

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 7, 2019

Advice Letter 5452-G

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

SUBJECT: Revision of Gas Line Extension Allowances and Ownership Charges in Rule No. 20 - Gas Main Extensions and Rule No. 02 - Description of Service

Dear Mr. van der Leeden:

Advice Letter 5452-G is effective as of May 5, 2019.

Sincerely,

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

Edward Randolph
Deputy Executive Director for Energy and Climate Policy/
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

April 5, 2019

Advice No. 5452
(U 904 G)

Public Utilities Commission of the State of California

Subject: Revision of Gas Line Extension Allowances and Ownership Charges in Rule No. 20, Gas Main Extensions, and Rule No. 02, Description of Service

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission or CPUC) revisions to its Rule No. 20, Gas Main Extensions, and Rule No. 02, Description of Service, applicable throughout its service territory, as shown in Attachment A.

Purpose

SoCalGas proposes to revise the line extension allowances described in Rule No. 20 and ownership charges described in Rule No. 20 and Rule No. 02.

Background

Section H.2, in Rule No. 20, and Section O.3.c.(3), in Rule No. 02, state that the Utility will periodically review the factors it uses to determine residential and non-residential allowances and monthly ownership charges, respectively. If such review results in a change of more than five percent (5%) in either the allowances or ownership charges, the Utility will submit a tariff revision proposal to the Commission for review and approval. Such proposed changes shall be submitted no sooner than six (6) months after the last revision.¹

SoCalGas used the methodology authorized by the Commission on page 4 of D.07-07-019 to calculate the ownership charges and the non-residential allowance

¹ Uniform line extension and service rules for gas and electric utilities were provided as Appendix B in Decision (D.) 94-12-025 of Rulemaking 92-03-050.

multiplier. The last revision was submitted on April 26, 2017 by Advice No. 5123 and effective May 26, 2017.

Discussion

SoCalGas concluded a review of the factors it uses to determine its residential allowances, non-residential allowances, and ownership charges. This review revealed that updated factors produced changes in the non-residential allowances and ownership charges beyond the 5% threshold. Residential allowances changed by less than 5% and, therefore, are not being updated. The non-residential allowances and ownership charges should change as shown below:

	Current	Updated	% Change	Update Required? (Yes/No)
Customer Financed Ownership Charge	0.37%	0.55%	49%	Yes
Utility Financed Ownership Charge	1.24%	1.30%	5.4%	Yes
Non-Residential Allowance Multiplier	5.4	3.4	-38%	Yes
Residential Allowances				
Water Heat	\$625	\$606	-3%	No
Space Heat	\$677	\$657	-3%	No
Cooktop & Oven	\$110	\$107	-3%	No
Dryer Stub	\$155	\$151	-3%	No
Space Cooling	\$1,066	\$1,034	-3%	No

Attachment B illustrates the methodology underlying the calculations of the residential and non-residential allowances and the monthly ownership charges. Consequently, SoCalGas proposes revisions to its tariffs provided as Attachment A.

Proposed Tariff Revisions

Rule No. 02, Section O.3.c.(1)

The Customer-financed monthly ownership charge is revised from 0.37% to 0.55% of the amount advanced.

The Utility-financed monthly ownership charge is revised from 1.24% to 1.30% of the additional cost.

Rule No. 20, Section C.4.

The Non-Residential Allowance Net Revenue Multiplier is revised from five point four (5.4) to three point four (3.4).

Rule No. 20, Section I, Definitions

For the purposes of calculating the Cost-of-Service Factor, the factor is revised from 14.85% to 15.65%.

For purposes of calculating the Ownership Charge, the per month factor is revised from 0.37% to 0.55%.

This submittal will not create any deviations from SoCalGas' tariffs, cause withdrawal of service from any present customers, or impose any more restrictive conditions than those which currently exist.

Protest

Anyone may protest this advice letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received within 20 days of the date of this advice letter, which is April 25, 2019. The address for mailing or delivering a protest to the Commission is given below.

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). 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 General Order (GO) 96-B. SoCalGas respectfully requests that this submittal be approved on May 5, 2019, which is 30 calendar days from the date submitted.

Notice

A copy of this advice letter is being sent to SoCalGas' GO 96-B service list and the Commission's service list for A.14-11-004, 2016 General Rate Case. Address change requests to the GO 96-B service list should be directed by 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 by 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: Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

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

ATTACHMENT A
Advice No. 5452

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 56166-G	Rule No. 02, DESCRIPTION OF SERVICE, Sheet 8	Revised 53906-G
Revised 56167-G	Rule No. 20, GAS MAIN EXTENSIONS, Sheet 4	Revised 53907-G
Revised 56168-G	Rule No. 20, GAS MAIN EXTENSIONS, Sheet 12	Revised 53908-G
Revised 56169-G	Rule No. 20, GAS MAIN EXTENSIONS, Sheet 13	Revised 53909-G
Revised 56170-G	TABLE OF CONTENTS	Revised 56058-G
Revised 56171-G	TABLE OF CONTENTS	Revised 56165-G

Rule No. 02

DESCRIPTION OF SERVICE

(Continued)

P. Special Facilities (Continued)

3. Costs Charged to Applicant for Special Facilities. (Continued)

c. Ownership Charge. In addition to providing for the payment of charges under any other applicable tariff, the Applicant will pay ownership charge or charges for either Utility-financed or Customer-financed facilities. The monthly ownership charge for Utility-financed facilities includes depreciation, authorized return, income taxes, property taxes, Operation and Maintenance (O&M) expense, Administrative and General (A&G) expense, Franchise Fees and Uncollectibles (FF&U), property insurance and replacement, if needed, for 60 years at no additional cost to the customer. The monthly ownership charge for Customer-financed facilities includes property taxes, Operation and Maintenance (O&M) expense, Administrative and General (A&G) expense, Franchise Fees and Uncollectibles (FF&U), property insurance and replacement, if needed, for 60 years at no additional cost to the customer. At Utility's discretion, dependent on such factors as the Applicant's creditworthiness, longevity of the project, practicality of collecting periodic payments, administration of the contract and other factors, Utility may require Applicant to pay the monthly Utility-financed or Customer-financed charge, or a lump sum payment, or Utility may agree to other payment arrangements.

(1) Monthly Ownership Charge. At the Utility's option, the Applicant will be required to pay monthly Utility-financed or Customer-financed ownership charges, as follows:

<u>Type of Facility</u>	<u>Financing</u>	<u>Monthly Charge</u>
Distribution	Customer	0.55% of the amount advanced
	Utility	1.30% of the additional cost

I
I

These monthly ownership charges will commence when the special facilities are first ready to serve, as determined by Utility. Utility will notify Customer of this date, through its first invoice. The monthly ownership charges to Customer will automatically change in the event the rates set forth in this Rule 2 change.

(2) Lump-Sum Payment. At Utility's option, the Applicant may be required to make an equivalent one-time payment in lieu of the monthly charge. The one-time payment will equal the estimated cost of the special facilities, plus the estimated cost of removal or abandonment less the estimated net salvage value of removed or abandoned materials. This payment will be required in the event that the Applicant terminates the use of the special facilities at any time within five (5) years immediately following the date the special facilities are first ready to serve.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5452
 DECISION NO.

ISSUED BY
Dan Skopce
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED Apr 5, 2019
 EFFECTIVE May 5, 2019
 RESOLUTION NO. _____

Rule No. 20
GAS MAIN EXTENSIONS

Sheet 4

(Continued)

C. EXTENSION ALLOWANCES (Continued)

3. RESIDENTIAL ALLOWANCES. The allowance for Distribution Main Extensions, Service Extensions, or a combination thereof for Permanent Residential Service on a per-unit basis is as follows:

WATER HEATING	\$625
SPACE HEATING	\$677
COOKTOP & OVEN	\$110
DRYER STUB	\$155
SPACE COOLING	\$1,066

4. NON-RESIDENTIAL ALLOWANCES. The total allowance for both gas Main and Service extensions for Permanent Non-Residential service is determined by the Utility using the formula in Section C.2. Utility, at its election, may apply a Non-Residential Allowance Net Revenue Multiplier of three point four (3.4) as defined in Section I, when it serves as a reasonable proxy for the formula in section C.2.

T,R

Where the extension will serve a combination of residential and non-residential meters, residential allowances will be added to the non-residential allowances.

5. SEASONAL, INTERMITTENT, INSIGNIFICANT, AND EMERGENCY LOADS. When Applicant requests service that requires an extension to serve loads that are seasonal or intermittent, the allowance for such loads shall be determined using the formula in Section C.2. No allowance will be provided where service is used only for emergency purposes, or for Insignificant Loads.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5452
 DECISION NO.

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED Apr 5, 2019
 EFFECTIVE May 5, 2019
 RESOLUTION NO. _____

Rule No. 20
GAS MAIN EXTENSIONS

Sheet 12

(Continued)

I. DEFINITIONS (Continued)

COST-OF-SERVICE FACTOR. The Cost-of-Service (COS) factor is divided into the Net Revenue to determine the Utility's line extension allowance. The COS factor includes depreciation, authorized return, income taxes, property taxes, Operation and Maintenance (O&M) expense, Administrative and General (A&G) expense, Franchise Fees and Uncollectibles (FF&U), property insurance, and replacement of facilities, if needed, for 60 years at no additional cost to customer. For the purpose of calculating allowances, a COS factor of 15.65% will be used.

DISTRIBUTION MAINS. Mains which are operated at distribution pressure, and supply two (2) or more services or run parallel to the property line in a public right-of-way.

EXCAVATION. All necessary trenching, backfilling, and other digging to install extension facilities, including furnishing of any imported backfill material and disposal of spoil as required, surface repair and replacement, and landscape repair and replacement.

FRANCHISE AREA. Public streets, roads, highways, and other public ways and places where Utility has a legal right to occupy under franchise agreements with governmental bodies having jurisdiction.

INSIGNIFICANT LOADS. Small operating loads such as log lighters, barbecues, outdoor lighting, etc.

INTERMITTENT LOADS. Loads which, in the opinion of the Utility, are subject to discontinuance for a time or at intervals.

JOINT TRENCH. Excavation that intentionally provides for more than one service, such as gas, electricity, cable television, or telephone, etc.

MAIN EXTENSION. The length of main and its related facilities required to transport gas from the existing distribution facilities to the point of connection with the service pipe.

A Main Extension consists of new distribution facilities of the Utility that are required to extend service into an open area not previously supplied to serve an Applicant. It is a continuation of, or branch from, the nearest available existing permanent Distribution Main, to the point of connection of the last service. The Utility's Main Extension includes any required Substructures and facilities for transmission taps but excludes service connections, services, and meters.

METER SET ASSEMBLY. Meter, service pressure regulator, and associated fittings.

NET REVENUE. That portion of the total rate that supports Utility's extension costs and excludes such items as fuel costs, transmission, storage, public purpose programs, and other energy adjustment costs that do not support the extension costs.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 5452
DECISION NO.

ISSUED BY
Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
SUBMITTED Apr 5, 2019
EFFECTIVE May 5, 2019
RESOLUTION NO. _____

Rule No. 20
GAS MAIN EXTENSIONS

Sheet 13

(Continued)

I. DEFINITIONS (Continued)

NON RESIDENTIAL ALLOWANCES NET REVENUE MULTIPLIER. This is a revenue-supported factor determined by Utility that is applied to the net revenues expected from non-residential loads to determine non-residential allowances.

OWNERSHIP CHARGE. The monthly ownership charge is a percentage rate applied against the remaining refundable balance after thirty-six (36) months from the date the Utility is first ready to serve. This charge recovers the cost of operating and maintaining customer-financed facilities that are not fully utilized. The Ownership Charge includes property taxes, Operation and Maintenance (O&M), Administrative and General (A&G), Franchise Fees and Uncollectibles (FF&U), property insurance, and replacement for 60 years at no additional cost. For the purpose of calculating Ownership Charge, a 0.55% per month factor will be used.

PERMANENT SERVICE. Service which, in the opinion of the Utility, is of a permanent and established character. This may be continuous, intermittent, or seasonal in nature.

PROTECTIVE STRUCTURES. Fences, retaining walls (in lieu of grading), barriers, posts, barricades, and other structures as required by the Utility.

RESIDENTIAL DEVELOPMENT. Five (5) or more dwelling units in two (2) or more buildings located on a single parcel of land.

RESIDENTIAL SUBDIVISION. An area of five (5) or more lots for residential dwelling units which may be identified by filed subdivision plans or an area in which a group of dwellings may be constructed about the same time, either by a builder or several builders working on a coordinated basis.

SEASONAL SERVICE. Gas service to establishments which are occupied seasonally or intermittently, such as seasonal resorts, cottages, or other part-time establishments.

SUBSTRUCTURES. The surface and subsurface structures which are necessary to contain or support the Utility's gas facilities. This includes, but is not limited to, equipment vaults and boxes, required sleeves for street crossings, and enclosures, foundations, or pads for surface-mounted equipment.

TRENCHING. See Excavation.

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 5452
DECISION NO.

ISSUED BY
Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
SUBMITTED Apr 5, 2019
EFFECTIVE May 5, 2019
RESOLUTION NO. _____

TABLE OF CONTENTS

The following listed sheets contain all effective Schedules of Rates and Rules affecting service and information relating thereto in effect on the date indicated thereon.

GENERAL

Cal. P.U.C. Sheet No.

Title Page	40864-G	
Table of Contents--General and Preliminary Statement	56171-G,56157-G,55759-G,56113-G	T
Table of Contents--Service Area Maps and Descriptions	53356-G	
Table of Contents--Rate Schedules	56142-G,56143-G,56160-G	
Table of Contents--List of Cities and Communities Served	55739-G	
Table of Contents--List of Contracts and Deviations	55739-G	
Table of Contents--Rules	56170-G,56155-G	T
Table of Contents--Sample Forms	54967-G,55763-G,51537-G,54745-G,55947-G,52292-G	

PRELIMINARY STATEMENT

Part I General Service Information	45597-G,24332-G,54726-G,24334-G,48970-G
Part II Summary of Rates and Charges	56120-G,56121-G,56122-G,56084-G,56085-G,56123-G 56115-G,46431-G,46432-G,55584-G,56124-G,56125-G,56126-G,56090-G
Part III Cost Allocation and Revenue Requirement	55785-G,50447-G,55142-G
Part IV Income Tax Component of Contributions and Advances	55717-G,24354-G
Part V Balancing Accounts	
Description and Listing of Balancing Accounts	52939-G,56060-G
Purchased Gas Account (PGA)	55465-G,55466-G
Core Fixed Cost Account (CFCA)	53433-G,53434-G,55692-G,53436-G
Noncore Fixed Cost Account (NFCA)	53255-G,55693-G,54509-G
Enhanced Oil Recovery Account (EORA)	49712-G
Noncore Storage Balancing Account (NSBA)	52886-G,52887-G
California Alternate Rates for Energy Account (CAREA)	45882-G,45883-G
Hazardous Substance Cost Recovery Account (HSCRA)	40875-G, 40876-G,40877-G
Gas Cost Rewards and Penalties Account (GCRPA)	40881-G
Pension Balancing Account (PBA)	54544-G,52941-G
Post-Retirement Benefits Other Than Pensions Balancing Account (PBOPBA) ..	54545-G,52943-G
Research Development and Demonstration Surcharge Account (RDDGSA).....	40888-G
Demand Side Management Balancing Account (DSMBA).....	45194-G,41153-G
Direct Assistance Program Balancing Account (DAPBA)	52583-G,52584-G
Integrated Transmission Balancing Account (ITBA)	49313-G

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5452
 DECISION NO.

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED Apr 5, 2019
 EFFECTIVE May 5, 2019
 RESOLUTION NO. _____

ATTACHMENT B

Advice No. 5452

**Methodology Underlying Calculations of Residential and
Non-Residential Allowances and Monthly Ownership Charges**

Attachment B part 1. SoCalGas Allowances Calculation of Line Extension Rate by Class (for distribution level service)

MODEL INPUT

April, 2019 Rates	DRAFT Proposed Update for 2019	Residential	Core C&I	Gas A/C	Gas Engine	NGV	NonCore C&I Distribution	EG-D Tier 1	EG-D Tier 2		therms/appliance v2/24/2017
1	Allocated Base Margin in Transportation Rates	\$1,665,835,139	\$281,864,061	\$87,252	\$4,620,580	\$18,808,009	\$66,562,394	\$11,460,570	\$12,925,861	Water Heat	149
2	Non-Base Margin Items in Transportation Rates	\$468,750,439	\$165,418,102	\$110,660	(\$26,857)	\$13,572,046	\$41,931,932	\$4,500,505	\$2,686,534	Space Heat	162
3	Revenue Requirement in Transportation Rates	\$2,134,585,578	\$447,282,163	\$197,912	\$4,593,722	\$32,380,055	\$108,494,326	\$15,961,075	\$15,612,395	Cooktop & Oven	26
4	Items Not Used in Line Extension Rate:									Dryer Stub	37
	BBT Transmission Costs	\$46,922,815	\$18,741,945	\$13,482	\$361,534	\$2,743,886	\$15,183,159	\$1,348,522	\$3,631,064	Space Cooling	255
	Local Transmission Costs	\$27,838,700	\$8,199,179	\$2,586	\$99,417	\$897,873	\$4,732,397	\$425,270	\$1,167,295		
	Core Storage	\$44,370,549	\$9,035,612	\$6,036	\$153,222	\$679,545	\$0	\$0	\$0		
	Non-Base Margin items in Transport Rate	\$468,750,439	\$165,418,102	\$110,660	(\$26,857)	\$13,572,046	\$41,931,932	\$4,500,505	\$2,686,534	LACC factor	9.334%
	Items Not Used in Line Extension Rate	\$587,882,504	\$201,394,838	\$132,764	\$587,316	\$17,893,350	\$61,847,489	\$6,274,296	\$7,484,893	O&M factor	3.629%
5	Line Extension Basis	\$1,546,703,074	\$245,887,325	\$65,148	\$4,006,406	\$14,486,705	\$46,646,838	\$9,686,778	\$8,127,502	A&G factor	1.602%
6	Average Year Throughput Therms	2,435,159,711	1,023,185,592	771,900	20,698,862	157,095,393	865,101,641	77,206,777	207,888,908	FFU factor	0.212%
7	Line Extension Rate (\$ per Therm)	\$0.6352	\$0.2403	\$0.0844	\$0.1936	\$0.0922	\$0.0539	\$0.1255	\$0.0391	Property Tax Factor	0.789%
8	No. Customers	5,617,809	207,317	9	745	359	584	201	28	60-year replacement multiplier	1.0592
9	Average therms/customer	433	4,935	85,767	27,780	437,917	1,482,023	383,709	7,543,368		
10	Average Gross Transport rate\$/therm	\$0.877	\$0.437	\$0.256	\$0.222	\$0.206	\$0.125	\$0.207	\$0.075		

Authorized O&M, A&G and FFU factors based on authorized expenses from 2016 GRC LACC and Property Tax factors based on 7.34% authorized ROR per D.17-07-005.
Source = SCG's 2018 Economic Assumptions Manual

DRAFT Proposed Update for 2019

April, 2019 Rates	DRAFT Proposed Update for 2019	Residential	Core C&I	Gas A/C	Gas Engine	NGV	NonCore C&I Distribution	EG-D Tier 1	EG-D Tier 2		therms/appliance v2/24/2017
1	Allocated Base Margin in Transportation Rates	\$1,665,835,138.60	\$281,864,061.25	\$87,251.86	\$4,620,579.73	\$18,808,009.18	\$66,562,394.24	\$11,460,569.87	\$12,925,860.62	Water Heat	149
2	Non-Base Margin Items in Transportation Rates	\$468,750,439	\$165,418,102	\$110,660	(\$26,857)	\$13,572,046	\$41,931,932	\$4,500,505	\$2,686,534	Space Heat	162
3	Revenue Requirement in Transportation Rates	\$2,134,585,578	\$447,282,163	\$197,912	\$4,593,722	\$32,380,055	\$108,494,326.24	\$15,961,074.67	\$15,612,394.71	Cooktop & Oven	26
4	Items Not Used in Line Extension Rate:									Dryer Stub	37
	BBT Transmission Costs	\$46,922,815.50	\$18,741,945.32	\$13,482.29	\$361,533.91	\$2,743,885.68	\$15,183,159.25	\$1,348,521.85	\$3,631,063.83	Space Cooling	255
	Local Transmission Costs	\$27,838,699.90	\$8,199,178.78	\$2,586.24	\$99,417.45	\$897,872.95	\$4,732,397.45	\$425,269.58	\$1,167,294.97		
	Core Storage	\$44,370,548.99	\$9,035,612.17	\$6,035.66	\$153,222.41	\$679,545.05	\$0	\$0	\$0		
	Non-Base Margin items in Transport Rate	\$468,750,439	\$165,418,102	\$110,660	(\$26,857)	\$13,572,046	\$41,931,932	\$4,500,505	\$2,686,534	LACC factor	9.334%
	Items Not Used in Line Extension Rate	\$587,882,504	\$201,394,838	\$132,764	\$587,316	\$17,893,350	\$61,847,489	\$6,274,296	\$7,484,893	O&M factor	3.629%
5	Line Extension Basis	\$1,546,703,074	\$245,887,325	\$65,148	\$4,006,406	\$14,486,705	\$46,646,838	\$9,686,778	\$8,127,502	A&G factor	1.602%
6	Average Year Throughput Therms	2,435,159,711	1,023,185,592	771,900	20,698,862	157,095,393	865,101,641	77,206,777	207,888,908	FFU factor	0.212%
7	Line Extension Rate (\$ per Therm)	\$0.6352	\$0.2403	\$0.0844	\$0.1936	\$0.0922	\$0.0539	\$0.1255	\$0.0391	Property Tax Factor	0.789%
8	No. Customers	5,617,809	207,317	9	745	359	584	201	28	60-year replacement multiplier	1.0592
9	Average therms/customer	433	4,935	85,767	27,780	437,917	1,482,023	383,709	7,543,368		

Authorized O&M, A&G and FFU factors based on authorized expenses from 2016 GRC LACC and Property Tax factors based on 7.34% authorized ROR per D.17-07-005.
Source = SCG's 2018 Economic Assumptions Manual

**Attachment B part 2. SoCalGas Allowances - Calculation of Net Revenue
Residential per AL 4528 non-residential per rates effective 1/1/2014**

Line		Net Revenue Line Extension Rate (\$ per Therm)	\$/therm
7b	Line Extension Rate (\$ per Therm) <i>see page 1 for details</i>	Residential	\$0.6352
		Non-Residential:	
		Core C/I	\$0.240
		NGV	\$0.092
		Gas A/C	\$0.084
		Gas Engine	\$0.194
		Noncore C/I	\$0.054
		EG Tier 1	\$0.125
		EG Tier 2	\$0.039
8	Average UEC per End-Use/Customer in Therms	Residential	therms/ appliance v2/24/2017
		Water Heat	149
	Source: SoCalGas and SDG&E Analysis of 2009	Space Heat	162
	Residential Appliance Saturation Study &	Cooktop & Oven	26
	2009RCAP Decision & Gas Forecasting Dent	Dryer Stub	37
		Space Cooling	255
		Non-Residential	therms/customer
		Core C/I	4,935
		NGV	437,917
		Gas A/C	85,767
		Gas Engine	27,780
		Noncore C/I	1,482,023
		EG Tier 1	383,709
		EG Tier 2	7,543,368
9	Average Net Revenue per Customer Type	Residential	Net revenue \$/appliance
	Line 7 * Line 8	Water Heat	\$95
		Space Heat	\$103
		Cooktop & Oven	\$17
		Dryer Stub	\$24
		Space Cooling	\$162
		Non-Residential	Net revenue \$/customer
		Core C/I	\$1,186
		NGV	\$40,383
		Gas A/C	\$7,239
		Gas Engine	\$5,377
		Noncore C/I	\$79,912
		EG Tier 1	\$48,142
		EG Tier 2	\$294,911

Attachment B part 3. SoCalGas Allowances - Calculation of Allowance Multiplier

10a Cost of Service Factor (Rule 20 Section I DEFINITIONS - COST-OF-SERVICE FACTOR and Rule 2 Section O.3.c.1)

	2018 ROR	Current tariff	% Difference
LACC factor	9.334%	10.720%	-12.9%
O&M factor	3.629%	1.829%	98.4%
A&G factor	1.602%	1.466%	9.3%
FFU factor	0.212%	0.141%	50.3%
60-year replacement multiplier	1.0592	1.0491	1.0%
Cost of Service Factor per year	15.65%	14.85%	5.4%
Cost of Service Factor per month	1.30%	1.24%	5.4%

10b Cost of Ownership Factor (Rule 20 Section I - OWNERSHIP CHARGE and Rule 2 Section O.3.c.1)

	2018 ROR	Current tariff	% Difference
Property Tax	0.789%	0.79%	0%
O&M factor	3.629%	1.83%	98%
A&G factor	1.602%	1.47%	9%
FFU factor	0.212%	0.14%	50%
60-year replacement multiplier	1.0592	1.049	1%
Cost of Service Factor per year	6.60%	4.43%	49%
Cost of Service Factor per month	0.55%	0.37%	49%

11a Residential Allowance per Appliance (Rule 20 Section C.3 RESIDENTIAL ALLOWANCES)

Residential	Allowance \$/appliance	Cost of Service Factor	Residential Allowance \$/appliance	Current Tariff	% Difference
Water Heat	\$95	15.65%	\$606	\$625	-3%
Space Heat	\$103	15.65%	\$657	\$677	-3%
Cooktop & Oven	\$17	15.65%	\$107	\$110	-3%
Dryer Stub	\$24	15.65%	\$151	\$155	-3%
Space Cooling	\$162	15.65%	\$1,034	\$1,066	-3%

11b Residential Allowance Non-Refundable Discount Option (Rule 20 Section D.6.b NON-REFUNDABLE DISCOUNT OPTION)

	Proposed	Current Tariff	% Difference
Residential Non-Refundable Discount Option	50%	50%	0%

11c Non-Residential Multiplier (Rule 20 Section C.4 NON-RESIDENTIAL ALLOWANCES)

	Net Revenue \$/customer	Cost of Service Factor	Allowance \$/Customer	Number of Customers/ rate class	Total Allowances/ rate class \$000s	Revenue Requirement in Transportation Rates/ rate class \$000s	NonRes Allowance Multiplier per rate class	Current Tariff	% Difference
Core C/I	\$1,186	15.65%	\$7,578	207,317	\$1,570,992	\$447,282	3.5		
NGV	\$40,383	15.65%	\$258,010	359	\$92,557	\$32,380	2.9		
Gas A/C	\$7,239	15.65%	\$46,248	9	\$416	\$198	2.1		
Gas Engine	\$5,377	15.65%	\$34,354	745	\$25,597	\$4,594	5.6		
Noncore C/I	\$79,912	15.65%	\$510,561	584	\$298,030	\$108,494	2.7		
EG Tier 1	\$48,142	15.65%	\$307,584	201	\$61,890	\$15,961	3.9		
EG Tier 2	\$294,911	15.65%	\$1,884,208	28	\$51,927	\$15,612	3.3		
				209,243	\$2,101,409	\$624,522	3.4	5.4	-38%