

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



Southern California Gas Company
GAS (Corp ID 904)
Status of Advice Letter 5945G
As of March 10, 2022

Subject: Southern California Gas Company's Updated Greenhouse Gas Proceeds, Updated 2022 California Climate Credit, and Modification of the Greenhouse Gas Balancing Account Pursuant to Decision (D.) 22-02-025

Division Assigned: Energy

Date Filed: 03-01-2022

Date to Calendar: 03-04-2022

Authorizing Documents: D2202025

Disposition:	Accepted
Effective Date:	03-01-2022

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Gary Lenart

213-244-2424

GLenart@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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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
Los Angeles, CA 90013-1011
Tel: 213.244.3718
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JMock@socalgas.com

March 1, 2022

Advice No. 5945
(U 904 G)

Public Utilities Commission of the State of California

Subject: Southern California Gas Company's Updated Greenhouse Gas Proceeds, Updated 2022 California Climate Credit, and Modification of the Greenhouse Gas Balancing Account Pursuant to Decision (D.) 22-02-025

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission or CPUC) revisions to its tariff schedules, applicable throughout its service territory, as shown on Attachment A.

Purpose

This submittal complies with Ordering Paragraphs (OP) 44, 45, and 46 of D.22-02-025 (decision) revising SoCalGas' natural gas 2022 Climate Credit amount to reflect the reduction mandated within D.20-02-025 for pilot project funding obligations, and modifies SoCalGas' Preliminary Statement – Part V, Greenhouse Gas Balancing Account (GHGBA) to add a Biomass Project Fund Subaccount to track all Cap-and-Trade allowance proceeds set aside pursuant to this decision.

Background

On October 15, 2021, SoCalGas submitted Advice Letter (AL) No. 5884, Annual Regulatory Account Balance Update for Rates Effective January 1, 2022 which, among other things, calculated the greenhouse gas (GHG) allowance proceeds available to return to customers and calculated a proposed 2022 Climate Credit. Partial supplements to AL 5884 were submitted through ALs 5884-A and 5884-B respectively on October 22, 2021 and October 28, 2021, to revise certain values and calculations. On November 15, 2021, the CPUC issued a disposition letter approving ALs 5884, 5884-A, and 5884-B, effective as of January 1, 2022.

On February 24, 2022, the Commission unanimously approved D.22-02-025 during a Business Meeting, which was issued in the Order Instituting Rulemaking (R.) 13-02-008 to Adopt Biomethane Standards and Requirements, Pipeline Open Access Rules, and Related Enforcement Provisions. This decision implements Senate Bill (SB) 1440 by setting

biomethane (renewable natural gas (RNG) and/or bio-synthetic natural gas (bio-SNG)) procurement targets for the gas utilities' core customers to reduce short-lived climate pollutant emissions and adopts provisions to achieve additional co-benefits and timetables for each investor-owned utility providing gas service in California. This decision also requires, among other items, SoCalGas and Pacific Gas & Electric Company (PG&E) to file an application no later than July 1, 2023, proposing at least one woody biomass gasification project focused on conversion of woody biomass to biomethane, and mandating \$40 million in total to be set aside from SoCalGas, PG&E, San Diego Gas & Electric Company (SDG&E) and Southwest Gas Corporation's 2022 Cap-and-Trade Program allowance auction proceeds to fund these pilot projects.

Discussion

Pursuant to OP 44 and 45 of D.22-02-025, utilizing a modified format of the table established in D.15-10-032,¹ SoCalGas includes as Attachment B an updated calculation of the amount of GHG allowance proceeds to be returned to customers after accounting for SoCalGas' share of funding obligations.² Consistent with OP 44 of D.22-02-025, and as further detailed below, SoCalGas sets aside 49.26% share of \$40 million, or \$19,704,000, from its Cap-and-Trade allowance auction proceeds to fund these obligations.

As shown in Attachment B, SoCalGas' 2022 Net GHG Proceeds Available for Customer Returns is \$280.9 million which, when spread over 6.4 million residential households, results in a 2022 Residential Annual Credit of \$44.17. SoCalGas' Schedule No. G-CCC, GHG California Climate Credit, is updated to include the updated 2022 Climate Credit amount.

Consistent with OP 46 of D.22-02-025, SoCalGas modifies its GHGBA to establish the Biomass Project Fund Subaccount to record the Cap-and-Trade allowance proceeds that are set aside for its 49.26% share of the \$40 million, or \$19,704,000, to fund costs associated with the woody biomass gasification project(s). Funding will be recorded in quarterly installments on March 1, June 1, September 1, and December 1 of 2022. The first quarterly set aside may be delayed from March 1 to no later than June 1 to provide adequate time for the filing and approval of this newly created GHGBA subaccount. Any unspent Cap-and-Trade allowance proceeds shall be returned to ratepayers in the Climate Credit by December 31, 2032, pursuant to Cap-and-Trade Regulation Section 95893(d)(8).

Tariff revisions for SoCalGas' Schedule G-CCC and Preliminary Statement – Part V, GHGBA are included in Attachment A.

¹ D.15-10-032, Appendix A, Table C, subsequently modified by D.20-03-027 and then D.20-12-031. D.22-02-025, OP 44 and 45 further revises Table C to include a new subaccount line numbered 9d and titled "Bio-SNG Pilot Costs" to record each gas utility's share of the one-time \$40 million set-aside and changes the description of Line 10 to "Net GHG Proceeds Available for Customer Returns (\$)" (Line 8 + Line 9 + Line 9b + Line 9c + Line 9d)."

² See D.22-02-025, at OP 43, ("[SoCalGas] and [PG&E] shall each file an application no later than July 1, 2023, proposing at least one woody biomass gasification project focused on conversion of woody biomass to biomethane... The utilities shall set aside \$40 million from their 2022 Cap-and-Trade Program allowance auction proceeds to fund these pilot projects.").

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 submitted electronically and must be received within 20 days after the date of this Advice Letter, which is March 21, 2022. Protests should be submitted to the attention of the Energy Division Tariff Unit at:

E-mail: EDTariffUnit@cpuc.ca.gov

In addition, protests and all other correspondence regarding this AL should also be sent electronically to the attention of:

Attn: Gary Lenart
Regulatory Tariff Manager
E-mail: GLenart@socalgas.com
E-mail: Tariffs@socalgas.com

Effective Date

This submittal is subject to Energy Division disposition and should be classified as Tier 1 (effective pending disposition) pursuant to General Order (GO) 96-B and OPs 44, 45, and 46 of D.22-02-025. Therefore, SoCalGas respectfully requests that this submittal be approved and made effective March 1, 2022, the date submitted.

Notice

A copy of this AL is being sent to SoCalGas' GO 96-B service list and the Commission's service list in R.13-02-008. 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: 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. 5945

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 59629-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, GREENHOUSE GAS BALANCING ACCOUNT (GHGBA), Sheet 1	Revised 58472-G
Revised 59630-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, GREENHOUSE GAS BALANCING ACCOUNT (GHGBA), Sheet 2	Revised 58473-G
Revised 59631-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, GREENHOUSE GAS BALANCING ACCOUNT (GHGBA), Sheet 3	Revised 58474-G
Revised 59632-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, GREENHOUSE GAS BALANCING ACCOUNT (GHGBA), Sheet 4	Original 58475-G
Original 59633-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, GREENHOUSE GAS BALANCING ACCOUNT (GHGBA), Sheet 5	
Revised 59634-G	Schedule No. G-CCC, GREENHOUSE GAS CALIFORNIA CLIMATE CREDIT, Sheet 1	Revised 59438-G
Revised 59635-G	TABLE OF CONTENTS	Revised 59627-G
Revised 59636-G	TABLE OF CONTENTS	Revised 59628-G
Revised 59637-G	TABLE OF CONTENTS	Revised 58885-G

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
GREENHOUSE GAS BALANCING ACCOUNT (GHGBA)

Sheet 1

1. Purpose

The GHGBA is an interest bearing two-way balancing account recorded on SoCalGas' financial statements. Pursuant to Decision (D.) 14-12-040, the purpose of the GHGBA is to record costs incurred to comply with the California Cap and Greenhouse Gas (GHG) Emissions and Market-Based Compliance mechanisms (Cap-and-Trade Program) regulations imposed by the Air Resources Board (ARB). The GHGBA will record actual Cap-and-Trade Program costs incurred by SoCalGas as a regulated natural gas supplier that delivers gas to California end-users and as owners and operators of facilities that are classified as covered entities under the Cap-and-Trade Program regulations with the corresponding actual revenues billed to applicable customers to recover such costs as authorized by the Commission. In addition, the GHGBA will record revenues received from consignment of natural gas supplier allowances for auction. Pursuant to D.15-10-032, the GHGBA will also separately identify and record GHG compliance costs associated with Lost and Unaccounted For (LUAF) gas. The GHGBA is effective December 18, 2014, the effective date of D.14-12-040, and modified on October 22, 2015, the effective date of D.15-10-032.

Senate Bill 1477 (SB) requires the CPUC to develop and supervise the administration of the Technology and Equipment for Clean Heating (TECH) Initiative and the Building Initiative for Low-Emissions Development (BUILD) Program. In compliance with Resolution (Res.) G-3565, SoCalGas will reduce the annual forecast of funding available to customers for the Climate Credit refund by the authorized annual funding obligation associated with the TECH Initiative and BUILD Program (collectively, "SB 1477 Compliance Costs").

Pursuant to D.20-03-027, effective April 6, 2020, SoCalGas will remit its respective "SB 1477 Compliance Costs" directly to Southern California Edison (SCE), the utility assigned to disburse funds to both the TECH Initiative Implementor and the BUILD Program administrator. Per Ordering Paragraph (OP) 7 of D.20-30-027, the entire first year funding shall be distributed on or before June 1, 2020. Further OP 8 states that on a quarterly basis remittance shall be made on or before March 1, June 1, September 1, and December 1. Funding obligations shall cease following the remittance made on June 1, 2023 unless otherwise directed by a subsequent decision of the Commission. Lastly, OP 3 of D.20-30-207 states that any unspent funds remaining as of July 1, 2033 shall be returned to the ratepayers of the respective gas corporations as part of the California Climate Credit.

Consistent with OP 5 of D.20-12-031, effective December 17, 2020, SoCalGas modifies its Consignment Revenue Subaccount of its GHGBA to record the transfer of the Cap-and-Trade allowance proceeds to the Cap-and-Trade Funded Monetary Incentive Program Subaccount of the Biomethane Cost Incentive Program Balancing Account (BCIPBA) that are set aside for its 49.26% share of the additional \$40 million, or \$19,704,000, made available for the monetary incentive program. Funding will be recorded in quarterly installments beginning no later than March 1, 2022, and ending on December 1, 2023.

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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVISE LETTER NO. 5945
 DECISION NO. 22-02-025

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED Mar 1, 2022
 EFFECTIVE Mar 1, 2022
 RESOLUTION NO. _____

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
GREENHOUSE GAS BALANCING ACCOUNT (GHGBA)

Sheet 3

(Continued)

4. End Users GHG Compliance Cost Subaccount - Accounting Procedures

SoCalGas maintains this subaccount by making monthly entries, net of applicable FF&U, as follows:

- a) A debit entry to record an allocation of the cost of Cap-and-Trade allowances and/or offsets purchases based on GHG emissions associated with SoCalGas' natural gas deliveries to end users to comply with the Cap-and-Trade Program requirements;
- b) A credit entry equal to actual GHG revenues billed to customers for recovery of Cap-and-Trade Program compliance costs for natural gas deliveries to end users;
- c) An entry to amortize the prior year's balance; and
- d) An entry equal to interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

5. Company Facilities GHG Compliance Cost Subaccount - Accounting Procedures

SoCalGas maintains this subaccount by making monthly entries, net of applicable FF&U, as follows:

- a) A debit entry to record an allocation of the cost of Cap-and-Trade allowances and/or offsets purchases based on GHG emissions associated with SoCalGas' covered facilities to comply with the Cap-and-Trade Program requirements;
- b) A credit entry equal to actual GHG revenues billed to customers for recovery of Cap-and-Trade Program compliance costs for SoCalGas' covered facilities;
- c) An entry to amortize the prior year's balance; and
- d) An entry equal to interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

6. LUAF GHG Compliance Cost Subaccount - Accounting Procedures

SoCalGas maintains this subaccount by making monthly entries, net of applicable FF&U, as follows:

- a) A debit entry to record an allocation of the cost of Cap-and-Trade allowances and/or offsets purchases based on GHG emissions associated with LUAF gas to comply with the Cap-and-Trade Program requirements;
- b) A credit entry equal to actual GHG revenues billed to customers for recovery of Cap-and-Trade Program compliance costs associated with LUAF;
- c) An entry to amortize the prior year's balance; and
- d) An entry equal to interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5945
 DECISION NO. 22-02-025

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED Mar 1, 2022
 EFFECTIVE Mar 1, 2022
 RESOLUTION NO. _____

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PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
GREENHOUSE GAS BALANCING ACCOUNT (GHGBA)

Sheet 4

(Continued)

7. Consignment Revenues Subaccount - Accounting Procedures

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SoCalGas maintains this subaccount by making monthly entries, net of applicable FF&U, as follows:

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- a) A credit entry equal to the revenues received from the consignment of natural gas supplier allowances for auction under the Cap-and-Trade Program;
- b) A debit entry equal to the quarterly transfer of Cap-and-Trade allowance proceeds to the Cap-and-Trade Funded Monetary Incentive Program Subaccount of the BCIPBA that are set aside for SoCalGas' share of the additional \$40 million made available for the monetary incentive program approved in D.20-12-031.
- c) A credit entry equal to the transfer back of any remaining, unused Cap-and-Trade allowance proceeds from the Cap-and-Trade Funded Monetary Incentive Program Subaccount of the BCIPBA;
- d) A debit entry equal to the quarterly transfer of Cap-and-Trade allowance proceeds to the Biomass Project Fund Subaccount that are set aside for SoCalGas' share of the \$40 million as approved in D.22-02-025;
- e) A credit entry equal to the transfer back from the Biomass Project Fund Subaccount for any remaining Cap-and-Trade allowance proceeds unused as of December 31, 2032;
- f) A debit entry equal to the portion of GHG revenues returned to customers;
- g) An annual debit entry to transfer allowance proceeds to the GHG Memorandum Account, as authorized by the Commission;
- h) An entry to transfer funding for the TECH and BUILD pilot programs to SCE (including a return from SCE of any unspent funds remaining at the end of the programs); and
- i) An entry equal to interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

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8. Biomass Project Fund Subaccount - Accounting Procedures

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SoCalGas maintains this subaccount by making monthly entries, net of applicable FF&U, as follows:

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- a) a credit entry equal to the quarterly transfer of the Cap-and-Trade allowance proceeds from the Consignment Revenues Subaccount that are set aside for SoCalGas' share of the \$40 million as approved in D.22-02-025;
- b) a debit entry to the transfer back to the Consignment Revenues Subaccount for any remaining Cap-and-Trade allowance proceeds unused as of December 31, 2032; and
- c) an entry equal to the interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5945
 DECISION NO. 22-02-025

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED Mar 1, 2022
 EFFECTIVE Mar 1, 2022
 RESOLUTION NO. _____

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
GREENHOUSE GAS BALANCING ACCOUNT (GHGBA)

Sheet 5

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(Continued)

9. Disposition

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In connection with the annual October regulatory account balance update filing, SoCalGas will incorporate the following year's forecast of compliance costs and consignment revenues, including amortization of the current year's projected year-end balances, in rates effective January 1 of the following year for GHG compliance costs, and as an annual natural gas California Climate Credit refunded to residential customers in April for consignment revenues. The forecast compliance cost and projected year-end balance in the End Users GHG Compliance Cost Subaccount will be allocated on an Equal Cents Per Therm (ECPT) basis excluding customers who are identified by the ARB as being Covered Entities in the Cap-and-Trade Program. The forecast compliance cost and projected year-end balance in the Company Facilities GHG Compliance Cost Subaccount will be allocated on an ECPT basis to all customers. The forecast compliance cost and projected year-end balance in the LUAF GHG Compliance Cost Subaccount will be allocated consistent with the allocation of LUAF expenses, as determined in SoCalGas' most recent Cost Allocation Proceeding.

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 5945
DECISION NO. 22-02-025

SC6

ISSUED BY

Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

SUBMITTED Mar 1, 2022
EFFECTIVE Mar 1, 2022
RESOLUTION NO. _____

Schedule No. G-CCC
GREENHOUSE GAS CALIFORNIA CLIMATE CREDIT

Sheet 1

APPLICABILITY

This schedule is applicable, in combination with the customer's otherwise applicable rate schedule, to Residential customers.

TERRITORY

This schedule is applicable within the entire territory served by the Utility.

RATES

Pursuant to Commission Decision (D.) 15-10-032:

1) Residential Annual California Climate Credit

Eligible residential accounts receive a California (CA) Climate Credit, if applicable, each April 1st. The credit will display on the customer's bill on the next scheduled bill date. Master-metered rate schedules GM and GS receive one credit per sub-unit. Credits are issued to all active accounts receiving natural gas service on the date the credit is given. One credit will be given per household, so accounts with more than one service point receive only one credit. The discount for customers qualifying for California Alternate Rates for Energy (CARE) will be calculated before the CA Climate Credit is applied to ensure no impact to the benefits of the CARE program.

	<u>April 1st</u>
Residential Annual Credit	\$44.17

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SPECIAL CONDITIONS

1. Definitions: The definitions of principal terms used in this schedule are found either herein or in Rule No. 1, Definitions.
2. General Description. The CA Climate Credit is shown on a customer's bill as a separate line item. The credit is authorized to return to ratepayers the proceeds derived from the Utility's sale of directly allocated Greenhouse Gas (GHG) allowances in compliance with the California Cap on GHG Emissions and Market-Based Compliance mechanisms (Cap-and-Trade Program) regulations imposed by the California Air Resources Board (CARB).
3. Filing Requirements. Pursuant to D.15-10-032, the Utility shall include proposed credit rates as part of the annual regulatory account update advice letter filing.
4. Master-Metered Customers. Customers receiving service under this schedule shall comply with the provisions of Public Utilities Code 739.5 in providing service to their sub-metered tenants.

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5945
 DECISION NO. 22-02-025

ISSUED BY
Dan Skopec
 Vice President
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(TO BE INSERTED BY CAL. PUC)
 SUBMITTED Mar 1, 2022
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TABLE OF CONTENTS

(Continued)

G-AMOP	Residential Advanced Meter Opt-Out Program	51577-G,51578-G
G-CP	Core Procurement Service	47480-G,59623-G,59624-G,59625-G,37933-G
GT-NC	Intrastate Transportation Service for Distribution Level Customers	59428-G,59429-G,59430-G,53323-G,53324-G 53325-G,53326-G
GT-TLS	Intrastate Transportation Service for Transmission Level Customers	53327-G,59431-G,59432-G,59433-G,59434-G 53331-G,53332-G,53333-G,53334-G,53335-G 53336-G,53337-G,53338-G
GT-SWGX	Wholesale Natural Gas Service	58567-G,45341-G
G-IMB	Transportation Imbalance Service	57227-G,59599-G,59600-G,59435-G 53788-G,55072-G,55073-G
G-OSD	Off-System Delivery Service	47345-G*,47346-G,53183-G,47348-G
G-BTS	Backbone Transportation Service	58998-G,56478-G,59436-G,59443-G 47176-G,49399-G,56651-G,47179-G,57590-G,53467-G 57729-G,57730-G,57731-G,57732-G,56656-G,56657-G,56658-G
G-POOL	Pooling Service	47188-G,47189-G,42278-G
G-BSS	Basic Storage Service	43337-G,58622-G,45767-G,45768-G 45769-G,45770-G
G-AUC	Auction Storage Service	43338-G,32709-G,32710-G,32711-G 32712-G,32713-G,36314-G,32715-G
G-LTS	Long-Term Storage Service	32716-G,32717-G,58623-G,45771-G 45772-G,45773-G
G-TBS	Transaction Based Storage Service	57403-G,57404-G,58624-G,45775-G 57405-G,52898-G
G-CBS	UDC Consolidated Billing Service	51155-G,54820-G,34073-G,54821-G
G-SMT	Secondary Market Transactions of Storage Rights	45359-G,50343-G,45361-G
G-TCA	Transportation Charge Adjustment	59437-G
G-CCC	Greenhouse Gas California Climate Credit	59634-G
GO-BCUS	Biogas Conditioning/Upgrade Services	51156-G,51157-G,51158-G,51159-G 51160-G,51161-G,54919-G,54920-G,54921-G

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(TO BE INSERTED BY UTILITY)
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 DECISION NO. 22-02-025

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED Mar 1, 2022
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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.

<u>GENERAL</u>	<u>Cal. P.U.C. Sheet No.</u>
Title Page	40864-G
Table of Contents--General and Preliminary Statement ...	59636-G,59637-G,58992-G,59351-G,59442-G
Table of Contents--Service Area Maps and Descriptions	53356-G
Table of Contents--Rate Schedules	59626-G,59635-G,59549-G
Table of Contents--List of Cities and Communities Served	58190-G
Table of Contents--List of Contracts and Deviations	58190-G
Table of Contents--Rules	59391-G,59004-G,58727-G
Table of Contents--Sample Forms	58893-G,59007-G,58660-G,54745-G,59207-G,52292-G

PRELIMINARY STATEMENT

Part I General Service Information	45597-G,24332-G,54726-G,24334-G,48970-G
Part II Summary of Rates and Charges	59603-G,59604-G,59605-G,59400-G,59401-G,59606-G 59598-G,46431-G,46432-G,59372-G,59607-G,59608-G,59609-G,59406-G
Part III Cost Allocation and Revenue Requirement	59407-G,57355-G,59408-G
Part IV Income Tax Component of Contributions and Advances	55717-G,24354-G
Part V Balancing Accounts	
Description and Listing of Balancing Accounts	52939-G,57870-G
Purchased Gas Account (PGA)	59133-G,59134-G
Core Fixed Cost Account (CFCA)	57357-G,57977-G,57637-G,57978-G,57639-G
Noncore Fixed Cost Account (NFCA)	57360-G,55693-G,57361-G
Enhanced Oil Recovery Account (EORA)	49712-G
Noncore Storage Balancing Account (NSBA)	57362-G,57363-G
California Alternate Rates for Energy Account (CARE)	45882-G,45883-G
Hazardous Substance Cost Recovery Account (HSCRA)	40875-G, 40876-G,40877-G
Gas Cost Rewards and Penalties Account (GCRPA)	40881-G
Pension Balancing Account (PBA)	56828-G,56829-G
Post-Retirement Benefits Other Than Pensions Balancing Account (PBOPBA) ..	56830-G,56831-G
Research Development and Demonstration Surcharge Account (RDDGSA).....	40888-G
Demand Side Management Balancing Account (DSMBA).....	58527-G,58528-G,58529-G
Direct Assistance Program Balancing Account (DAPBA)	52583-G,52584-G
Integrated Transmission Balancing Account (ITBA)	57979-G,57641-G

(Continued)

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 Vice President
 Regulatory Affairs

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 RESOLUTION NO. _____

TABLE OF CONTENTS

(Continued)

PRELIMINARY STATEMENT (Continued)

Part V Balancing Accounts (Continued)

Compressor Station Fuel and Power Balancing Account (CFPBA) 54460-G
 Distribution Integrity Management Program Balancing Account (DIMPBA) 49314-G
 Rewards and Penalties Balancing Account (RPBA) 49315-G,49316-G
 On-Bill Financing Balancing Account (OBFBA) 45195-G
 Company Use Fuel for Load Balancing Account (CUFLBA) 45279-G
 Backbone Transmission Balancing Account (BTBA) 57364-G,53438-G
 Advanced Metering Infrastructure Balancing Account (AMIBA) 56832-G,53972-G,53973-G
 53974-G,56833-G
 New Environmental Regulation Balancing Account (NERBA) 56834-G,52946-G,56835-G
 Transmission Integrity Management Program Balancing Account (TIMPBA) 56836-G,56837-G
 Post-2011 Distribution Integrity Management Program
 Balancing Account (Post-2011 DIMPBA) 56838-G
 Compression Services Balancing Account (CSBA) 48857-G
 Biogas Conditioning/Upgrading Services Balancing Account (BCSBA) 49864-G
 Master Meter Balancing Account (MMBA) 57712-G,56840-G
 Safety Enhancement Capital Cost Balancing Account (SECCBA) 56231-G, 56232-G, 56233-G
 Safety Enhancement Expense Balancing Account (SEEBA) 56234-G,56235-G
 Greenhouse Gas Balancing Account (GHGBA) 59629-G,59630-G,59631-G,59632-G, 59633-G
 Advanced Meter Opt-Out Program Balancing Account (AMOPBA)..... 56841-G,56842-G
 Low-Carbon Fuel Standard Balancing Account (LCFSBA) 55059-G,55060-G,55061-G
 Biomethane Cost Incentive Program Balancing Account (BCIPBA) 58476-G,58477-G
 Distributed Energy Resources Services Balancing Account (DERSBA) 52276-G
 Storage Integrity Management Program Balancing Account (SIMPBA) 56843-G,56844-G
 Natural Gas Leak Abatement Program Balancing Account (NGLAPBA)..... 54133-G,54134-G
 Statewide Energy Efficiency Balancing Account (SWEESA) 55437-G,55438-G
 Dairy Biomethane Project Balancing Account (DBPBA) 55742-G
 San Joaquin Valley Disadvantaged Communities Balancing ... (SJV DACBA) 57207-G,57208-G
 Safety Enhancement Expense Balancing Account - Phase 2 (SEEBA-P2) 56236-G,56237-G
 Safety Enhancement Capital Cost Balancing Account - Phase 2 (SECCBA-P2) .. 56238-G,56239-G
 Liability Insurance Premium Balancing Account (LIPBA) 56845-G,56846-G
 Residential Uncollectible Balancing Account (RUBA) 58881-G,58449-G

T,N

(Continued)

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ATTACHMENT B

Advice No. 5945

GHG Allowance Proceeds

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	
9c	RNG Incentive Costs 4/					\$ 9,852,000	
9d	Bio-SNG Pilot Costs 5/					\$ 19,704,000	
10	Net GHG Proceeds Available for Customer Returns (\$) (Line 8 + Line 9 + Line 9b + Line 9c + 9d)	\$ (163,618,687)	\$ (131,798,876)	\$ (141,550,374)	\$ (83,428,647)	\$ (280,938,850)	
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)		\$ (44.17)	
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)		\$ (280,938,850)	
15	Per Household California Climate Credit (\$) (Line 14 / Line 11)	\$ (26.15)		\$ (22.39)		\$ (44.17)	

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.

Note 4/ Per D.20-12-031, SoCalGas is authorized to allocate and fund \$19.704 million for RNG Incentive Costs. Total amount to be allocated in quarterly installments from March 1, 2022 and ending December 1, 2023.

Note 5/ Per D.22-02-025, SoCalGas is authorized to allocate and fund \$19.704 million for pipeline build-out costs and related expenses associated with the pilot programs.