

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



December 10, 2019

SoCalGas Advice Letter 5530

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

**Subject: Staff Disposition of SoCalGas's Advice Letter Submission, "Annual Regulatory Account Balance Update for Rates Effective January 1, 2020"**

Dear Mr. van der Leeden,

SoCalGas Advice Letter 5530 is approved with an effective date of January 1, 2020, with the following modification: Tables C and D of Attachment H, which pertain to GHG Allowance Proceeds and GHG Outreach and Administrative Expenses, are not approved. All balances in the accounts authorized for recovery are subject to audit, verification, and adjustment.

**Background**

On October 15, 2019, SoCalGas filed Advice Letter 5530, which requests approval for revisions to its revenue requirement and rates effective January 1, 2020.

Ordering Paragraph 5 of D.15-10-032 specifies that "Pacific Gas and Electric Company, Southern California Gas Company, San Diego Gas and Electric Company, and Southwest Gas Company shall annually forecast and reconcile its natural gas greenhouse gas compliance costs and allowance proceeds as part of its existing annual natural gas true-up advice letters that set transportation rates. The advice letter should also include a calculation of the compliance instrument procurement limit." This direction was reiterated in D.18-03-017, which specified in Ordering Paragraph 9 and Ordering Paragraph 10 that all four gas corporations must include the required tables in their annual filings.

Advice Letter 5530 contains the forecasted revenue requirement for greenhouse gas (GHG) costs and the allowance proceed information, as required. The advice letter does not, however, account for changes enacted pursuant to SB 1477 (Stern, 2018), which took effect on January 1, 2019, and added new Public Utilities Code Section 748.6, which would impact the GHG allowance proceeds available for return to ratepayers. That new code section reads as follows:

*Beginning with the fiscal year commencing July 1, 2019, and ending with the fiscal year ending June 30, 2023, the commission shall annually allocate fifty million dollars (\$50,000,000) of the revenues, including any accrued interest, received by a gas corporation as a result of the direct allocation of greenhouse gas emissions allowances provided to gas corporations as part of a market-based compliance mechanism adopted*

*pursuant to subdivision (c) of Section 38562 of the Health and Safety Code to fund the Building Initiative for Low-emissions Development (BUILD) Program (Article 12 (commencing with Section 921)) and the Technology and Equipment for Clean Heating (TECH) Initiative (Article 13 (commencing with Section 922)).*

SB 1477 is currently being implemented by the CPUC as part of the Building Decarbonization proceeding - R.19-01-011. A Decision specifying how the four gas corporations that participate in the Cap-and-Trade program should withhold and direct their respective share of the \$50 million needed to fund BUILD and TECH has not yet issued. According to the proceeding's scoping memo, a Phase 1 Proposed Decision is anticipated before the end of 2019.

Even though the CPUC has yet to order specific details on how the funds associated with SB 1477 implementation should be tracked and disbursed, the statutory obligation to allocate \$50 million of allowance proceeds annually over four years beginning in Fiscal Year 2019-20 remains. It is necessary to allocate funding for the first year of the four-year period to comply with clear statutory language and to avoid needlessly delaying the implementation of the two pilot programs. Consequently, a modification to this advice letter consistent with the rules outlined in Section 7.6.1 of General Order 96-B is necessary to address a set-aside for the first year's funding for these statutorily mandated pilot programs.

### **Disposition**

Energy Division approves SoCalGas Advice Letter 5530 with the following modification: Tables C and D of Attachment H, which pertain to GHG Allowance Proceeds and GHG Outreach and Administrative Expenses, are not approved. The revenue requirement associated with GHG costs, however, is approved for inclusion in rates on January 1, 2020. We expect the CPUC will dispense with matters pertaining to GHG proceeds as they relate to all four gas corporations via a separate resolution.

Please contact Adam Banasiak at 415-703-4304 or [Adam.Banasiak@cpuc.ca.gov](mailto:Adam.Banasiak@cpuc.ca.gov) for any questions relating to GHG proceeds and expenses. All other questions should be directed to Belinda Gatti at 415-703-3272 or [Belinda.Gatti@cpuc.ca.gov](mailto:Belinda.Gatti@cpuc.ca.gov).

Sincerely,



Edward Randolph,  
Deputy Executive Director, Energy and Climate Policy  
Director, Energy Division

cc:

Pete Skala, Energy Division, CPUC ([Pete.Skala@cpuc.ca.gov](mailto:Pete.Skala@cpuc.ca.gov))  
Simon Baker, Energy Division, CPUC ([Simon.Baker@cpuc.ca.gov](mailto:Simon.Baker@cpuc.ca.gov))  
Dorothy Duda, Energy Division, CPUC ([Dorothy.Duda@cpuc.ca.gov](mailto:Dorothy.Duda@cpuc.ca.gov))  
Elizabeth La Cour, Energy Division, CPUC ([Elizabeth.LaCour@cpuc.ca.gov](mailto:Elizabeth.LaCour@cpuc.ca.gov))  
Nick Zanjani, Energy Division, CPUC ([Nick.Zanjani@cpuc.ca.gov](mailto:Nick.Zanjani@cpuc.ca.gov))

Amy Mesrobian, Energy Division, CPUC ([Amy.Mesrobian@cpuc.ca.gov](mailto:Amy.Mesrobian@cpuc.ca.gov))  
Adam Banasiak, Energy Division, CPUC ([Adam.Banasiak@cpuc.ca.gov](mailto:Adam.Banasiak@cpuc.ca.gov))  
Ray Ortiz, Sempra Energy ([ROrtiz@semprautilities.com](mailto:ROrtiz@semprautilities.com))





**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@socalgas.com](mailto:RvanderLeeden@socalgas.com)

October 15, 2019

Advice No. 5530  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Annual Regulatory Account Balance Update for Rates Effective  
January 1, 2020**

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, 2020.

**Purpose**

This submittal, made each year on or before October 15<sup>th</sup>, 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 2019 year-end regulatory account balances in transportation rates effective January 1, 2020. In compliance with D.11-04-032, this submittal also revises the Backbone Transportation Service rate effective January 1, 2020.

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, 2020.

Also, SoCalGas includes in this submittal updates to the revenue requirement for the 2016 Pipeline Safety Enhancement Plan (PSEP) Reasonableness Review authorized in D.19-02-004 and 2017 PSEP Forecasted Revenue Requirement authorized in D.19-03-025. In addition, in compliance with Ordering Paragraph (OP) 11 of SoCalGas' 2019 General Rate Case (GRC) D.19-09-051, the revenue requirement is

reduced by officer compensation and benefits. Refer to discussions below for further details.

### **Background**

The revenue requirement related to the regulatory account balances are amortized in rates over 12 months beginning each January 1<sup>st</sup>. It should be noted that the revenue requirement herein does not include other revenue requirement adjustments<sup>1</sup> expected to be authorized by the Commission for implementation in transportation rates effective January 1, 2020. 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, 2020, effective date of such rates.

### **Customer Rate Impact – Regulatory Account Balances**

#### Total

SoCalGas' transportation revenue requirement will decrease by \$307.5 million. The core and noncore customer revenue requirements will decrease by \$295.0 million and \$12.5 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 2020 GHG revenue requirement, 2016 PSEP Reasonableness Review revenue requirement for 2020, 2017 PSEP Forecasted Revenue Requirement for 2020, removal of officer compensation and benefits in 2019 rates, 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 2020 rates. Attachments F and G show the supporting calculations of the minimum contributions made to the Pension/PBOP Trusts for 2019.

#### Core Customers

A \$295.0 million decrease in the core transportation revenue requirement reflects the amortization of the projected year-end 2019 regulatory account balances. The decrease is primarily due to a change from an undercollected balance to an overcollected balance in the Core Fixed Cost Account (CFCA), inclusion of the overcollected balance in the Greenhouse Gas Balancing Account (GHGBA), and removal of the amortization for the Storage Integrity Management Program Balancing Account (SIMPBA) partially offset by an increase in the undercollected balance in the PBA as described below.

---

<sup>1</sup> For example, see SoCalGas AL 5519 – Low Carbon Fuel Standard Program Annual Credit and Revenue Estimate (2020).

CFCA – Pursuant to AL 5368, SoCalGas was authorized to amortize in 2019 rates a CFCA undercollection of \$203.7 million. The projected CFCA balance for amortization in 2020 rates is \$53.7 million overcollected, representing a revenue requirement decrease of \$257.4 million.

GHGBA – The projected combined balance for the Company Facilities subaccount, End Users subaccount, and Lost & Unaccounted For subaccount within the GHGBA for amortization in 2020 rates is \$51.8 million overcollected. The core revenue requirement allocation of this decrease is \$45.7 million.

SIMPBA – Pursuant to Resolution (Res.) G-3544, SoCalGas was authorized to amortize in 2019 rates a SIMPBA undercollection of \$6.9 million. Removing the recovery of this undercollected balance will decrease the transportation revenue requirement by \$6.9 million of which the core revenue requirement allocation is \$6.5 million.

PBA – Pursuant to AL 5368, SoCalGas was authorized to amortize in 2019 rates a PBA undercollection of \$15.9 million. The projected PBA balance for amortization in 2020 rates is \$33.8 million undercollected, representing a revenue requirement increase of \$17.9 million. The core revenue requirement allocation is \$16.8 million.

The major components of the core revenue requirement decrease are as follows:<sup>2</sup>

Description	Core Revenue Requirement Increase / (Decrease) (in millions of \$)
CFCA	(257.4)
GHGBA	(45.7)
SIMPBA	(6.5)
PBA	16.8
Other Regulatory Accounts - net	(2.2)
<b>Total Core Revenue Requirement</b>	<b>(295.0)</b>

### Noncore Customers

A \$12.5 million decrease in the noncore transportation revenue requirement reflects the amortization of the projected year-end 2019 regulatory account balances. The decrease is primarily due to removal of the SGIP funding in the SGPMA, inclusion of the overcollected GHGBA balance, and a decrease in the undercollected balance in the Safety Enhancement Expense Balancing Account (SEEBA) partially offset by a change from an overcollected balance to an undercollected balance in the Noncore Fixed Cost Account (NFCA) as described below.

<sup>2</sup> Amounts shown include franchise fees and uncollectibles.

SGPMA – Pursuant to D.14-12-033, SoCalGas was authorized to recover funding for the Self-Generation Incentive Program (SGIP) through December 31, 2019. The Commission has not approved SGIP funding for 2020, so the SGIP funding of \$16.3 million recovered in 2019 rates will be removed. Removing the SGIP funding will decrease the transportation revenue requirement by \$16.3 million of which the noncore revenue requirement allocation is \$10.0 million.

GHGBA – As discussed above, the transportation revenue requirement of the three subaccounts within the GHGBA will decrease by \$51.8 million of which the noncore revenue requirement allocation is \$6.1 million.

SEEBA – Pursuant to AL 5368 and 5443, SoCalGas was authorized to amortize 2019 transportation rates (excludes component allocated in Backbone Transportation Service (BTS) rates) \$17.4 million of the SEEBA undercollection. Pursuant to D.16-08-003, SoCalGas is authorized interim rate recovery of 50% of the SEEBA balance. As such, amortization of the SEEBA in 2020 transportation rates (excludes BTS rates component) is \$7.9 million undercollected. The transportation revenue requirement will decrease by \$9.5 million of which the noncore revenue requirement allocation is \$2.5 million.

NFCA – Pursuant to AL 5368, SoCalGas was authorized to amortize in 2019 rates a NFCA overcollection of \$0.4 million. The projected NFCA balance for amortization in 2020 rates is \$9.0 million overcollected, representing a noncore revenue requirement increase of \$9.4 million.

The major components of the noncore revenue requirement decrease are as follows:<sup>3</sup>

Description	Noncore Revenue Requirement Increase / (Decrease) (in millions of \$)
SGPMA	(10.0)
GHGBA	(6.1)
SEEBA	(2.5)
NFCA	9.4
Other Regulatory Accounts - net	(3.3)
<b>Total Noncore Revenue Requirement</b>	<b>(12.5)</b>

#### Revision to the BTS Rate

Pursuant to AL 5368, SoCalGas was authorized to amortize in 2019 rates a BTBA overcollection of \$19.0 million. As of December 31, 2019, the BTBA is projected to have an overcollected balance of \$26.9 million, representing a BTS revenue requirement decrease of \$7.9 million. Additionally, SoCalGas updated the BTS



Demand pursuant to D.11-04-032. The calculation of the proposed BTS rate for 2020 is detailed below:

**Update to BTS Rate**

	<b>Present</b>	<b>Proposed</b>	<b>increase</b>
Unbundled BTS Revenues w/FFU (\$000's)	\$221,780	\$221,780	\$0
PSRMA-BBT SCG w/o FFU \$000	\$2,640	\$372	(\$2,268)
PSRMA-BBT SDG&E w/o FFU \$000	\$0	\$0	\$0
SECCBA-BBT SCG w/o FFU \$000	\$30,273	\$20,518	(\$9,755)
SECCBA-BBT SDG&E w/o FFU \$000	\$277	\$277	\$0
SEEBBA-BBT SCG w/o FFU \$000	\$16,306	\$8,991	(\$7,315)
SEEBBA-BBT SDG&E w/o FFU \$000	\$127	\$127	\$0
SECCBA-BBT SCG - Phase 1b & 2	\$44	\$1,474	\$1,429
SECCBA-BBT SDG&E - Phase 1b & 2	\$0	\$0	\$0
SEEBBA-BBT SCG - Phase 1b & 2	\$58,266	\$13,315	(\$44,951)
SEEBBA-BBT SDG&E - Phase 1b & 2	\$0	\$0	\$0
TIMPBA-BBT SCG w/o FFU \$000	\$0	\$0	\$0
TIMPBA-BBT SCG w/o FFU \$000	\$0	\$0	\$0
BTBA w/o FFU (\$000's)	(\$19,017)	(\$26,911)	(\$7,894)
FFU Rate	1.0174	1.0174	0.0000
Balancing Accounts w/ FFU (\$000's)	\$90,460	\$18,478	(\$71,982)
BTS Revenue w/FFU (\$000's)	\$312,240	\$240,258	(\$71,982)
BTS Demand Dth/Day	2,493,037	2,432,479	(60,558)
BTS rate w/FFU \$/dth day	<b>\$0.34314</b>	<b>\$0.27060</b>	<b>(\$0.07253)</b>

**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 \$2.73/MMBtu, a decrease of \$0.17/MMBtu from the \$2.90/MMBtu authorized for rates effective January 1, 2019. Based on this updated gas price forecast, SoCalGas proposes to revise its authorized costs for Other CU Fuel and UAF Gas to \$24.0 million, a decrease of \$1.5 million compared to the present revenue requirement as shown in the calculation below:

**Revenue Requirement Change for Gas Price Impact**

	<b><u>Present</u></b>	<b><u>Proposed</u></b>	<b><u>Increase</u></b>
<b><u>UnAccounted For Gas (UAF):</u></b>			
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	\$2.90	\$2.73	
<b>UAF (M\$)</b>	<b>\$23,676</b>	<b>\$22,271</b>	<b>(\$1,406)</b>
<b><u>Company Use Gas: Storage Load Balancing</u></b>			
Volumes Mth/yr	2,564	2,564	
Gas Price \$/dth	\$2.90	\$2.73	
<b>Company Use Gas: Storage Load Balancing (M\$)</b>	<b>\$743</b>	<b>\$699</b>	<b>(\$44)</b>
<b><u>Company Use Other:</u></b>			
Annual Average Volumes (Mth/year)	3,661	3,661	
Gas Price \$/th	\$2.90	\$2.73	
<b>Co Use Other (M\$)</b>	<b>\$1,062</b>	<b>\$999</b>	<b>(\$63)</b>
<b>Total CU Fuel, UAF Gas Costs</b>	<b>\$25,481</b>	<b>\$23,969</b>	<b>(\$1,513)</b>

**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 2018 and 2019 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.

Description	<i>\$ millions</i>					
	2018		2019		2020	
	Forecast 1/	Recorded 1/	Forecast 2/	Recorded 3/	Forecast	Recorded
GHG Revenue Requirement	160.5	124.0	307.5	93.3	276.6	
GHG Allowance Proceeds:						
Allowance Proceeds	(124.5)	(129.6)	(149.5)	(76.2)	(188.2)	
Less: Outreach and Admin costs	2.8	1.0	0.1	0.1		
Add: 2015-2017 net proceeds	(40.3)					
Net Allowance Proceeds	(162.0)	(128.6)	(149.5)	(76.1)	(188.2)	

## Notes

1/ 2018 Forecast GHG Revenue Requirement and Allowance Proceeds from AL 5368. 2018 Recorded data updated with actual for entire year.

2/ 2019 Forecast Revenue Requirement from AL 5368 updated with 2018 revenue requirement amortized in 2019 rates per D.18-03-017 and AL 5426.

3/ 2019 Recorded GHG Revenue Requirement and Allowance Proceeds includes actual data for January through August.

SoCalGas is requesting to include the 2020 GHG revenue requirement in rates effective January 1, 2020. In addition, SoCalGas is requesting to refund the 2020 Allowance Proceeds in April 2020.

### GHG Administrative Costs

On January 31, 2019, the Commission adopted Res. G-3547, which addressed SoCalGas' request to utilize \$1.2 million in Cap-and-Trade auction proceeds for certain administrative costs related to the cap-and-trade program. SoCalGas incurred these costs over the period 2015-2017 and submitted that amount for approval in AL 5293-A.<sup>3</sup>

In Res. G-3547, the Commission determined that SoCalGas inappropriately included \$1.2 million in its Outreach and Administrative costs as detailed in Table D of AL 5293-A.<sup>4</sup> In its findings, the Commission stated that D.18-03-017 defined administrative costs as "associated with delivering [Greenhouse Gas] proceeds to customer," that are "small in amount," but that compliance costs are "incur[ed] from purchasing compliance instruments (allowances and offsets) and surrendering them to the California Air Resources Board."<sup>5</sup> Therefore, one of the findings in D.18-03-017 distinguished between "compliance costs" and "administrative costs,"<sup>6</sup> and another finding determined that the "acquisition costs" that SoCalGas sought to classify as "administrative costs" were not "administrative costs."<sup>7</sup>

<sup>3</sup> The total amount submitted for approval was \$3.1 million, of which \$1.9 million was approved for recovery from allowance proceeds.

<sup>4</sup> Res. G-3547, at 16.

<sup>5</sup> *Id.*, at 19, Finding 7.

<sup>6</sup> *Id.*, Finding 8.

<sup>7</sup> *Id.*, Finding 11.

Following the Commission's guidance in Res.G-3547, SoCalGas has reclassified the \$1.2 million in acquisition costs as compliance costs. Further, SoCalGas has reclassified an additional \$0.5 million in similar costs for 2018, that have not yet been recovered as compliance costs. Therefore, 2018 GHG Outreach and Administrative Expenses compliant with the findings in Res. G-3547 are presented in Attachment H, Table E.

Per D.15-10-032, recorded compliance costs are calculated in Table B, "Recorded GHG Costs."<sup>8</sup> Because the compliance instruments to which these compliance costs would have been attached were purchased over the period 2015 through 2018, SoCalGas is recording a current reporting period adjustment to its Table B (see Attachment I) calculation for November 2019 of \$1.7 million. This adjustment slightly increases the weighted-average cost of compliance instruments going forward. As a result, these costs will be recovered in customers' transportation rates, and not recovered from GHG allowance proceeds.

### **2016 PSEP Reasonableness Review**

In compliance with D.19-02-004, *Decision Authorizing Southern California Gas Company and San Diego Gas & Electric Company To Recover Costs Recorded In The Pipeline Safety And Reliability Memorandum Accounts, The Safety Enhancement Expense Balancing Accounts, and Safety Enhancement Capital Cost Balancing Accounts*, SoCalGas submitted AL 5443<sup>9</sup> incorporating in rates effective April 1, 2019, the revenue requirement based on fully loaded costs adjusted for ongoing capital-related costs through December 2019 associated with the Pipeline Safety Enhancement Plan (PSEP) capital project costs found reasonable by the decision.

Pursuant to OP 49 of D.19-02-004, SoCalGas is required to submit a Tier 2 AL to incorporate into rates future year revenue requirements associated with the capital expenditures approved in the decision. As this Annual Regulatory Account Balance Update for Rates is a Tier 2 submittal, SoCalGas incorporates its update of the 2020 revenue requirement associated with the PSEP capital projects approved in D.19-02-004.

Per AL 5443, SoCalGas incorporated in rates \$36.6 million (without FF&U) which was grossed-up to \$48.8 million (without FF&U) annualized revenue requirement to be recovered over the 9-month period (April through December 2019). The revenue requirement associated with PSEP capital expenditures approved in the decision for 2020 is \$14.4 million (without FF&U), which represents a decrease in the revenue requirement of \$34.4 million (without FF&U).

---

<sup>8</sup> D.15-10-032 at 5, Appendix A.

<sup>9</sup> AL 5443 was submitted on March 25, 2019, and made effective April 1, 2019.

### **2017 PSEP Forecasted Revenue Requirement**

In compliance with D.19-03-025, *Decision Granting The Application Of Southern California Gas Company and San Diego Gas & Electric Company For Approval Of Forecasted Revenue Requirements Associated with Certain Pipeline Safety Enhancement Plan Projects And Associated Rate Recovery; And Authority To Modify And/Or Create Certain Balancing Accounts*, SoCalGas submitted AL 5458<sup>10</sup> incorporating in rates effective May 1, 2019 the forecasted revenue requirement associated with the twelve SoCalGas PSEP pipeline projects approved in the decision.

Pursuant to OP 20 of D.19-03-025, SoCalGas is required to submit a Tier 2 AL to incorporate into rates future year revenue requirements associated with the forecasted capital expenditures approved in the decision until actual capital costs are incorporated into base rates in connection with SoCalGas' next GRC proceeding. As this Annual Regulatory Account Balance Update for Rates is a Tier 2 submittal, SoCalGas incorporates its update of the 2020 revenue requirement associated with forecasted capital expenditures approved in D.19-03-025 in this submittal.

Per AL 5458, SoCalGas incorporated in rates \$44.6 million (without FF&U) which was grossed-up to \$67.7 million (without FF&U) annualized revenue requirement to be recovered over the 8-month period (May through December 2019). The forecasted revenue requirement associated with SoCalGas' twelve pipeline projects for 2020 is \$27.7 million (without FF&U), which represents a decrease in the revenue requirement of \$40 million (without FF&U).

### **2019 GRC – Officer Compensation Costs**

D.19-09-051, SoCalGas' Test Year 2019 GRC, addressed officer compensation and benefits as follows:

*Thus, the approach taken by this decision with regards to officer compensation and benefits is to disallow funding for cost centers that are entirely made up of officer compensation and benefits. For cost centers that are only partially made up of such costs, the reasonableness of such costs are reviewed and authorized as a whole and inclusive of officer compensation and benefits. However, SDG&E and SoCalGas shall comply with Resolution E-4963 and track these costs through their respective OCMA's. These amounts shall then be trued-up and refunded to ratepayers as part of SDG&E's and SoCalGas' respective year-end annual regulatory account balance update Advice Letter filings for 2019. SDG&E and SoCalGas shall include a list of officer positions and the corresponding amounts for each position. This list will be granted confidential treatment and submitted under seal.<sup>11</sup>*

---

<sup>10</sup> AL 5458 was submitted on April 26, 2019, and made effective May 1, 2019.

<sup>11</sup> D.19-09-051 at 26.

As required for inclusion in this submittal, the revenue requirement for rates effective January 1, 2020 is reduced by \$2.9 million (including FF&U) for officer compensation and benefits included in 2019 base rates. However, due to the confidential nature of information regarding the list of officer positions and corresponding amounts for each position, SoCalGas has submitted a separate AL with this required information.<sup>12</sup>

### **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, 2019. 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](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: Ray B. Ortiz  
Tariff Manager - GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-1011  
Facsimile No.: (213) 244-4957  
E-mail: [ROrtiz@socalgas.com](mailto:ROrtiz@socalgas.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 G 96-B. This submittal is consistent with D.16-10-004. Therefore, SoCalGas respectfully requests that this submittal be approved November 14, 2019, which is thirty (30) calendar days after the date submitted, for implementation and inclusion in rates effective January 1, 2020.

### **Notice**

A copy of this AL is being sent to SoCalGas' GO 96-B service list and the Commission's service lists 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

---

<sup>12</sup> AL 5529, *Officer Compensation Information Pursuant to Decision (D.) 19-09-051* was submitted on October 14, 2019.

change requests to the GO 96-B service list should be directed via e-mail to [tariffs@socalgas.com](mailto: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](mailto: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 proposed<sup>1</sup>:

Pending advice letters that revise the same tariff sheets:

<sup>1</sup>Discuss 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](mailto: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. 5530**

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

**ATTACHMENT A  
Advice No. 5530**

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

	Present Rates			Proposed Rates			Changes		
	May-1-19 Volumes Mth	Average Rate \$/therm	May-1-19 Revenues \$000's	Jan-1-20 Volumes Mth	Proposed Rate \$/therm	Jan-1-20 Revenues \$000's	Revenue Change \$000's	Rate Change \$/therm	% Rate change %
	A	B	C	D	E	F	G	H	I
1 <u>CORE</u>									
2 Residential	2,435,160	\$0.87835	\$2,138,921	2,435,160	\$0.79977	\$1,947,568	(\$191,353)	(\$0.07858)	-8.9%
3 Commercial & Industrial	1,023,186	\$0.43839	\$448,552	1,023,186	\$0.35618	\$364,443	(\$84,109)	(\$0.08220)	-18.8%
4									
5 NGV - Pre SempraWide	157,095	\$0.21327	\$33,504	157,095	\$0.22214	\$34,898	\$1,394	\$0.00887	4.2%
6 SempraWide Adjustment	157,095	(\$0.00639)	(\$1,004)	157,095	(\$0.00829)	(\$1,302)	(\$298)	(\$0.00190)	29.7%
7 NGV - Post SempraWide	157,095	\$0.20688	\$32,500	157,095	\$0.21385	\$33,595	\$1,096	\$0.00697	3.4%
8									
9 Gas A/C	772	\$0.25692	\$198	772	\$0.17384	\$134	(\$64)	(\$0.08307)	-32.3%
10 Gas Engine	20,699	\$0.22193	\$4,594	20,699	\$0.21583	\$4,468	(\$126)	(\$0.00610)	-2.7%
11 Total Core	3,636,911	\$0.72170	\$2,624,765	3,636,911	\$0.64621	\$2,350,208	(\$274,556)	(\$0.07549)	-10.5%
12									
13 <u>NONCORE COMMERCIAL &amp; INDUSTRIAL</u>									
14 Distribution Level Service	865,102	\$0.12626	\$109,228	865,102	\$0.12150	\$105,106	(\$4,121)	(\$0.00476)	-3.8%
15 Transmission Level Service (2)	660,238	\$0.03184	\$21,022	660,238	\$0.02824	\$18,644	(\$2,378)	(\$0.00360)	-11.3%
16 Total Noncore C&I	1,525,339	\$0.08539	\$130,250	1,525,339	\$0.08113	\$123,751	(\$6,499)	(\$0.00426)	-5.0%
17									
18 <u>NONCORE ELECTRIC GENERATION</u>									
19 Distribution Level Service									
20 Pre Sempra Wide	285,096	\$0.11927	\$34,004	285,096	\$0.10899	\$31,074	(\$2,931)	(\$0.01028)	-8.6%
21 Sempra Wide Adjustment	285,096	(\$0.00775)	(\$2,209)	285,096	(\$0.00876)	(\$2,498)	(\$288)	(\$0.00101)	13.1%
22 Distribution Level Post Sempra Wide	285,096	\$0.11152	\$31,795	285,096	\$0.10023	\$28,576	(\$3,219)	(\$0.01129)	-10.1%
23 Transmission Level Service (2)	2,392,699	\$0.02445	\$58,507	2,392,699	\$0.02225	\$53,244	(\$5,263)	(\$0.00220)	-9.0%
24 Total Electric Generation	2,677,795	\$0.03372	\$90,303	2,677,795	\$0.03056	\$81,820	(\$8,482)	(\$0.00317)	-9.4%
25									
26 TOTAL RETAIL NONCORE	4,203,134	\$0.05247	\$220,553	4,203,134	\$0.04891	\$205,571	(\$14,982)	(\$0.00356)	-6.8%
27									
28 WHOLESALE & INTERNATIONAL (excluding SDG&E)	325,403	\$0.02329	\$7,578	325,403	\$0.02116	\$6,886	(\$692)	(\$0.00213)	-9.1%
29									
30 OTHER SERVICES (SDG&E, UBS, & BTS)	1,251,556		\$356,419	1,251,556		\$282,849	(\$73,570)		
31 <b>SYSTEM TOTAL w/BTS</b>	<b>9,417,004</b>	<b>\$0.34080</b>	<b>\$3,209,314</b>	<b>9,417,004</b>	<b>\$0.30217</b>	<b>\$2,845,514</b>	<b>(\$363,800)</b>	<b>(\$0.03863)</b>	<b>-11.3%</b>
32									
33 EOR Revenues	231,570	\$0.06082	\$14,084	231,570	\$0.06058	\$14,030	(\$55)	(\$0.00024)	-0.4%
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. 5530**

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

**ATTACHMENT B  
Advice No. 5530**

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

Account Name (1)	Authorized 05/01/2019 Amortization			Proposed 01/01/2020 Amortization			Proposed Change		
	Core (2)	Noncore (3)	Total System (4)	Core (5)	Noncore (6)	Total System (7)	Core (8)	Noncore (9)	Total System (10)
<b>REGULATORY ACCOUNTS</b>									
1. Affiliate Transfer Fee Account (ATFA)	(\$574)	(\$36)	(\$610)	(\$200)	(\$13)	(\$213)	\$374	\$24	\$398
2. Biogas Conditioning/Upgrading Services Balancing Account (BCSBA)	(\$92)	(\$6)	(\$98)	(\$78)	(\$5)	(\$82)	\$15	\$1	\$16
3. Biomethane Cost Incentive Pgm Balancing Acct (BCIPBA)	\$1,225	\$1,945	\$3,170	\$2,050	\$3,255	\$5,304	\$825	\$1,310	\$2,135
4. Core Fixed Cost Account - Non NGV (CFCA)	\$202,996	\$0	\$202,996	(\$57,202)	\$0	(\$57,202)	(\$260,198)	\$0	(\$260,198)
5. Core Fixed Cost Account - NGV (CFCA)	\$742	\$0	\$742	\$3,500	\$0	\$3,500	\$2,758	\$0	\$2,758
6. Economic Practicality Shortfall Memorandum Account (EPSMA)	\$0	\$843	\$843	\$0	\$1,034	\$1,034	\$0	\$191	\$191
7. California Solar Imitative Thermal Memorandum Account (CSITPMA)	\$17,014	\$8,479	\$25,492	\$15,193	\$7,571	\$22,765	(\$1,820)	(\$907)	(\$2,728)
8. Enhanced Oil Recovery Account (EORA)	(\$5,794)	(\$365)	(\$6,158)	(\$4,624)	(\$291)	(\$4,915)	\$1,170	\$73	\$1,243
9. Greenhouse Gas Balancing Account (GHGBA) - Company Facilities subacct	\$0	\$0	\$0	(\$417)	(\$662)	(\$1,079)	(\$417)	(\$662)	(\$1,079)
10. Greenhouse Gas Balancing Account (GHGBA) - End Users subacct	\$0	\$0	\$0	(\$46,879)	(\$6,014)	(\$52,894)	(\$46,879)	(\$6,014)	(\$52,894)
11. Greenhouse Gas Balancing Account (GHGBA) - LUAF subacct	\$0	\$0	\$0	\$1,565	\$635	\$2,200	\$1,565	\$635	\$2,200
12. Hazardous Substance Cost-Recovery Account (HSCRA)	\$1,632	\$2,591	\$4,223	\$1,023	\$1,624	\$2,647	(\$609)	(\$967)	(\$1,576)
13. Intervenor Award Memorandum Account (IAMA)	\$134	\$212	\$346	\$325	\$516	\$840	\$191	\$303	\$494
14. Gain / Loss on Sale Memorandum Account (GLOSMA)	(\$187)	(\$12)	(\$198)	(\$412)	(\$26)	(\$438)	(\$225)	(\$14)	(\$239)
15. Master Meter Balancing Account (MMBA)	\$11,422	\$719	\$12,141	\$14,085	\$887	\$14,972	\$2,663	\$168	\$2,831
16. New Environmental Regulation Balancing Account (NERBA) - Admin Fees Subaccount	\$2,251	\$1,539	\$3,789	\$2,422	\$1,656	\$4,078	\$172	\$117	\$289
17. New Environmental Regulation Balancing Account (NERBA) - Subpart W Subaccount	(\$512)	(\$32)	(\$545)	\$0	\$0	\$0	\$512	\$32	\$545
18. New Environmental Regulatory Balancing Account (NERBA) - Leak Detection & Repair (LDAR) s	\$2,026	\$128	\$2,154	\$10,778	\$679	\$11,457	\$8,752	\$551	\$9,304
19. New Environmental Regulatory Balancing Account (NERBA) - MS4 sub-account	(\$364)	(\$23)	(\$387)	\$0	\$0	\$0	\$364	\$23	\$387
20. Noncore Fixed Cost Account (NFCA) Margin	\$0	\$691	\$691	\$0	\$8,000	\$8,000	\$0	\$7,309	\$7,309
21. Noncore Fixed Cost Account (NFCA) Nonmargin	\$0	(\$1,093)	(\$1,093)	\$0	\$1,027	\$1,027	\$0	\$2,120	\$2,120
22. Integrated Transmission Balancing Account (ITBA) 2/	\$3,787	\$4,364	\$8,151	\$2,512	\$2,895	\$5,407	(\$1,275)	(\$1,469)	(\$2,744)
23. Compressor Station Fuel and Power Balancing Account (CFPBA)	\$695	\$801	\$1,496	\$2,078	\$2,395	\$4,473	\$1,383	\$1,594	\$2,977
24. Compression Services Balancing Account (CSBA)	(\$39)	\$0	(\$39)	(\$32)	\$0	(\$32)	\$8	\$0	\$8
25. Company-Use Fuel for Load Balancing Account (CUFLBA)	(\$45)	(\$75)	(\$120)	(\$278)	(\$459)	(\$737)	(\$233)	(\$384)	(\$617)
26. System Reliability Memorandum Account (SRMA)	\$2,993	\$4,752	\$7,745	\$2,001	\$3,177	\$5,178	(\$992)	(\$1,575)	(\$2,567)
27. Noncore Storage Balancing Account (NSBA)	\$5,446	\$8,648	\$14,094	\$4,850	\$7,701	\$12,551	(\$596)	(\$947)	(\$1,543)
28. Pension Balancing Account (PBA)	\$14,949	\$941	\$15,890	\$31,785	\$2,002	\$33,788	\$16,836	\$1,061	\$17,897
29. PBOP Balancing Account (PBOPBA)	(\$3,562)	(\$224)	(\$3,786)	(\$4,022)	(\$253)	(\$4,275)	(\$460)	(\$29)	(\$489)
30. Pipeline Safety and Reliability Memo Act (PSRMA) - Local Transmission	\$965	\$747	\$1,713	\$107	\$83	\$189	(\$859)	(\$665)	(\$1,523)
31. Pipeline Safety and Reliability Memo Act (PSRMA) - Distribution	\$490	\$95	\$584	\$120	\$23	\$143	(\$369)	(\$72)	(\$441)
32. Safety Enhancement Capital Cost Balancing Account (SECCBA) - Local Transmission	\$12,696	\$9,828	\$22,524	\$11,791	\$9,128	\$20,919	(\$905)	(\$700)	(\$1,605)
33. Safety Enhancement Capital Cost Balancing Account (SECCBA) - Distribution	\$65,074	\$12,609	\$77,683	\$63,344	\$12,274	\$75,619	(\$1,730)	(\$335)	(\$2,065)
34. Safety Enhancement Expense Balancing Account (SEEBA) - Local Transmission	\$3,606	\$2,791	\$6,397	\$1,640	\$1,270	\$2,910	(\$1,966)	(\$1,522)	(\$3,487)
35. Safety Enhancement Expense Balancing Account (SEEBA) - Distribution	\$9,179	\$1,779	\$10,958	\$4,141	\$802	\$4,943	(\$5,039)	(\$976)	(\$6,015)
36. Safety Enhancement Capital Cost Balancing Account (SECCBA) - Local Trans - Ph 1B+2A	\$3	\$2	\$5	\$173	\$134	\$307	\$171	\$132	\$303
37. Safety Enhancement Capital Cost Balancing Account (SECCBA) - Distribution - Ph 1B+2A	\$2,487	\$482	\$2,969	\$9,486	\$1,838	\$11,324	\$6,999	\$1,356	\$8,355
38. Safety Enhancement Expense Balancing Account (SEEBA) - Local Trans - Ph 1B+2A	\$3,228	\$2,499	\$5,728	\$738	\$571	\$1,309	(\$2,491)	(\$1,928)	(\$4,419)
39. Storage Integrity Management Program Balancing account (SIMPBA)	\$6,525	\$411	\$6,936	\$0	\$0	\$0	(\$6,525)	(\$411)	(\$6,936)
40. Research Royalty Memorandum Account (RRMA)	(\$68)	(\$4)	(\$72)	(\$108)	(\$7)	(\$115)	(\$41)	(\$3)	(\$43)
41. Self-Generation Program Memorandum Account (SGPMA)	\$6,287	\$9,983	\$16,270	\$0	\$0	\$0	(\$6,287)	(\$9,983)	(\$16,270)
42. Rewards & Penalties Balancing Account (RPBA)	(\$241)	(\$15)	(\$257)	(\$218)	(\$14)	(\$232)	\$23	\$1	\$25
43. SJV Disadvantaged Communities Balancing Account (SJVDCBA) - TTM subacct	\$0	\$0	\$0	\$141	\$9	\$150	\$141	\$9	\$150
<b>Total Regulatory Accounts</b>	<b>\$366,371</b>	<b>\$75,997</b>	<b>\$442,368</b>	<b>\$71,377</b>	<b>\$63,444</b>	<b>\$134,821</b>	<b>(\$294,994)</b>	<b>(\$12,553)</b>	<b>(\$307,547)</b>

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. 5530**

**Southern California Gas Company**  
**Gas Price Forecast - 2020**

**ATTACHMENT C**  
**Advice No. 5530**

**SOUTHERN CALIFORNIA GAS COMPANY**  
**GAS PRICE FORECAST - 2020**

Jan	\$3.15
Feb	\$2.82
Mar	\$2.20
Apr	\$1.82
May	\$1.79
June	\$1.95
July	\$2.63
Aug	\$2.71
Sept	\$2.40
Oct	\$1.97
Nov	\$2.26
Dec	\$3.05

---

---

Total (average)	\$2.39
-----------------	--------

---

---

Note 1/ the projected gas price of \$2.39/Dth is increased by the projected backbone transmission rate and brokerage fee to project the Citygate gas price of \$2.73/Dth.

**ATTACHMENT D**  
**Advice No. 5530**

**Southern California Gas Company**  
**Pension Balancing Account (PBA)**



**ATTACHMENT D  
Advice No. 5530**

**SOUTHERN CALIFORNIA GAS COMPANY  
PENSION BALANCING ACCOUNT (PBA)  
Year 2019**

(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	15,298	6,787	(59)	(8,239)	8,723	445	(7,834)	8,809	576	(7,657)	16,886	8,714	15,298
1a	Prior Period Adjustment			989										989
1b	Adjusted Beginning Balance	15,298	6,787	931	(8,239)	8,723	445	(7,834)	8,809	576	(7,657)	16,886	8,714	16,287
2	Recorded Cost	(1,220)	461	(1,850)	24,274	(974)	(958)	23,956	(928)	(912)	31,848	(882)	31,772	104,586
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):	(7,232)	(5,551)	(7,862)	18,262	(6,986)	(6,970)	17,944	(6,941)	(6,924)	25,836	(6,895)	25,760	32,441
5	Amortization	1,302	1,302	1,302	1,302	1,302	1,302	1,302	1,302	1,302	1,302	1,302	1,302	15,620
6	Current Month Adjustment (4-5):	(8,534)	(6,853)	(9,164)	16,961	(8,287)	(8,272)	16,642	(8,242)	(8,226)	24,534	(8,196)	24,458	48,061
7	Current Month Interest**:	23	7	(6)	2	9	(8)	1	9	(7)	9	24	39	103
8	Total Current Month Activity (6+7):	(8,510)	(6,846)	(9,170)	16,963	(8,278)	(8,280)	16,643	(8,234)	(8,232)	24,543	(8,172)	24,498	16,925
9	Ending Balance (1b+8):	6,787	(59)	(8,239)	8,723	445	(7,834)	8,809	576	(7,657)	16,886	8,714	33,212	33,212

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

<b>Interest Assumption:</b>	2.52%	2.55%	2.49%	2.49%	2.47%	2.44%	2.31%	2.19%	2.27%	2.25%	2.25%	2.25%
-----------------------------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

**Supporting Calculation - 2019 Net Pension Revenue/Costs**

	Authorized Cost	Recorded Cost
Gross Revenue/costs	87,936	115,143
Less: Amount capitalized	(17,763)	(18,393)
Less: Billings to SDG&E/Unregulated Affiliates	(1,052)	(1,737)
Plus: Billings from SDG&E	1,898	1,269
Depreciation/Return 1/	1,126	8,304
Net Costs	<u>\$72,145</u>	<u>\$104,586</u>

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

**ATTACHMENT E**  
**Advice No. 5530**

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

**ATTACHMENT E  
Advice No. 5530**

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

**Year 2019**

(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	(3,722)	(3,871)	(4,019)	(3,935)	(3,804)	(3,855)	(3,912)	(3,967)	(4,018)	(4,068)	(4,115)	(4,160)	(3,722)
1a	Prior Period Adjustment			185										185
1b	Adjusted Beginning Balance	(3,722)	(3,871)	(3,834)	(3,935)	(3,804)	(3,855)	(3,912)	(3,967)	(4,018)	(4,068)	(4,115)	(4,160)	(3,537)
2	Recorded Cost	(305)	(303)	(258)	(25)	(207)	(213)	(211)	(208)	(206)	(203)	(201)	(198)	(2,539)
3	Authorized Cost	146	146	146	146	146	146	146	146	146	146	146	146	1,756
4	Net position (2-3):	(452)	(450)	(404)	(172)	(353)	(359)	(357)	(355)	(352)	(350)	(347)	(345)	(4,295)
5	Amortization	(310)	(310)	(310)	(310)	(310)	(310)	(310)	(310)	(310)	(310)	(310)	(310)	(3,721)
6	Current Month Adjustment (4-5):	(142)	(139)	(94)	139	(43)	(49)	(47)	(45)	(42)	(39)	(37)	(35)	(8,016)
7	Current Month Interest**:	(8)	(8)	(7)	(7)	(8)	(8)	(8)	(7)	(8)	(8)	(8)	(8)	(92)
8	Total Current Month Activity (6+7):	(150)	(148)	(101)	131	(51)	(57)	(55)	(52)	(49)	(47)	(45)	(42)	(666)
9	Ending Balance (1b+8):	(3,871)	(4,019)	(3,935)	(3,804)	(3,855)	(3,912)	(3,967)	(4,018)	(4,068)	(4,115)	(4,160)	(4,202)	(4,202)

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

<b>Interest Assumption:</b>	2.52%	2.55%	2.49%	2.49%	2.47%	2.44%	2.31%	2.19%	2.27%	2.25%	2.25%	2.25%
-----------------------------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

**Supporting Calculation - 2019 Net PBOP Revenue/Costs**

	Authorized Cost	Recorded Cost
Gross Revenue/costs	1,626	0
Lees: Amount capitalized	(329)	(3,120)
Less: Billings to SDG&E/Unregulated Affiliates	(168)	(295)
Plus: Billings from SDG&E	576	167
Depreciation/Return 1/	51	709
Net Costs	<u>\$1,756</u>	<u>(\$2,539)</u>

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

**ATTACHMENT F**  
**Advice No. 5530**

**Southern California Gas Company**  
**Pension Plan**  
**Based on 2019 Draft Actuarial Results**  
**Development of 2019 Minimum Required Contribution**

**ATTACHMENT F**  
**Advice No. 5530**

**Southern California Gas Company**  
**Pension Plan**  
**Based on 2019 Draft Actuarial Results**  
**Development of 2019 Minimum Required Contribution**

1. 2019 Funding target liability	\$1,662,208,542	
[ Net Effective Interest Rate ]		5.62%
2. 2019 Plan Actuarial Value of Assets	\$1,458,710,442	
3. Funding shortfall [MAX [(1) - (2),0] ]	\$203,498,100	
4. Excess assets [MAX [(2) - (1),0] ]	\$0	
5. 2019 Plan Normal Cost		\$71,556,467
[includes estimated plan expenses of \$9,500,000]		
6. 2013 shortfall amortization charge (amortized through 2019) *		0
7. 2014 shortfall amortization charge (amortized through 2020) *		0
8. 2015 shortfall amortization charge (amortized through 2021) *		0
9. 2016 shortfall amortization charge (amortized through 2022) *		2,999,907
10. 2017 shortfall amortization charge (amortized through 2023) *		15,564,302
11. 2018 shortfall amortization charge (amortized through 2024) *		13,486,045
12. Funding shortfall base *		
(a) Present value of 2013 shortfall amortization charge	0	
[based on amortization over 1 years at 3.74%]		
(b) Present value of 2014 shortfall amortization charge	0	
[based on amortization over 2 years at 3.74%]		
(c) Present value of 2015 shortfall amortization charge	0	
[based on amortization over 3 years at 3.74%]		
(d) Present value of 2016 shortfall amortization charge	11,366,168	
[based on amortization over 4 years at 3.74%]		
(e) Present value of 2017 shortfall amortization charge	72,409,024	
[based on amortization over 5 years at 3.74%]		
(f) Present value of 2018 shortfall amortization charge	73,132,664	
[based on amortization over first 5 years at 3.74% and next year at 5.35%]		
(g) 2019 funding shortfall base		
[ ( 3 ) - ( 12(a) ) - ( 12(b) ) - ( 12(c) ) - ( 12(d) ) - ( 12(e) ) - ( 12(f) ) ]	\$46,590,244	
13. 2019 Amortization factor		
[based on amortization of shortfall over 7 years, assuming		
a 3.74% rate for the first 5 years and 5.35% rate for the final 2 years]	0.16248776	
14. 2019 funding shortfall to be amortized in 2019 - 2025 [ 12(g) x (13) ]		\$7,570,344
<b>15. 2018 Minimum required contribution *</b>		<b>\$111,177,065</b>
<b>[ ( 5 ) + ( 6 ) + ( 7 ) + ( 8 ) + ( 9 ) + ( 10 ) + ( 11 ) + ( 14 ) , amount as of 1/1/2018 ]</b>		

**Timing of 2019 Minimum Required Contribution**

Funding

First quarterly contribution deposited on April 1, 2019	\$24,900,000
Second quarterly contribution deposited on July 1, 2019	\$24,900,000
Third quarterly contribution estimated to be deposited on October 1, 2019	\$33,600,000
Final 2019 contribution estimated to be deposited on December 13, 2019	\$31,743,414
<b>Sum of payments made for the 2019 Plan Year</b>	<b>\$115,143,414</b>
<b>1/1/2019 Present value of 2019 Plan Year contributions</b>	<b>\$111,177,065</b>

\* 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. 5530**

**Southern California Gas Company**  
**Postretirement Welfare Plans**

**ATTACHMENT G**  
**Advice No. 5530**

**Southern California Gas Company**  
**Postretirement Welfare Plans**

**Development of 2019 Contribution**  
**Based on Final Actuarial Results**

1. 2019 APBO	\$644,147,674	
2. Discount rate	4.30%	
3. 2019 Fair Value of Assets	\$915,665,188	
4. 2019 Plan Service Cost		\$12,152,135
5. Interest cost		26,936,653
6. Expected return on assets [ based on expected return of 6.38% on assets ]		(57,556,482)
7. Transition obligation amortization		0
8. Prior service cost amortization		(2,519,070)
9. Unrecognized (gain)/loss amortization		(8,104,766)
10. Special Termination Benefits		0
<b>11. Net periodic benefit cost</b>		<b>(\$29,091,530)</b>

**Timing of Estimated 2019 Contribution**

Funding

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

**ATTACHMENT H**  
**Advice No. 5530**

**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. 5530**

Table A: Forecast Revenue Requirement

Line	Description	2018		2019		2020	
		Forecast	Recorded	Forecast	Recorded	Forecast	Recorded
1	Gross Throughput (MMcf)	786,491		785,595		780,808	
2	Throughput to Covered Entities (MMcf)	(377,784)		(372,109)		(388,733)	
3	Net Throughput to End Users (MMcf) (Line 1 + Line 2)	408,707		413,486		392,076	
4	Lost and Unaccounted for Gas (MMcf)	6,654		6,646		6,606	
5	<b>Total Supplied Gas (MMcf)</b> (Line 3 + Line 4)	<b>415,361</b>		<b>420,132</b>		<b>398,681</b>	
6	Emissions Conversion Factor (MTCO <sub>2</sub> e/MMcf)	54.64		54.64		54.64	
7	Compliance Obligation for End Users and LUAF (MTCO <sub>2</sub> e) (Line 5 * Line 6)	22,697,124		22,957,855		21,785,687	
8	Compliance Obligation for Company Facilities (MTCO <sub>2</sub> e)	197,000		188,000		110,000	
9	<b>Gross Compliance Obligation (MTCO<sub>2</sub>e)</b> (Line 7 + Line 8)	<b>22,894,124</b>		<b>23,145,855</b>		<b>21,895,687</b>	
10	Directly Allocated Allowances	(20,684,105)		(20,241,540)		(19,822,267)	
11	Percentage Consigned to Auction	40%		45%		50%	
12	Consigned Allowances (Line 10 * Line 11)	8,273,642		9,108,693		9,911,133	
13	<b>Net Compliance Obligation (MTCO<sub>2</sub>e)</b> (Line 9 + Line 10+ Line 12)	<b>10,483,661</b>		<b>12,013,008</b>		<b>11,984,553</b>	
14	Proxy GHG Allowance Price	\$ 15.05		\$ 16.41		\$ 18.16	
15a	Compliance Instrument Cost	\$ 157,737,159	\$ 121,168,798	\$ 197,133,460	\$ 91,863,064	\$ 217,615,521	
15b	Compliance Instrument Cost (2018 Amortization) 1/			\$ 105,158,106		\$ 105,158,106	
16	Interest		\$ 5,273,389		\$ 1,479,218		
17	Franchise Fees & Uncollectibles	\$ 2,739,966		\$ 5,250,942		\$ 5,606,725	
18	<b>Revenue Requirement</b> (Line 15 + Line 16 + Line 17)	<b>\$ 160,477,125</b>	<b>\$ 126,442,187</b>	<b>\$ 307,542,508</b>	<b>\$ 93,342,282</b>	<b>\$ 328,380,352</b>	
19	Previous Year's Cost Balancing Subaccount Balance w/ FFU	\$ -		\$ -		\$ (51,772,715)	
20	<b>Revenue Requirement to be Included in Rates</b> (Line 18 + Line 19)	<b>\$ 160,477,125</b>	<b>\$ 126,442,187</b>	<b>\$ 307,542,508</b>	<b>\$ 93,342,282</b>	<b>\$ 276,607,638</b>	
21	Covered Entity Rate Impact (\$/therm)	\$ 0.00061		\$ 0.00098		\$ 0.00104	
22	Non-Covered Entity Rate Impact (\$/therm)	\$ 0.02472		\$ 0.04657		\$ 0.03999	

**Supporting Information:**

FF&U %	1.737%	1.737%	1.737%
LUAF %	0.846%	0.846%	0.846%
System Throughput	9,417,004	9,417,004	9,417,004
Non-Covered Entity Throughput	4,199,524	4,197,284	4,103,500

**Revenue Requirement to be Included in Rates w/FFU**

End-User Revenue Requirement w/FFU	\$ 151,896,005	\$ 191,355,885	\$ 212,695,346
LUAF Revenue Requirement w/FFU	\$ 5,565,571	\$ 6,063,204	\$ 6,668,181
Company Facilities Revenue Requirement w/FFU	\$ 3,015,549	\$ 3,138,669	\$ 2,032,075
End-User Revenue Requirement w/FFU (2018 Amortization)		\$ 101,264,004	\$ 101,264,004
LUAF Revenue Requirement w/FFU (2018 Amortization)		\$ 3,710,380	\$ 3,710,380
Company Facilities Revenue Requirement w/FFU (2018 Amortization)		\$ 2,010,366	\$ 2,010,366
<b>Total Revenue Requirement w/FFU</b>	<b>\$ 160,477,125</b>	<b>\$ 307,542,508</b>	<b>\$ 328,380,352</b>

**Cost Balancing Account Balances w/FFU**

End-User w/ FFU	\$ -	\$ -	\$ (52,893,690)
LUAF w/ FFU	\$ -	\$ -	\$ 2,200,938
Company Facilities w/ FFU	\$ -	\$ -	\$ (1,079,962)
<b>Total Balancing Accounts w/FFU</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (51,772,715)</b>
<b>Total GHG Costs in Rates w/ FFU</b>	<b>\$ 160,477,125</b>	<b>\$ 307,542,508</b>	<b>\$ 276,607,638</b>

**Revenue Requirement to be Included in Rates w/out FFU**

End-User Revenue Requirement w/out FFU	\$ 149,302,552	\$ 188,088,698	\$ 209,063,812
LUAF Revenue Requirement w/out FFU	\$ 5,470,545	\$ 5,959,682	\$ 6,554,330
Company Facilities Revenue Requirement w/out FFU	\$ 2,964,062	\$ 3,085,080	\$ 1,997,380
End-User Revenue Requirement w/o FFU (2018 Amortization)		\$ 99,535,035	\$ 99,535,035
LUAF Revenue Requirement w/o FFU (2018 Amortization)		\$ 3,647,030	\$ 3,647,030
Company Facilities Revenue Requirement w/o FFU (2018 Amortization)		\$ 1,976,041	\$ 1,976,041
<b>Total Revenue Requirement w/out FFU</b>	<b>\$ 157,737,159</b>	<b>\$ 302,291,566</b>	<b>\$ 322,773,627</b>

**Cost Balancing Account Balances w/o FFU**

End-User w/o FFU	\$ -	\$ -	\$ (51,990,590)
LUAF w/o FFU	\$ -	\$ -	\$ 2,163,359
Company Facilities w/o FFU	\$ -	\$ -	\$ (1,061,523)
<b>Total Balancing Accounts w/o FFU</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (50,888,754)</b>
<b>Total GHG Costs in Rates w/out FFU</b>	<b>\$ 157,737,159</b>	<b>\$ 302,291,566</b>	<b>\$ 271,884,873</b>

1/ Pursuant to D.18-03-017 and Advice No. 5426-G, 2018 revenue requirement is to be amortized over 18 months, beginning April 1, 2019 through September 30, 2020.

## Attachment H – Table A

SoCalGas Gross Compliance Obligation is calculated as the 2020 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 50%, which is the minimum consigned percentage required for 2020 by the Cap-and-Trade Program regulations. The Proxy GHG Allowance price is the 5-day average of forward prices for October 1-4 and October 7 on the Intercontinental Exchange (ICE) for a California Carbon Allowance (CCA) with December delivery in 2019.

The resulting 2020 Forecast Revenue Requirement is \$221.4 million (including FF&U). This is composed of \$212.7 million for end users, \$6.7 million for LUAF gas, and \$2.0 million for company facilities.

In addition, pursuant to Decision 18-03-017 and Advice No. 5426, the 2018 revenue requirement of \$107 million (including FF&U) is to be amortized over an 18-month period, beginning April 1, 2019 through September 30, 2020. This is composed of \$101.3 million for end users, \$3.7 million for LUAF gas, and \$2.0 million for company facilities.

SoCalGas also forecasts to amortize in 2020 rates a \$51.8 million GHGBA overcollected balance. As a result, the total impact is \$276.6 million (\$221.4 million + \$107 million - \$51.8 million).

**ATTACHMENT H  
Advice No. 5530**

Table C: GHG Allowance Proceeds

Line	Description	2018		2019		2020	
		Forecast	Recorded	Forecast 1/	Recorded 2/	Forecast	Recorded
1	Proxy GHG Allowance Price (\$/MT)	\$ 15.05		\$ 16.41		\$ 18.16	
2	Directly Allocated Allowances	20,684,105		20,241,540		19,822,267	
3	Percentage Consigned to Auction	40%		45%		50%	
4	Consigned Allowances	8,273,642		9,108,693		9,911,133	
5	Allowance Proceeds	\$ (124,485,218)	\$ (123,318,635)	\$ (149,473,652)	\$ (75,556,600)	\$ (179,966,353)	
6	Previous Year's Revenue Balancing Subaccount Balance	\$ -		\$ -		\$ (8,282,334)	
7	Interest		\$ (6,321,858)		\$ (639,852)		
8	<b>Subtotal Allowance Proceeds (\$)</b> (Line 5 + Line 6 + Line 7)	<b>\$ (124,485,218)</b>	<b>\$ (129,640,493)</b>	<b>\$ (149,473,652)</b>	<b>\$ (76,196,452)</b>	<b>\$ (188,248,687)</b>	
9	<b>Outreach and Admin Expenses (\$)</b> (from Table D)	<b>\$ 2,813,102</b>	<b>\$ 1,034,958</b>	<b>\$ 50,000</b>	<b>\$ 74,955</b>	<b>\$ -</b>	
10	<b>Net GHG Proceeds Available for Customer Returns (\$)</b> (Line 8 + Line 9)	<b>\$ (121,672,116)</b>	<b>\$ (128,605,535)</b>	<b>\$ (149,423,652)</b>	<b>\$ (76,121,497)</b>	<b>\$ (188,248,687)</b>	
11	Number of Residential Households	6,184,841		6,222,114		6,257,534	
12	<b>Per Household California Climate Credit (\$)</b> (Line 10 / Line 11)	<b>\$ (19.67)</b>		<b>\$ (24.01)</b>		<b>\$ (30.08)</b>	
<b>Effects of Netting</b>							
13	Net Revenue after Netting 2015-2017 Costs and Revenues	\$ (40,291,914)					
14	<b>Net GHG Proceeds Available for Customer Returns (\$)</b> (Line 10 + Line 13)	<b>\$ (161,964,030)</b>		<b>\$ (149,423,652)</b>		<b>\$ (188,248,687)</b>	
15	<b>Per Household California Climate Credit (\$)</b> (Line 14 / Line 11)	<b>\$ (26.19)</b>		<b>\$ (24.01)</b>		<b>\$ (30.08)</b>	

Note 1/ 2019 Forecasted Allowance Proceeds from AL 5368.

Note 2/ 2019 Recorded Compliance Instrument Costs include actual expenses for January through August.

## **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 50% of SoCalGas' directly allocated allowances for 2020, consistent with Table A. As a result, SoCalGas calculates Allowance Proceeds of \$180 million. There are no forecasted 2020 Outreach and Administrative Expenses per Table D. However, SoCalGas forecasts an overcollected balance in the GHGMA and an overcollected balance in the Consignment Revenues subaccount of the GHGBA totaling \$8.3 million, so in total, SoCalGas forecasts 2020 GHG Allowance Proceeds of \$188.2 million (rounded).

**ATTACHMENT H**  
**Advice No. 5530**

Table D: GHG Outreach and Administrative Expenses

Line	Description	2018		2019		2020	
		Forecast	Recorded	Forecast	Recorded 1/	Forecast	Recorded
1	Outreach Expenses						
2	Detail of Outreach Activity (\$)	\$ 2,000,000	\$ 910,366	\$ 50,000	\$ 48,027	\$ -	
3	<b>Subtotal Outreach (\$)</b>	\$ 2,000,000	\$ 910,366	\$ 50,000	\$ 48,027	\$ -	
4	Administrative Expenses						
5	Acquisition (\$)	\$ 350,492	\$ -	\$ -	\$ -	\$ -	
6	Billing (\$)	\$ -	\$ 79,838	\$ -	\$ -	\$ -	
7	Program Management (\$)	\$ 462,610	\$ -	\$ -	\$ 2,081	\$ -	
8	<b>Subtotal Administrative (\$)</b>	\$ 813,102	\$ 79,838	\$ -	\$ 2,081	\$ -	
9	Subtotal Outreach and Administrative (\$)	\$ 2,813,102	\$ 990,204	\$ 50,000	\$ 50,108	\$ -	
10	Interest (\$)		\$ 44,754		\$ 24,847		
11	<b>Total (\$)</b>	\$ 2,813,102	\$ 1,034,958	\$ 50,000	\$ 74,955	\$ -	

**Notes:**

Note 1/ Recorded costs for 2019 represent actual expenses from January through August 2019.

**ATTACHMENT H**  
**Advice No. 5530**

Table E: Compliance Obligation Over Time

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Natural Gas Fuel Supplier Compliance Obligation (MTCO<sub>2</sub>e)</b>	20,441,116	20,563,991	20,697,845	20,661,693	N/A	N/A
<b>Company Facility Compliance Obligation (MTCO<sub>2</sub>e)</b>	238,948	86,710	114,690	74,824	N/A	N/A

**ATTACHMENT I  
Advice No. 5530**

**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 ELVIA LIMA ORTIZ  
REGARDING CONFIDENTIALITY OF CERTAIN DATA/DOCUMENTS  
PURSUANT TO D.17-09-023**

I, Elvia Lima Ortiz, 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, 2020, 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 7th day of October 2019, at Los Angeles, California.



---

Elvia Lima Ortiz  
Gas Accounting & Reconciliation Manager



# ATTACHMENT A

## SoCalGas Request for Confidentiality on the following information in Appendix I of Advice Letter 5530

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"> <li>• Evidence Code, §1060</li> <li>• Civil Code, §3426 <i>et. seq.</i></li> </ul>	<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, 2020, 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 9th day of October 2019, 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 5530

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"> <li>• Evidence Code, §1060</li> <li>• Civil Code, §3426 <i>et. seq.</i></li> </ul>	<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>

**ADVICE LETTER (AL) SUSPENSION NOTICE**  
**ENERGY DIVISION**

Utility Name: SoCalGas  
Utility No./Type: U 904 G  
Advice Letter No.: 5530  
Date AL filed: October 15, 2019  
Utility Contact Person: Ray B. Ortiz  
Utility Phone No.: 213.244.3837

Date Utility Notified: 11/4/2019 via: e-mail  
[X] E-Mail to: ROrtiz@semprautilities.com

Fax No.: N/A  
ED Staff Contact: Belinda Gatti

**For Internal Purposes Only:**

Date Calendar Clerk Notified \_\_\_\_/\_\_\_\_/\_\_\_\_  
Date Commissioners/Advisors Notified \_\_\_\_/\_\_\_\_/\_\_\_\_

**[X] INITIAL SUSPENSION (up to 120 DAYS)**

This is to notify that the above-indicated AL is suspended for up to 60 days beginning 11/4/2019 for the following reason(s) below. If the AL requires a Commission resolution and the Commission's deliberation on the resolution prepared by Energy Division extends beyond the expiration of the initial suspension period, the advice letter will be automatically suspended for up to 180 days beyond the initial suspension period.

[ ] Section 455 Hearing is Required - A Commission resolution is required to address the advice letter.

[ ] Advice Letter Requests a Commission Order

[ X ] Advice Letter Requires Staff Review

Expected duration of initial suspension period: 60 days

---

**[ ] FURTHER SUSPENSION (up to 180 DAYS beyond initial suspension period)**

The AL requires a Commission resolution and the Commission's deliberation on the resolution prepared by Energy Division has extended beyond the expiration of the initial suspension period. The advice letter is suspended for up to 180 days beyond the initial suspension period.

---

If you have any questions regarding this matter, please contact Belinda Gatti at (415) 703-3272 or via email at [beg@cpuc.ca.gov](mailto:beg@cpuc.ca.gov).

cc: EDTariffUnit