

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 17, 2018

Advice Letter 5368

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

SUBJECT: Annual Regulatory Account Balance Update for Rates Effective January 1, 2019

Dear Mr. van der Leeden:

Advice Letter 5368 is effective as of January 1, 2019. All balances in the accounts authorized for recovery are subject to audit, verification and adjustment.

Sincerely,

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

Edward Randolph
Director, Energy Division



Ronald van der Leeden
Director
Regulatory Affairs

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

RvanderLeeden@semprautilities.com

October 15, 2018

Advice No. 5368
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Annual Regulatory Account Balance Update for Rates Effective
January 1, 2019**

Southern California Gas Company (SoCalGas) hereby submits for approval with the California Public Utilities Commission (Commission) revisions to its revenue requirement and rates effective January 1, 2019.

Purpose

This submittal, made each year on or before October 15th, complies with the longstanding practice of updating SoCalGas' revenue requirement for projected year-end regulatory account balances as authorized in Decision (D.) 16-10-004, SoCalGas' Triennial Cost Allocation Proceeding (TCAP). This submittal revises SoCalGas' rates to incorporate the projected 2018 year-end regulatory account balances in transportation rates effective January 1, 2019. In compliance with D.11-04-032, this submittal also revises the Backbone Transportation Service rate effective January 1, 2019.

In addition, in compliance with D.16-10-004, this submittal revises SoCalGas' 2019 revenue requirement for Company-Use (CU) Fuel and Unaccounted For (UAF) Gas costs based on the updated Gas Price forecast as shown in Attachment C.

Furthermore, as required by D.15-10-032, Attachments H and I include the requested tables detailing information on among other things the forecasted revenue requirement for Greenhouse Gas (GHG) costs and the GHG allowance proceeds for inclusion in rates effective January 1, 2019.

Background

The revenue requirement related to the regulatory account balances are amortized in rates over 12 months beginning each January 1st. It should be noted that the

revenue requirement herein does not include other revenue requirement adjustments¹ expected to be authorized by the Commission for implementation in transportation rates effective January 1, 2019. SoCalGas will submit an Advice Letter (AL) consolidating all Commission-authorized changes in its revenue requirement, and the related changes to its rates, at least three days prior to the January 1, 2019 effective date of such rates.

Customer Rate Impact – Regulatory Account Balances

Total

SoCalGas' transportation revenue requirement will increase by \$122.9 million. The core and noncore customer revenue requirements will increase by \$112.0 million and \$10.9 million, respectively, as a result of the regulatory account balance update.

Attachment A shows the Natural Gas Transportation Rate Revenue table summarizing the change in the regulatory account balances and authorized CU Fuel and UAF Gas, the demand determinate for the BTS rate, the 2019 GHG revenue requirement, and corresponding present and proposed rates. Attachment B shows a Summary of Present and Proposed Regulatory Account Balances while Attachments D and E show the calculation of the Pension Balancing Account (PBA) and Post-Retirement Benefits Other than Pensions Balancing Account (PBOPBA) balances to be included in 2019 rates. Attachments F and G show the supporting calculations of the minimum contributions made to the Pension/PBOP Trusts for 2018.

Core Customers

A \$112.0 million increase in the core transportation revenue requirement reflects the amortization of the projected year-end 2018 regulatory account balances. The increase is primarily due to increases in the undercollected balances in the Core Fixed Cost Account (CFCA), Safety Enhancement Capital Cost Balancing Account (SECCBA), and California Solar Initiative Thermal Program Memorandum Account (CSITPMA) and a change from an overcollected balance to an undercollected in the PBA as described below.

CFCA – Pursuant to AL 5202, SoCalGas was authorized to amortize in 2018 rates a CFCA undercollection of \$137.1 million. The projected CFCA balance for amortization in 2019 rates is \$203.7 million undercollected, representing a revenue requirement increase of \$66.6 million.

SECCBA – Pursuant to AL 5202, SoCalGas was authorized to amortize in 2018 rates \$63.7 million of the SECCBA undercollection of which \$51.2 million was allocated to transportation rates (\$12.5 million of the SECCBA undercollection was included in Backbone Transportation Service (BTS))

¹ For example, see SoCalGas AL 5193 – 2017 Annual Compliance Report on Utility System Operator's Southern System Reliability Purchases and Sales (September 1, 2016 through August 31, 2017).

rates). Pursuant to D.16-08-003, SoCalGas is authorized interim rate recovery of 50% of the SECCBA balance. Based on recorded data through August 2018, amortization of the SECCBA in 2019 rates is \$95.3 million undercollected of which \$77.4 million is allocated to transportation rates (\$16.9 million is included in BTS rates). The transportation revenue requirement will increase by \$26.2 million of which the core revenue requirement allocation is \$20.5 million.

CSITPMA – Pursuant to AL 5202, SoCalGas was authorized to amortize in 2018 rates a CSITPMA undercollection of \$13.9 million. The projected CSITPMA balance for amortization in 2019 rates is \$25.5 million undercollected, representing a revenue requirement increase of \$11.6 million. The core revenue requirement allocation is \$7.7 million.

PBA – Pursuant to AL 5202, SoCalGas was authorized to amortize in 2018 rates a PBA overcollection of \$2.9 million. The projected PBA balance for amortization in 2019 rates is \$15.9 million undercollected, representing a revenue requirement increase of \$18.8 million. The core revenue requirement allocation is \$17.7 million.

The major components of the core revenue requirement increase are as follows:²

Description	Core Revenue Requirement Increase / (Decrease) (in millions of \$)
CFCA	66.6
SECCBA	20.5
PBA	17.7
CSITPMA	7.7
Other Regulatory Accounts - net	(0.5)
Total Core Revenue Requirement	112.0

Noncore Customers

A \$10.9 million increase in the noncore transportation revenue requirement reflects the amortization of the projected year-end 2018 regulatory account balances. The increase is primarily due to increases in the undercollected balances in the SECCBA, CSITPMA, and Integrated Transmission Balancing account (ITBA) partially offset by a decrease in the funding related to the Self-Generation Program Memorandum Account (SGPMA) as described below.

² Amounts shown include franchise fees and uncollectibles.

SECCBA – As discussed above, the transportation revenue requirement of the SECCBA will increase by \$26.2 million of which the noncore revenue requirement allocation is \$5.7 million.

CSITPMA – As discussed above, the transportation revenue requirement of the CSITPMA will increase by \$11.6 million of which the noncore revenue requirement allocation is \$3.9 million.

ITBA – Pursuant to AL 5202, SoCalGas was authorized to amortize in 2018 rates a ITBA undercollection of \$2.2 million. The projected ITBA balance for amortization in 2019 rates is \$8.2 million undercollected,³ representing a revenue requirement increase of \$6.0 million. The noncore revenue requirement allocation is \$3.2 million.

SGPMA – Pursuant to AL 5202, SoCalGas included in 2018 rates \$24.0 million (\$24.4 million including FF&U) in annual funding for its Self-Generation Incentive Program (SGIP). Pursuant to D.17-04-017, SoCalGas was authorized to recover \$16 million (\$16.2 million including FF&U) for the years 2017 through 2019. However, SoCalGas did not implement a mid-year rate change in 2017 to recover the additional \$8 million in funding for 2017, so the additional funding was recovered in 2018. The SGIP funding for 2019 will be \$16.0 million (\$16.3 million including FF&U) which represents a revenue requirement decrease of \$8.1 million. The noncore revenue requirement allocation is \$5.0 million.

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

Description	Noncore Revenue Requirement Increase / (Decrease) (in millions of \$)
SECCBA	5.7
CSITPMA	3.9
ITBA	3.2
SGPMA	(5.0)
Other Regulatory Accounts - net	3.1
Total Noncore Revenue Requirement	10.9

³ Forecasted SoCalGas ITBA balance is on a combined and re-allocated basis.

Revision to the BTS Rate

Pursuant to AL 5202, SoCalGas was authorized to amortize in 2017 rates a BTBA overcollection of \$9.1 million. As of December 31, 2018, the BTBA is projected to have an overcollected balance of \$19.0 million, representing a BTS revenue requirement decrease of \$9.9 million. Additionally, SoCalGas updated the BTS Demand pursuant to D.11-04-032. The calculation of the proposed BTS rate for 2019 is detailed below:

Update to BTS Rate

	Present	Proposed	increase
Unbundled BTS Revenues w/FFU (\$000's)	\$217,993	\$217,993	\$0
PSRMA-BBT SCG w/o FFU \$000	\$2,976	\$1,517	(\$1,458)
PSRMA-BBT SDG&E w/o FFU \$000	\$0	\$0	\$0
SECCBA-BBT SCG w/o FFU \$000	\$12,290	\$16,733	\$4,443
SECCBA-BBT SDG&E w/o FFU \$000	\$234	\$234	\$0
SEEBBA-BBT SCG w/o FFU \$000	\$15,527	\$11,237	(\$4,290)
SEEBBA-BBT SDG&E w/o FFU \$000	\$0	\$0	\$0
TIMPBA-BBT SCG w/o FFU \$000	\$15,002	\$0	(\$15,002)
TIMPBA-BBT SCG w/o FFU \$000	\$3,162	\$0	(\$3,162)
BTBA w/o FFU (\$000's)	(\$9,143)	(\$19,017)	(\$9,874)
FFU Rate	1.0174	1.0174	0.0000
Balancing Accounts w/ FFU (\$000's)	\$40,743	\$10,891	(\$29,853)
BTS Revenue w/FFU (\$000's)	\$258,736	\$228,884	(\$29,853)
BTS Demand Dth/Day	2,689,863	2,493,037	(196,826)
BTS rate w/FFU \$/dth day	\$0.26353	\$0.25153	(\$0.01200)

Revenue Requirement Change in CU Fuel and UAF Gas costs

Pursuant to D.16-10-004, the Commission authorized SoCalGas to update the underlying gas price used in determining the authorized costs for Other CU Fuel and UAF Gas. On an annual basis, SoCalGas would update the underlying gas price in the October submittal using a forecast of Southern California Citygate gas prices for the next year that is based on current futures prices.

As shown in Attachment C, SoCalGas forecasts the average gas price of \$2.90/MMBtu, a decrease of \$0.22/MMBtu from the \$3.12/MMBtu authorized for rates effective January 1, 2018. Based on this updated gas price forecast, SoCalGas proposes to revise its authorized costs for Other CU Fuel and UAF Gas to \$25.5 million, a decrease of \$2.0 million compared to the present revenue requirement as shown in the calculation below:

Revenue Requirement Change for Gas Price Impact

	<u>Present</u>	<u>Proposed</u>	<u>Increase</u>
<u>UnAccounted For Gas (UAF):</u>			
System Volumes Mth/yr	9,648,574	9,648,574	
% UAF (as % of end use)	0.846%	0.846%	
UAF Volumes Mth/yr	81,648	81,648	
Gas Price \$/dth	\$3.12	\$2.90	
UAF (M\$)	\$25,514	\$23,676	(\$1,837)
<u>Company Use Gas: Storage Load Balancing</u>			
Volumes Mth/yr	2,564	2,564	
Gas Price \$/dth	\$3.12	\$2.90	
Company Use Gas: Storage Load Balancing (M\$)	\$801	\$743	(\$58)
<u>Company Use Other:</u>			
Annual Average Volumes (Mth/year)	3,661	3,661	
Gas Price \$/th	\$3.12	\$2.90	
Co Use Other (M\$)	\$1,144	\$1,062	(\$82)
Total CU Fuel, UAF Gas Costs	\$27,459	\$25,481	(\$1,977)

Greenhouse Gas (GHG) Revenue Requirement and Reporting Requirements

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

As required by D.15-10-032, Attachment H includes four of the requested tables, including a brief description of each table. The Forecasted and Recorded data for 2018⁴ provided in the tables is for reference. Also, as required by D.15-10-032, Attachment I includes Table B (Recorded GHG Costs) and SoCalGas' 2018 Compliance Instrument Procurement Limit. Per General Order (GO) 66-D, Section 583 of the Public Utilities Code, and D.17-09-023, Attachment I is provided confidentially to the Energy Division. The GHG revenue requirements and net allowance proceeds available for return are summarized in the table below.

⁴ Forecasted and Recorded 2018 data is from AL 5293-A.

\$ millions

Description	2018		2019	
	Forecast 1/	Recorded 2/	Forecast	Recorded
GHG Revenue Requirement	160.5	122.0	200.6	
GHG Allowance Proceeds:				
Allowance Proceeds	(124.5)	(95.9)	(149.5)	
Less: Outreach and Admin costs	2.8	1.1	0.1	
Net Allowance Proceeds	(121.7)	(94.8)	(149.5)	

Notes

1/ 2018 Forecast and Recorded GHG Revenue Requirement and Allowance Proceeds from AL 5293-A.

2/ 2018 Recorded GHG Revenue Requirement includes actual expenses for January through September and forecasted expenses for October through December. 2018 Recorded Allowance Proceeds includes actual expenses for January through September.

SoCalGas is requesting to include the 2019 GHG revenue requirement in rates effective January 1, 2019. In addition, SoCalGas is requesting to refund the 2019 net Allowance Proceeds in April 2019.

Protests

Anyone may protest this AL to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received within 20 days of the date of this AL, which is November 4, 2018. The address for mailing or delivering a protest to the Commission is:

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

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

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

Effective Date

SoCalGas believes that this submittal is subject to Energy Division disposition, and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B. This submittal is consistent with D.16-10-004. Therefore, SoCalGas respectfully requests that this submittal be approved November 14, 2018, which is thirty (30) calendar days after the date submitted, for implementation and inclusion in rates effective January 1, 2019.

Notice

A copy of this AL is being sent to SoCalGas' GO 96-B service list and the Commission's service list in A.14-11-004, TY 2016 GRC, A.14-12-017, Phase I of 2017 TCAP, A.15-07-014, Phase 2 of 2017 TCAP, and R.14-03-003. Address change requests to the GO 96-B service list should be directed via e-mail to tariffs@socalgas.com or call 213-244-2837. For changes to all other service lists, please contact the Commission's Process Office at 415-703-2021 or via e-mail at process_office@cpuc.ca.gov.

Ronald van der Leeden
Director – Regulatory Affairs

Attachments



ADVICE LETTER SUMMARY

ENERGY UTILITY



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

Company name/CPUC Utility No.:

Utility type:

ELC GAS WATER
 PLC HEAT

Contact Person:

Phone #:
E-mail:
E-mail Disposition Notice to:

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #:

Tier Designation:

Subject of AL:

Keywords (choose from CPUC listing):

AL Type: Monthly Quarterly Annual One-Time Other:

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

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? Yes No

Requested effective date:

No. of tariff sheets:

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

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:

Service affected and changes proposed¹:

Pending advice letters that revise the same tariff sheets:

¹Discuss in AL if more space is needed.

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

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

Name:
Title:
Utility Name:
Address:
City: State:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

Name:
Title:
Utility Name:
Address:
City: State:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

ATTACHMENT A
Advice No. 5368

Natural Gas Transportation Rate Revenues
Southern California Gas Company
October Reg Account Update

**ATTACHMENT A
Advice No. 5368**

**Natural Gas Transportation Rate Revenues
Southern California Gas Company
October Reg Account Update**

	Present Rates			Proposed Rates			Changes			
	Jul-1-18	Average	Jul-1-18	Jan-1-19	Proposed	Jan-1-19	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	<u>CORE</u>									
2	Residential	2,435,160	\$0.74844	\$1,822,559	2,435,160	\$0.82890	\$2,018,494	\$195,935	\$0.08046	10.8%
3	Commercial & Industrial	1,023,186	\$0.32464	\$332,163	1,023,186	\$0.39959	\$408,856	\$76,693	\$0.07496	23.1%
4										
5	NGV - Pre SempraWide	157,095	\$0.12882	\$20,237	157,095	\$0.18079	\$28,402	\$8,165	\$0.05197	40.3%
6	SempraWide Adjustment	157,095	(\$0.00166)	(\$260)	157,095	(\$0.00198)	(\$311)	(\$51)	(\$0.00032)	19.5%
7	NGV - Post SempraWide	157,095	\$0.12716	\$19,977	157,095	\$0.17882	\$28,091	\$8,114	\$0.05165	40.6%
8										
9	Gas A/C	772	\$0.15436	\$119	772	\$0.22571	\$174	\$55	\$0.07136	46.2%
10	Gas Engine	20,699	\$0.16141	\$3,341	20,699	\$0.20700	\$4,285	\$944	\$0.04559	28.2%
11	Total Core	3,636,911	\$0.59890	\$2,178,159	3,636,911	\$0.67637	\$2,459,900	\$281,742	\$0.07747	12.9%
12	<u>NONCORE COMMERCIAL & INDUSTRIAL</u>									
13	Distribution Level Service	865,102	\$0.07674	\$66,392	865,102	\$0.10757	\$93,062	\$26,670	\$0.03083	40.2%
14	Transmission Level Service (2)	660,238	\$0.02441	\$16,114	660,238	\$0.02899	\$19,138	\$3,023	\$0.00458	18.8%
15	Total Noncore C&I	1,525,339	\$0.05409	\$82,506	1,525,339	\$0.07356	\$112,200	\$29,694	\$0.01947	36.0%
16										
17	<u>NONCORE ELECTRIC GENERATION</u>									
18	Distribution Level Service									
19	Pre Sempra Wide	285,096	\$0.08176	\$23,310	285,096	\$0.10375	\$29,580	\$6,270	\$0.02199	26.9%
20	Sempra Wide Adjustment	285,096	(\$0.00626)	(\$1,784)	285,096	(\$0.00766)	(\$2,184)	(\$400)	(\$0.00140)	22.4%
21	Distribution Level Post Sempra Wide	285,096	\$0.07550	\$21,525	285,096	\$0.09609	\$27,396	\$5,871	\$0.02059	27.3%
22	Transmission Level Service (2)	2,392,699	\$0.02064	\$49,379	2,392,699	\$0.02184	\$52,250	\$2,871	\$0.00120	5.8%
23	Total Electric Generation	2,677,795	\$0.02648	\$70,904	2,677,795	\$0.02974	\$79,645	\$8,741	\$0.00326	12.3%
24										
25										
26	TOTAL RETAIL NONCORE	4,203,134	\$0.03650	\$153,411	4,203,134	\$0.04564	\$191,845	\$38,435	\$0.00914	25.1%
27										
28	WHOLESALE & INTERNATIONAL (excluding SDG&E)	325,403	\$0.02035	\$6,623	325,403	\$0.02094	\$6,814	\$191	\$0.00059	2.9%
29										
30	OTHER SERVICES (SDG&E, UBS, & BTS)	1,251,556		\$300,585	1,251,556		\$270,598	(\$29,987)		
31	SYSTEM TOTAL w/BTS	9,417,004	\$0.28021	\$2,638,777	9,417,004	\$0.31105	\$2,929,158	\$290,381	\$0.03084	11.0%
32										
33	EOR Revenues	231,570	\$0.05313	\$12,303	231,570	\$0.05558	\$12,870	\$567	\$0.00245	4.6%
34	Total Throughput w/EOR Mth/yr	9,648,574			9,648,574					

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

ATTACHMENT B
Advice No. 5368

**SoCalGas Present and Proposed
Regulatory Account Balances (M\$)**

**ATTACHMENT B
Advice No. 5368**

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

Account Name (1)	Authorized 07/01/2018 Amortization			Proposed 01/01/2019 Amortization			Proposed Change		
	Core (2)	Noncore (3)	Total System (4)	Core (5)	Noncore (6)	Total System (7)	Core (8)	Noncore (9)	Total System (10)
REGULATORY ACCOUNTS									
1. Affiliate Transfer Fee Account (ATFA)	(\$150)	(\$9)	(\$160)	(\$574)	(\$36)	(\$610)	(\$424)	(\$26)	(\$451)
2. Biogas Conditioning/Upgrading Services Balancing Account (BCSBA)	(\$33)	(\$2)	(\$36)	(\$92)	(\$6)	(\$98)	(\$59)	(\$4)	(\$62)
3. Biomethane Cost Incentive Pgm Balancing Acct (BCIPBA)	\$0	\$0	\$0	\$1,225	\$1,945	\$3,170	\$1,225	\$1,945	\$3,170
4. FERC Settlement Proceeds Memorandum Account (FSPMA)	\$283	\$0	\$283	\$0	\$0	\$0	(\$283)	\$0	(\$283)
5. Distributed Energy Resources Svcs Bal Account (DERSBA)	(\$195)	(\$12)	(\$207)	\$0	\$0	\$0	\$195	\$12	\$207
6. Core Fixed Cost Account - Non NGV (CFCA)	\$136,257	\$0	\$136,257	\$202,996	\$0	\$202,996	\$66,739	\$0	\$66,739
7. Core Fixed Cost Account - NGV (CFCA)	\$838	\$0	\$838	\$742	\$0	\$742	(\$96)	\$0	(\$96)
8. Economic Practicality Shortfall Memorandum Account (EPSMA)	\$0	\$745	\$745	\$0	\$843	\$843	\$0	\$99	\$99
9. California Solar Imitative Thermal Memorandum Account (CSITPMA)	\$9,207	\$4,655	\$13,862	\$16,932	\$8,561	\$25,492	\$7,725	\$3,906	\$11,631
10. Enhanced Oil Recovery Account (EORA)	(\$4,092)	(\$255)	(\$4,348)	(\$5,796)	(\$362)	(\$6,158)	(\$1,704)	(\$106)	(\$1,811)
11. Transmission Integrity Management Program Memorandum Account (TIMPBA)	\$3,240	\$2,508	\$5,749	\$0	\$0	\$0	(\$3,240)	(\$2,508)	(\$5,749)
12. Hazardous Substance Cost-Recovery Account (HSCRA)	\$539	\$856	\$1,396	\$1,632	\$2,591	\$4,223	\$1,093	\$1,735	\$2,827
13. Intervenor Award Memorandum Account (IAMA)	\$420	\$667	\$1,087	\$134	\$212	\$346	(\$286)	(\$455)	(\$741)
14. Gain / Loss on Sale Memorandum Account (GLOSMA)	\$211	\$13	\$224	(\$187)	(\$12)	(\$198)	(\$398)	(\$25)	(\$423)
15. Master Meter Balancing Account (MMBA)	\$5,115	\$319	\$5,435	\$11,428	\$713	\$12,141	\$6,312	\$394	\$6,706
16. New Environmental Regulation Balancing Account (NERBA) - Admin Fees Subaccount	\$902	\$617	\$1,519	\$2,251	\$1,539	\$3,789	\$1,348	\$922	\$2,270
17. New Environmental Regulation Balancing Account (NERBA) - Subpart W Subaccount	\$132	\$8	\$140	(\$513)	(\$32)	(\$545)	(\$644)	(\$40)	(\$685)
18. New Environmental Regulatory Balancing Account (NERBA) - Leak Detection & Repair (LDAR) s	\$0	\$0	\$0	\$2,027	\$127	\$2,154	\$2,027	\$127	\$2,154
19. New Environmental Regulatory Balancing Account (NERBA) - MS4 sub-account	\$0	\$0	\$0	(\$364)	(\$23)	(\$387)	(\$364)	(\$23)	(\$387)
20. Noncore Fixed Cost Account (NFCA) Margin	\$0	(\$4,091)	(\$4,091)	\$0	\$691	\$691	\$0	\$4,782	\$4,782
21. Noncore Fixed Cost Account (NFCA) Nonmargin	\$0	\$864	\$864	\$0	(\$1,093)	(\$1,093)	\$0	(\$1,957)	(\$1,957)
22. Integrated Transmission Balancing Account (ITBA) 2/	\$999	\$1,151	\$2,150	\$3,787	\$4,364	\$8,151	\$2,788	\$3,213	\$6,001
23. Compressor Station Fuel and Power Balancing Account (CFPBA)	\$789	\$910	\$1,699	\$695	\$801	\$1,496	(\$94)	(\$108)	(\$203)
24. Compression Services Balancing Account (CSBA)	(\$23)	\$0	(\$23)	(\$39)	\$0	(\$39)	(\$17)	\$0	(\$17)
25. Company-Use Fuel for Load Balancing Account (CUFLBA)	(\$208)	(\$343)	(\$551)	(\$45)	(\$75)	(\$120)	\$162	\$268	\$431
26. System Reliability Memorandum Account (SRMA)	\$3,068	\$4,873	\$7,941	\$0	\$0	\$0	(\$3,068)	(\$4,873)	(\$7,941)
27. Noncore Storage Balancing Account (NSBA)	\$4,050	\$6,432	\$10,482	\$5,446	\$8,648	\$14,094	\$1,396	\$2,216	\$3,612
28. Pension Balancing Account (PBA)	(\$2,759)	(\$172)	(\$2,931)	\$14,957	\$934	\$15,890	\$17,715	\$1,106	\$18,821
29. PBOP Balancing Account (PBOPBA)	(\$1,588)	(\$99)	(\$1,687)	(\$3,563)	(\$222)	(\$3,786)	(\$1,976)	(\$123)	(\$2,099)
30. Pipeline Safety and Reliability Memo Acct (PSRMA) - Local Transmission	\$841	\$651	\$1,491	\$435	\$337	\$772	(\$406)	(\$314)	(\$720)
31. Pipeline Safety and Reliability Memo Acct (PSRMA) - Distribution	\$929	\$180	\$1,109	\$490	\$95	\$584	(\$439)	(\$85)	(\$525)
32. Safety Enhancement Capital Cost Balancing Account (SECCBA) - Local Transmission	\$6,197	\$4,797	\$10,994	\$9,326	\$7,220	\$16,545	\$3,129	\$2,422	\$5,551
33. Safety Enhancement Capital Cost Balancing Account (SECCBA) - Distribution	\$33,671	\$6,524	\$40,195	\$50,994	\$9,881	\$60,876	\$17,324	\$3,357	\$20,681
34. Safety Enhancement Expense Balancing Account (SEEBA) - Local Transmission	\$1,934	\$1,497	\$3,431	\$2,023	\$1,566	\$3,590	\$90	\$70	\$159
35. Safety Enhancement Expense Balancing Account (SEEBA) - Distribution	\$7,641	\$1,481	\$9,121	\$7,890	\$1,529	\$9,419	\$249	\$48	\$298
36. Research Royalty Memorandum Account (RRMA)	(\$68)	(\$4)	(\$73)	(\$68)	(\$4)	(\$72)	\$1	\$0	\$1
37. Self-Generation Program Memorandum Account (SGPMA)	\$9,430	\$14,975	\$24,405	\$6,287	\$9,983	\$16,270	(\$3,143)	(\$4,992)	(\$8,135)
38. System Operator Gas Account (SOGA)	\$40	\$64	\$104	\$0	\$0	\$0	(\$40)	(\$64)	(\$104)
39. Rewards & Penalties Balancing Account (RPBA)	\$600	\$37	\$638	(\$241)	(\$15)	(\$257)	(\$842)	(\$53)	(\$894)
Total Regulatory Accounts	\$218,217	\$49,836	\$268,054	\$330,210	\$60,702	\$390,912	\$111,993	\$10,865	\$122,858

Note 1/ All amounts include FF&U.

Note 12/ Forecasted SoCalGas ITBA December 31, 2018 balance is on a combined and re-allocated basis.

ATTACHMENT C
Advice No. 5368

Southern California Gas Company
Gas Price Forecast - 2019

ATTACHMENT C
Advice No. 5368

SOUTHERN CALIFORNIA GAS COMPANY
GAS PRICE FORECAST - 2019

Jan	\$3.79
Feb	\$3.25
Mar	\$2.32
Apr	\$1.91
May	\$1.91
June	\$2.05
July	\$2.72
Aug	\$2.75
Sept	\$2.58
Oct	\$2.11
Nov	\$2.48
Dec	\$3.13

Total (average)	\$2.58
-----------------	--------

Note 1/ the projected gas price of \$2.58/Dth is increased by the projected backbone transmission rate and brokerage fee to project the Citygate gas price of \$2.90/Dth.

ATTACHMENT D
Advice No. 5368

Southern California Gas Company
Pension Balancing Account (PBA)

**ATTACHMENT D
Advice No. 5368**

**SOUTHERN CALIFORNIA GAS COMPANY
PENSION BALANCING ACCOUNT (PBA)
Year 2018**

(Over) / Under Collection M\$

Line		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		actl	actl	actl	actl	actl	actl	actl	actl	fcst	fcst	fcst	fcst	
1	Beginning Balance	(1,875)	(7,215)	(27,021)	(24,472)	(9,396)	(16,865)	(24,329)	(31,787)	(14,723)	(7,184)	385	7,986	(1,875)
1a	Prior Period Adjustment				326									326
1b	Adjusted Beginning Balance	(1,875)	(7,215)	(27,021)	(24,146)	(9,396)	(16,865)	(24,329)	(31,787)	(14,723)	(7,184)	385	7,986	(1,549)
2	Recorded Cost	437	(14,003)	8,338	20,548	(1,676)	(1,657)	(1,637)	22,872	13,331	13,348	13,365	13,382	86,648
3	Authorized Cost	6,012	6,012	6,012	6,012	6,012	6,012	6,012	6,012	6,012	6,012	6,012	6,012	72,145
4	Net position (2-3):	(5,575)	(20,015)	2,326	14,536	(7,688)	(7,669)	(7,649)	16,860	7,319	7,336	7,353	7,370	14,503
5	Amortization	(240)	(240)	(240)	(240)	(240)	(240)	(240)	(240)	(240)	(240)	(240)	(240)	(2,881)
6	Current Month Adjustment (4-5):	(5,335)	(19,775)	2,566	14,776	(7,448)	(7,429)	(7,409)	17,100	7,559	7,576	7,593	7,610	11,622
7	Current Month Interest**:	(5)	(31)	(17)	(26)	(21)	(35)	(49)	(36)	(20)	(7)	8	23	(215)
8	Total Current Month Activity (6+7):	(5,340)	(19,806)	2,549	14,750	(7,469)	(7,464)	(7,458)	17,064	7,539	7,569	7,601	7,633	17,169
9	Ending Balance (1b+8):	(7,215)	(27,021)	(24,472)	(9,396)	(16,865)	(24,329)	(31,787)	(14,723)	(7,184)	385	7,986	15,619	15,619

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

Interest Assumption:	1.43%	1.59%	1.69%	1.90%	2.00%	2.03%	2.08%	2.12%	2.15%	2.36%	2.36%	2.36%
-----------------------------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Supporting Calculation - 2018 Net Pension Revenue/Costs

	Authorized	Recorded
	Cost	Cost
Gross Revenue/costs	87,936	103,002
Lees: Amount capitalized	(17,763)	(21,991)
Less: Billings to SDG&E/Unregulated Affiliates	(1,052)	(2,158)
Plus: Billings from SDG&E	1,898	1,411
Depreciation/Return 1/	1,126	6,384
Net Costs	<u>\$72,145</u>	<u>\$86,648</u>

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

ATTACHMENT E
Advice No. 5368

Southern California Gas Company
Post-Retirement Benefits Other
Than Pension Balancing Account (PBOBPA)

ATTACHMENT E
Advice No. 5368

SOUTHERN CALIFORNIA GAS COMPANY
POST RETIREMENT BENEFITS OTHER THAN PENSION BALANCING ACCOUNT (PBOBPA)
Year 2018

(Over) / Under Collection M\$

Line	Jan actl	Feb actl	Mar actl	Apr actl	May actl	Jun actl	Jul actl	Aug actl	Sep fcst	Oct fcst	Nov fcst	Dec fcst	Total
1 Beginning Balance	296	297	(2,419)	(936)	(1,319)	(1,715)	(2,108)	(2,499)	(2,420)	(2,749)	(3,075)	(3,399)	296
1a Prior Period Adjustment				(4)									(4)
1b Adjusted Beginning Balance	296	297	(2,419)	(941)	(1,319)	(1,715)	(2,108)	(2,499)	(2,420)	(2,749)	(3,075)	(3,399)	291
2 Recorded Cost	9	(2,704)	1,489	(369)	(385)	(382)	(378)	90	(316)	(313)	(310)	(307)	(3,875)
3 Authorized Cost	146	146	146	146	146	146	146	146	146	146	146	146	1,756
4 Net position (2-3):	(137)	(2,851)	1,343	(515)	(532)	(528)	(525)	(56)	(462)	(459)	(456)	(453)	(5,631)
5 Amortization	(138)	(138)	(138)	(138)	(138)	(138)	(138)	(138)	(138)	(138)	(138)	(138)	(1,658)
6 Current Month Adjustment (4-5):	1	(2,713)	1,481	(377)	(393)	(390)	(387)	82	(324)	(321)	(318)	(315)	(7,288)
7 Current Month Interest**:	0	(3)	1	(2)	(3)	(3)	(4)	(4)	(5)	(6)	(6)	(7)	(40)
8 Total Current Month Activity (6+7):	1	(2,716)	1,482	(379)	(396)	(393)	(391)	79	(329)	(327)	(324)	(322)	(4,013)
9 Ending Balance (1b+8):	297	(2,419)	(936)	(1,319)	(1,715)	(2,108)	(2,499)	(2,420)	(2,749)	(3,075)	(3,399)	(3,721)	(3,721)

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

Interest Assumption:	1.43%	1.59%	1.69%	1.90%	2.00%	2.03%	2.08%	2.12%	2.15%	2.36%	2.36%	2.36%
-----------------------------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Supporting Calculation - 2018 Net PBOP Revenue/Costs

	Authorized Cost	Recorded Cost
Gross Revenue/costs	1,626	0
Lees: Amount capitalized	(329)	(4,040)
Less: Billings to SDG&E/Unregulated Affiliates	(168)	(397)
Plus: Billings from SDG&E	576	212
Depreciation/Return 1/	51	350
Net Costs	<u>\$1,756</u>	<u>(\$3,875)</u>

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

**ATTACHMENT F
Advice No. 5368**

**Southern California Gas Company
Pension Plan
Based on 2018 Draft Actuarial Results
Development of 2018 Minimum Required Contribution**

**ATTACHMENT F
Advice No. 5368**

**Southern California Gas Company
Pension Plan**

**Based on 2018 Draft Actuarial Results
Development of 2018 Minimum Required Contribution**

1. 2018 Funding target liability	\$1,732,893,891	
[Net Effective Interest Rate]		5.78%
2. 2018 Plan Actuarial Value of Assets	\$1,552,308,937	
3. Funding shortfall [MAX [(1) - (2),0]]	\$180,584,954	
4. Excess assets [MAX [(2) - (1),0]]	\$0	
5. 2018 Plan Normal Cost		\$67,292,420
[includes estimated plan expenses of \$9,700,000]		
6. 2012 shortfall amortization charge (amortized through 2018) *		0
7. 2013 shortfall amortization charge (amortized through 2019) *		0
8. 2014 shortfall amortization charge (amortized through 2020) *		0
9. 2015 shortfall amortization charge (amortized through 2021) *		0
10. 2016 shortfall amortization charge (amortized through 2022) *		2,999,907
11. 2017 shortfall amortization charge (amortized through 2023) *		15,564,302
12. Funding shortfall base *		
(a) Present value of 2012 shortfall amortization charge	0	
[based on amortization over 1 years at 3.92%]		
(b) Present value of 2013 shortfall amortization charge	0	
[based on amortization over 2 years at 3.92%]		
(c) Present value of 2014 shortfall amortization charge	0	
[based on amortization over 3 years at 3.92%]		
(d) Present value of 2015 shortfall amortization charge	0	
[based on amortization over 4 years at 3.92%]		
(e) Present value of 2016 shortfall amortization charge	13,909,819	
[based on amortization over 5 years at 3.92%]		
(f) Present value of 2017 shortfall amortization charge	84,065,285	
[based on amortization over first 5 years at 3.92% and next year at 5.52%]		
(g) 2018 funding shortfall base		
[(3) - (12(a)) - (12(b)) - (12(c)) - (12(d)) - (12(e)) - (12(f))]	\$82,609,850	
13. 2018 Amortization factor		
[based on amortization of shortfall over 7 years, assuming		
a 3.92% rate for the first 5 years and 5.52% rate for the final 2 years]	0.16324985	
14. 2018 funding shortfall to be amortized in 2018 - 2024 [12(g) x (13)]		\$13,486,045
15. 2018 Minimum required contribution *		\$99,342,674
[(5) + (6) + (7) + (8) + (9) + (10) + (11) + (14) , amount as of 1/1/2018]		

Timing of 2018 Minimum Required Contribution

Funding

First quarterly contribution deposited on April 2, 2018	\$22,200,000
Second quarterly contribution deposited on July 2, 2018	\$22,200,000
Third quarterly contribution estimated to be deposited on October 1, 2018	\$30,100,000
Final 2018 contribution estimated to be deposited on December 14, 2018	\$28,502,158
Sum of payments made for the 2018 Plan Year	\$103,002,158

1/1/2018 Present value of 2018 Plan Year contributions **\$99,342,674**

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

ATTACHMENT G
Advice No. 5368

Southern California Gas Company
Postretirement Welfare Plans

ATTACHMENT G
Advice No. 5368

Southern California Gas Company
Postretirement Welfare Plans

Development of 2018 Contribution
Based on Final Actuarial Results

1. 2018 APBO	\$734,736,495	
2. Discount rate	3.70%	
3. 2018 Fair Value of Assets	\$992,904,920	
4. 2018 Plan Service Cost		\$14,687,393
5. Interest cost		27,090,350
6. Expected return on assets [based on expected return of 6.38% on assets]		(55,666,616)
7. Transition obligation amortization		0
8. Prior service cost amortization		(2,510,709)
9. Unrecognized (gain)/loss amortization		(2,117,651)
10. Special Termination Benefits (VREP 2018)		1,519,222
11. Net periodic benefit cost		(\$16,998,011)

Timing of Estimated 2018 Contribution

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

ATTACHMENT H
Advice No. 5368

Table A: Forecast Revenue Requirement
Table A – Write Up

Table C: GHG Allowance Proceeds
Table C – Write Up

Table D: GHG Outreach and Administrative Expenses

Table E: Compliance Obligation Over Time

ATTACHMENT H
Advice No. 5368

Table A: Forecast Revenue Requirement

Line	Description	2018		2019	
		Forecast 1/	Recorded 2/	Forecast	Recorded
1	Gross Throughput (MMcf)	786,491		785,595	
2	Throughput to Covered Entities (MMcf)	(377,784)		(372,109)	
3	Net Throughput to End Users (MMcf) (Line 1 + Line 2)	408,707		413,486	
4	Lost and Unaccounted for Gas (MMcf)	6,654		6,646	
5	Total Supplied Gas (MMcf) (Line 3 + Line 4)	415,361		420,132	
6	Emissions Conversion Factor (MTCO ₂ e/MMcf)	54.64		54.64	
7	Compliance Obligation for End Users and LUAF (MTCO ₂ e) (Line 5 * Line 6)	22,697,124		22,957,855	
8	Compliance Obligation for Company Facilities (MTCO ₂ e)	197,000		188,000	
9	Gross Compliance Obligation (MTCO₂e) (Line 7 + Line 8)	22,894,124		23,145,855	
10	Directly Allocated Allowances	(20,684,105)		(20,241,540)	
11	Percentage Consigned to Auction	40%		45%	
12	Consigned Allowances (Line 10 * Line 11)	8,273,642		9,108,693	
13	Net Compliance Obligation (MTCO₂e) (Line 9 + Line 10+ Line 12)	10,483,661		12,013,008	
14	Proxy GHG Allowance Price	\$ 15.05		\$ 16.41	
15a	Compliance Instrument Cost	\$ 157,737,159	\$ 116,646,763	\$ 197,133,460	
16	Interest		\$ 5,313,697		
17	Franchise Fees & Uncollectibles	\$ 2,739,966	\$ 2,026,207	\$ 3,424,298	
18	Revenue Requirement (Line 15 + Line 16 + Line 17)	\$ 160,477,125	\$ 123,986,667	\$ 200,557,758	
19	Previous Year's Cost Balancing Subaccount Balance w/ FFU ⁷	\$ -		\$ -	
20	Revenue Requirement to be Included in Rates (Line 18 + Line 19)	\$ 160,477,125	\$ 123,986,667	\$ 200,557,758	
21	Covered Entity Rate Impact (\$/therm)	\$ 0.00061		\$ 0.00098	
22	Non-Covered Entity Rate Impact (\$/therm)	\$ 0.02472		\$ 0.04657	
Supporting Information:					
	FF&U %	1.737%		1.737%	
	LUAF %	0.846%		0.846%	
	System Throughput	9,417,004		9,417,004	
	Non-Covered Entity Throughput	4,199,524		4,197,284	
Revenue Requirement to be Included in Rates w/FFU					
	End-User Revenue Requirement w/FFU	\$ 151,896,005		\$ 191,355,885	
	LUAF Revenue Requirement w/FFU	\$ 5,565,571		\$ 6,063,204	
	Company Facilities Revenue Requirement w/FFU	\$ 3,015,549		\$ 3,138,669	
	Total Revenue Requirement w/FFU	\$ 160,477,125		\$ 200,557,758	
Cost Balancing Account Balances					
	End-User w/ FFU	\$ -		\$ -	
	LUAF w/ FFU	\$ -		\$ -	
	Company Facilities w/ FFU	\$ -		\$ -	
	Total Balancing Accounts w/FFU	\$ -		\$ -	
	Total GHG Costs in Rates w/ FFU	\$ 160,477,125		\$ 200,557,758	
Revenue Requirement to be Included in Rates w/out FFU					
	End-User Revenue Requirement w/out FFU	\$ 149,302,552		\$ 188,088,698	
	LUAF Revenue Requirement w/out FFU	\$ 5,470,545		\$ 5,959,682	
	Company Facilities Revenue Requirement w/out FFU	\$ 2,964,062		\$ 3,085,080	
	Total Revenue Requirement w/out FFU	\$ 157,737,159		\$ 197,133,460	
Cost Balancing Account Balances					
	End-User w/o FFU	\$ -		\$ -	
	LUAF w/o FFU	\$ -		\$ -	
	Company Facilities w/o FFU	\$ -		\$ -	
	Total Balancing Accounts w/o FFU	\$ -		\$ -	
	Total GHG Costs in Rates w/out FFU	\$ 157,737,159		\$ 197,133,460	

Note 1/ 2018 Forecasted Revenue Requirement from AL 5293-A.

Note 2/ 2018 Recorded Compliance Instrument Costs include actual expenses for January through September and forecasted expenses for October through December.

Attachment H - Table A

SoCalGas Gross Compliance Obligation is calculated as the 2019 throughput forecast in the most recent California Gas Report less throughput associated with covered entities plus an estimate for Lost and Unaccounted-For (LUAF) gas and a forecast of emissions for SoCalGas' applicable Covered Facilities. SoCalGas directly allocated allowances are reduced by 45%, which is the minimum consignment percentage required for 2019 by the Cap-and-Trade Program regulations. The Proxy GHG Allowance price is the 5-day average of forward prices for October 1-5 on the Intercontinental Exchange (ICE) for a California Carbon Allowance (CCA) with December delivery in 2018.

The resulting 2019 Forecast Revenue Requirement is \$200.6 million (including FF&U). This is composed of \$191.4 million for end-users, \$6.1 million for LUAF gas, and \$3.1 million for company facilities.

**ATTACHMENT H
Advice No. 5368**

Table C: GHG Allowance Proceeds

Line	Description	2018		2019	
		Forecast 1/	Recorded 2/	Forecast	Recorded
1	Proxy GHG Allowance Price (\$/MT)	\$ 15.05		\$ 16.41	
2	Directly Allocated Allowances	20,684,105		20,241,540	
3	Percentage Consigned to Auction	40%		45%	
4	Consigned Allowances	8,273,642		9,108,693	
5	Allowance Proceeds	\$ (124,485,218)	\$ (91,651,262)	\$ (149,473,652)	
6	Previous Year's Revenue Balancing Subaccount Balance	\$ -		\$ -	
7	Interest		\$ (4,229,573)		
8	Subtotal Allowance Proceeds (\$) (Line 5 + Line 6 + Line 7)	\$ (124,485,218)	\$ (95,880,835)	\$ (149,473,652)	
9	Outreach and Admin Expenses (\$) (from Table D)	\$ 2,813,102	\$ 1,085,640	\$ 50,000	
10	Net GHG Proceeds Available for Customer Returns (\$) (Line 8 + Line 9)	\$ (121,672,116)	\$ (94,795,195)	\$ (149,423,652)	
11	Number of Residential Households	6,184,841		6,222,114	
12	Per Household California Climate Credit (\$) (Line 10 / Line 11)	\$ (19.67)		\$ (24.01)	
Effects of Netting					
13	Net Revenue after Netting 2015-2017 Costs and Revenues	\$ (40,291,914)			
14	Net GHG Proceeds Available for Customer Returns (\$) (Line 10 + Line 13)	\$ (161,964,030)		\$ (149,423,652)	
15	Per Household California Climate Credit (\$) (Line 14 / Line 11)	\$ (26.19)		\$ (24.01)	

Note 1/ 2018 Forecasted Allowance Proceeds from AL 5293-A.

Note 2/ 2018 Recorded Allowance Proceeds and interest based on actual expenses for January through September.

Attachment H - Table C

The same Proxy GHG Allowance Price is used for the forecast of GHG Allowance Proceeds as for the Forecast Revenue Requirement discussed in Table A. Table C estimates the consigned allowances as 45% of SoCalGas' directly allocated allowances for 2019, consistent with Table A. 2019 Outreach and Administrative Expenses are incorporated from Table D. In total, SoCalGas forecasts net 2019 GHG Allowance Proceeds of \$149.4 million.

ATTACHMENT H
Advice No. 5368

Table D: GHG Outreach and Administrative Expenses

Line	Description	2018		2019	
		Forecast	Recorded 1/	Forecast 2/	Recorded
1	Outreach Expenses				
2	Detail of Outreach Activity (\$)	\$ 2,000,000	\$ 579,258	\$ 50,000	
3	Subtotal Outreach (\$)	\$ 2,000,000	\$ 579,258	\$ 50,000	N/A
4	Administrative Expenses				
5	Acquisition (\$)	\$ 350,492	\$ 353,197	\$ -	
6	Billing (\$)	\$ -	\$ 81,869	\$ -	
7	Program Management (\$)	\$ 462,610	\$ 22,436	\$ -	
8	Subtotal Administrative (\$)	\$ 813,102	\$ 457,503	\$ -	N/A
9	Subtotal Outreach and Administrative (\$)	\$ 2,813,102	\$ 1,036,761	\$ 50,000	
10	Interest (\$)		\$ 48,879		
11	Total (\$)	\$ 2,813,102	\$ 1,085,640	\$ 50,000	N/A

Note 1/ 2018 Recorded expenses include actual expenses for January - September.

These costs are not being requested for recovery pending resolution of AL 5293-A.

Note 2/ 2019 Forecast Administrative Expenses are limited to bill insert costs.

ATTACHMENT H
Advice No. 5368

Table E: Compliance Obligation Over Time

	2015	2016	2017	2018	2019	2020
Natural Gas Fuel Supplier Compliance Obligation (MTCO₂e)	20,441,116	20,563,991	20,697,845	N/A	N/A	N/A
Company Facility Compliance Obligation (MTCO₂e)	238,948	86,710	114,690	N/A	N/A	N/A

**ATTACHMENT I
Advice No. 5368**

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

**CONFIDENTIAL AND PROTECTED MATERIALS
PURSUANT TO PUC SECTION 583, GO-66D, AND D.17-09-023**

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

**DECLARATION OF MARTIN LAZARUS
REGARDING CONFIDENTIALITY OF CERTAIN DATA/DOCUMENTS
PURSUANT TO D.17-09-023**

I, Martin Lazarus, do declare as follows:

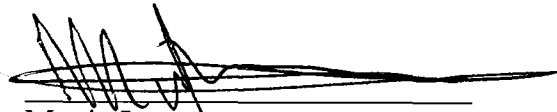
1. I am the Gas Accounting & Reconciliation Manager, designated by Jawaad Malik, VP Gas Acquisition for Southern California Gas Company ("SoCalGas"), to submit this declaration. I have been delegated authority to sign this declaration by Jawaad Malik, VP Gas Acquisition. I have reviewed the attached Appendix I to the Annual Regulatory Account Balance Update for Rates Effective January 1, 2019, submitted concurrently herewith (the "Appendix"). In addition, I am personally familiar with the facts and representations in this Declaration and, if called upon to testify, I could and would testify to the following based upon my personal knowledge and/or belief.

2. I hereby provide this Declaration in accordance with Decision ("D.") D-17-09-023 and General Order ("GO") 66-D to demonstrate that the confidential information ("Protected Information") provided in Appendix I submitted concurrently herewith is within the scope of data protected as confidential under applicable law.

3. In accordance with the legal citations and narrative justification described in Attachment A, the Protected Information should be protected from public disclosure.

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

Executed this 10th day of October 2018, at Los Angeles, California.



Martin Lazarus
Gas Accounting & Reconciliation Manager

ATTACHMENT A

SoCalGas Request for Confidentiality on the following information in Appendix I of Advice Letter 5368

Location of Protected Information	Legal Citations	Narrative Justification
Appendix I – Table B: Recorded GHG Costs	<p>17 CCR Section 95914(c)(1)</p> <p>D.15-10-032, including Appendix B (Greenhouse Gas Information Confidentiality Protocols Sections 1.a to 1.c.)</p> <p>CPRA Exemption, Gov’t Code §6254.7(d) (Trade Secrets).</p> <p>CPRA Exemption, Gov’t Code §6254(k) (“Records, the disclosure of which is exempted or prohibited pursuant to federal or state law”)</p> <ul style="list-style-type: none"> • Evidence Code, §1060 • Civil Code, §3426 <i>et. seq.</i> 	<p>17 CCR Section 95914(c)(1) of the Cap-and-Trade regulations prohibit disclosure of any auction-related information, except when the release is made by a privately-owned utility to its regulatory agency pursuant to its rules, orders or decisions (Section 95914(c)(2)). Violation of Section 95914 may subject SoCalGas to penalties by the California Air Resources Board.</p> <p>In addition, Table B contains commercially sensitive information the disclosure of which would place SoCalGas at an unfair business disadvantage and results in higher Cap-and-Trade compliance costs for SoCalGas and its end-use ratepayers.</p> <p>SoCalGas derives economic value from this information being confidential, and it is subject to efforts by SoCalGas to maintain its confidentiality.</p>

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

**DECLARATION OF DONNA NEWTON
REGARDING CONFIDENTIALITY OF CERTAIN DATA/DOCUMENTS
PURSUANT TO D.17-09-023**

I, Donna Newton, do declare as follows:

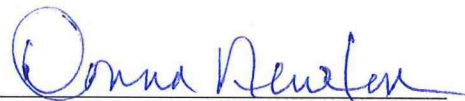
1. I am the Contract and Risk Administration Manager, designated by Jawaad Malik, VP Gas Acquisition for Southern California Gas Company (“SoCalGas”), to submit this declaration. I have been delegated authority to sign this declaration by Jawaad Malik, VP Gas Acquisition. I have reviewed the attached Appendix I to the Annual Regulatory Account Balance Update for Rates Effective January 1, 2019, submitted concurrently herewith (the “Appendix”). In addition, I am personally familiar with the facts and representations in this Declaration and, if called upon to testify, I could and would testify to the following based upon my personal knowledge and/or belief.

2. I hereby provide this Declaration in accordance with Decision (“D.”) D-17-09-023 and General Order (“GO”) 66-D to demonstrate that the confidential information (“Protected Information”) provided in Appendix I submitted concurrently herewith is within the scope of data protected as confidential under applicable law.

3. In accordance with the legal citations and narrative justification described in Attachment A, the Protected Information should be protected from public disclosure.

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

Executed this 10th day of October 2018, at Los Angeles, California.



Donna Newton
Contract and Risk Administration Manager

ATTACHMENT A

SoCalGas Request for Confidentiality on the following information in Appendix I of Advice Letter 5368

Location of Protected Information	Legal Citations	Narrative Justification
Appendix I – Net Natural Gas Compliance Obligation Purchase Limits – highlighted items	<p>D.15-10-032, including Appendix B (Greenhouse Gas Information Confidentiality Protocols, Section 1.d)</p> <p>CPRA Exemption, Gov’t Code §6254.7(d) (Trade Secrets).</p> <p>CPRA Exemption, Gov’t Code §6254(k) (“Records, the disclosure of which is exempted or prohibited pursuant to federal or state law”)</p> <ul style="list-style-type: none"> • Evidence Code, §1060 • Civil Code, §3426 <i>et. seq.</i> 	<p>Commercially sensitive Cap-and-Trade information such as internal forecast of compliance obligation falls under the “Confidential” category included in the Confidentiality Protocols of D.15-10-032 (Appendix B). Disclosure of this information may place SoCalGas at a competitive disadvantage and result in higher Cap-and-Trade compliance costs for SoCalGas and its end-use ratepayers.</p> <p>SoCalGas derives economic value from this information being confidential, and it is subject to efforts by SoCalGas to maintain its confidentiality.</p>