

PUBLIC UTILITIES COMMISSION  
505 Van Ness Avenue  
San Francisco CA 94102-3298



**Southern California Gas Company**  
**GAS (Corp ID 904)**  
**Status of Advice Letter 5637G**  
**As of July 1, 2020**

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

Division Assigned: Energy

Date Filed: 06-01-2020

Date to Calendar: 06-03-2020

Authorizing Documents: D0707019

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>07-01-2020</b>

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)

AL Certificate Contact Information:

Ray Ortiz

213-244-3837

[ROrtiz@socalgas.com](mailto:ROrtiz@socalgas.com)

**PUBLIC UTILITIES COMMISSION**  
505 Van Ness Avenue  
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to  
**[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)**



**Ronald van der Leeden**  
Director  
Regulatory Affairs

555 W. Fifth Street, GT14D6  
Los Angeles, CA 90013-1011  
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May 29, 2020

Advice No. 5637  
(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 P.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.<sup>1</sup>

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

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<sup>1</sup> 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 5, 2019 by Advice No. 5452 and effective May 5, 2019.

### **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 residential allowances and ownership charges beyond the 5% threshold.<sup>2</sup> Non- Residential allowances changes were not beyond the 5% threshold and, therefore, are not being updated. The residential allowances and ownership charges should be revised as shown below:

<b>Factor</b>	<b>Current</b>	<b>Updated</b>	<b>% Change</b>	<b>Update Required based on &gt;5% threshold? (Yes/No)</b>	<b>Tariff Schedule</b>
Customer Financed	0.55%	0.74%	34.0%	Yes	Rule 02
Utility Financed	1.30%	1.49%	14.0%	Yes	Rule 02
Non-Residential Allowance Multiplier	3.4	3.5	5.0%	No	Rule 20
Residential Allowances					
Water Heat	\$606	\$643	6.0%	Yes	Rule 20
Space Heat	\$657	\$698	6.0%	Yes	Rule 20
Cooktop & Oven	\$107	\$114	6.0%	Yes	Rule 20
Dryer Stub	\$151	\$160	6.0%	Yes	Rule 20
Space Cooling	\$1,034	\$1,098	6.0%	Yes	Rule 20

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 P.3.c.(1)**

The Customer-financed monthly ownership charge is revised from 0.55% to 0.74% of the amount advanced.

The Utility-financed monthly ownership charge is revised from 1.30% to 1.49% of the additional cost.

<sup>2</sup> Per Rule No. 20, H. Special Conditions, 2. Periodic Review.

Rule No. 20, Section C.3

The Residential Allowance per Appliance is revised below:

<b>Residential</b>	<b>Residential Allowance \$/appliance</b>
Water Heating	<b>\$643</b>
Space Heating	<b>\$698</b>
Cooktop & Oven	<b>\$114</b>
Dryer Stub	<b>\$160</b>
Space Cooling	<b>\$1,098</b>

Rule No. 20, Section I, Definitions

For the purposes of calculating the Cost-of-Service Factor, the factor is revised from 15.65% to 17.91%.

For purposes of calculating the Ownership Charge, the per month factor is revised from 0.55% to 0.74%.

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 June 18, 2020. 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](mailto:EDTariffUnit@cpuc.ca.gov)). Due to the COVID-19 pandemic and the shelter at home orders, SoCalGas is currently unable to receive protests or comments to this advice letter via U.S. mail or fax. Please submit protests or comments to this advice letter via e-mail to the address shown below on the same date it is mailed or e-mailed 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 General Order (GO) 96-B. SoCalGas respectfully requests that this submittal be approved on July 1, 2020.

### **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](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 by e-mail at [Process\\_Office@cpuc.ca.gov](mailto:Process_Office@cpuc.ca.gov).

/s/ Ronald van der Leeden

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. 5637

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 57675-G	Rule No. 02, DESCRIPTION OF SERVICE, Sheet 8	Revised 55771-G
Revised 57676-G Revised 57677-G	Rule No. 20, GAS MAIN EXTENSIONS, Sheet 4 Rule No. 20, GAS MAIN EXTENSIONS, Sheet 12	Revised 56167-G Revised 56168-G
Revised 57678-G	Rule No. 20, GAS MAIN EXTENSIONS, Sheet 13	Revised 56169-G
Revised 57679-G	TABLE OF CONTENTS	Revised 57232-G
Revised 57680-G	TABLE OF CONTENTS	Revised 57598-G

Rule No. 02

Sheet 8

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	0.74% of the amount advanced
	Utility	1.49% of the additional cost

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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. 5637  
 DECISION NO. 07-07-019

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

(TO BE INSERTED BY CAL. PUC)  
 SUBMITTED May 29, 2020  
 EFFECTIVE Jul 1, 2020  
 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 .....	\$643
SPACE HEATING .....	\$698
COOKTOP & OVEN .....	\$114
DRYER STUB .....	\$160
SPACE COOLING .....	\$1,098

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.

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. 5637  
DECISION NO. 07-07-019

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

(TO BE INSERTED BY CAL. PUC)  
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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 17.91% 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. 5637  
DECISION NO. 07-07-019

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

(TO BE INSERTED BY CAL. PUC)  
SUBMITTED May 29, 2020  
EFFECTIVE Jul 1, 2020  
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 0.74% 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. 5637  
DECISION NO. 07-07-019

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ISSUED BY

**Dan Skopec**  
Vice President  
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

SUBMITTED May 29, 2020  
EFFECTIVE Jul 1, 2020  
RESOLUTION NO. \_\_\_\_\_

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(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 5637  
 DECISION NO. 07-07-019

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

(TO BE INSERTED BY CAL. PUC)  
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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.

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(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 5637  
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ISSUED BY  
**Dan Skopec**  
 Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
 SUBMITTED May 29, 2020  
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**ATTACHMENT B**

**Advice No. 5637**

**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

May, 2020 Rates	Residential	Core C&I	Gas A/C	Gas Engine	NGV	NonCore C&I Distribution	EG-D Tier 1	EG-D Tier 2
1 Allocated Base Margin in Transportation Rates	\$1,975,577,233	\$405,326,454	\$58,442	\$11,902,767	\$29,761,756	\$97,577,470	\$14,443,881	\$20,538,367
2 Non-Base Margin Items in Transportation Rates	\$406,821,533	\$121,739,005	\$30,953	(\$6,889,025)	\$21,286,507	\$52,195,893	\$6,466,087	\$4,617,605
3 Revenue Requirement in Transportation Rates	\$2,382,398,766	\$527,065,459	\$89,396	\$5,013,742	\$51,048,264	\$149,773,363	\$20,909,968	\$25,155,972
4 Items Not Used in Line Extension Rate:								
BBT Transmission Costs	\$51,823,326	\$20,747,233	\$8,347	\$447,191	\$3,584,671	\$18,522,318	\$1,773,575	\$4,872,491
Local Transmission Costs	\$29,264,681	\$8,761,321	\$1,944	\$72,483	\$1,096,351	\$5,913,931	\$559,734	\$1,516,145
<b>Core Storage</b>	\$82,989,304	\$16,268,816	\$8,842	\$494,435	\$983,962	\$0	\$0	\$0
Non-Base Margin items in Transport Rate	\$406,821,533	\$121,739,005	\$30,953	(\$6,889,025)	\$21,286,507	\$52,195,893	\$6,466,087	\$4,617,605
Items Not Used in Line Extension Rate	\$570,898,844	\$167,516,376	\$50,087	(\$5,874,916)	\$26,951,491	\$76,632,142	\$8,799,396	\$11,006,241
5 Line Extension Basis	\$1,811,499,922	\$359,549,083	\$39,309	\$10,888,658	\$24,096,772	\$73,141,221	\$12,110,572	\$14,149,731
6 Average Year Throughput Therms	2,346,352,645	992,705,676	416,286	22,301,608	178,769,207	919,734,701	88,448,999	242,993,392
7 <b>Line Extension Rate (\$ per Therm)</b>	<b>\$0.7720</b>	<b>\$0.3622</b>	<b>\$0.0944</b>	<b>\$0.4882</b>	<b>\$0.1348</b>	<b>\$0.0795</b>	<b>\$0.1369</b>	<b>\$0.0582</b>
8 No. Customers	5,714,531	203,514	4	712	378	563	273	8
9 Average therms/customer	411	4,878	104,071	31,322	472,934	1,632,305	323,736	28,905,236
10 Average Gross Transport rate\$/therm	\$1.015	\$0.531	\$0.215	\$0.225	\$0.286	\$0.163	\$0.236	\$0.104

	therms/ appliance v2/24/2017
Water Heat	149
Space Heat	162
Cooktop & Oven	26
Dryer Stub	37
Space Cooling	255
<b>2019 ROR</b>	
LACC factor	9.371%
O&M factor	4.770%
A&G factor	2.558%
FFU factor	0.242%
Property Tax Factor	0.815%
60-year replacement multiplier	1.0569

Authorized O&M, A&G and FFU factors based on authorized expenses from 2020 TCAP  
 LACC and Property Tax factors based on 7.34% authorized ROR per D.17-07-005  
 Source = SCG's 2019 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**

<b>7b</b>	<b>Line Extension Rate (\$ per Therm)</b>	<b>Net Revenue Line Extension Rate (\$ per Therm)</b>	<b>\$/therm</b>
	<i>see page 1 for details</i>	Residential	\$0.7720
		Non-Residential:	
		Core C/I	\$0.362
		NGV	\$0.135
		Gas A/C	\$0.094
		Gas Engine	\$0.488
		Noncore C/I	\$0.080
		EG Tier 1	\$0.137
		EG Tier 2	\$0.058

<b>8</b>	<b>Average UEC per End-Use/Customer in Therms</b>	<b>Residential</b>	<b>therms/ appliance v2/24/2017</b>	<b>cumulative therms</b>
		Water Heat	149	149
	Source: SoCalGas and SDG&E Analysis of 2009 Residential Appliance Saturation Study & 2009BCAP Decision & Gas Forecasting Dept.	Space Heat	162	311
		Cooktop & Oven	26	337
		Dryer Stub	37	375
		Space Cooling	255	

		<b>therms/ customer</b>
	Residential Therms/customer	411
	Core C/I	4,878
	NGV	472,934
	Gas A/C	104,071
	Gas Engine	31,322
	Noncore C/I	1,632,305
	EG Tier 1	323,736
	EG Tier 2	28,905,236

<b>9</b>	<b>Average Net Revenue per Customer Type</b>	<b>Residential</b>	<b>Annual Net revenue \$/appliance</b>	<b>cumulative net revenue \$'s</b>
	Line 7 * Line 8	Water Heat	\$115	\$115
		Space Heat	\$125	\$240
		Cooktop & Oven	\$20	\$260
		Dryer Stub	\$29	\$289
		Space Cooling	\$197	

		<b>Net revenue \$/customer</b>
	Residential \$/customer	\$317
	Core C/I	\$1,767
	NGV	\$63,748
	Gas A/C	\$9,827
	Gas Engine	\$15,293
	Noncore C/I	\$129,808
	EG Tier 1	\$44,326
	EG Tier 2	\$1,683,179

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

**10a Cost of Service Factor (Rule No. 20 Section I DEFINITIONS - COST-OF-SERVICE FACTOR and Rule No. 02 Section P.3.c.1)**

	2019 ROR	Current tariff	% Difference
LACC factor	9.371%	9.334%	0.4%
O&M factor	4.770%	3.629%	31.4%
A&G factor	2.558%	1.602%	59.7%
FFU factor	0.242%	0.212%	14.5%
60-year replacement multiplier	1.0569	1.0592	-0.2%
<b>Cost of Service Factor per year</b>	<b>17.91%</b>	<b>15.65%</b>	<b>14.4%</b>
<b>Cost of Service Factor per month</b>	<b>1.49%</b>	<b>1.30%</b>	<b>14.4%</b>

**10b Cost of Ownership Factor (Rule No. 20 Section I - OWNERSHIP CHARGE and Rule No. 02 Section P.3.c.1)**

	2019 ROR	Current tariff	% Difference
Property Tax	0.815%	0.79%	3%
O&M factor	4.770%	3.63%	31%
A&G factor	2.558%	1.60%	60%
FFU factor	0.242%	0.21%	15%
60-year replacement multiplier	1.0569	1.059	0%
<b>Cost of Ownership Factor per year</b>	<b>8.86%</b>	<b>6.60%</b>	<b>34%</b>
<b>Cost of Ownership Factor per month</b>	<b>0.74%</b>	<b>0.55%</b>	<b>34%</b>

**11a Residential Allowance per Appliance (Rule No. 20 Section C.3. RESIDENTIAL ALLOWANCES)**

Residential	Annual Net revenue \$/appliance	Cost of Service Factor	Residential Allowance \$/appliance	Current Tariff	% Difference
Water Heat	\$115	17.91%	\$643	\$606	6%
Space Heat	\$125	17.91%	\$698	\$657	6%
Cooktop & Oven	\$20	17.91%	\$114	\$107	6%
Dryer Stub	\$29	17.91%	\$160	\$151	6%
Space Cooling	\$197	17.91%	\$1,098	\$1,034	6%

**11b Residential Allowance Non-Refundable Discount Option (Rule No. 20 Section D.6.b NON-REFUNDABLE DISCOUNT OPTION)**

	Proposed	Current Tariff	% Difference
<b>Residential Non-Refundable Discount Option</b>	<b>50%</b>	<b>50%</b>	<b>0%</b>

**11c Multiplier (Rule No. 20 Section C.4. NON-RESIDENTIAL ALLOWANCES)**

	<b>Net Revenue \$/customer</b>	<b>Cost of Service Factor</b>	<b>Allowance \$/Customer</b>	<b>Number of Customers/ rate class</b>	<b>Total Allowances/ rate class \$000s</b>	<b>Revenue Requirement in Transportation Rates/ rate class \$000s</b>	<b>Allowance Multiplier per rate class</b>	<b>Current Tariff</b>	<b>% Difference</b>
Residential Multiplier	\$317	17.91%	\$1,770	5,714,531	\$10,116,834	\$2,382,399	<b>4.2</b>	n/a	<b>&gt;5%</b>
Core C/I	\$1,767	17.91%	\$9,867	203,514	\$2,008,004	\$527,065	3.8		
NGV	\$63,748	17.91%	\$356,019	378	\$134,575	\$51,048	2.6		
Gas A/C	\$9,827	17.91%	\$54,883	4	\$220	\$89	2.5		
Gas Engine	\$15,293	17.91%	\$85,408	712	\$60,811	\$5,014	12.1		
Noncore C/I	\$129,808	17.91%	\$724,949	563	\$408,478	\$149,773	2.7		
EG Tier 1	\$44,326	17.91%	\$247,554	273	\$67,635	\$20,910	3.2		
EG Tier 2	\$1,683,179	17.91%	\$9,400,188	8	\$79,023	\$25,156	3.1		
Non Residential Multiplier				205,453	\$2,758,745	\$779,056	<b>3.5</b>	<b>3.4</b>	<b>5%</b>