

REVISED

STATE OF CALIFORNIA

GAVIN NEWSOM, *Governor*

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



November 15, 2021

Advice Letter AL 5884-G, 5884-A, 5884-B

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

SUBJECT: Annual Regulatory Account Balance Update for Rates Effective January 1, 2022.

Dear Mr. van der Leeden:

Advice Letters 5884-G, 5884-A, 5884-B are effective as of January 1, 2022.

Sincerely,

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

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



Joseph Mock
Director
Regulatory Affairs

555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011
Tel: 213.244.3718
Fax: 213.244.4957
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October 15, 2021

Advice No. 5884
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Annual Regulatory Account Balance Update for Rates Effective
January 1, 2022**

Southern California Gas Company (SoCalGas) hereby submits for approval with the California Public Utilities Commission (Commission or CPUC) revisions to its revenue requirement and rates effective January 1, 2022.

Purpose

This submittal, made each year on or before October 15th, updates SoCalGas' revenue requirement for projected year-end regulatory account balances as authorized in Decision (D.) 20-02-045, *Decision Addressing San Diego Gas & Electric Company and Southern California Gas Company' Triennial Cost Allocation Proceeding Application*. This submittal revises SoCalGas' rates to incorporate the projected 2021 year-end regulatory account balances in transportation rates effective January 1, 2022. In compliance with D.11-04-032, this submittal also revises the Backbone Transportation Service (BTS) rate effective January 1, 2022.

Additionally, in compliance with D.16-10-004, this submittal revises SoCalGas' 2022 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, 2022.

SoCalGas also 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, 2017 PSEP Forecasted Revenue Requirement authorized in D.19-

03-025, and revenue requirement for the 2018 PSEP Reasonableness Review authorized in D.20-08-034. 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 1st. It should be noted that the revenue requirement herein does not include other revenue requirement adjustments¹ expected to be authorized by the Commission for implementation in transportation rates effective January 1, 2022. SoCalGas will submit an advice letter 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, 2022 effective date of such rates.

Customer Rate Impact – Regulatory Account Balances

Total

SoCalGas' transportation revenue requirement will decrease by \$141.3 million. The core and noncore customer revenue requirements will decrease by \$135.1 million and decrease by \$6.2 million, respectively, as a result of the regulatory account balance update.

Attachment A in this submittal shows the Natural Gas Transportation Rate Revenues table summarizing the change in the regulatory account balances and authorized CU Fuel and UAF Gas, the demand determinant for the BTS rate, the 2022 GHG revenue requirement, 2016 and 2018 PSEP Reasonableness Review revenue requirement for 2022, 2017 PSEP Forecasted Revenue Requirement for 2022, 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 (PBOP) Balancing Account (PBOPBA) balances to be included in 2022 rates. Attachments F and G show the supporting calculations of the minimum contributions made to the Pension and PBOP Trusts for 2021.

Core Customers

A \$135.1 million decrease in the core transportation revenue requirement reflects the amortization of the projected year-end 2021 regulatory account balances. The decrease is primarily due to a decrease in the undercollected balance of the General Rate Case Memorandum Account 2019 (GRCMA2019) and amortization of the net overcollected balance in Deployment Phase Cost and Post-Deployment Cost subaccounts of the Advanced Meter Infrastructure Balancing Account (AMIBA) partially offset by a change from a combined overcollected balance to a combined undercollected balance for the Company Facilities, End Users, and Lost &

¹ For example, see SoCalGas Advice No. (AL) 5874 – Low Carbon Fuel Standard (LCFS) Program Annual Credit and Revenue Estimates (2022).

Unaccounted For (LUAF) GHG Compliance Cost subaccounts of the Greenhouse Gas Balancing Account (GHGBA) and amortization of the undercollected balance of the Dairy Biomethane Program Balancing Account (DBPBA) as described below.

GRCMA2019 – Pursuant to AL 5745, SoCalGas was authorized to amortize in 2021 rates a GRCMA2019 undercollection of \$202.5 million (\$179.1 million in SoCalGas transportation rates, \$22.8 million in BTS rates and \$0.6 million allocated to SDG&E). SoCalGas projects the GRCMA2019 to have a residual balance as of December 31, 2021. As a result, SoCalGas' transportation revenue requirement will decrease by \$179.1 million. The core revenue requirement allocation of this decrease is \$163.6 million.

AMIBA – As discussed below in a separate section, SoCalGas is proposing to amortize in 2022 rates a net overcollection of \$77.8 million in the two subaccounts of the AMIBA. The total overcollected balance is allocated to the core revenue requirement.

DBPBA – Pursuant to AL 5398 and AL 5398-A, SoCalGas established the DBPBA to record the dairy biomethane project costs associated with biogas collection lines and facilities for treatment, monitoring, metering, and compression of biogas before it enters the collection lines. The balance in the DBPBA up to the bid amount will be amortized in connection with this submittal in rates effective January 1 of the subsequent year. As a result, SoCalGas' transportation revenue requirement will increase by \$45.5 million. The core revenue requirement allocation of this increase is \$42.2 million.

GHGBA – Pursuant to AL 5745, SoCalGas was authorized to amortize in 2021 rates a combined overcollection in the GHGBA's Company Facilities, End Users, and LUAF GHG Compliance Cost subaccounts of \$66.3 million. The projected combined balance for these three subaccounts within the GHGBA for amortization in 2022 rates is \$24.3 million undercollected, representing a revenue requirement increase of \$90.6 million. The core revenue requirement allocation of this increase is \$75.2 million.

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

² Amounts shown include franchise fees and uncollectibles (FF&U).

Description	Core Revenue Requirement Increase / (Decrease) (in millions of \$)
GRCMA2019	(163.6)
AMIBA	(77.8)
DBPBA	42.2
GHGBA	75.2
Other Regulatory Accounts - net	(11.1)
Total Core Revenue Requirement	(135.1)

Noncore Customers

A \$6.2 million decrease in the noncore transportation revenue requirement reflects the amortization of the projected year-end 2021 regulatory account balances. The reduction is primarily due to a decrease in the undercollected balances of the GRCMA2019 and Noncore Fixed Cost Account (NFCA) partially offset by changes from a combined overcollected balance to a combined undercollected balance for the three subaccounts of the GHGBA as described below.

GRCMA2019 – As discussed above, the transportation revenue requirement will decrease by \$179.1 million. The noncore revenue requirement allocation of this decrease is \$15.5 million.

NFCA – Pursuant to AL 5745, SoCalGas was authorized to amortize in 2021 rates a NFCA undercollection of \$8.7 million. The projected NFCA balance for amortization in 2022 rates is \$3.1 million undercollected, representing a revenue requirement decrease of \$5.6 million.

GHGBA – As discussed above, the transportation revenue requirement will increase by \$90.6 million. The noncore revenue requirement allocation of this increase is \$15.4 million.

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

³ Amounts shown include FF&U.

Description	Noncore Revenue Requirement Increase / (Decrease) (in millions of \$)
GRCMA2019	(15.5)
NFCA	(5.6)
GHGBA	15.4
Other Regulatory Accounts - net	(0.5)
Total Noncore Revenue Requirement	(6.2)

Revision to the BTS Rate

Pursuant to AL 5712-A, SoCalGas was authorized to amortize in 2021 rates a Backbone Transmission Balancing Account (BTBA) overcollection of \$37.2 million. As of December 31, 2021, the BTBA is projected to have an overcollected balance of \$37.2 million, representing a minimal BTS revenue requirement increase. Additionally, SoCalGas updated the BTS Demand pursuant to D.11-04-032. The calculation of the proposed BTS rate for 2022 is detailed below:

Update to BTS Rate

	Present	Proposed	increase (decrease)
Unbundled BTS Revenues w/FFU (\$000's)	\$240,854	\$240,854	\$0
PSRMA-BBT SCG w/o FFU \$000	\$380	\$0	(\$380)
PSRMA-BBT SDG&E w/o FFU \$000	\$0	\$0	\$0
SECCBA-BBT SCG w/o FFU \$000	\$20,615	\$23,674	\$3,059
SECCBA-BBT SDG&E w/o FFU \$000	\$918	\$918	\$0
SEEBBA-BBT SCG w/o FFU \$000	\$5,642	\$4,204	(\$1,438)
SEEBBA-BBT SDG&E w/o FFU \$000	\$135	\$135	\$0
SECCBA-BBT SCG - Phase 1b	\$563	\$565	\$2
SECCBA-BBT SDG&E - Phase 1b	\$0	\$0	\$0
SEEBBA-BBT SCG - Phase 1b	\$0	\$0	\$0
SEEBBA-BBT SDG&E - Phase 1b	\$0	\$0	\$0
SECCBA-BBT SCG - Phase 2	\$1,045	\$1,049	\$4
SECCBA-BBT SDG&E - Phase 2	\$0	\$0	\$0
SEEBBA-BBT SCG - Phase 2	\$0	\$0	\$0
SEEBBA-BBT SDG&E - Phase 2	\$0	\$0	\$0
TIMPBA-BBT SCG w/o FFU \$000	\$0	\$0	\$0
TIMPBA-BBT SDG&E w/o FFU \$000	\$0	\$0	\$0
BTBA w/o FFU (\$000's)	(\$37,244)	(\$37,225)	\$19
FFU Rate	1.0170	1.0170	0
Balancing Accounts w/ FFU (\$000's)	(\$8,082)	(\$6,794)	\$1,288
SCG PSEP GRC	\$80,408	\$80,408	\$0
SCG PSEP GRCMA	\$22,844	\$0	(\$22,844)
BTS Revenue w/FFU (\$000's)	\$336,024	\$314,468	(\$21,556)
BTS Demand Dth/Day	2,514,457	2,532,308	17,851
BTS rate w/FFU \$/dth day	\$0.36613	\$0.34023	(\$0.02590)

Revenue Requirement Change in CU Fuel and UAF Gas costs

Pursuant to D.20-02-045, 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 updates 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 \$4.90/MMBtu, an increase of \$1.37/MMBtu from the \$3.53/MMBtu authorized for rates effective January 1, 2021. Based on this updated gas price forecast, SoCalGas proposes to revise its authorized costs for Other CU Fuel and UAF Gas to \$46.6 million, an increase of \$13 million compared to the present revenue requirement as shown in the calculation below:

Revenue Requirement Change for Gas Price Impact

	<u>Present</u>	<u>Proposed</u>	<u>Increase</u>
<u>UnAccounted For Gas (UAF):</u>			
System Volumes Mth/yr	9,350,960	9,350,960	
% UAF (as % of end use)	0.937%	0.937%	
UAF Volumes Mth/yr	87,664	87,664	
Gas Price \$/dth	\$3.53	\$4.90	
UAF (M\$)	\$30,974	\$42,926	\$11,952
<u>Company Use Gas: Storage Load Balancing</u>			
Volumes Mth/yr	3,534	3,534	
Gas Price \$/dth	\$3.53	\$4.90	
Company Use Gas: Storage Load Balancing (M\$)	\$1,249	\$1,731	\$482
<u>Company Use Other:</u>			
Annual Average Volumes (Mth/year)	4,037	4,037	
Gas Price \$/th	\$3.53	\$4.90	
Co Use Other (M\$)	\$1,426	\$1,977	\$550
Total CU Fuel, UAF Gas Costs	\$33,649	\$46,633	\$12,984

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 to this submittal includes four of the requested tables, including a brief description of tables A and C. The Forecasted and Recorded data for 2020 and 2021 provided in the tables is for reference. Also, as required by D.15-10-032, Attachment I to this submittal includes Table B (Recorded GHG Costs) and SoCalGas' 2021 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>					
	2020		2021		2022	
	Forecast 1/	Recorded 1/	Forecast 2/	Recorded 3/	Forecast	Recorded
GHG Revenue Requirement	276.6	183.9	184.1	117.2	460.3	
GHG Allowance Proceeds:						
Allowance Proceeds	(188.2)	(168.7)	(166.2)	(95.7)	(335.1)	
Less: Outreach and Admin costs						
Add: SB1477 Compliance costs	24.6	36.9	24.6	12.3	24.6	
Net Allowance Proceeds	(163.6)	(131.8)	(141.6)	(83.4)	(310.5)	

Notes

1/ 2020 Forecast GHG Revenue Requirement and Allowance Proceeds from AL 5530. 2020 Recorded data updated with actual for entire year.

2/ 2021 Forecast Revenue Requirement from AL 5712-A.

3/ 2021 Recorded GHG Revenue Requirement and Allowance Proceeds includes actual data for January through August.

SoCalGas is requesting to include the 2022 GHG revenue requirement in rates effective January 1, 2022. In addition, SoCalGas is requesting to refund the 2022 Allowance Proceeds in April 2022.

2016 PSEP Reasonableness Review

Pursuant to Ordering Paragraph (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 2022 revenue requirement associated with the PSEP capital projects approved in D.19-02-004 in this submittal.

Pursuant to AL 5745, SoCalGas was authorized to incorporate in 2021 rates a revenue requirement of \$11.5 million. The revenue requirement associated with PSEP capital expenditures approved in the decision for 2022 is \$10.8 million (without FF&U), which represents a decrease in the revenue requirement of \$0.7 million (without FF&U). SoCalGas will continue to update rates in subsequent years'

submittals for these ongoing capital-related revenue requirements until the actual capital costs for these PSEP projects are incorporated into base rates in connection with SoCalGas' next General Rate Case (GRC) proceeding

2017 PSEP Forecasted Revenue Requirement

Pursuant to OP 20 of D.19-03-025, SoCalGas is required to submit a Tier 2 advice letter 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 2022 revenue requirement associated with forecasted capital expenditures approved in D.19-03-025 in this submittal.

Pursuant to AL 5745, SoCalGas was authorized to incorporate in 2021 rates a revenue requirement of \$22 million (without FF&U). The forecasted revenue requirement associated with SoCalGas' twelve pipeline projects for 2022 is \$26.5 million (without FF&U), which represents an increase in the revenue requirement of \$4.5 million (without FF&U).

2018 PSEP Revenue Requirement

D.20-08-034, *Decision Adopting Settlement Agreement Resolving the Application of Southern California Gas Company And San Diego Gas & Electric Company For Review of Costs Incurred In Executing Pipeline Safety Enhancement Plan*, adopted the Settlement Agreement approving the reasonableness of \$934.6 million of costs for PSEP projects in Application (A.) 18-11-010. Pursuant to OP 8 of D.20-08-034, SoCalGas submitted AL 5698⁴ incorporating in rates effective October 1, 2020 the revenue requirement based on fully loaded costs adjusted for ongoing capital-related costs through December 2020 associated with the PSEP project costs found reasonable by the decision. SoCalGas submitted AL 5870⁵ to remove this revenue requirement from rates effective October 1, 2021.

As discussed in D.20-08-034, future, ongoing capital-related costs incurred would be recovered on a concurrent basis from ratepayers over the remaining useful life of these PSEP [assets]. Pursuant to AL 5745, SoCalGas was authorized to incorporate in 2021 rates a revenue requirement of \$78 million. The revenue requirement associated with PSEP capital expenditures approved in the decision for 2022 is \$75.9 million (without FF&U), which represents a decrease in the revenue requirement of \$2.1 million (without FF&U). SoCalGas will continue to update rates in subsequent years' submittals for these ongoing capital-related revenue requirements until the actual capital costs for these PSEP projects are incorporated into base rates in connection with SoCalGas' next GRC proceeding.

⁴ AL 5698 was submitted September 28, 2020 and made effective October 1, 2020.

⁵ AL 5870 was submitted September 27, 2021 and made effective October 1, 2021.

AMIBA Amortization

Pursuant to D.10-04-027, SoCalGas submitted AL 4110 to establish the AMIBA to record the costs and corresponding revenue requirement associated with the Advanced Metering Infrastructure (AMI) Project. SoCalGas was authorized to deploy an AMI system by installing gas AMI meter modules and supporting communications network throughout its service territory. The total authorized cost for the AMI Project was \$1,050.7 million for a seven-year deployment period beginning in 2010.

In addition, D.10-04-027 approved the following sharing mechanism:

- To the extent actual program costs exceed the total cost of \$1,050.7 million by up to \$100 million, 50% of the costs that exceed \$1,050.7 million will be recovered in rates without any after-the-fact reasonableness review. The ratepayer portion of costs that exceed \$1,050.7 million will be recorded in and recovered through the AMIBA.
- To the extent actual program costs exceed the total cost of \$1,050.7 million by up to \$100 million, 50% of the costs that exceed \$1,050.7 million will be borne by SoCalGas' shareholders and will not be recovered in rates. The shareholder allocation of these costs will be removed from the AMIBA (i.e., reflected as a credit adjustment to the AMIBA for the revenue requirement associated with the cost overrun).
- To the extent actual program costs are below the total cost of \$1,050.7 million, then 10% of the difference between the \$1,050.7 million and the actual project cost will be awarded to SoCalGas' shareholders. This sharing mechanism will be applied to no more than the first \$100 million of expenditures that fall below the total cost of \$1,050.7 million. The shareholder allocation of the cost savings will be recorded as an adjustment to the AMIBA (i.e., reflected as a debit adjustment to the AMIBA for the revenue requirement associated with the cost underrun).
- Project costs that exceed \$1,150.7 million may be recoverable in rates to the extent approved by the Commission following a reasonableness review of the additional cost.

Pursuant to OP 8 of D.16-06-054, SoCalGas' Test-Year (TY) 2016 GRC, SoCalGas submitted AL 5134 to 1) extend the mechanism at least one year beyond the seven-year deployment period (2010-2017) through 2018, or until the associated costs and benefits are incorporated in a separate GRC, and 2) establish three separate subaccounts as follows: Deployment Phase Cost Subaccount to continue to record costs consistent with the AMIBA originally submitted in AL 4110; Post-Deployment Phase Cost Subaccount to record the difference between actual operating & maintenance (O&M) costs/benefits and capital-related costs associated with AMI assets placed in service during the post-deployment phase of the AMI Project and the corresponding revenue requirement; and Escalated Jurisdiction Cost Subaccount to record meter reading costs associated with cities and counties where the AMI network has not been deployed. The balances in the Deployment Phase Cost Subaccount and Post-Deployment Phase Cost Subaccount will be amortized in rates in connection with SoCalGas' Annual Regulatory Account Balance Update submittal.

Pursuant to D.16-06-054, SoCalGas' TY 2019 GRC, AMI Project costs and benefits were included in the GRC, and as such, SoCalGas discontinued recording costs in the Deployment Phase Cost Subaccount and Post-Deployment Phase Cost Subaccount.

As shown in the table below, based on its review and analysis of costs for the AMI Project, SoCalGas actual project expenditures totaled \$1,056 million resulting in a cost overrun of \$5.3 million compared to the total authorized AMI Project Funding of \$1,050.7 million.

Advanced Meter Infrastructure (AMI) Project Calculation of Ratepayer/Shareholder Mechanism	
	Amount (in \$ million)
Authorized AMI Project Funding	\$ 1,050.7
Actual Project Expenditures	1,056.0
Actual Project Expenditures above Authorized AMI Funding	\$ 5.3
Ratepayer portion (50%)	\$ 2.6
Shareholder portion (50%)	\$ 2.6

In compliance with the approved sharing mechanism described above, to the extent actual program costs exceed the total cost of \$1,050.7 million by up to \$100 million, 50% of the costs that exceed \$1,050.7 million will be borne by SoCalGas' shareholders and will not be recovered in rates. As a result, SoCalGas will credit the AMIBA for \$2.6 million. SoCalGas proposes to amortize the net overcollected balance of \$76.5 million (without FF&U) for the AMIBA in rates effective January 1, 2022 as shown in the table below.

Advanced Meter Infrastructure Balancing Account (AMIBA) Amounts exclude FF&U	
	Amount (in \$ million)
Deployment Phase Cost Subaccount - projected overcollected balance as of December 31, 2021	\$ (80.4)
add Shareholder allocation	(2.6)
Total balance	\$ (83.0)
Post-Deployment Phase Cost Subaccount - projected overcollected balance as of December 31, 2021	\$ 6.5
Net overcollected balance	\$ (76.5)

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, 2021. 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

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 AL via U.S. mail or fax. Please submit protests or comments to this AL via e-mail to the addresses shown below on the same date it is mailed or e-mailed to the Commission.

Attn: Ray Ortiz
Tariff Manager - GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile No.: (213) 244-4957
E-mail: ROrtiz@socalgas.com
E-mail: Tariffs@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 GO 96-B. This submittal is consistent with D.20-02-045. Therefore, SoCalGas respectfully requests that this submittal be approved on November 14, 2021, which is 30 calendar days from the date submitted, for implementation and inclusion in rates effective January 1, 2022.

Notice

A copy of this AL is being sent to SoCalGas' GO 96-B service list and the Commission's service lists in A.17-10-008, TY 2019 GRC and A.18-07-024, 2020 Triennial Cost Allocation Proceeding. Address change requests to the GO 96-B service list should be directed via e-mail to Tariffs@socalgas.com or call 213-244-2837. For changes to all other service lists, please contact the Commission's Process Office at 415-703-2021 or via e-mail at Process_Office@cpuc.ca.gov.

/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:
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. 5884

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

**ATTACHMENT A
Advice No. 5884**

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

	Present Rates			Proposed Rates			Changes			
	Oct-1-21 Volumes Mth	Average Rate \$/therm	Oct-1-21 Revenues \$000's	Jan-1-22 Volumes Mth	Proposed Rate \$/therm	Jan-1-22 Revenues \$000's	Revenue Change \$000's	Rate Change \$/therm	% Rate change %	
	A	B	C	D	E	F	G	H	I	
1	CORE									
2	Residential	2,346,353	\$1.02690	\$2,409,460	2,346,353	\$1.03607	\$2,430,979	\$21,520	\$0.00917	0.9%
3	Commercial & Industrial	992,706	\$0.55133	\$547,312	992,706	\$0.60442	\$600,015	\$52,703	\$0.05309	9.6%
4										
5	NGV - Pre SempraWide	178,769	\$0.27514	\$49,186	178,769	\$0.35583	\$63,612	\$14,426	\$0.08069	29.3%
6	SempraWide Adjustment	178,769	\$0.00292	\$523	178,769	\$0.00083	\$149	(\$374)	(\$0.00209)	-71.5%
7	NGV - Post SempraWide	178,769	\$0.27806	\$49,709	178,769	\$0.35667	\$63,761	\$14,052	\$0.07860	28.3%
8										
9	Gas A/C	416	\$0.20803	\$87	416	\$0.26178	\$109	\$22	\$0.05375	25.8%
10	Gas Engine	22,302	\$0.19777	\$4,411	22,302	\$0.26053	\$5,810	\$1,400	\$0.06276	31.7%
11	Total Core	3,540,545	\$0.85043	\$3,010,978	3,540,545	\$0.87576	\$3,100,675	\$89,697	\$0.02533	3.0%
12										
13	NONCORE COMMERCIAL & INDUSTRIAL									
14	Distribution Level Service	919,735	\$0.15064	\$138,551	919,735	\$0.17520	\$161,135	\$22,583	\$0.02455	16.3%
15	Transmission Level Service (2)	626,080	\$0.03314	\$20,748	626,080	\$0.03232	\$20,234	(\$515)	(\$0.00082)	-2.5%
16	Total Noncore C&I	1,545,814	\$0.10305	\$159,300	1,545,814	\$0.11733	\$181,368	\$22,068	\$0.01428	13.9%
17										
18	NONCORE ELECTRIC GENERATION									
19	Distribution Level Service									
20	Pre Sempra Wide	331,442	\$0.14353	\$47,572	331,442	\$0.16220	\$53,761	\$6,189	\$0.01867	13.0%
21	Sempra Wide Adjustment	331,442	(\$0.01192)	(\$3,951)	331,442	(\$0.01136)	(\$3,765)	\$187	\$0.00056	-4.7%
22	Distribution Level Post Sempra Wide	331,442	\$0.13161	\$43,621	331,442	\$0.15084	\$49,996	\$6,376	\$0.01924	14.6%
23	Transmission Level Service (2)	2,246,336	\$0.03190	\$71,660	2,246,336	\$0.03291	\$73,936	\$2,276	\$0.00101	3.2%
24	Total Electric Generation	2,577,778	\$0.04472	\$115,280	2,577,778	\$0.04808	\$123,932	\$8,652	\$0.00336	7.5%
25										
26	TOTAL RETAIL NONCORE	4,123,593	\$0.06659	\$274,580	4,123,593	\$0.07404	\$305,301	\$30,720	\$0.00745	11.2%
27										
28	WHOLESALE & INTERNATIONAL (excluding SDG&E)	359,267	\$0.02787	\$10,012	359,267	\$0.02741	\$9,847	(\$166)	(\$0.00046)	-1.7%
29										
30	OTHER SERVICES (SDG&E, UBS, & BTS)	1,118,614		\$367,236	1,118,614		\$346,171	(\$21,066)		
31	SYSTEM TOTAL w/BTS	9,142,019	\$0.40066	\$3,662,807	9,142,019	\$0.41151	\$3,761,993	\$99,186	\$0.01085	2.7%
32										
33	EOR Revenues	208,941	\$0.09096	\$19,004	208,941	\$0.08940	\$18,679	(\$326)	(\$0.00156)	-1.7%
34	Total Throughput w/EOR Mth/yr	9,350,960			9,350,960					

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. 5884

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

ATTACHMENT B
Advice No. 5884

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

Account Name	Authorized 10/01/2021 Amortization			Proposed 01/01/2022 Amortization			Proposed Change		
	Core	Noncore	Total System	Core	Noncore	Total System	Core	Noncore	Total System
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
REGULATORY ACCOUNTS									
1. Advanced Meter Infrastructure Balancing Account (AMIBA)	\$0	\$0	\$0	(\$77,775)	\$0	(\$77,775)	(\$77,775)	\$0	(\$77,775)
2. Affiliate Transfer Fee Account (ATFA)	(\$356)	(\$28)	(\$384)	(\$53)	(\$4)	(\$57)	\$304	\$24	\$327
3. Biogas Conditioning/Upgrading Services Balancing Account (BCSBA)	\$0	\$0	\$0	(\$45)	(\$4)	(\$49)	(\$45)	(\$4)	(\$49)
4. Biomethane Cost Incentive Pgm Balancing Acct (BCIPBA)	\$3,160	\$4,995	\$8,155	\$3,942	\$6,232	\$10,174	\$782	\$1,237	\$2,019
5. California Solar Initiative Thermal Memorandum Account (CSITPMA)	\$3,895	\$2,084	\$5,979	\$920	\$492	\$1,412	(\$2,976)	(\$1,592)	(\$4,568)
6. Company-Use Fuel for Load Balancing Account (CUFLBA)	(\$282)	(\$463)	(\$745)	(\$443)	(\$726)	(\$1,169)	(\$161)	(\$263)	(\$424)
7. Compression Services Balancing Account (CSBA)	(\$71)	\$0	(\$71)	(\$68)	\$0	(\$68)	\$3	\$0	\$3
8. Compressor Station Fuel and Power Balancing Account (CFPBA)	(\$1,024)	(\$1,207)	(\$2,231)	(\$653)	(\$770)	(\$1,423)	\$371	\$437	\$808
9. Core Fixed Cost Account - Non NGV (CFCA)	\$5,195	\$0	\$5,195	(\$28,140)	\$0	(\$28,140)	(\$34,913)	\$0	(\$34,913)
10. Core Fixed Cost Account - NGV (CFCA)	\$6,772	\$0	\$6,772	\$9,829	\$0	\$9,829	\$4,634	\$0	\$4,634
11. Core Fixed Cost Account - C&I Shortfall (CFCA)	\$21,063	\$0	\$21,063	\$28,772	\$0	\$28,772	\$7,709	\$0	\$7,709
12. Distributed Energy Resources Svcs Bal Account (DERSBA)	(\$126)	(\$10)	(\$136)	\$0	\$0	\$0	\$126	\$10	\$136
13. Diary Biomethane Program Balancing Account (DBPBA)	\$0	\$0	\$0	\$42,181	\$3,287	\$45,467	\$42,181	\$3,287	\$45,467
14. Economic Practicality Shortfall Memorandum Account (EPSMA)	\$0	\$497	\$497	\$0	\$396	\$396	\$0	(\$101)	(\$101)
15. Enhanced Oil Recovery Account (EORA)	(\$3,061)	(\$239)	(\$3,299)	\$2,348	\$183	\$2,531	\$5,409	\$421	\$5,831
16. General Rate Case Revenue Requirement Memorandum Account (GRCMA)	\$155,552	\$12,127	\$167,678	\$0	\$0	\$0	(\$155,552)	(\$12,127)	(\$167,678)
17. GRCMA PSEP Distribution	\$5,347	\$1,229	\$6,576	\$0	\$0	\$0	(\$5,347)	(\$1,229)	(\$6,576)
18. GRCMA PSEP Local Transmission	\$2,571	\$2,029	\$4,600	\$0	\$0	\$0	(\$2,571)	(\$2,029)	(\$4,600)
19. GRCMA Sub allocation for AB32 Admin Fees	\$142	\$101	\$244	\$0	\$0	\$0	(\$142)	(\$101)	(\$244)
20. Green House Gas Balancing Account (GHGBA) - Company Gas Compressor	(\$847)	(\$1,338)	(\$2,185)	\$43	\$67	\$110	\$889	\$1,406	\$2,295
21. Green House Gas Balancing Account (GHGBA) - End User	(\$46,939)	(\$7,797)	(\$54,735)	\$20,657	\$3,431	\$24,088	\$67,595	\$11,228	\$78,823
22. Green House Gas Balancing Account (GHGBA) - LUAF	(\$6,682)	(\$2,712)	(\$9,394)	\$68	\$28	\$96	\$6,750	\$2,740	\$9,490
23. Hazardous Substance Cost-Recovery Account (HSCRA)	\$1,085	\$1,715	\$2,801	\$110	\$174	\$284	(\$975)	(\$1,541)	(\$2,516)
24. Integrated Transmission Balancing Account (ITBA) Margin	\$3,732	\$4,399	\$8,131	\$81	\$95	\$176	(\$3,652)	(\$4,304)	(\$7,955)
25. Intervenor Award Memorandum Account (IAMA)	\$532	\$841	\$1,372	\$284	\$448	\$732	(\$248)	(\$392)	(\$640)
26. Liability Insurance Premium Balancing Account (LIPBA)	\$5,976	\$466	\$6,441	\$13,282	\$1,035	\$14,317	\$7,306	\$569	\$7,876
27. Master Meter Balancing Account (MMBA)	\$16,608	\$1,294	\$17,902	\$16,209	\$1,263	\$17,472	(\$399)	(\$31)	(\$430)
28. New Environmental Regulation Balancing Account (NERBA) - Admin Fees Subaccount	\$2,245	\$1,592	\$3,838	\$2,087	\$1,480	\$3,568	(\$158)	(\$112)	(\$270)
29. New Environmental Regulatory Balancing Account (NERBA) - Leak Detection & Repair (LDAR) sub-	\$0	\$0	\$0	\$1,837	\$143	\$1,980	\$1,837	\$143	\$1,980
30. New Environmental Regulatory Balancing Account (NERBA) - Natural Gas Leak Abatement Prgm sub-	\$0	\$0	\$0	(\$1,993)	(\$155)	(\$2,148)	(\$1,993)	(\$155)	(\$2,148)
31. Noncore Fixed Cost Account (NFCA) Margin	\$0	\$9,381	\$9,381	\$0	\$6,371	\$6,371	\$0	(\$3,009)	(\$3,009)
32. Noncore Fixed Cost Account (NFCA) Nonmargin	\$0	(\$695)	(\$695)	\$0	(\$3,276)	(\$3,276)	\$0	(\$2,580)	(\$2,580)
33. Noncore Storage Balancing Account (NSBA)	\$2,563	\$4,051	\$6,613	\$47	\$75	\$122	(\$2,515)	(\$3,976)	(\$6,491)
34. PBOP Balancing Account (PBOPBA)	(\$1,945)	(\$152)	(\$2,097)	(\$4,016)	(\$313)	(\$4,329)	(\$2,071)	(\$161)	(\$2,233)
35. Pension Balancing Account (PBA)	\$8,215	\$640	\$8,855	\$10,497	\$818	\$11,315	\$2,282	\$178	\$2,460
36. Pipeline Safety and Reliability Memo Acct (PSRMA) - Distribution	\$123	\$28	\$151	\$0	\$0	\$0	(\$123)	(\$28)	(\$151)
37. Pipeline Safety and Reliability Memo Acct (PSRMA) - Local Transmission	\$112	\$88	\$200	\$0	\$0	\$0	(\$112)	(\$88)	(\$200)
38. Residential Uncollectible Balancing Account (RUBA)	\$0	\$0	\$0	\$2,716	\$4,294	\$7,010	\$2,716	\$4,294	\$7,010
39. Research Royalty Memorandum Account (RRMA)	(\$92)	(\$7)	(\$100)	(\$149)	(\$12)	(\$161)	(\$57)	(\$4)	(\$61)
40. Rewards & Penalties Balancing Account (RPBA)	(\$291)	(\$23)	(\$315)	(\$248)	(\$19)	(\$267)	\$44	\$3	\$48
41. Safety Enhancement Capital Cost Balancing Account (SECCBA) - Distribution	\$53,599	\$12,302	\$65,901	\$58,997	\$13,541	\$72,538	\$5,398	\$1,239	\$6,637
42. Safety Enhancement Capital Cost Balancing Account (SECCBA) - Local Transmission	\$12,089	\$9,529	\$21,617	\$12,794	\$10,085	\$22,879	\$706	\$556	\$1,262
43. Safety Enhancement Expense Balancing Account (SEEBA) - Distribution	\$1,655	\$380	\$2,035	\$1,311	\$301	\$1,612	(\$344)	(\$79)	(\$423)
44. Safety Enhancement Expense Balancing Account (SEEBA) - Local Transmission	\$312	\$246	\$558	\$320	\$252	\$572	\$8	\$6	\$14
45. Self-Generation Program Memorandum Account (SGPMA)	\$6,894	\$9,378	\$16,272	\$6,894	\$9,378	\$16,272	\$0	\$0	\$0
46. System Operator Gas Account (SOGA)	(\$82)	(\$130)	(\$213)	(\$22)	(\$35)	(\$57)	\$60	\$95	\$155
47. System Reliability Memorandum Account (SRMA)	\$105	\$166	\$271	\$0	\$0	\$0	(\$105)	(\$166)	(\$271)
Total Regulatory Accounts	\$257,743	\$64,757	\$322,501	\$122,621	\$58,556	\$181,177	(\$135,123)	(\$6,201)	(\$141,324)

Note 1/ All amounts include FF&U.

Note 2/ Forecasted SoCalGas ITBA December 31, 2021 balance is on a combined and re-allocated basis.

ATTACHMENT C
Advice No. 5884

Southern California Gas Company
Gas Price Forecast - 2022

ATTACHMENT C
Advice No. 5884

SOUTHERN CALIFORNIA GAS COMPANY
GAS PRICE FORECAST - 2022

Jan	\$6.18
Feb	\$5.86
Mar	\$4.47
Apr	\$3.56
May	\$3.39
June	\$3.67
July	\$4.59
Aug	\$4.61
Sept	\$4.47
Oct	\$3.83
Nov	\$4.17
Dec	\$4.70

Total (average)	\$4.46
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Note 1/ the projected gas price of \$4.46/Dth is increased by the projected backbone transmission rate and brokerage fee to project the Citygate gas price of \$4.90/Dth.

ATTACHMENT D
Advice No. 5884

Southern California Gas Company
Pension Balancing Account (PBA)

**ATTACHMENT D
Advice No. 5884**

**SOUTHERN CALIFORNIA GAS COMPANY
PENSION BALANCING ACCOUNT (PBA)
Year 2021**

(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	9,411	(2,797)	(14,985)	(27,154)	(1,685)	(16,250)	(28,524)	(3,160)	(15,392)	(27,603)	(2,176)	(14,344)	9,411
1a	Prior Period Adjustment					(2,270)		(0)						(2,271)
1b	Adjusted Beginning Balance	9,411	(2,797)	(14,985)	(27,154)	(3,955)	(16,250)	(28,525)	(3,160)	(15,392)	(27,603)	(2,176)	(14,344)	7,140
2	Recorded Cost	(1,883)	(1,862)	(1,842)	35,795	(1,969)	(1,948)	35,690	(1,905)	(1,884)	35,754	(1,842)	35,796	127,900
3	Authorized Cost	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	115,196
4	Net position (2-3):	(11,482)	(11,462)	(11,442)	26,195	(11,569)	(11,547)	26,091	(11,505)	(11,484)	26,155	(11,442)	26,197	12,704
5	Amortization	726	726	726	726	726	726	726	726	726	726	726	726	8,708
6	Current Month Adjustment (4-5):	(12,208)	(12,188)	(12,167)	25,470	(12,295)	(12,273)	25,365	(12,231)	(12,210)	25,429	(12,167)	25,471	21,412
7	Current Month Interest**:	0	(1)	(1)	(1)	(1)	(1)	(1)	(0)	(2)	(2)	(1)	(0)	(10)
8	Total Current Month Activity (6+7):	(12,208)	(12,188)	(12,169)	25,469	(12,295)	(12,274)	25,364	(12,231)	(12,211)	25,427	(12,168)	25,471	3,987
9	Ending Balance (1b+8):	(2,797)	(14,985)	(27,154)	(1,685)	(16,250)	(28,524)	(3,160)	(15,392)	(27,603)	(2,176)	(14,344)	11,127	11,127

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

Interest Assumption: 0.13% 0.10% 0.08% 0.08% 0.06% 0.05% 0.05% 0.06% 0.09% 0.16% 0.16% 0.16%

Supporting Calculation - 2021 Net Pension Revenue/Costs

	Authorized Cost	Recorded Cost
Gross Revenue/costs	158,184	150,469
Less: Amount capitalized	(44,134)	(27,197)
Less: Billings to SDG&E/Unregulated Affiliates	(1,622)	(2,300)
Plus: Billings from SDG&E	0	1,000
Depreciation/Return 1/	2,768	5,928
Net Costs	<u>\$115,196</u>	<u>\$127,900</u>

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

ATTACHMENT E
Advice No. 5884

Southern California Gas Company
Post-Retirement Benefits Other
than Pensions Balancing Account (PBOPBA)

**ATTACHMENT E
Advice No. 5884**

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

Year 2021

(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	(2,095)	(2,246)	(2,394)	(2,538)	(2,679)	(3,201)	(3,363)	(3,521)	(3,675)	(3,826)	(3,973)	(4,117)	(2,095)
1a	Prior Period Adjustment				(357)									(357)
1b	Adjusted Beginning Balance	(2,095)	(2,246)	(2,394)	(2,538)	(3,036)	(3,201)	(3,363)	(3,521)	(3,675)	(3,826)	(3,973)	(4,117)	(2,452)
2	Recorded Cost	(317)	(314)	(310)	(307)	(331)	(327)	(324)	(320)	(317)	(313)	(309)	(306)	(3,795)
3	Authorized Cost	6	6	6	6	6	6	6	6	6	6	6	6	69
4	Net position (2-3):	(323)	(319)	(316)	(313)	(337)	(333)	(330)	(326)	(323)	(318)	(315)	(311)	(3,864)
5	Amortization	(172)	(172)	(172)	(172)	(172)	(172)	(172)	(172)	(172)	(172)	(172)	(172)	(2,062)
6	Current Month Adjustment (4-5):	(151)	(148)	(144)	(141)	(165)	(161)	(158)	(154)	(151)	(147)	(143)	(140)	(5,926)
7	Current Month Interest**:	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(1)	(1)	(1)	(3)
8	Total Current Month Activity (6+7):	(151)	(148)	(144)	(141)	(165)	(162)	(158)	(154)	(151)	(147)	(144)	(140)	(1,805)
9	Ending Balance (1b+8):	(2,246)	(2,394)	(2,538)	(2,679)	(3,201)	(3,363)	(3,521)	(3,675)	(3,826)	(3,973)	(4,117)	(4,257)	(4,257)

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

Interest Assumption:	0.13%	0.10%	0.08%	0.08%	0.06%	0.05%	0.05%	0.06%	0.09%	0.16%	0.16%	0.16%
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Supporting Calculation - 2021 Net PBOP Revenue/Costs

	Authorized Cost	Recorded Cost
Gross Revenue/costs	0	0
Lees: Amount capitalized	0	(4,546)
Less: Billings to SDG&E/Unregulated Affiliates	0	(384)
Plus: Billings from SDG&E	63	160
Depreciation/Return 1/	6	975
Net Costs	<u>\$69</u>	<u>(\$3,795)</u>

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

ATTACHMENT F
Advice No. 5884

Southern California Gas Company
Pension Plan
Based on 2021 Draft Actuarial Results
Development of 2021 Minimum Required Contribution

**ATTACHMENT F
Advice No. 5884**

**Southern California Gas Company Pension Plan
Development of Pension Plan Contribution
Based on 2021 Draft Actuarial Results**

I. Base Policy Amount **\$150,465,000**

II. Development of 2021 Minimum Required Contribution

1. 2021 Funding Target liability	\$1,637,291,269	
[Net Effective Interest Rate]	5.68%	
2. 2021 Plan Actuarial Value of Assets	\$1,796,003,253	
3. Funding shortfall [MAX [(II.1) - (II.2),0]]	\$0	
4. Excess assets [MAX [(II.2) - (II.1),0]]	\$158,711,984	
5. 2021 Plan Normal Cost		\$68,776,592
[includes estimated plan expenses of \$9,900,000]		
6. Funding shortfall base *		
(a) 2021 funding shortfall base		
[(II.3)]		\$0
7. 2021 Amortization factor		
[based on amortization of shortfall over 15 years, assuming		
at 4.75% rate for the first 5 years and 5.36% rate for the final 10 years]	0.09324	
8. 2021 funding shortfall to be amortized in 2021 - 2035 [II.6(a) x II.7]		\$0
9. 2021 Minimum required contribution		\$0
[If II.4 > 0, then Max (0, II.5 - II.4), otherwise (II.5 + II.8), amount as of 1/1/2021]		
10. Adjusted to end of year [II.9 x (1 + effective interest rate)]		\$0

III. Development of Contribution to maintain AVA at 85% of Funding Target

1. 2021 Funding Target liability	\$1,637,291,269	
2. 85% of 2021 Funding Target liability [III.1 x 85%]	\$1,391,697,579	
3. 2021 Plan Actuarial Value of Assets	\$1,796,003,253	
4. Contribution to maintain AVA at 85% of Funding Target [MAX[(III.3) - (III.2), 0]]		\$0
5. Adjusted to end of year [III.4 x (1 + effective interest rate)]		\$0

IV. 110% of Projected Benefit Obligation Cap

1. 110% of Projected Benefit Obligation at 12/31/2021	\$3,002,582,581	
2. Fair Value of Assets as 12/31/2021	\$2,049,694,300	
3. Maximum Contribution (end of year) [IV.1 - IV.2]		\$952,888,281

V. Final 2021 Contribution (Greater of I, II, or III, but no more than IV) **\$150,465,000**

2021 Contributions (Reflecting quarterly timing requirement) Funding

First quarterly contribution deposited on April 1, 2021	\$37,617,000
Second quarterly contribution deposited on July 1, 2021	\$37,617,000
Third quarterly contribution deposited on September 15, 2021	\$37,617,000
Final 2021 contribution estimated to be deposited on December 15, 2021	\$37,614,000
Sum of payments made for the 2021 Plan Year	\$150,465,000

* Under the American Rescue Plan Act (ARPA), all prior shortfall amortization bases are deemed fully amortized and a new shortfall amortization base for 2021 is established to the extent there is a funding shortfall. The 2021 base, if any, is amortized over 15 years. In addition, if there is no funding shortfall, the minimum funding requirement is equal to the target normal cost less the excess assets (but not less than \$0).

ATTACHMENT G
Advice No. 5884

Southern California Gas Company
Represented and Non-Represented Retiree Health and Welfare Programs
Development of 2021 Contribution
Based on 2021 Draft Actuarial Reports

ATTACHMENT G
Advice No. 5884

Southern California Gas Company
Represented and Non-Represented Retiree Health and Welfare Programs
Development of 2021 Contribution
Based on 2021 Draft Actuarial Reports

1.	2021 APBO	\$741,439,245	
2.	Discount rate	2.90%	
3.	2021 Fair Value of Assets	\$1,168,689,192	
4.	2021 Plan Service Cost		\$16,890,668
5.	Interest cost		21,504,462
6.	Expected return on assets		(48,123,415)
7.	Prior service cost amortization		(2,519,166)
8.	Unrecognized (gain)/loss amortization		(6,608,201)
9.	Special Termination Benefits		0
10.	Net periodic benefit cost/(income)		(\$18,855,652)
11.	IRS maximum deductible trust contributions		\$0
12.	Expected Benefits paid directly by the Company		920,000
13.	Total IRS maximum deductible contribution		\$920,000

Recoverable Contributions (the lesser of 10. and 13. above, but not less than zero) **\$0**

Timing of Estimated 2021 Recoverable Contribution **N/A**

ATTACHMENT H
Advice No. 5884

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. 5884**

Table A: Forecast Revenue Requirement

Line	Description	2020		2021		2022	
		Forecast	Recorded	Forecast 1/	Recorded 2/	Forecast	Recorded
1	Gross Throughput (MMcf)	780,808		752,680		756,758	
2	Throughput to Covered Entities (MMcf)	(388,733)		(353,076)		(363,737)	
3	Net Throughput to End Users (MMcf) (Line 1 + Line 2)	392,076		399,604		393,021	
4	Lost and Unaccounted for Gas (MMcf)	6,606		7,053		7,091	
5	Total Supplied Gas (MMcf) (Line 3 + Line 4)	398,681		406,656		400,112	
6	Emissions Conversion Factor (MTCO ₂ e/MMcf)	54.64		54.64		54.64	
7	Compliance Obligation for End Users and LUAF (MTCO ₂ e) (Line 5 * Line 6)	21,785,687		22,221,479		21,863,875	
8	Compliance Obligation for Company Facilities (MTCO ₂ e)	110,000		90,000		90,000	
9	Gross Compliance Obligation (MTCO₂e) (Line 7 + Line 8)	21,895,687		22,311,479		21,953,875	
10	Directly Allocated Allowances	(19,822,267)		(19,030,307)		(18,238,349)	
11	Percentage Consigned to Auction	50%		55%		60%	
12	Consigned Allowances (Line 10 * Line 11)	9,911,133		10,466,669		10,943,009	
13	Net Compliance Obligation (MTCO₂e) (Line 9 + Line 10+ Line 12)	11,984,553		13,747,841		14,658,535	
14	Proxy GHG Allowance Price	\$ 18.16		\$ 17.91		\$ 29.26	
15a	Compliance Instrument Cost	\$ 217,615,521	\$ 183,987,535	\$ 246,196,341	\$ 117,235,154	\$ 428,938,043	
15b	Compliance Instrument Cost (2018 Amortization) 3/	\$ 105,158,106		\$ -		\$ -	
16	Interest		\$ (137,324)		\$ (52,411)		
17	Franchise Fees & Uncollectibles	\$ 5,606,725		\$ 4,208,480		\$ 7,077,478	
18	Revenue Requirement (Line 15 + Line 16 + Line 17)	\$ 328,380,352	\$ 183,850,211	\$ 250,404,821	\$ 117,182,743	\$ 436,015,521	
19	Previous Year's Cost Balancing Subaccount Balance w/ FFU	\$ (51,772,715)		\$ (66,326,884)		\$ 24,282,795	
20	Revenue Requirement to be Included in Rates (Line 18 + Line 19)	\$ 276,607,638	\$ 183,850,211	\$ 184,077,937	\$ 117,182,743	\$ 460,298,316	
21	Covered Entity Rate Impact (\$/therm)	\$ 0.00104		\$ (0.00032)		\$ 0.00158	
22	Non-Covered Entity Rate Impact (\$/therm)	\$ 0.03999		\$ 0.04497		\$ 0.11066	

Supporting Information:

FF&U %	1.737%	1.709%	1.650%
LUAF %	0.846%	0.937%	0.937%
System Throughput	9,417,004	9,142,019	9,142,019
Non-Covered Entity Throughput	4,103,500	4,128,641	4,087,740

Revenue Requirement to be Included in Rates w/FFU

End-User Revenue Requirement w/FFU	\$ 212,695,346	\$ 241,746,095	\$ 421,813,149
LUAF Revenue Requirement w/FFU	\$ 6,668,181	\$ 7,019,455	\$ 11,525,338
Company Facilities Revenue Requirement w/FFU	\$ 2,032,075	\$ 1,639,271	\$ 2,677,034
End-User Revenue Requirement w/FFU (2018 Amortization)	\$ 101,264,004	\$ -	\$ -
LUAF Revenue Requirement w/FFU (2018 Amortization)	\$ 3,710,380	\$ -	\$ -
Company Facilities Revenue Requirement w/FFU (2018 Amortization)	\$ 2,010,366	\$ -	\$ -
Total Revenue Requirement w/FFU	\$ 328,380,352	\$ 250,404,821	\$ 436,015,521

Cost Balancing Account Balances w/FFU

End-User w/ FFU	\$ (52,893,690)	\$ (54,741,918)	\$ 24,076,490
LUAF w/ FFU	\$ 2,200,938	\$ (9,398,484)	\$ 96,175
Company Facilities w/ FFU	\$ (1,079,962)	\$ (2,186,482)	\$ 110,131
Total Balancing Accounts w/FFU	\$ (51,772,715)	\$ (66,326,884)	\$ 24,282,795
Total GHG Costs in Rates w/ FFU	\$ 276,607,638	\$ 184,077,937	\$ 460,298,316

Revenue Requirement to be Included in Rates w/out FFU

End-User Revenue Requirement w/out FFU	\$ 209,063,812	\$ 237,683,140	\$ 414,966,206
LUAF Revenue Requirement w/out FFU	\$ 6,554,330	\$ 6,901,481	\$ 11,338,256
Company Facilities Revenue Requirement w/out FFU	\$ 1,997,380	\$ 1,611,720	\$ 2,633,580
End-User Revenue Requirement w/o FFU (2018 Amortization)	\$ 99,535,035	\$ -	\$ -
LUAF Revenue Requirement w/o FFU (2018 Amortization)	\$ 3,647,030	\$ -	\$ -
Company Facilities Revenue Requirement w/o FFU (2018 Amortization)	\$ 1,976,041	\$ -	\$ -
Total Revenue Requirement w/out FFU	\$ 322,773,627	\$ 246,196,341	\$ 428,938,043

Cost Balancing Account Balances w/o FFU

End-User w/o FFU	\$ (51,990,590)	\$ (53,821,886)	\$ 23,685,676
LUAF w/o FFU	\$ 2,163,359	\$ (9,240,526)	\$ 94,614
Company Facilities w/o FFU	\$ (1,061,523)	\$ (2,149,734)	\$ 108,343
Total Balancing Accounts w/o FFU	\$ (50,888,754)	\$ (65,212,147)	\$ 23,888,633
Total GHG Costs in Rates w/out FFU	\$ 271,884,873	\$ 180,984,194	\$ 452,826,676

Note 1/ 2021 Forecasted Revenue Requirement from AL 5712-A.

Note 2/ 2021 Recorded Compliance Instrument Costs include actual expenses for January through August.

Note 3/ Pursuant to D.18-03-017 and Advice No. 5426, 2018 revenue requirement was amortized over 18-month period, from April 1, 2019 to September 30, 2020.

Therefore, the amount is excluded from the Forecast 2022 Revenue Requirement.

Attachment H – Table A

SoCalGas Gross Compliance Obligation is calculated as the 2022 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 60%, which is the minimum consigned percentage required for 2022 by the Cap-and-Trade Program regulations. The Proxy GHG Allowance price is the 5-day average of forward prices for September 29-30 and October 1, 4, and 5 on the Intercontinental Exchange (ICE) for a California Carbon Allowance (CCA) with December delivery in 2021.

The resulting 2022 Forecast Revenue Requirement is \$436.0 million (including FF&U). This is composed of \$421.8 million for end users, \$11.5 million for LUAF gas, and \$2.7 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) was amortized over an 18-month period, from April 1, 2019 through September 30, 2020. Therefore, the amount is excluded from the Forecast 2022 Revenue Requirement.

SoCalGas also forecasts to amortize in 2022 rates a \$24.3 million GHGBA undercollected balance. As a result, the total impact is \$460.3 million (\$436.0 million + \$24.3 million).

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Advice No. 5884

Table C: GHG Allowance Proceeds

Line	Description	2020		2021		2022	
		Forecast	Recorded	Forecast 1/	Recorded 2/	Forecast	Recorded
1	Proxy GHG Allowance Price (\$/MT)	\$ 18.16		\$ 17.91		\$ 29.26	
2	Directly Allocated Allowances	19,822,267		19,030,307		18,238,349	
3	Percentage Consigned to Auction	50%		55%		60%	
4	Consigned Allowances	9,911,133		10,466,669		10,943,009	
5	Allowance Proceeds	\$ (179,966,353)	\$ (168,885,706)	\$ (187,437,108)	\$ (95,770,013)	\$ (320,214,329)	
6	Previous Year's Revenue Balancing Subaccount Balance	\$ (8,282,334)		\$ 21,256,735		\$ (14,910,521)	
7	Interest		\$ 141,830		\$ 26,366		
8	Subtotal Allowance Proceeds (\$) (Line 5 + Line 6 + Line 7)	\$ (188,248,687)	\$ (168,743,876)	\$ (166,180,374)	\$ (95,743,647)	\$ (335,124,850)	
9	Outreach and Admin Expenses (\$) (from Table D)	\$ -	\$ -	\$ -	\$ -	\$ -	
9b	SB 1477 Compliance Costs 3/	\$ 24,630,000	\$ 36,945,000	\$ 24,630,000	\$ 12,315,000	\$ 24,630,000	
10	Net GHG Proceeds Available for Customer Returns (\$) (Line 8 + Line 9 + Line 9b)	\$ (163,618,687)	\$ (131,798,876)	\$ (141,550,374)	\$ (83,428,647)	\$ (310,494,850)	
11	Number of Residential Households	6,257,534		6,322,188		6,361,008	
12	Per Household California Climate Credit (\$) (Line 10 / Line 11)	\$ (26.15)		\$ (22.39)		\$ (48.81)	
Effects of Netting							
13	Net Revenue after Netting 2015-2017 Costs and Revenues						
14	Net GHG Proceeds Available for Customer Returns (\$) (Line 10 + Line 13)	\$ (163,618,687)		\$ (141,550,374)		\$ (310,494,850)	
15	Per Household California Climate Credit (\$) (Line 14 / Line 11)	\$ (26.15)		\$ (22.39)		\$ (48.81)	

Note 1/ 2021 Forecasted Allowance Proceeds from AL 5712-A.

Note 2/ 2021 Recorded Compliance Instrument Costs include actual expenses for January through August.

Note 3/ Per SB 1477, SoCalGas is required to allocate and fund \$24.63 million to pay for the BUILD program and TECH Initiative.

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 60% of SoCalGas' directly allocated allowances for 2022, consistent with Table A. As a result, SoCalGas calculates Allowance Proceeds of \$320.2 million. There are no forecasted 2022 Outreach and Administrative Expenses per Table D. However, SoCalGas forecasts an overcollected balance in the Consignment Revenues subaccount of the GHGBA totaling \$14.9 million. Additionally, SoCalGas deducts their proportional share of the first \$50 million (\$24.630 million) of annual allowance proceeds for the Building Initiative for Low-Emissions Development (BUILD) and Technology and Equipment for Clean Heating (TECH) programs, from their calculations of the 2022 Climate Credit. So in total, SoCalGas forecasts 2022 GHG Allowance Proceeds of \$310.5 million. When distributed to 6.4 million residential households, SoCalGas' 2022 California Climate Credit will be \$48.81.

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Advice No. 5884

Table D: GHG Outreach and Administrative Expenses

Line	Description	2020		2021		2022	
		Forecast	Recorded	Forecast	Recorded 1/	Forecast	Recorded
1	Outreach Expenses						
2	Detail of Outreach Activity (\$)	\$ -	\$ -	\$ -		\$ -	
3	Subtotal Outreach (\$)	\$ -	\$ -	\$ -		\$ -	
4	Administrative Expenses						
5	Acquisition (\$)	\$ -	\$ -	\$ -		\$ -	
6	Billing (\$)	\$ -	\$ -	\$ -		\$ -	
7	Program Management (\$)	\$ -	\$ -	\$ -		\$ -	
8	Subtotal Administrative (\$)	\$ -	\$ -	\$ -		\$ -	
9	Subtotal Outreach and Administrative (\$)	\$ -	\$ -	\$ -		\$ -	
10	Interest (\$)		\$ -				
11	Total (\$)	\$ -	\$ -	\$ -		\$ -	

Notes:

Note 1/ Recorded costs for 2021 represent actual expenses from January through August 2021.

ATTACHMENT H
Advice No. 5884

Table E: Compliance Obligation Over Time

	2016	2017	2018	2019	2020	2021
Natural Gas Fuel Supplier Compliance Obligation (MTCO₂e)	20,563,991	20,697,845	20,661,693	22,217,101	20,774,662	N/A
Company Facility Compliance Obligation (MTCO₂e)	86,710	114,690	74,824	77,450	81,362	N/A

ATTACHMENT A

SoCalGas Request for Confidentiality on the following information in Appendix I of Advice Letter 5884

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

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

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

I, Donna Newton, do declare as follows:

1. I am the Contract and Risk Administration Manager, designated by Elsa R. Valay-Paz, VP Gas Acquisition for Southern California Gas Company (“SoCalGas”), to submit this declaration. I have reviewed the attached Appendix I to the Annual Regulatory Account Balance Update for Rates Effective January 1, 2022, 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 the Appendix 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 11th day of October 2021, at Los Angeles, California.

Donna M. Newton

Donna Newton
Contract and Risk Administration Manager

ATTACHMENT A

SoCalGas Request for Confidentiality on the following information in Appendix I of Advice Letter 5884

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