

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



Southern California Gas Company
GAS (Corp ID 904)
Status of Advice Letter 5984G
As of July 1, 2022

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

Division Assigned: Energy

Date Filed: 05-27-2022

Date to Calendar: 06-03-2022

Authorizing Documents: D0707019

Disposition:	Accepted
Effective Date:	07-01-2022

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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
Fax: 213.244.4957
JMock@socalgas.com

May 27, 2022

Advice No. 5984
(U 904 G)

Public Utilities Commission of the State of California

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

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission or CPUC) revisions to its Rule No. 20, Gas Main Extensions and Rule No. 02, Description of Service, applicable throughout its service territory, as shown in Attachment A.

Purpose

SoCalGas proposes to revise the line extension allowances described in Rule No. 20 and ownership charges described in Rule Nos. 02 and 20.

Background

Section H.2, in Rule No. 20 and Section P.3. c.(3) in Rule No. 02 state that the Utility will periodically review the factors it uses to determine residential and non-residential allowances and monthly ownership charges, respectively. If such review results in a change of more than five percent (5%) in either the allowances or ownership charges, the Utility will submit a tariff revision proposal to the Commission for review and approval. Such proposed changes shall be submitted no sooner than six (6) months after the last revision.¹

SoCalGas used the methodology authorized by the Commission on page 4 of D.07-07-019 to calculate the ownership charges and the non-residential allowance multiplier. The last revision was submitted on April 30, 2021 by Advice No. 5806 and effective June 1, 2021.

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

Discussion

SoCalGas concluded a review of the factors it uses to determine its residential allowances, non-residential allowances, and ownership charges. This review revealed that updated factors produced changes in the Customer Financed ownership charges, Utility Financed, Cost of Service Factor, Residential Allowances including Water Heater, Space Cooling, Cooktop & Oven and Space Cooling beyond the 5% threshold.² Non-Residential Allowance Multiplier, and the Dryer Stub were not beyond the 5% threshold and, therefore, are not being updated. The factors mentioned above should be revised as shown below:

Factor	Current	Updated	% Change	Update Required based on >5% threshold? (Yes/No)	Tariff Schedule
Customer Financed	0.81%	0.67%	-17.0%	Yes	Rule 02/20
Utility Financed	1.49%	1.41%	-5.2%	Yes	Rule 02
Cost of Service Factor	17.91%	16.97%	-5.2%	Yes	Rule 20
Non-Residential Allowance Multiplier	3.4	3.5	5.0%	No	Rule 20
Residential Allowances					
Water Heat	\$643	\$682	6.0%	Yes	Rule 20
Space Heat	\$698	\$818	17.0%	Yes	Rule 20
Cooktop & Oven	\$114	\$152	33.0%	Yes	Rule 20
Dryer Stub	\$160	\$167	4.0%	No	Rule 20
Space Cooling	\$1,098	\$0	-100.0%	Yes	Rule 20

Attachment B illustrates the methodology underlying the calculations of the residential and non-residential allowances and the monthly ownership charges. Consequently, SoCalGas proposes revisions to its tariffs provided as Attachment A.

Proposed Tariff Revisions

Rule No. 02, Section P.3.c.(1)

The Customer Financed monthly ownership charge is revised from 0.81% to 0.67% of the amount advanced.

The Utility Financed monthly ownership charge is revised from 1.49% to 1.41% of the additional cost.

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

Rule No. 20, Section C.3

The Residential Allowance per Appliance is revised below:

Residential	Residential Allowance \$/appliance
Water Heating	\$682
Space Heating	\$818
Cooktop & Oven	\$152
Dryer Stub	\$160
Space Cooling	\$0

Rule No. 20, Section I, Definitions

For purposes of calculating allowances, the Cost-of-Service Factor is revised from 17.91% to 16.97%.

For purposes of calculating the Ownership Charge, the Customer Financed per month factor is revised from 0.81% to 0.67%.

This submittal will not create any deviations from SoCalGas' tariffs, cause withdrawal of service from any present customers, or impose any more restrictive conditions than those which currently exist.

Protest

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be submitted electronically and must be received within 20 days after the date of this Advice Letter, which is June 16, 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 Advice Letter 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

SoCalGas asserts this submittal is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to General Order (GO) 96-B.

SoCalGas respectfully requests that this submittal become effective July 1, 2022, which is 35 calendar days after the date submitted.

Notice

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

/s/ Joseph Mock
Joseph Mock
Director – Regulatory Affairs

Attachments



ADVICE LETTER SUMMARY

ENERGY UTILITY



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

Company name/CPUC Utility No.:

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person:

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

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #:

Tier Designation:

Subject of AL:

Keywords (choose from CPUC listing):

AL Type: Monthly Quarterly Annual One-Time Other:

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

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

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

Confidential treatment requested? Yes No

If yes, specification of confidential information:

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

Resolution required? Yes No

Requested effective date:

No. of tariff sheets:

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

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

Tariff schedules affected:

Service affected and changes proposed¹:

Pending advice letters that revise the same tariff sheets:

¹Discuss in AL if more space is needed.

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

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

Name:
Title:
Utility Name:
Address:
City:
State: Zip:
Telephone (213) 244-2424:
Facsimile (xxx) xxx-xxxx:
Email:

Name:
Title:
Utility Name:
Address:
City:
State: Zip:
Telephone (213) 244-2837:
Facsimile (xxx) xxx-xxxx:
Email:

ATTACHMENT A
Advice No. 5984

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 59848-G	Rule No. 02, DESCRIPTION OF SERVICE, Sheet 8	Revised 58811-G
Revised 59849-G	Rule No. 20, GAS MAIN EXTENSIONS, Sheet 4	Revised 58272-G
Revised 59850-G	Rule No. 20, GAS MAIN EXTENSIONS, Sheet 12	Revised 58273-G
Revised 59851-G	Rule No. 20, GAS MAIN EXTENSIONS, Sheet 13	Revised 58812-G
Revised 59852-G	TABLE OF CONTENTS	Revised 59391-G
Revised 59853-G	TABLE OF CONTENTS	Revised 59844-G

Rule No. 02

DESCRIPTION OF SERVICE

(Continued)

P. Special Facilities (Continued)

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

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

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

<u>Type of Facility</u>	<u>Financing</u>	<u>Monthly Charge</u>
Distribution	Customer	0.67% of the amount advanced
	Utility	1.41% of the additional cost

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

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

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5984
 DECISION NO. 07-07-019

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED May 27, 2022
 EFFECTIVE Jul 1, 2022
 RESOLUTION NO. _____

Rule No. 20
GAS MAIN EXTENSIONS

Sheet 4

(Continued)

C. EXTENSION ALLOWANCES (Continued)

2. **BASIS OF ALLOWANCES.** Allowances shall be granted to an Applicant for Permanent Service; or to an Applicant for a subdivision or development under the following conditions:

- a. Utility is provided evidence that construction will proceed promptly and financing is adequate; and,
- b. Applicant has submitted evidence of building permit(s) or fully-executed home purchase contract(s) or lease agreement(s); or,
- c. Where there is equivalent evidence of occupancy or gas usage satisfactory to the Utility.

The allowances in Section C.3 and C.4 are based on a revenue-supported methodology using the following formula:

$$\text{ALLOWANCE} = \frac{\text{NET REVENUE}}{\text{COST-OF-SERVICE FACTOR}}$$

3. **RESIDENTIAL ALLOWANCES.** The allowance for Distribution Main Extensions, Service Extensions, or a combination thereof for Permanent Residential Service on a per-unit basis is as follows:

WATER HEATING	\$682
SPACE HEATING	\$818
COOKTOP & OVEN	\$152
DRYER STUB	\$160
SPACE COOLING	\$0

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4. **NON-RESIDENTIAL ALLOWANCES.** The total allowance for both gas Main and Service extensions for Permanent Non-Residential service is determined by the Utility using the formula in Section C.2. Utility, at its election, may apply a Non-Residential Allowance Net Revenue Multiplier of three point four (3.4) as defined in Section I, when it serves as a reasonable proxy for the formula in section C.2.

Where the extension will serve a combination of residential and non-residential meters, residential allowances will be added to the non-residential allowances.

5. **SEASONAL, INTERMITTENT, INSIGNIFICANT, AND EMERGENCY LOADS.** When Applicant requests service that requires an extension to serve loads that are seasonal or intermittent, the allowance for such loads shall be determined using the formula in Section C.2. No allowance will be provided where service is used only for emergency purposes, or for Insignificant Loads.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5984
 DECISION NO. 07-07-019

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
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Rule No. 20
GAS MAIN EXTENSIONS

(Continued)

I. DEFINITIONS (Continued)

COST-OF-SERVICE FACTOR. The Cost-of-Service (COS) factor is divided into the Net Revenue to determine the Utility's line extension allowance. The COS factor includes depreciation, authorized return, income taxes, property taxes, Operation and Maintenance (O&M) expense, Administrative and General (A&G) expense, Franchise Fees and Uncollectibles (FF&U), property insurance, and replacement of facilities, if needed, for 60 years at no additional cost to customer. For the purpose of calculating allowances, a COS factor of 16.97% will be used.

CUSTOMER-DRIVEN SCOPE OF WORK MODIFICATION. The modifications required to accommodate the construction design needs of a new extension-of-main project for a specific customer.

DATE THE APPLICATION IS APPROVED. The earlier of either the effective date of the contract for the extension of gas main or the date when the Utility first invoices the customer for the extension of gas main.

DISTRIBUTION MAINS. Mains which are operated at distribution pressure, and supply two (2) or more services or run parallel to the property line in a public right-of-way.

EXCAVATION. All necessary trenching, backfilling, and other digging to install extension facilities, including furnishing of any imported backfill material and disposal of spoil as required, surface repair and replacement, and landscape repair and replacement.

FRANCHISE AREA. Public streets, roads, highways, and other public ways and places where Utility has a legal right to occupy under franchise agreements with governmental bodies having jurisdiction.

INSIGNIFICANT LOADS. Small operating loads such as log lighters, barbecues, outdoor lighting, etc.

INTERMITTENT LOADS. Loads which, in the opinion of the Utility, are subject to discontinuance for a time or at intervals.

INVOICE. When a gas corporation presents an offer to the customer for the extension of gas main in response to an application for an extension of gas main pursuant to Section 783(f) of the Public Utilities Code.

JOINT TRENCH. Excavation that intentionally provides for more than one service, such as gas, electricity, cable television, or telephone, etc.

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 5984
DECISION NO. 07-07-019

ISSUED BY

Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

SUBMITTED May 27, 2022
EFFECTIVE Jul 1, 2022
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Rule No. 20
GAS MAIN EXTENSIONS

Sheet 13

(Continued)

I. DEFINITIONS (Continued)

MAIN EXTENSION. The length of main and its related facilities required to transport gas from the existing distribution facilities to the point of connection with the service pipe.

A Main Extension consists of new distribution facilities of the Utility that are required to extend service into an open area not previously supplied to serve an Applicant. It is a continuation of, or branch from, the nearest available existing permanent Distribution Main, to the point of connection of the last service. The Utility's Main Extension includes any required Substructures and facilities for transmission taps but excludes service connections, services, and meters.

METER SET ASSEMBLY. Meter, service pressure regulator, and associated fittings.

NET REVENUE. That portion of the total rate that supports Utility's extension costs and excludes such items as fuel costs, transmission, storage, public purpose programs, and other energy adjustment costs that do not support the extension costs.

NON RESIDENTIAL ALLOWANCES NET REVENUE MULTIPLIER. This is a revenue-supported factor determined by Utility that is applied to the net revenues expected from non-residential loads to determine non-residential allowances.

OWNERSHIP CHARGE. The monthly ownership charge is a percentage rate applied against the remaining refundable balance after thirty-six (36) months from the date the Utility is first ready to serve. This charge recovers the cost of operating and maintaining customer-financed facilities that are not fully utilized. The Ownership Charge includes property taxes, Operation and Maintenance (O&M), Administrative and General (A&G), Franchise Fees and Uncollectibles (FF&U), property insurance, and replacement for 60 years at no additional cost. For the purpose of calculating Ownership Charge, a 0.67% per month factor will be used.

PERMANENT SERVICE. Service which, in the opinion of the Utility, is of a permanent and established character. This may be continuous, intermittent, or seasonal in nature.

PROTECTIVE STRUCTURES. Fences, retaining walls (in lieu of grading), barriers, posts, barricades, and other structures as required by the Utility.

RESIDENTIAL DEVELOPMENT. Five (5) or more dwelling units in two (2) or more buildings located on a single parcel of land.

RESIDENTIAL SUBDIVISION. An area of five (5) or more lots for residential dwelling units which may be identified by filed subdivision plans or an area in which a group of dwellings may be constructed about the same time, either by a builder or several builders working on a coordinated basis.

(Continued)

(TO BE INSERTED BY UTILITY)
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(Continued)

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(TO BE INSERTED BY CAL. PUC)
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ATTACHMENT B

Advice No. 5984

**Methodology Underlying Calculations
of Residential and Non-Residential Allowances
and Monthly Ownership Charges**

Attachment B part 1. SoCalGas Allowances Calculation of Line Extension Rate by Class (for distribution level service)

MODEL INPUT

March, 2022 Rates		Residential	Core C&I	Gas A/C	Gas Engine	NGV	NonCore C&I Distribution	EG-D Tier 1	EG-D Tier 2		therms/ appliance V5-10-2022
1	Allocated Base Margin in Transportation Rates	\$2,176,519,434	\$444,758,673	\$62,438	\$13,103,195	\$31,974,589	\$104,994,522	\$15,727,426	\$21,916,836	Water Heat	135
2	Non-Base Margin Items in Transportation Rates	\$382,078,943	\$181,914,501	\$50,050	(\$7,316,369)	\$31,325,696	\$62,050,402	\$7,874,902	\$6,155,398	Space Heat	162
3	Revenue Requirement in Transportation Rates	\$2,558,598,376	\$626,673,174	\$112,488	\$5,786,826	\$63,300,285	\$167,044,924	\$23,602,328	\$28,072,234	Cooktop & Oven	30
4	Items Not Used in Line Extension Rate:									Dryer Stub	33
	BBT Transmission Costs	\$51,805,137	\$20,739,951	\$8,344	\$447,034	\$3,583,413	\$18,515,817	\$1,772,952	\$4,870,781	Space Cooling	0
	Local Transmission Costs	\$29,254,410	\$8,758,246	\$1,944	\$72,457	\$1,095,966	\$5,911,855	\$559,538	\$1,515,613		
	Core Storage	\$82,574,513	\$16,192,161	\$8,790	\$491,450	\$979,904	\$0	\$0	\$0		
	Non-Base Margin items in Transport Rate	\$382,078,943	\$181,914,501	\$50,050	(\$7,316,369)	\$31,325,696	\$62,050,402	\$7,874,902	\$6,155,398		
	Items Not Used in Line Extension Rate	\$545,713,003	\$227,604,860	\$69,127	(\$6,305,428)	\$36,984,979	\$86,478,075	\$10,207,392	\$12,541,792		
5	Line Extension Basis	\$2,012,885,374	\$399,068,314	\$43,361	\$12,092,254	\$26,315,306	\$80,566,850	\$13,394,936	\$15,530,443		
6	Average Year Throughput Therms	2,346,352,645	992,705,676	416,286	22,301,608	178,769,207	919,734,701	88,448,999	242,993,392		
7	Line Extension Rate (\$ per Therm)	\$0.8579	\$0.4020	\$0.1042	\$0.5422	\$0.1472	\$0.0876	\$0.1514	\$0.0639		
8	No. Customers	5,714,531	203,514	4	712	378	563	273	8		
9	Average therms/customer	411	4,878	104,071	31,322	472,934	1,632,305	323,736	28,905,236		
10	Average Gross Transport rate\$/therm	\$1.090	\$0.631	\$0.270	\$0.259	\$0.354	\$0.182	\$0.267	\$0.116		

	2021 ROR
LACC factor	9.308%
O&M factor	3.714%
A&G factor	2.599%
FFU factor	0.454%
Property Tax Factor	0.812%
60-year replacement multiplier	1.0556

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

Line		Net Revenue Line Extension Rate (\$ per Therm)	\$/therm	
7b	Line Extension Rate (\$ per Therm) <i>see page 1 for details</i>	Residential	\$0.8579	
		Non-Residential:		
		Core C/I	\$0.402	
		NGV	\$0.147	
		Gas A/C	\$0.104	
		Gas Engine	\$0.542	
		Noncore C/I	\$0.088	
		EG Tier 1	\$0.151	
		EG Tier 2	\$0.064	
<hr/>				
8	Average UEC per End-Use/Customer in Therms	Residential	therms/ appliance V5-10-2022	cumulative therms
		Water Heat	135	135
	Source: SoCalGas and SDG&E Analysis of 2019	Space Heat	162	297
	Residential Appliance Saturation Study & 2019	Cooktop & Oven	30	327
	BCAP Decision & Gas Forecasting Dept. and Ken	Dryer Stub	33	360
		Space Cooling	0	360
<hr/>				
			therms/ customer	
		Residential Therms/customer	411	
		Core C/I	4,878	
		NGV	472,934	
		Gas A/C	104,071	
		Gas Engine	31,322	
		Noncore C/I	1,632,305	
		EG Tier 1	323,736	
		EG Tier 2	28,905,236	
<hr/>				
9	Average Net Revenue per Customer Type	Residential	Annual Net revenue \$/appliance	cumulative net revenue \$'s
	Line 7 * Line 8	Water Heat	\$116	\$116
		Space Heat	\$139	\$255
		Cooktop & Oven	\$26	\$280
		Dryer Stub	\$28	\$309
		Space Cooling	\$0	\$309
<hr/>				
			Net revenue \$/customer	
		Residential \$/customer	\$352	
		Core C/I	\$1,961	
		NGV	\$69,617	
		Gas A/C	\$10,840	
		Gas Engine	\$16,984	
		Noncore C/I	\$142,986	
		EG Tier 1	\$49,027	
		EG Tier 2	\$1,847,421	

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

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

	2021 ROR	Current tariff	% Difference
LACC factor	9.308%	9.371%	-0.7%
O&M factor	3.714%	4.770%	-22.1%
A&G factor	2.599%	2.558%	1.6%
FFU factor	0.454%	0.242%	87.4%
60-year replacement multiplier	1.0556	1.0569	-0.1%
Cost of Service Factor per year	16.97%	17.91%	-5.2%
Cost of Service Factor per month	1.41%	1.49%	-5.2%

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

	2021 ROR	Current tariff	% Difference
Property Tax	0.812%	0.812%	0%
O&M factor	3.714%	3.946%	-6%
A&G factor	2.599%	3.926%	-34%
FFU factor	0.454%	0.490%	-7%
60-year replacement multiplier	1.0556	1.0558	0%
Cost of Ownership Factor per year	8.00%	9.69%	-17%
Cost of Ownership Factor per month	0.67%	0.81%	-17%

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

Residential	Annual Net revenue \$/appliance	Cost of Service Factor	Residential Allowance \$/appliance	Current Tariff	% Difference
Water Heat	\$116	16.97%	\$682	\$643	6%
Space Heat	\$139	16.97%	\$818	\$698	17%
Cooktop & Oven	\$26	16.97%	\$152	\$114	33%
Dryer Stub	\$28	16.97%	\$167	\$160	4%
Space Cooling	\$0	16.97%	\$0	\$1,098	-100%

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

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

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

	Net Revenue \$/customer	Cost of Service Factor	Allowance \$/Customer	Number of Customers/ rate class	Total Allowances/ rate class \$000s	Revenue Requirement in Transportation Rates/ rate class \$000s	Allowance Multiplier per rate class	Current Tariff	% Difference
Residential Multiplier	\$352	16.97%	\$2,076	5,714,531	\$11,861,856	\$2,558,598	4.6	n/a	>5%
Core C/I	\$1,961	16.97%	\$11,555	203,514	\$2,351,694	\$626,673	3.8		
NGV	\$69,617	16.97%	\$410,252	378	\$155,075	\$63,300	2.4		
Gas A/C	\$10,840	16.97%	\$63,881	4	\$256	\$112	2.3		
Gas Engine	\$16,984	16.97%	\$100,083	712	\$71,259	\$5,787	12.3		
Noncore C/I	\$142,986	16.97%	\$842,614	563	\$474,777	\$167,045	2.8		
EG Tier 1	\$49,027	16.97%	\$288,917	273	\$78,936	\$23,602	3.3		
EG Tier 2	\$1,847,421	16.97%	\$10,886,781	8	\$91,520	\$28,072	3.3		
Non Residential Multiplier				205,453	\$3,223,518	\$914,592	3.5	3.4	5%

Tariff Rule 20 Section H.2 Periodic Review:

Utility will periodically review the factors it uses to determine its

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

stated in this rule. If such review results in a change of more than five percent (5%), the Utility will submit a tariff revision proposal to the Commission for review and approval. Such proposed changes shall be submitted no sooner than six (6) months after the last revision.

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