations. The Utility shall determine actual Customer related service costs for each eligible Customer not later than 30 days following a request by the Customer and shall seek CPUC approval of the resulting Monthly Minimum Charge by Advice Letter. The approved Monthly Minimum Charge for each Customer shall apply only when the charge exceeds the total reservation and volumetric transportation charges for GT-TLS service and shall be applied in lieu of the total reservation and volumetric transportation charges.

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 5060  
 DECISION NO. 16-10-004

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Schedule No. G-IMB  
TRANSPORTATION IMBALANCE SERVICE

Sheet 2

(Continued)

RATES (Continued)

Standby Procurement Charge

This charge is applied to customer's cumulative negative transportation imbalance (confirmed transportation deliveries less actual usage) exceeding the 8 percent tolerance band. The Standby Procurement Charge is posted at least one day in advance of each corresponding imbalance trading period for noncore/wholesale and core transport agents (CTAs). It is calculated at 150% of the highest daily border price index at the Southern California border beginning on the first day of the month that the imbalance is created to five days prior to the start of each corresponding imbalance trading period plus a Brokerage Fee of 0.266¢ per therm for noncore retail service and all wholesale service, and 0.208¢ per therm for core retail service. The highest daily border price index is an average of the highest prices from "NGI's Daily Gas Price Index – Southern California Border Average" and "ICE Daily Indices – SoCal Border."

Core Retail Service:

SP-CR Standby Rate, per therm

August 2016 .....	51.340¢
September 2016 .....	45.777¢
October 2016 .....	TBD*

Noncore Retail Service:

SP-NR Standby Rate, per therm

August 2016 .....	51.446¢
September 2016 .....	45.883¢
October 2016 .....	TBD*

Wholesale Service:

SP-W Standby Rate per therm

August 2016 .....	51.446¢
September 2016 .....	45.883¢
October 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 November 25.

(Continued)

(TO BE INSERTED BY UTILITY)  
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**Dan Skopec**  
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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	\$0.28795	\$0.0	I
G-BTS2	Firm	Three Years	Modified Fixed Variable	\$0.23036	\$0.05759	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. 28795	\$0.0	I
G-BTSN2	Short Term Firm	Up to Three Years	Modified Fixed Variable	Market Based up to \$0. 23036	\$0. 05759	I I
G-BTS4	Interruptible	Up to Three Years	100% Volumetric	\$0.0	Market Based up to \$0. 28795	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.

(Continued)

(TO BE INSERTED BY UTILITY)  
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(TO BE INSERTED BY CAL. PUC)  
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Schedule No. G-BTS  
BACKBONE TRANSPORTATION SERVICE

Sheet 9

(Continued)

SPECIAL CONDITIONS (Continued)

SET-ASIDES: Pre-Open Season - Step 1

1. The Utility Gas Procurement Department, Wholesale Customers other than SDG&E and Core Transportation Aggregators (CTAs) set-asides will be based on qualifying interstate contracts with a minimum term of 12 months that are in effect two months prior to the open season beginning date. In no event shall the total set-aside provided to the Utility Gas Procurement Department or any other core customer exceed its average daily usage during the Base Period, as defined in Special Condition 6 under OPEN SEASON: Preferential Bidding – Step 2. Customers must provide verification of qualifying contracts one week prior to the commencement of the set-aside Step 1 Pre-Open Season.
2. The Utility Gas Procurement Department, Wholesale Customers other than SDG&E, Core Transportation Aggregators (CTAs), and California producers shall have the option to acquire Backbone Transportation Service rights prior to the initial open season.
3. All Step 1 set-asides can be taken in any amount from zero up to the maximum qualifying amount.
4. California Producers including Exxon Mobil’s production at Santa Ynez whose facilities are connected directly to the (i) Utility’s Line 85, (ii) North Coastal system or (iii) another system without a single identified receipt point or transmission zone will receive a set-aside option for a quantity equal to the producer’s peak month’s daily average production over the most recent three-year period. Peak month is defined as the month with the highest average daily volume. The set-aside quantity shall be increased if the specific production is likely to increase and such forecasted increase can be justified by the producer. California Producers may elect all or a portion of the set-aside quantity. This set-aside applies to any SoCalGas “native gas” production. Occidental of Elk Hills, Inc. will be provided a similar set-aside option for 90 MMcfd at the OEHI Gosford receipt point.
5. PG&E customers (City of Glendale, City of Pasadena, Ulster Petroleums LTD, Talisman (Rigel), and U.S. Gypsum) with effective Commission-approved contracts for delivery at PG&E Kern River Station under PG&E G-XF Rate Schedule in effect at the time of implementation, shall have a set-aside option for access rights at PG&E Kern River Station.
6. Parties who have provided incremental cost based funding under Rule No. 39, Access to the SoCalGas Pipeline System, for increased receipt point capacity on a Displacement Receipt Point Capacity and Expansion Receipt Point Capacity, or a combination of the two, basis shall receive a set-aside option prior to the first open season following completion of the facilities and each open season thereafter. Such set-aside option shall equal the quantity of the increase in receipt point capacity funded. The set-aside quantity at Otay Mesa shall be limited to 700 MMcfd of Displacement Receipt Point Capacity.

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(TO BE INSERTED BY UTILITY)  
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Schedule No. G-BTS  
BACKBONE TRANSPORTATION SERVICE

(Continued)

SPECIAL CONDITIONS (Continued)

SET-ASIDES: Pre-Open Season - Step 1 (Continued)

- 7. CTAs set-aside is equal to the average daily capacity of the qualifying upstream pipeline contracts to serve their core loads. These set-asides options are established based on qualifying interstate contracts with a minimum term of 12 months that are in effect two months before any three-year open season. CTAs are not required to select the set-aside option. L  
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- 8. For wholesale customers other than SDG&E, the set-aside up to their average daily core usage as defined Special Condition 6 under OPEN SEASON: Preferential Bidding – Step 2 is equal to the (1) average daily capacity of the qualifying upstream pipeline contracts (those with a minimum term of 12 months during the applicable three-year period) and/or (2) a supplier’s upstream pipeline contracts associated with the average daily contract quantity set forth in the wholesale customer’s long-term firm gas supply agreement with that supplier to serve its core load. If the set-aside is based on the second option, customer must identify to SoCalGas the firm upstream capacity rights held by its supplier that are in place at least two months prior to the Step 1 assignment process for a minimum term of 12 months or longer during the applicable BTS period. These set-asides options are established based on actual commitments in place two months before any three-year open season. SDG&E is not required to select the set-aside option. T  
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- 9. The Utility shall provide a minimum notice of two months prior to the start of Step 2 – Preferential Bidding to inform customers about the amount of capacity that remains available after set-asides are selected. T,L  
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- 10. If the total amount of set-asides exceed the available capacity at a particular receipt point or the available capacity of the applicable Transmission Zone, set-asides for core customers, including the core loads of wholesale customers provided set-asides options, will be provided first and all other set-asides are subject to being pro-rated to the extent the total amount of set-asides selected exceed the available capacity of the applicable Transmission Zone or a particular receipt point. T,L  
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OPEN SEASON: Preferential Bidding – Step 2

- 1. An open season – Step 2 will be conducted through the Utility’s on-line bid system prior to service commencing under this schedule, and every three years thereafter, whereby all existing firm Backbone Transportation Service capacity available after Step 1 shall be made available through an open season process consisting of three rounds of bidding. L  
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(Continued)

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Schedule No. G-BTS  
BACKBONE TRANSPORTATION SERVICE

Sheet 11

(Continued)

SPECIAL CONDITIONS (Continued)

OPEN SEASON: Preferential Bidding – Step 2 (Continued)

2. Only noncore transportation customers, the eligible noncore end-use customers of wholesale customers, the Utility Gas Procurement Department, suppliers who have been assigned noncore transportation customer bidding rights and CTAs are entitled to participate in Step 2. Noncore transportation customers' bidding rights will be automatically assigned to each noncore transportation customer's contracted marketer of record 60 days prior to the start of Step 2 unless revoked in writing by the noncore transportation customers.
3. SDG&E's noncore transportation customers are eligible to participate directly in the Utility's open season steps. SDG&E will provide the Utility with a list of its applicable noncore customers that will be participating, along with those customers' historical annual average usage needed to establish maximum bidding rights.
4. Other wholesale customers may elect to have the Utility allow all of their noncore customers to participate directly in the Utility's open season steps. Under this scenario, the wholesale customer's noncore customers will be treated like the rest of the Utility's noncore customers. Each other wholesale customer electing this provision will be required to provide the Utility with a listing of its applicable noncore customers that will be participating, along with those customers' historical annual average usage needed to establish the maximum bidding rights.
5. Other wholesale customers not electing to have their noncore customers participate directly in the Utility's open season will be provided maximum bidding rights for their noncore loads. The wholesale customer can then participate in the open season process, along with the Utility's other noncore customers, on behalf of its noncore customers' requirements.
6. A customer's maximum bidding rights will include a base load maximum plus for certain customers a monthly peaking maximum over a Base Period. Base Period will be defined as the 36 consecutive months of consumption data ending four months prior to the start of the process to assign/award Receipt Point rights. These rights will be calculated as follows:

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Schedule No. G-BTS  
BACKBONE TRANSPORTATION SERVICE

Sheet 12

(Continued)

SPECIAL CONDITIONS (Continued)

OPEN SEASON: Preferential Bidding – Step 2 (Continued)

- 1) Customer’s base load maximum bidding rights will be determined based on that customer’s average daily historical consumption during the Base Period less any set-aside elected by that customer under an end-use transportation agreement. In the case of a customer that has tolling agreements with a third party for its plants operations, the third party will be afforded maximum bidding rights based on the historical usage under the tolling agreements and subsequently the plant operator’s maximum bidding rights will be reduced accordingly. Each wholesale customer will have to attest to the portion of its Utility metered consumption used for core customers to the extent it is only participating on behalf of its core customers.
- 2) All core customers including the Utility Gas Procurement Department, core loads of wholesale customers other than SDG&E and CTAs will be provided base load maximum bidding rights. These maximum bidding rights will equal the respective customer’s average daily usage during the Base Period less any set-aside elected. For CTAs, the average daily usage will be their currently “contracted for” load. A seasonal differentiation of the bidding rights shall be given to match their bidding rights with their required seasonal interstate capacity requirements. The actual bidding capability of the Utility Gas Procurement Department will be no different nor provided any preference to those provided to noncore customers.
- 3) For other customers, the months the customer uses more than its average base load, the customer’s monthly maximum bidding rights will be set equal to its historical usage in those particular months during the Base Period less any set-aside elected.
- 4) To the extent a customer’s historical load is not expected to represent its future consumption, documented to the Utility’s satisfaction, due to additional equipment being added, new facilities being built, or a new customer taking transportation service for an existing facility, maximum bidding rights will be adjusted to account for these exceptions. Following are the general guidelines to permit such an exception:
  - a) New customer’s bidding rights may be established by providing copies of documentation submitted to public entities (state or local) describing expected equipment use for regulatory or permitting requirements.

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Schedule No. G-BTS  
BACKBONE TRANSPORTATION SERVICE

Sheet 13

(Continued)

SPECIAL CONDITIONS (Continued)

OPEN SEASON: Preferential Bidding – Step 2 (Continued)

6. 4) Continued

- a) For an existing customer's plant adding new equipment capacity, new equipment must have been ordered and an increase in bidding rights will be based on a projection of use: (Existing plant + new equipment capacity)/(existing plant capacity times the historical 12-month load profile).
- b) A new customer may establish bidding rights by agreeing to minimum use-or-pay obligations in a new Utility transportation contract to replace or substitute for historical load.

7. Tolling Entities will be allocated bidding rights based on the historical usage under tolling agreements in effect during the Base Period, even if the Tolling Agreement expired before the BTS period commences or will expire during the BTS period. Bidding rights for tolled customers will be reduced by an equivalent amount.

8. Customers may submit an annual base load receipt point access bid up to the average daily quantity established as their maximum bidding rights. Additionally, customers may bid monthly bids up to the monthly quantity recorded for that customer in a particular month as established in their maximum bidding rights. The sum of the monthly bid plus any base load bid covering a particular month may not exceed the maximum bidding rights established for the particular month.

9. A customer may not bid in aggregate more than its annual total of maximum bidding rights. Any capacity awarded in Round 1 of the Step 2 Open Season will reduce the amount of bidding rights, both for base loaded bids and monthly bids for Rounds 2 and 3. Customers may submit bids in the Step 2 rounds for an amount of receipt point access rights up to 100% of their bidding rights, and may bid to acquire such rights at any Receipt Points or combination of Receipt Points. The sum of all of a customer's awards for Rounds 1, 2, and 3 may not exceed its maximum bidding rights.

10. Bids will be submitted for Step 2 on a Receipt Point, Rate Schedule and Quantity basis only. Bidders for Backbone Transportation Service rights in Step 2 shall choose service under either the G-BTS1 or G-BTS2 rate.

(Continued)

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Schedule No. G-TCA  
TRANSPORTATION CHARGE ADJUSTMENT

Sheet 1

APPLICABILITY

Applicable to gas sales and transportation services rendered under tariff rate schedules authorized by the Commission where the costs identified herein have been embedded in the rates.<sup>1</sup>

Customers who are exempt from such costs will have a Transportation Charge Adjustment (TCA) as a separate line item on their bills. Customers exempt from these costs include customers from all customer classes who participate in the California Alternate Rates for Energy program and customers who are exempt from taxing under the United States Constitution or California Constitution, as referenced in Section 896 of the Public Utilities Code.

TERRITORY

This schedule is applicable within the entire territory served by Utility.

RATES

Total TCA,<sup>2</sup> per therm: ..... (0.276¢)

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SPECIAL CONDITIONS

1. Adjustments Included in the TCA

- a. California Solar Initiative Thermal Program (CSI-TP) - Decision (D.)10-01-022 established the CSI-TP to promote the installation of Solar Water Heating systems in the territories of Pacific Gas & Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company (SoCalGas). The CSI-TP is effective through December 31, 2017, and SoCalGas will begin recovering the CSI-TP surcharge on January 1, 2012. The CSI-TP surcharge credit adjustment was revised, per Advice No. 5054, effective January 1, 2017.

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CSI-TP Surcharge Credit Adjustment, per therm: ..... (0.276¢)

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<sup>1</sup> The Transportation Charge Adjustment is not applicable to Electronic Generation, Enhanced Oil Recovery, and Wholesale or Backbone Transportation service since the costs described herein are not embedded in those rates.

<sup>2</sup> See Special Condition 1 for a description of each individual adjustment included in the TCA.

Rule No. 41  
UTILITY SYSTEM OPERATION

Sheet 11

(Continued)

SPECIAL CONDITION

30. The Utility System Operator shall communicate with the California Independent System Operator (CAISO) and other Electric Grid Operators on an as-needed basis to help maintain the reliability of the Utility's natural gas system and the electric grid. Such communications may result in operational changes by the Utility System Operator and changes in electric grid operations and electric generation dispatch order by CAISO and other grid operators. Such operational communications shall not be considered curtailments of natural gas service unless Utility expressly curtails service pursuant to Rule No. 23. SoCalGas and the Utility System Operator are not responsible for electric grid operations or reliability, but will take electric grid reliability into consideration, to the extent feasible, when making operational decisions.

SYSTEM OPERATOR GAS ACCOUNT SUPPORT

31. The Utility System Operator's Operational Hub shall support cashout activity described in the California Producer Operational Balancing Agreement (CPOBA) and resolve imbalances derived from pipeline Operational Balancing Agreements (OBA) through the purchase or sale of gas at the SoCal City Gate. The balancing of this activity is described in the Utilities Preliminary Statement.

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**ATTACHMENT B**

**Advice No. 5060**

**Natural Gas Transportation Rate Revenues**

**Attachment B**

**Advice No. 5060**

**Natural Gas Transportation Rate Revenues  
Southern California Gas Company  
TCAP Implementation with 09/01/2016 rates**

	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 <b>CORE</b>									
2 Residential	2,337,534	\$0.82577	\$1,930,262	2,435,160	\$0.78748	\$1,917,645	(\$12,617)	(\$0.03829)	-4.6%
3 Commercial & Industrial	984,102	\$0.43695	\$430,002	1,023,186	\$0.37195	\$380,578	(\$49,424)	(\$0.06499)	-14.9%
4									
5 NGV - Pre SempraWide	117,220	\$0.22351	\$26,200	157,095	\$0.22328	\$35,076	\$8,876	(\$0.00023)	-0.1%
6 SempraWide Adjustment	117,220	\$0.00847	\$993	157,095	\$0.00280	\$440	(\$553)	(\$0.00567)	-67.0%
7 NGV - Post SempraWide	117,220	\$0.23198	\$27,193	157,095	\$0.22607	\$35,515	\$8,323	(\$0.00591)	-2.5%
8									
9 Gas A/C	825	\$0.23098	\$190	772	\$0.21790	\$168	(\$22)	(\$0.01308)	-5.7%
10 Gas Engine	16,774	\$0.15232	\$2,555	20,699	\$0.16153	\$3,344	\$789	\$0.00922	6.1%
11 <b>Total Core</b>	<b>3,456,455</b>	<b>\$0.69152</b>	<b>\$2,390,202</b>	<b>3,636,911</b>	<b>\$0.64265</b>	<b>\$2,337,250</b>	<b>(\$52,952)</b>	<b>(\$0.04887)</b>	<b>-7.1%</b>
12									
13 <b>NONCORE COMMERCIAL &amp; INDUSTRIAL</b>									
14 Distribution Level Service	893,164	\$0.07253	\$64,783	865,102	\$0.06614	\$57,214	(\$7,569)	(\$0.00640)	-8.8%
15 Transmission Level Service (2)	654,456	\$0.01839	\$12,036	660,238	\$0.01965	\$12,971	\$935	\$0.00126	6.8%
16 <b>Total Noncore C&amp;I</b>	<b>1,547,620</b>	<b>\$0.04964</b>	<b>\$76,819</b>	<b>1,525,339</b>	<b>\$0.04601</b>	<b>\$70,185</b>	<b>(\$6,633)</b>	<b>(\$0.00362)</b>	<b>-7.3%</b>
17									
18 <b>NONCORE ELECTRIC GENERATION</b>									
19 Distribution Level Service									
20 Pre Sempra Wide	333,969	\$0.06483	\$21,651	285,096	\$0.07068	\$20,151	(\$1,500)	\$0.00585	9.0%
21 Sempra Wide Adjustment	333,969	(\$0.00804)	(\$2,687)	285,096	(\$0.01039)	(\$2,961)	(\$274)	(\$0.00234)	29.1%
22 Distribution Level Post Sempra Wide	333,969	\$0.05678	\$18,964	285,096	\$0.06030	\$17,190	(\$1,774)	\$0.00351	6.2%
23 Transmission Level Service (2)	2,641,080	\$0.01510	\$39,868	2,392,699	\$0.01644	\$39,345	(\$523)	\$0.00135	8.9%
24 <b>Total Electric Generation</b>	<b>2,975,049</b>	<b>\$0.01978</b>	<b>\$58,832</b>	<b>2,677,795</b>	<b>\$0.02111</b>	<b>\$56,535</b>	<b>(\$2,297)</b>	<b>\$0.00134</b>	<b>6.8%</b>
25									
26 <b>TOTAL RETAIL NONCORE</b>	<b>4,522,669</b>	<b>\$0.02999</b>	<b>\$135,650</b>	<b>4,203,134</b>	<b>\$0.03015</b>	<b>\$126,721</b>	<b>(\$8,930)</b>	<b>\$0.00016</b>	<b>0.5%</b>
27									
28 <b>WHOLESALE &amp; INTERNATIONAL (excluding SDG&amp;E)</b>	<b>317,990</b>	<b>\$0.01489</b>	<b>\$4,736</b>	<b>325,403</b>	<b>\$0.01623</b>	<b>\$5,283</b>	<b>\$547</b>	<b>\$0.00134</b>	<b>9.0%</b>
29									
30 <b>OTHER SERVICES (SDG&amp;E, UBS, &amp; BTS)</b>	<b>1,247,558</b>		<b>\$230,820</b>	<b>1,251,556</b>		<b>\$301,539</b>	<b>\$70,720</b>		
31 <b>SYSTEM TOTAL w/BTS</b>	<b>9,544,672</b>	<b>\$0.28931</b>	<b>\$2,761,408</b>	<b>9,417,004</b>	<b>\$0.29423</b>	<b>\$2,770,793</b>	<b>\$9,384</b>	<b>\$0.00492</b>	<b>1.7%</b>
32									
33 EOR Revenues	203,920	\$0.03733	\$7,613	231,570	\$0.04242	\$9,823	\$2,210	\$0.00509	13.6%
34 <b>Total Throughput w/EOR Mth/yr</b>	<b>9,748,592</b>			<b>9,648,574</b>					

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