

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



Southern California Gas Company
GAS (Corp ID 904)
Status of Advice Letter 5806G
As of May 27, 2021

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

Division Assigned: Energy

Date Filed: 04-30-2021

Date to Calendar: 05-05-2021

Authorizing Documents: D0707019

Disposition:	Accepted
Effective Date:	06-01-2021

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Ray Ortiz

213-244-3837

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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



Joseph Mock
Director
Regulatory Affairs

555 W. Fifth Street, GT14D6
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Tel: 213.244.3718
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April 30, 2021

Advice No. 5806
(U 904 G)

Public Utilities Commission of the State of California

Subject: Revision of the 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 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.¹

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

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

multiplier. The last revision was submitted on May 29, 2020 by Advice No. 5637 and effective July 1, 2020.

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 Customer Financed ownership charges beyond the 5% threshold.² Utility Financed ownership charges, Non-Residential Allowance Multiplier, and the Residential Allowances were not beyond the 5% threshold and, therefore, are not being updated. The Customer Financed ownership charges should be revised as shown below:

Factor	Current	Updated	% Change	Update Required based on >5% threshold? (Yes/No)	Tariff Schedule
Customer Financed	0.74%	0.81%	9.0%	Yes	Rule 02/20
Utility Financed	1.49%	1.56%	4.0%	No	Rule 02/20
Cost of Service Factor	17.91%	18.66%	4.0%	No	Rule 20
Non-Residential Allowance Multiplier	3.4	3.3	-2.0%	No	Rule 20
Residential Allowances					
Water Heat	\$643	\$647	1.0%	No	Rule 20
Space Heat	\$698	\$702	1.0%	No	Rule 20
Cooktop & Oven	\$114	\$114	0.0%	No	Rule 20
Dryer Stub	\$160	\$161	1.0%	No	Rule 20
Space Cooling	\$1,098	\$1,105	1.0%	No	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 0.74% to 0.81% of the amount advanced.

Rule No. 20, Section I, Definitions

For purposes of calculating the Ownership Charge, the per month factor is revised from 0.74% to 0.81%.

² Per Rule No. 20, H. Special Conditions, 2. Periodic Review.

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 May 20, 2021. 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). 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

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 June 1, 2021.

Notice

A copy of this advice letter is being sent to SoCalGas' GO 96-B service list and the Commission's service list for A.14-11-004, 2016 General Rate Case. Address change requests to the GO 96-B service list should be directed by e-mail to Tariffs@socalgas.com or call 213-244-2837. For changes to all other service lists, please contact the Commission's Process Office at 415-703-2021 or by e-mail at Process_Office@cpuc.ca.gov.

/s/ Joseph Mock
Joseph Mock
Director - Regulatory Affairs

Attachments



ADVICE LETTER SUMMARY

ENERGY UTILITY



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

Company name/CPUC Utility No.:

Utility type:

ELC GAS WATER
 PLC HEAT

Contact Person:

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

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #:

Tier Designation:

Subject of AL:

Keywords (choose from CPUC listing):

AL Type: Monthly Quarterly Annual One-Time Other:

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

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

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

Confidential treatment requested? Yes No

If yes, specification of confidential information:

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

Resolution required? Yes No

Requested effective date:

No. of tariff sheets:

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected:

Service affected and changes proposed¹:

Pending advice letters that revise the same tariff sheets:

¹Discuss in AL if more space is needed.

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

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

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

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

ATTACHMENT A
Advice No. 5806

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 58811-G	Rule No. 02, DESCRIPTION OF SERVICE, Sheet 8	Revised 57675-G
Revised 58812-G	Rule No. 20, GAS MAIN EXTENSIONS, Sheet 13	Revised 58274-G
Revised 58813-G	TABLE OF CONTENTS	Revised 58583-G
Revised 58814-G	TABLE OF CONTENTS	Revised 58796-G

Rule No. 02

DESCRIPTION OF SERVICE

(Continued)

P. Special Facilities (Continued)

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

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

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

<u>Type of Facility</u>	<u>Financing</u>	<u>Monthly Charge</u>
Distribution	Customer	0.81% of the amount advanced
	Utility	1.49% of the additional cost

I

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

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

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5806
 DECISION NO. 07-07-019

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED Apr 30, 2021
 EFFECTIVE Jun 1, 2021
 RESOLUTION NO. _____

Rule No. 20
GAS MAIN EXTENSIONS

Sheet 13

(Continued)

I. DEFINITIONS (Continued)

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.

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 0.81% 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.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 5806
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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5806
 DECISION NO. 07-07-019

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Apr 30, 2021
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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)

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ATTACHMENT B

Advice No. 5806

**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

January, 2021 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	\$2,062,746,292	\$422,418,223	\$60,186	\$12,423,538	\$30,718,117	\$100,769,950	\$14,997,930	\$21,130,079
2 Non-Base Margin Items in Transportation Rates	\$439,863,055	\$152,613,328	\$32,595	(\$8,012,881)	\$21,974,116	\$56,572,883	\$5,104,837	\$8,973,282
3 Revenue Requirement in Transportation Rates	\$2,502,609,347	\$575,031,551	\$92,781	\$4,410,657	\$52,692,233	\$157,342,833	\$20,102,767	\$30,103,361
4 Items Not Used in Line Extension Rate:								
BBT Transmission Costs	\$51,817,088	\$20,744,736	\$8,346	\$447,137	\$3,584,239	\$18,520,088	\$1,773,361	\$4,871,904
Local Transmission Costs	\$29,261,159	\$8,760,267	\$1,944	\$72,474	\$1,096,219	\$5,913,219	\$559,667	\$1,515,963
Core Storage	\$82,979,316	\$16,266,858	\$8,841	\$494,376	\$983,844	\$0	\$0	\$0
Non-Base Margin items in Transport Rate	\$439,863,055	\$152,613,328	\$32,595	(\$8,012,881)	\$21,974,116	\$56,572,883	\$5,104,837	\$8,973,282
Items Not Used in Line Extension Rate	\$603,920,617	\$198,385,188	\$51,726	(\$6,998,894)	\$27,638,418	\$81,006,191	\$7,437,865	\$15,361,149
5 Line Extension Basis	\$1,898,688,730	\$376,646,363	\$41,055	\$11,409,551	\$25,053,815	\$76,336,642	\$12,664,901	\$14,742,212
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 Line Extension Rate (\$ per Therm)	\$0.8092	\$0.3794	\$0.0986	\$0.5116	\$0.1401	\$0.0830	\$0.1432	\$0.0607
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	\$1.067	\$0.579	\$0.223	\$0.198	\$0.295	\$0.171	\$0.227	\$0.124

	therms/ appliance V2/24/2017
Water Heat	149
Space Heat	162
Cooktop & Oven	26
Dryer Stub	37
Space Cooling	255
	2020 ROR
LACC factor	9.314%
O&M factor	3.946%
A&G factor	3.926%
FFU factor	0.490%
Property Tax Factor	0.812%
60-year replacement multiplier	1.0558

Attachment B part 2. SoCalGas Allowances - Calculation of Net Revenue

Residential per AL 4528 non-residential per rates effective 1/1/2014

Line	Line Extension Rate (\$ per Therm)	Net Revenue Line Extension Rate (\$ per Therm)	\$/therm	
7b	see page 1 for details	Residential	\$0.8092	
		Non-Residential:		
		Core C/I	\$0.379	
		NGV	\$0.140	
		Gas A/C	\$0.099	
		Gas Engine	\$0.512	
		Noncore C/I	\$0.083	
		EG Tier 1	\$0.143	
		EG Tier 2	\$0.061	
<hr/>				
8	Average UEC per End-Use/Customer in Therms	Residential	therms/ appliance V2/24/2017	cumulative therms
		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	
			therms/ customer	
		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	
<hr/>				
9	Average Net Revenue per Customer Type	Residential	Annual Net revenue \$/appliance	cumulative net revenue \$'s
	Line 7 * Line 8	Water Heat	\$121	\$121
		Space Heat	\$131	\$252
		Cooktop & Oven	\$21	\$273
		Dryer Stub	\$30	\$303
		Space Cooling	\$206	
			Net revenue \$/customer	
		Residential \$/customer	\$332	
		Core C/I	\$1,851	
		NGV	\$66,280	
		Gas A/C	\$10,264	
		Gas Engine	\$16,025	
		Noncore C/I	\$135,479	
		EG Tier 1	\$46,355	
		EG Tier 2	\$1,753,657	

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

	2020 ROR	Current tariff	% Difference
LACC factor	9.314%	9.371%	-0.6%
O&M factor	3.946%	4.770%	-17.3%
A&G factor	3.926%	2.558%	53.4%
FFU factor	0.490%	0.242%	102.1%
60-year replacement multiplier	1.0558	1.0569	-0.1%
Cost of Service Factor per year	18.66%	17.91%	4.2%
Cost of Service Factor per month	1.56%	1.49%	4.2%

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

	2020 ROR	Current tariff	% Difference
Property Tax	0.812%	0.81%	0%
O&M factor	3.946%	4.77%	-17%
A&G factor	3.926%	2.56%	53%
FFU factor	0.490%	0.24%	102%
60-year replacement multiplier	1.0558	1.057	0%
Cost of Ownership Factor per year	9.69%	8.86%	9%
Cost of Ownership Factor per month	0.81%	0.74%	9%

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

Residential	Annual Net revenue \$/appliance	Cost of Service Factor	Residential Allowance \$/appliance	Current Tariff	% Difference
Water Heat	\$121	18.66%	\$647	\$643	1%
Space Heat	\$131	18.66%	\$702	\$698	1%
Cooktop & Oven	\$21	18.66%	\$114	\$114	0%
Dryer Stub	\$30	18.66%	\$161	\$160	1%
Space Cooling	\$206	18.66%	\$1,105	\$1,098	1%

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

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

11c Multiplier (Rule 20 Section C.4 ALLOWANCES)

	Net Revenue \$/customer	Cost of Service Factor	Allowance \$/Customer	Number of Customers/ rate class	Total Allowances/ rate class \$000s	Revenue Requirement in Rates/ rate class \$000s	Allowance Multiplier per rate class	Current Tariff	% Difference
Residential Multiplier	\$332	18.66%	\$1,780	5,714,531	\$10,174,279	\$2,502,609	4.1	n/a	>5%
Core C/I	\$1,851	18.66%	\$9,917	203,514	\$2,018,290	\$575,032	3.5		
NGV	\$66,280	18.66%	\$355,166	378	\$134,253	\$52,692	2.5		
Gas A/C	\$10,264	18.66%	\$54,999	4	\$220	\$93	2.4		
Gas Engine	\$16,025	18.66%	\$85,869	712	\$61,139	\$4,411	13.9		
Noncore C/I	\$135,479	18.66%	\$725,975	563	\$409,056	\$157,343	2.6		
EG Tier 1	\$46,355	18.66%	\$248,399	273	\$67,866	\$20,103	3.4		
EG Tier 2	\$1,753,657	18.66%	\$9,397,115	8	\$78,997	\$30,103	2.6		
Non Residential Multiplier				205,453	\$2,769,822	\$839,776	3.3	3.4	-2%

Tariff Rule 20 Section H.2 Periodic Review:

Utility will periodically review the factors it uses to determine its

- 1) residential allowances
- 2) non-refundable discount option percentage rate
- 3) Non-Residential Net Revenue Multiplier
- 4) cost-of-service factor

stated in this rule. If such review results in a change of more than five percent (5%), 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.

Additionally, Utility shall review and submit proposed tariff revisions to implement relevant Commission decisions from other proceedings that affect this Rule.