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October 17, 2022

Advice No. 6045
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Annual Regulatory Account Balance Update for Rates Effective
January 1, 2023**

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, 2023.

Purpose

This submittal, made each year on or before October 15th,¹ 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 2022 year-end regulatory account balances in transportation rates effective January 1, 2023. In compliance with D.11-04-032, this submittal also revises the Backbone Transportation Service (BTS) rate effective January 1, 2023.

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, 2023.

SoCalGas also includes in this submittal updates to the revenue requirement for the 2016 Pipeline Safety Enhancement Plan (PSEP) Reasonableness Review authorized

¹ October 15, 2022, falls on a Saturday, so this Advice Letter (AL) is submitted on Monday, October 17, 2022.

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 adjustments² expected to be authorized by the Commission for implementation in transportation rates effective January 1, 2023. SoCalGas will submit an AL 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, 2023 effective date of such rates.

Customer Rate Impact – Regulatory Account Balances

Total

SoCalGas' transportation revenue requirement will increase by \$218.0 million. The core and noncore customer revenue requirements will increase by \$181.1 million and \$36.9 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 2023 GHG revenue requirement, 2016 and 2018 PSEP Reasonableness Review revenue requirement for 2023, 2017 PSEP Forecasted Revenue Requirement for 2023, 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 2023 rates. Attachments F and G show the supporting calculations of the minimum contributions made to the Pension and PBOP Trusts for 2022.

Core Customers

A \$181.1 million increase in the core transportation revenue requirement reflects the amortization of the projected year-end 2022 regulatory account balances. The increase is primarily due to increases in the undercollected balances of the Core Fixed Cost Account (CFCA), Residential Uncollectible Balancing Account (RUBA), and the Within Limits subaccount of the Liability Insurance Premium Balancing Account (LIPBA) and decrease of the amortization of the net overcollected balance in Deployment Phase Cost (DPC) and Post-Deployment Cost (PDC) subaccounts of the Advanced Meter Infrastructure Balancing Account (AMIBA) partially offset by a

² For example, see SoCalGas AL 6039 – Low-Carbon Fuel Standard (LCFS) Program Annual Credit and Revenue Estimates (2023).

change from a combined undercollected balance to a combined overcollected balance for the Company Facilities, End Users, and Lost & Unaccounted For (LUAF) GHG Compliance Cost subaccounts of the Greenhouse Gas Balancing Account (GHGBA) as described below.

CFCA – Pursuant to ALs 5884, 5884-A, and 5884-B, SoCalGas was authorized to amortize in 2022 rates a CFCA undercollection of \$10.5 million. SoCalGas projects a CFCA undercollected balance of \$120.8 million for amortization in 2023 rates, representing a revenue requirement increase of \$110.3 million.

AMIBA – Pursuant to ALs 5884, 5884-A, and 5884-B, SoCalGas was authorized to amortize in 2022 rates a net overcollection of \$77.7 million in the DPC and PDC subaccounts of the AMIBA. SoCalGas projects a small overcollected balance of \$0.3 million for amortization in 2023 rates, representing a revenue requirement increase of \$77.4 million. The AMIBA is allocated to the core revenue requirement.

RUBA – Pursuant to ALs 5884, 5884-A, and 5884-B, and 5817, SoCalGas was authorized to amortize in 2022 rates a RUBA undercollection of \$16.1 million. SoCalGas projects a RUBA undercollected balance of \$44.8 million for amortization in 2023 rates, representing a revenue requirement increase of \$28.7 million. The core revenue requirement allocation of this increase is \$11.1 million.

LIPBA – Pursuant to ALs 5884, 5884-A, and 5884-B, SoCalGas was authorized to amortize in 2022 rates an undercollection in the Within Limits subaccount of the LIPBA of \$14.3 million. For the Within Limits subaccount of the LIPBA, SoCalGas projects an undercollected balance of \$23.4 million for amortization in 2023 rates, representing a revenue requirement increase of \$9.1 million. The core revenue requirement allocation of this increase is \$8.4 million.

GHGBA – Pursuant to ALs 5884, 5884-A, and 5884-B, SoCalGas was authorized to amortize in 2022 rates a combined undercollection in the GHGBA's Company Facilities, End Users, and LUAF GHG Compliance Cost subaccounts of \$24.3 million. SoCalGas projects a combined overcollected balance for these three subaccounts within the GHGBA for amortization in 2023 rates of \$20.4 million, representing a revenue requirement decrease of \$44.7 million. The core revenue requirement allocation of this decrease is \$38.5 million.

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

Description	Core Revenue Requirement Increase / (Decrease) (in millions of \$)
CFCA	110.3
AMIBA	77.4
RUBA	11.1
LIPBA	8.4
GHGBA	(38.5)
Other Regulatory Accounts - net	12.4
Total Core Revenue Requirement	181.1

Noncore Customers

A \$36.9 million increase in the noncore transportation revenue requirement reflects the amortization of the projected year-end 2022 regulatory account balances. The increase is primarily due to increases in the undercollected balances of the RUBA and Noncore Fixed Cost Account (NFCA) and recovery of costs recorded in the System Reliability Memorandum Account (SRMA) as described below.

RUBA – As discussed above, the transportation revenue requirement will increase by \$28.7 million. The noncore revenue requirement allocation of this increase is \$17.6 million.

NFCA – Pursuant to ALs 5884, 5884-A, and 5884-B, SoCalGas was authorized to amortize in 2022 rates a NFCA undercollection of \$3.1 million. SoCalGas projects a NFCA undercollected balance for amortization in 2023 rates is \$13.4 million, representing a revenue requirement increase of \$10.3 million.

SRMA – As addressed in AL 5893-A, the Commission approved recovery of net system reliability costs incurred for the period of October 1, 2020, through September 30, 2021. Including adjustments related to the Memorandum In Lieu of Contract (MILC) and regulatory account interest recorded in the SRMA, the total revenue requirement for amortization in 2023 rates is \$15.2 million. The noncore revenue requirement allocation of this increase is \$9.3 million.

³ Amounts shown include franchise fees and uncollectibles (FF&U).

The major components of the noncore revenue requirement increase are as follows:⁴

Description	Noncore Revenue Requirement Increase / (Decrease) (in millions of \$)
RUBA	17.6
NFCA	10.3
SRMA	9.3
Other Regulatory Accounts - net	(0.3)
Total Noncore Revenue Requirement	36.9

Revision to the BTS Rate

Pursuant to ALs 5884, 5884-A, and 5884-B, SoCalGas was authorized to amortize in 2022 rates a Backbone Transmission Balancing Account (BTBA) overcollection of \$37.2 million. As of December 31, 2022, the BTBA is projected to have an overcollected balance of \$42.3 million, representing a BTS revenue requirement decrease of \$5.1 million. Additionally, SoCalGas updated the BTS Demand pursuant to D.11-04-032. The calculation of the proposed BTS rate for 2023 is detailed below:

Update to BTS Rate

	Present	Proposed	increase (decrease)
Unbundled BTS Revenues w/FFU (\$000's)	\$240,798	\$240,798	\$0
PSRMA-BBT SCG w/o FFU \$000	\$0	\$0	\$0
PSRMA-BBT SDG&E w/o FFU \$000	\$0	\$0	\$0
SECCBA-BBT SCG w/o FFU \$000	\$23,674	\$25,992	\$2,318
SECCBA-BBT SDG&E w/o FFU \$000	\$7,600	\$7,600	\$0
SEEBBA-BBT SCG w/o FFU \$000	\$4,204	\$2,649	(\$1,555)
SEEBBA-BBT SDG&E w/o FFU \$000	\$10	\$10	\$0
SECCBA-BBT SCG - Phase 1b	\$565	\$1,344	\$779
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	\$1,049	\$214	(\$835)
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)	(\$37,225)	(\$42,289)	(\$5,064)
FFU Rate	1.0167	1.0167	0
Balancing Accounts w/ FFU (\$000's)	(\$126)	(\$4,557)	(\$4,431)
SCG PSEP GRC	\$99,448	\$99,448	\$0
SCG PSEP GRCMA	\$0	\$0	\$0
BTS Revenue w/FFU (\$000's)	<u>\$340,120</u>	<u>\$335,690</u>	<u>(\$4,431)</u>
BTS Demand Dth/Day	<u>2,532,308</u>	<u>2,530,689</u>	<u>(1,619)</u>
BTS rate w/FFU \$/dth day	<u>\$0.36798</u>	<u>\$0.36342</u>	<u>(\$0.00456)</u>

⁴ Amounts shown include FF&U.

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 \$6.52/MMBtu, an increase of \$1.60/MMBtu from the \$4.92/MMBtu authorized for rates effective January 1, 2022. Based on this updated gas price forecast, SoCalGas proposes to revise its authorized costs for Other CU Fuel and UAF Gas to \$62.1 million, an increase of \$15.3 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	\$4.92	\$6.52	
UAF (M\$)	\$43,160	\$57,199	\$14,039
<u>Company Use Gas: Storage Load Balancing</u>			
Volumes Mth/yr	3,534	3,534	
Gas Price \$/dth	\$4.92	\$6.52	
Company Use Gas: Storage Load Balancing (M\$)	\$1,740	\$2,306	\$566
<u>Company Use Other:</u>			
Annual Average Volumes (Mth/year)	4,037	4,037	
Gas Price \$/th	\$4.92	\$6.52	
Co Use Other (M\$)	\$1,987	\$2,634	\$646
Total CU Fuel, UAF Gas Costs	\$46,887	\$62,138	\$15,251

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 2021 and 2022 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' 2022 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>					
	2021		2022		2023	
	Forecast 1/	Recorded 1/	Forecast 2/	Recorded 3/	Forecast	Recorded
GHG Revenue Requirement	184.1	242.4	460.3	196.3	444.9	
GHG Allowance Proceeds:						
Allowance Proceeds	(166.2)	(233.2)	(335.1)	(147.6)	(367.3)	
Less: Outreach and Admin costs						
Add: SB1477 Compliance costs	24.6	24.6	24.6	18.5	12.3	
Add: RNG Incentive costs			9.9	7.4	9.9	
Add: Biomass Project Costs			19.7	14.8	-	
Add: SGIP HPWH Program					20.0	
Net Allowance Proceeds	(141.6)	(208.6)	(280.9)	(106.9)	(325.1)	

Notes

1/ 2021 Forecast GHG Revenue Requirement and Allowance Proceeds from AL 5884-A. 2021 Recorded data updated with actual for entire year.

2/ 2022 Forecast Revenue Requirement from AL 5945.

3/ 2022 Recorded GHG Revenue Requirement and Allowance Proceeds includes actual data for January through August.

SoCalGas is requesting to include the 2023 GHG revenue requirement in rates effective January 1, 2023. In addition, SoCalGas is requesting to refund the 2023 Allowance Proceeds in April 2023.

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 2023 revenue requirement associated with the PSEP capital projects approved in D.19-02-004 in this submittal.

Pursuant to ALs 5884, 5884-A, and 5884-B, SoCalGas was authorized to incorporate in 2022 rates a revenue requirement of \$10.8 million. The revenue requirement associated with PSEP capital expenditures approved in the decision for 2023 is \$10.7 million (without FF&U), which represents a decrease in the revenue requirement of \$0.1 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 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 AL 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 AL submittal, SoCalGas incorporates its update of the 2023 revenue requirement associated with forecasted capital expenditures approved in D.19-03-025 in this submittal.

Pursuant to ALs 5884, 5884-A, and 5884-B, SoCalGas was authorized to incorporate in 2022 rates a revenue requirement of \$26.5 million (without FF&U). The forecasted revenue requirement associated with SoCalGas' twelve pipeline projects for 2023 is \$26.9 million (without FF&U), which represents an increase in the revenue requirement of \$0.4 million (without FF&U).

2018 PSEP Revenue Requirement

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 the PSEP assets. As SoCalGas submits an Annual Regulatory Account Balance Update for Rates for incorporation into the subsequent year's rates, SoCalGas incorporates its update of the 2023 revenue requirement associated with capital projects approved in D.20-08-034 in this submittal.

Pursuant to ALs 5884, 5884-A, and 5884-B, SoCalGas was authorized to incorporate in 2022 rates a revenue requirement of \$75.9 million. The revenue requirement associated with PSEP capital expenditures approved in the decision for 2023 is \$73.7 million (without FF&U), which represents a decrease in the revenue

requirement of \$2.2 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.

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 AL, which is November 6, 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

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 16, 2022, which is 30 calendar days from the date submitted, for implementation and inclusion in rates effective January 1, 2023.

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. 6045

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

**ATTACHMENT A
Advice No. 6045**

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

	Present Rates			Proposed Rates			Changes			
	Mar-1-22 Volumes Mth	Average Rate \$/therm	Mar-1-22 Revenues \$000's	Jan-1-23 Volumes Mth	Proposed Rate \$/therm	Jan-1-23 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	\$1.09046	\$2,558,598	2,346,353	\$1.17419	\$2,755,056	\$196,458	\$0.08373	7.7%
3	Commercial & Industrial	992,706	\$0.63128	\$626,673	992,706	\$0.65655	\$651,759	\$25,086	\$0.02527	4.0%
4										
5	NGV - Pre SempraWide	178,769	\$0.36605	\$65,438	178,769	\$0.30943	\$55,316	(\$10,122)	(\$0.05662)	-15.5%
6	SempraWide Adjustment	178,769	(\$0.01196)	(\$2,138)	178,769	(\$0.00483)	(\$863)	\$1,274	\$0.00713	-59.6%
7	NGV - Post SempraWide	178,769	\$0.35409	\$63,300	178,769	\$0.30460	\$54,452	(\$8,848)	(\$0.04949)	-14.0%
8										
9	Gas A/C	416	\$0.27022	\$112	416	\$0.32004	\$133	\$21	\$0.04982	18.4%
10	Gas Engine	22,302	\$0.25948	\$5,787	22,302	\$0.25401	\$5,665	(\$122)	(\$0.00547)	-2.1%
11	Total Core	3,540,545	\$0.91920	\$3,254,471	3,540,545	\$0.97925	\$3,467,066	\$212,595	\$0.06005	6.5%
12	NONCORE COMMERCIAL & INDUSTRIAL									
13	Distribution Level Service	919,735	\$0.18162	\$167,045	919,735	\$0.19149	\$176,123	\$9,079	\$0.00987	5.4%
14	Transmission Level Service (2)	626,080	\$0.03353	\$20,994	626,080	\$0.04139	\$25,911	\$4,917	\$0.00785	23.4%
15	Total Noncore C&I	1,545,814	\$0.12164	\$188,039	1,545,814	\$0.13070	\$202,034	\$13,995	\$0.00905	7.4%
16										
17	NONCORE ELECTRIC GENERATION									
18	Distribution Level Service									
19	Pre Sempra Wide	331,442	\$0.16782	\$55,623	331,442	\$0.17994	\$59,639	\$4,016	\$0.01212	7.2%
20	Sempra Wide Adjustment	331,442	(\$0.01191)	(\$3,949)	331,442	(\$0.01254)	(\$4,158)	(\$209)	(\$0.00063)	5.3%
21	Distribution Level Post Sempra Wide	331,442	\$0.15591	\$51,675	331,442	\$0.16739	\$55,481	\$3,807	\$0.01149	7.4%
22	Transmission Level Service (2)	2,246,336	\$0.03273	\$73,532	2,246,336	\$0.04227	\$94,942	\$21,410	\$0.00953	29.1%
23	Total Electric Generation	2,577,778	\$0.04857	\$125,206	2,577,778	\$0.05835	\$150,423	\$25,217	\$0.00978	20.1%
24										
25	TOTAL RETAIL NONCORE	4,123,593	\$0.07596	\$313,245	4,123,593	\$0.08547	\$352,457	\$39,212	\$0.00951	12.5%
26										
27	WHOLESALE & INTERNATIONAL (excluding SDG&E)	359,267	\$0.02859	\$10,273	359,267	\$0.03644	\$13,092	\$2,819	\$0.00785	27.4%
28										
29	OTHER SERVICES (SDG&E, UBS, & BTS)	1,118,614		\$372,946	1,118,614		\$376,085	\$3,139		
30										
31	SYSTEM TOTAL w/BTS	9,142,019	\$0.43217	\$3,950,935	9,142,019	\$0.46037	\$4,208,701	\$257,765	\$0.02820	6.5%
32										
33	EOR Revenues	208,941	\$0.09427	\$19,696	208,941	\$0.10392	\$21,712	\$2,016	\$0.00965	10.2%
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. 6045

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

**ATTACHMENT B
Advice No. 6045**

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

Account Name	Authorized 1/01/2022 Amortization			Proposed 01/01/2023 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)	(\$77,757)	\$0	(\$77,757)	(\$324)	\$0	(\$324)	\$77,433	\$0	\$77,433
2. Affiliate Transfer Fee Account (ATFA)	(\$53)	(\$4)	(\$57)	(\$99)	(\$8)	(\$107)	(\$46)	(\$4)	(\$50)
3. Biogas Conditioning/Upgrading Services Balancing Account (BCSBA)	(\$45)	(\$3)	(\$49)	\$0	\$0	\$0	\$45	\$3	\$49
4. Biomethane Cost Incentive Pgm Balancing Acct (BCIPBA)	\$3,941	\$6,231	\$10,172	\$0	\$0	\$0	(\$3,941)	(\$6,231)	(\$10,172)
5. California Solar Initiative Thermal Memorandum Account (CSITPMA)	\$919	\$492	\$1,411	\$726	\$388	\$1,114	(\$194)	(\$104)	(\$297)
6. Company-Use Fuel for Load Balancing Account (CUFLBA)	(\$443)	(\$726)	(\$1,168)	\$2,243	\$3,676	\$5,920	\$2,686	\$4,402	\$7,088
7. Compression Services Balancing Account (CSBA)	(\$68)	\$0	(\$68)	(\$74)	\$0	(\$74)	(\$5)	\$0	(\$5)
8. Compressor Station Fuel and Power Balancing Account (CFPBA)	(\$653)	(\$770)	(\$1,423)	\$1,588	\$1,872	\$3,460	\$2,242	\$2,642	\$4,883
9. Core Fixed Cost Account - Non NGV (CFCA)	(\$28,134)	\$0	(\$28,134)	\$121,906	\$0	\$121,906	\$150,040	\$0	\$150,040
10. Core Fixed Cost Account - NGV (CFCA)	\$9,827	\$0	\$9,827	(\$1,152)	\$0	(\$1,152)	(\$10,979)	\$0	(\$10,979)
11. Core Fixed Cost Account - C&I Shortfall (CFCA)	\$28,766	\$0	\$28,766	\$0	\$0	\$0	(\$28,766)	\$0	(\$28,766)
12. Distributed Energy Resources Svcs Bal Account (DERSBA)	\$0	\$0	\$0	(\$57)	(\$4)	(\$61)	(\$57)	(\$4)	(\$61)
13. Dairy Biomethane Program Balancing Account (DBPBA)	\$42,236	\$3,221	\$45,457	\$32,130	\$2,450	\$34,579	(\$10,107)	(\$771)	(\$10,878)
14. Dairy Biomethane Program Memorandum Account (DBPMA)	\$0	\$0	\$0	\$7,541	\$575	\$8,116	\$7,541	\$575	\$8,116
15. Economic Practicality Shortfall Memorandum Account (EPSMA)	\$0	\$396	\$396	\$0	\$434	\$434	\$0	\$38	\$38
16. Enhanced Oil Recovery Account (EORA)	\$2,351	\$179	\$2,531	(\$6,621)	(\$505)	(\$7,126)	(\$8,972)	(\$684)	(\$9,656)
17. Green House Gas Balancing Account (GHGBA) - Company Gas Compressor	\$43	\$67	\$110	(\$303)	(\$480)	(\$783)	(\$346)	(\$547)	(\$893)
18. Green House Gas Balancing Account (GHGBA) - End User	\$20,858	\$3,224	\$24,082	(\$19,421)	(\$3,286)	(\$22,707)	(\$40,280)	(\$6,510)	(\$46,789)
19. Green House Gas Balancing Account (GHGBA) - LUAF	\$68	\$28	\$96	\$2,175	\$883	\$3,058	\$2,107	\$855	\$2,962
20. Hazardous Substance Cost-Recovery Account (HSCRA)	\$110	\$174	\$284	\$171	\$270	\$441	\$61	\$96	\$157
21. Integrated Transmission Balancing Account (ITBA) Margin	\$81	\$95	\$176	\$2,353	\$2,773	\$5,125	\$2,272	\$2,677	\$4,949
22. Intervenor Award Memorandum Account (IAMA)	\$283	\$448	\$732	\$323	\$510	\$833	\$39	\$62	\$101
23. Liability Insurance Premium Balancing Account (LIPBA)	\$13,300	\$1,014	\$14,314	\$21,699	\$1,655	\$23,354	\$8,400	\$640	\$9,040
24. Master Meter Balancing Account (MMBA)	\$16,231	\$1,238	\$17,468	\$23,070	\$1,759	\$24,829	\$6,839	\$521	\$7,360
25. New Environmental Regulation Balancing Account (NERBA) - Admin Fees Subaccount	\$2,087	\$1,480	\$3,567	\$3,256	\$2,309	\$5,565	\$1,169	\$829	\$1,998
26. New Environmental Regulatory Balancing Account (NERBA) - Leak Detection & Repair (LDAR) s	\$1,839	\$140	\$1,980	\$5,660	\$432	\$6,091	\$3,820	\$291	\$4,112
27. New Environmental Regulatory Balancing Account (NERBA) - Natural Gas Leak Abatment Prgm s	(\$1,995)	(\$152)	(\$2,148)	\$0	\$0	\$0	\$1,995	\$152	\$2,148
28. Noncore Fixed Cost Account (NFCA) Margin	\$0	\$6,370	\$6,370	\$0	\$12,430	\$12,430	\$0	\$6,060	\$6,060
29. Noncore Fixed Cost Account (NFCA) Nonmargin	\$0	(\$3,275)	(\$3,275)	\$0	\$960	\$960	\$0	\$4,235	\$4,235
30. Noncore Storage Balancing Account (NSBA)	\$47	\$75	\$122	\$36	\$58	\$94	(\$11)	(\$17)	(\$28)
31. PBOP Balancing Account (PBOPBA)	(\$4,022)	(\$307)	(\$4,328)	(\$4,429)	(\$338)	(\$4,767)	(\$407)	(\$31)	(\$438)
32. Pension Balancing Account (PBA)	\$10,511	\$801	\$11,313	\$8,583	\$654	\$9,238	(\$1,928)	(\$147)	(\$2,075)
33. Residential Uncollectible Balancing Account (RUBA)	\$6,231	\$9,850	\$16,081	\$17,339	\$27,412	\$44,752	\$11,109	\$17,562	\$28,671
34. Research Royalty Memorandum Account (RRMA)	(\$149)	(\$11)	(\$161)	(\$230)	(\$18)	(\$248)	(\$81)	(\$6)	(\$87)
35. Rewards & Penalties Balancing Account (RPBA)	(\$248)	(\$19)	(\$267)	(\$268)	(\$20)	(\$289)	(\$21)	(\$2)	(\$22)
36. Safety Enhancement Capital Cost Balancing Account (SECCBA) - Distribution	\$58,983	\$13,538	\$72,521	\$61,657	\$14,152	\$75,810	\$2,674	\$614	\$3,288
37. Safety Enhancement Capital Cost Balancing Account (SECCBA) - Local Transmission	\$12,791	\$10,083	\$22,874	\$13,844	\$10,913	\$24,757	\$1,053	\$830	\$1,883
38. Safety Enhancement Expense Balancing Account (SEEBA) - Distribution	\$1,311	\$301	\$1,612	\$1,795	\$412	\$2,206	\$484	\$111	\$595
39. Safety Enhancement Expense Balancing Account (SEEBA) - Local Transmission	\$320	\$252	\$572	(\$377)	(\$297)	(\$674)	(\$697)	(\$549)	(\$1,246)
40. Self-Generation Program Memorandum Account (SGPMA)	\$6,892	\$9,375	\$16,268	\$6,892	\$9,375	\$16,268	\$0	\$0	\$0
41. System Operator Gas Account (SOGA)	(\$22)	(\$35)	(\$57)	(\$21)	(\$34)	(\$55)	\$1	\$2	\$3
42. System Reliability Memorandum Account (SRMA)	\$0	\$0	\$0	\$5,884	\$9,302	\$15,186	\$5,884	\$9,302	\$15,186
Total Regulatory Accounts	126,438	63,771	190,209	307,494	100,666	408,160	181,056	36,895	217,951

Note 1/ All amounts include FF&U.

Note 2/ Forecasted SoCalGas ITBA December 31, 2022 balance is on a combined and re-allocated basis.

ATTACHMENT C
Advice No. 6045

Southern California Gas Company
Gas Price Forecast - 2023

ATTACHMENT C
Advice No. 6045

SOUTHERN CALIFORNIA GAS COMPANY
GAS PRICE FORECAST - 2023

Jan	\$9.28
Feb	\$8.47
Mar	\$6.07
Apr	\$4.49
May	\$4.32
June	\$4.68
July	\$6.04
Aug	\$6.05
Sept	\$5.72
Oct	\$4.67
Nov	\$5.78
Dec	\$6.90

Total (average)	\$6.04
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Note 1/ the projected gas price of \$6.04/Dth is increased by the projected backbone transmission rate and brokerage fee to project the Citygate gas price of \$6.52/Dth.

ATTACHMENT D
Advice No. 6045

Southern California Gas Company
Pension Balancing Account (PBA)

**ATTACHMENT D
Advice No. 6045**

**SOUTHERN CALIFORNIA GAS COMPANY
PENSION BALANCING ACCOUNT (PBA)
Year 2022**

(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	12,015	(788)	(13,580)	(26,337)	(1,457)	(15,144)	(27,900)	(3,003)	(15,707)	9,264	(3,342)	(15,956)	12,015
1a	Prior Period Adjustment					(918)								(918)
1b	Adjusted Beginning Balance	12,015	(788)	(13,580)	(26,337)	(2,375)	(15,144)	(27,900)	(3,003)	(15,707)	9,264	(3,342)	(15,956)	11,097
2	Recorded Cost	(2,083)	(2,070)	(2,032)	35,608	(2,042)	(2,015)	35,632	(1,963)	35,699	(1,893)	(1,868)	35,772	126,744
3	Authorized Cost	9,794	9,794	9,794	9,794	9,794	9,794	9,794	9,794	9,794	9,794	9,794	9,794	117,527
4	Net position (2-3):	(11,877)	(11,864)	(11,826)	25,814	(11,836)	(11,809)	25,838	(11,757)	25,905	(11,687)	(11,662)	25,978	9,217
5	Amortization	927	927	927	927	927	927	927	927	927	927	927	927	11,127
6	Current Month Adjustment (4-5):	(12,804)	(12,791)	(12,753)	24,887	(12,763)	(12,736)	24,911	(12,685)	24,978	(12,614)	(12,590)	25,051	20,344
7	Current Month Interest**:	1	(1)	(3)	(7)	(6)	(19)	(14)	(19)	(7)	7	(24)	(9)	(102)
8	Total Current Month Activity (6+7):	(12,804)	(12,792)	(12,757)	24,880	(12,769)	(12,756)	24,897	(12,704)	24,971	(12,607)	(12,614)	25,042	(2,012)
9	Ending Balance (1b+8):	(788)	(13,580)	(26,337)	(1,457)	(15,144)	(27,900)	(3,003)	(15,707)	9,264	(3,342)	(15,956)	9,086	9,086

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

Interest Assumption:	0.13%	0.15%	0.21%	0.63%	0.87%	1.08%	1.07%	2.44%	2.44%	3.04%	3.04%	3.04%
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Supporting Calculation - 2022 Net Pension Revenue/Costs

	Authorized Cost	Recorded Cost
Gross Revenue/costs	161,245	150,466
Less: Amount capitalized	(44,988)	(31,578)
Less: Billings to SDG&E/Unregulated Affiliates	(1,653)	(2,538)
Plus: Billings from SDG&E	0	1,288
Depreciation/Return 1/	2,923	9,106
Net Costs	<u>\$117,527</u>	<u>\$126,744</u>

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

ATTACHMENT E
Advice No. 6045

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

ATTACHMENT E
Advice No. 6045

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

Year 2022

(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	(4,308)	(4,332)	(4,351)	(4,365)	(4,378)	(4,574)	(4,593)	(4,597)	(4,610)	(4,634)	(4,657)	(4,675)	(4,308)
1a Prior Period Adjustment		1			(174)								(173)
1b Adjusted Beginning Balance	(4,308)	(4,332)	(4,351)	(4,365)	(4,552)	(4,574)	(4,593)	(4,597)	(4,610)	(4,634)	(4,657)	(4,675)	(4,482)
2 Recorded Cost	(372)	(367)	(363)	(359)	(368)	(364)	(349)	(352)	(364)	(360)	(355)	(351)	(4,324)
3 Authorized Cost	6	6	6	6	6	6	6	6	6	6	6	6	70
4 Net position (2-3):	(378)	(373)	(369)	(365)	(374)	(370)	(355)	(358)	(370)	(365)	(361)	(357)	(4,394)
5 Amortization	(355)	(355)	(355)	(355)	(355)	(355)	(355)	(355)	(355)	(355)	(355)	(355)	(4,257)
6 Current Month Adjustment (4-5):	(23)	(18)	(14)	(10)	(19)	(15)	(0)	(3)	(15)	(11)	(6)	(2)	(8,652)
7 Current Month Interest**:	(0)	(1)	(1)	(2)	(3)	(4)	(4)	(9)	(9)	(12)	(12)	(12)	(70)
8 Total Current Month Activity (6+7):	(24)	(19)	(15)	(12)	(22)	(19)	(4)	(12)	(25)	(22)	(18)	(14)	(207)
9 Ending Balance (1b+8):	(4,332)	(4,351)	(4,365)	(4,378)	(4,574)	(4,593)	(4,597)	(4,610)	(4,634)	(4,657)	(4,675)	(4,688)	(4,688)

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

Interest Assumption:	0.13%	0.15%	0.21%	0.63%	0.87%	1.08%	1.07%	2.44%	2.44%	3.04%	3.04%	3.04%
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Supporting Calculation - 2022 Net PBOP Revenue/Costs

	Authorized Cost	Recorded Cost
Gross Revenue/costs	0	0
Lees: Amount capitalized	0	(5,632)
Less: Billings to SDG&E/Unregulated Affiliates	0	(444)
Plus: Billings from SDG&E	64	207
Depreciation/Return 1/	6	1,545
Net Costs	<u>\$70</u>	<u>(\$4,324)</u>

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

**ATTACHMENT F
Advice No. 6045**

**Southern California Gas Company
Pension Plan
Based on 2022 Draft Actuarial Results
Development of 2022 Minimum Required Contribution**

ATTACHMENT F
Advice No. 6045

Southern California Gas Company Pension Plan
Development of Pension Plan Contribution - Reflecting 2019 GRC Decision
Based on 2022 Draft Actuarial Results

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

II. Development of 2022 Minimum Required Contribution

1. 2022 Funding Target liability	\$1,631,704,118	
[Net Effective Interest Rate]	5.52%	
2. 2022 Plan Actuarial Value of Assets	\$1,973,608,887	
3. Funding shortfall [MAX [(II.1) - (II.2),0]]	\$0	
4. Excess assets [MAX [(II.2) - (II.1),0]]	\$341,904,769	
5. 2022 Plan Normal Cost		\$66,724,198
[includes estimated plan expenses of \$4,700,000]		
6. Funding shortfall base *		
(a) 2022 funding shortfall base		
[(II.3)]	\$0	
7. 2022 Amortization factor		
[based on amortization of shortfall over 15 years, assuming		
at 4.75% rate for the first 5 years and 5.18% rate for the final 10 years]	0.09241	
8. 2022 funding shortfall to be amortized in 2022 - 2036 [II.6(a) x II.7]		\$0
9. 2022 Minimum required contribution		\$0
[If II.4 > 0, then Max (0, II.5 - II.4), otherwise (II.5 + II.8), amount as of 1/1/2022]		
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. 2022 Funding Target liability	\$1,631,704,118	
2. 85% of 2022 Funding Target liability [III.1 x 85%]	\$1,386,948,500	
3. 2022 Plan Actuarial Value of Assets	\$1,973,608,887	
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 12/31/2022	\$2,869,988,463	
2. Fair Value of Assets as 12/31/2022	\$2,191,505,270	
3. Maximum Contribution (end of year) [IV.1 - IV.2]		\$678,483,193

V. Final 2022 Contribution (Greater of I, II, or III, but no more than IV) **\$150,465,000**

2022 Contributions (Reflecting quarterly timing requirement)	Funding
First quarterly contribution deposited on April 1, 2022	\$37,617,000
Second quarterly contribution deposited on July 1, 2022	\$37,617,000
Third quarterly contribution deposited on September 30, 2022	\$37,617,000
Final 2021 contribution estimated to be deposited on December 15, 2022	\$37,614,000
Sum of payments made for the 2022 Plan Year	\$150,465,000

* If the plan does not have a funding shortfall, then prior shortfall amortization bases are deemed fully amortized and there is no new shortfall amortization base for the current year. In addition, the minimum funding requirement is equal to the target normal cost less the excess assets.

ATTACHMENT G
Advice No. 6045

Southern California Gas Company
Represented and Non-Represented Retiree Health and Welfare Programs
Development of 2022 Contribution
Based on 2022 Draft Actuarial Reports

ATTACHMENT G
Advice No. 6045

Southern California Gas Company
Represented and Non-Represented Retiree Health and Welfare Programs
Development of 2022 Contribution
Based on 2022 Draft Actuarial Reports

1.	2022 APBO	\$702,802,078	
2.	Discount rate	3.05%	
3.	2022 Fair Value of Assets	\$1,184,905,333	
4.	2022 Plan Service Cost		\$16,701,682
5.	Interest cost		21,433,144
6.	Expected return on assets		(52,714,364)
7.	Prior service cost amortization		(2,519,167)
8.	Unrecognized (gain)/loss amortization		(12,302,389)
9.	Special Termination Benefits		0
10.	Net periodic benefit cost/(income)		(\$29,401,094)
11.	IRS maximum deductible trust contributions		\$0
12.	Expected Benefits paid directly by the Company		800,000
13.	Total IRS maximum deductible contribution		\$800,000
	Recoverable Contributions (the lesser of 10. and 13. above, but not less than zero)		\$0
	Timing of Estimated 2022 Recoverable Contribution		N/A

ATTACHMENT H
Advice No. 6045

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. 6045**

Table A: Forecast Revenue Requirement

Line	Description	2021		2022		2023	
		Forecast	Recorded	Forecast 1/	Recorded 2/	Forecast	Recorded
1	Gross Throughput (MMcf)	752,680		756,758		741,650	
2	Throughput to Covered Entities (MMcf)	(353,076)		(363,737)		(353,189)	
3	Net Throughput to End Users (MMcf) (Line 1 + Line 2)	399,604		393,021		388,461	
4	Lost and Unaccounted for Gas (MMcf)	7,053		7,091		6,949	
5	Total Supplied Gas (MMcf) (Line 3 + Line 4)	406,656		400,112		395,410	
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)	22,221,479		21,863,875		21,606,944	
8	Compliance Obligation for Company Facilities (MTCO ₂ e)	90,000		90,000		80,000	
9	Gross Compliance Obligation (MTCO₂e) (Line 7 + Line 8)	22,311,479		21,953,875		21,686,944	
10	Directly Allocated Allowances	(19,030,307)		(18,238,349)		(17,446,390)	
11	Percentage Consigned to Auction	55%		60%		65%	
12	Consigned Allowances (Line 10 * Line 11)	10,466,669		10,943,009		11,340,153	
13	Net Compliance Obligation (MTCO₂e) (Line 9 + Line 10+ Line 12)	13,747,841		14,658,535		15,580,707	
14	Proxy GHG Allowance Price	\$ 17.91		\$ 29.26		\$ 29.39	
15	Compliance Instrument Cost	\$ 246,196,341	242,497,878	\$ 428,938,043	196,765,313	\$ 457,885,811	
16	Interest		(54,457)		(445,026)		
17	Franchise Fees & Uncollectibles	\$ 4,208,480		\$ 7,077,478		\$ 7,477,275	
18	Revenue Requirement (Line 15 + Line 16 + Line 17)	\$ 250,404,821	\$ 242,443,421	\$ 436,015,521	\$ 196,320,287	\$ 465,363,086	
19	Previous Year's Cost Balancing Subaccount Balance w/ FFU	\$ (66,326,884)		\$ 24,282,795		\$ (20,426,966)	
20	Revenue Requirement to be Included in Rates (Line 18 + Line 19)	\$ 184,077,937	\$ 242,443,421	\$ 460,298,316	\$ 196,320,287	\$ 444,936,120	
21	Covered Entity Rate Impact (\$/therm)	\$ (0.00032)		\$ 0.00158		\$ 0.00175	
22	Non-Covered Entity Rate Impact (\$/therm)	\$ 0.04497		\$ 0.11066		\$ 0.10537	

Supporting Information:

FF&U %	1.709%	1.650%	1.633%
LUAf %	0.937%	0.937%	0.937%
System Throughput	9,142,019	9,142,019	9,142,019
Non-Covered Entity Throughput	4,128,641	4,087,740	4,139,621

Revenue Requirement to be Included in Rates w/FFU

End-User Revenue Requirement w/FFU	\$ 241,746,095	\$ 421,813,149	\$ 451,631,676
LUAf Revenue Requirement w/FFU	\$ 7,019,455	\$ 11,525,338	\$ 11,341,977
Company Facilities Revenue Requirement w/FFU	\$ 1,639,271	\$ 2,677,034	\$ 2,389,432
Total Revenue Requirement w/FFU	\$ 250,404,821	\$ 436,015,521	\$ 465,363,086

Cost Balancing Account Balances w/FFU

End-User w/ FFU	\$ (54,741,918)	\$ 24,076,490	\$ (22,701,942)
LUAf w/ FFU	\$ (9,398,484)	\$ 96,175	\$ 3,058,409
Company Facilities w/ FFU	\$ (2,186,482)	\$ 110,131	\$ (783,433)
Total Balancing Accounts w/FFU	\$ (66,326,884)	\$ 24,282,795	\$ (20,426,966)
Total GHG Costs in Rates w/ FFU	\$ 184,077,937	\$ 460,298,316	\$ 444,936,120

Revenue Requirement to be Included in Rates w/out FFU

End-User Revenue Requirement w/out FFU	\$ 237,683,140	\$ 414,966,206	\$ 444,300,715
LUAf Revenue Requirement w/out FFU	\$ 6,901,481	\$ 11,338,256	\$ 11,157,872
Company Facilities Revenue Requirement w/out FFU	\$ 1,611,720	\$ 2,633,580	\$ 2,350,647
Total Revenue Requirement w/out FFU	\$ 246,196,341	\$ 428,938,043	\$ 457,809,234

Cost Balancing Account Balances w/o FFU

End-User w/o FFU	\$ (53,821,886)	\$ 23,685,676	\$ (22,333,440)
LUAf w/o FFU	\$ (9,240,526)	\$ 94,614	\$ 3,008,764
Company Facilities w/o FFU	\$ (2,149,734)	\$ 108,343	\$ (770,716)
Total Balancing Accounts w/o FFU	\$ (65,212,147)	\$ 23,888,633	\$ (20,095,392)
Total GHG Costs in Rates w/out FFU	\$ 180,984,194	\$ 452,826,676	\$ 437,713,842

Note 1/ 2022 Forecasted Revenue Requirement from AL 5884-A.

Note 2/ 2022 Recorded Compliance Instrument Costs include actual expenses for January through August.

Attachment H – Table A

SoCalGas Gross Compliance Obligation is calculated as the 2023 throughput forecast in the most recent California Gas Report less throughput associated with covered entities plus an estimate for Lost and Unaccounted-For (LUAFF) gas and a forecast of emissions for SoCalGas' applicable covered Facilities. SoCalGas' directly allocated allowances are reduced by 65%, which is the minimum consigned percentage required for 2023 by the Cap-and-Trade Program regulations. The Proxy GHG Allowance price is the 5-day average of forward prices for September 7-9 and September 12-13 on the Intercontinental Exchange (ICE) for a California Carbon Allowance (CCA) with December delivery in 2022.

The resulting 2023 Forecast Revenue Requirement is \$465.4 million (including FF&U). This is composed of \$451.6 million for end users, \$11.4 million for LUAFF gas, and \$2.4 million for company facilities.

SoCalGas also forecasts to amortize in 2023 rates a \$20.4 million GHGBA overcollected balance. As a result, the total impact is \$444.9 million (\$465.4 million - \$20.4 million).

**ATTACHMENT H
Advice No. 6045**

Table C: GHG Allowance Proceeds

Line	Description	2021		2022		2023	
		Forecast	Recorded	Forecast 1/	Recorded 2/	Forecast	Recorded
1	Proxy GHG Allowance Price (\$/MT)	\$ 17.91		\$ 29.26		\$ 29.39	
2	Directly Allocated Allowances	19,030,307		18,238,349		17,446,390	
3	Percentage Consigned to Auction	55%		60%		65%	
4	Consigned Allowances	10,466,669		10,943,009		11,340,153	
5	Allowance Proceeds	\$ (187,437,108)	(233,281,123)	\$ (320,214,329)	(148,195,697)	\$ (333,264,416)	
6	Previous Year's Revenue Balancing Subaccount Balance	\$ 21,256,735		\$ (14,910,521)		(33,995,753)	
7	Interest		\$ 33,177		\$ 636,013		
8	Subtotal Allowance Proceeds (\$) (Line 5 + Line 6 + Line 7)	\$ (166,180,374)	\$ (233,247,946)	\$ (335,124,850)	\$ (147,559,684)	\$ (367,260,169)	
9	Outreach and Admin Expenses (\$) (from Table D)	\$ -	\$ -	\$ -	\$ -	\$ -	
9b	SB 1477 Compliance Costs 3/	\$ 24,630,000	\$ 24,630,000	\$ 24,630,000	\$ 18,472,500	\$ 12,315,000	
9c	RNG Incentive Costs 4/			\$ 9,852,000	\$ 7,389,000	\$ 9,852,000	
9d	Bio-SNG Pilot Costs 5/			\$ 19,704,000	\$ 14,778,000	\$ -	
9e	SGIP HPWH Funding 6/					\$ 20,032,000	
10	Net GHG Proceeds Available for Customer Returns (\$) (Line 8 + Line 9 + Line 9b + Line 9c + Line 9d + Line 9e)	\$ (141,550,374)	\$ (208,617,946)	\$ (280,938,850)	\$ (106,920,184)	\$ (325,061,169)	
11	Number of Residential Households	6,322,188		6,361,008		6,402,534	
12	Per Household California Climate Credit (\$) (Line 10 / Line 11)	\$ (22.39)		\$ (44.17)		\$ (50.77)	
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)	\$ (141,550,374)		\$ (280,938,850)		\$ (325,061,169)	
15	Per Household California Climate Credit (\$) (Line 14 / Line 11)	\$ (22.39)		\$ (44.17)		\$ (50.77)	

Note 1/ 2022 Forecasted Allowance Proceeds from AL 5945.

Note 2/ 2022 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.

Note 6/ Per D.22-04-036, SoCalGas is authorized to allocate and fund \$20.032 million for Self-Generation Incentive Program (SGIP) Heat Pump Water Heater (HPWH) program. Funding will be recorded in four quarterly installments on or before March 1, June 1, September 1, and December 1 of 2023.

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 65% of SoCalGas' directly allocated allowances for 2023, consistent with Table A. As a result, SoCalGas calculates Allowance Proceeds of \$333.3 million. There are no forecasted 2023 Outreach and Administrative Expenses per Table D. However, SoCalGas forecasts an overcollected balance in the Consignment Revenues subaccount of the GHGBA totaling \$34.0 million. Additionally, SoCalGas deducts their proportional share of annual allowance proceeds for (1) the first \$50 million (\$12.3 million) for the Building Initiative for Low-Emissions Development (BUILD) and Technology and Equipment for Clean Heating (TECH) programs and (2) \$40 million (SoCalGas share is \$19.704 million allocated over the two-year period for 2022 and 2023, or \$9.852 million per year) for RNG Incentive Costs, and (3) \$40 million (SoCalGas share is \$20.032 million) to fund the Self-Generation Incentive Program's Heat Pump Water Heater Program from their calculations of the 2023 Climate Credit. So in total, SoCalGas forecasts 2023 GHG Allowance Proceeds of \$325.1 million. When distributed to 6.4 million residential households, SoCalGas' 2023 California Climate Credit will be \$50.77.

ATTACHMENT H
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Table D: GHG Outreach and Administrative Expenses

Line	Description	2021		2022		2023	
		Forecast	Recorded	Forecast	Recorded	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 (\$)	\$ -		\$ -		\$ -	

ATTACHMENT H
Advice No. 6045

Table E: Compliance Obligation Over Time

	2018	2019	2020 1/	2021	2022
Natural Gas Fuel Supplier Compliance Obligation (MTCO₂e)	20,661,693	22,217,101	20,754,129	21,393,945	N/A
Company Facility Compliance Obligation (MTCO₂e)	74,824	77,450	81,362	65,239	N/A

Note 1/ CARB updated the final compliance obligation for 2020 after the rate update filing was completed.

ATTACHMENT I

Advice No. 6045

**Net Natural Gas Compliance Obligation
Purchase Limits and Recorded GHG Costs**

**CONFIDENTIAL AND PROTECTED MATERIALS
PURSUANT TO PUC SECTION 583, GO 66-D, AND D.21-09-020**

ATTACHMENT A

SoCalGas Request for Confidentiality on the following information in Appendix I of Advice Letter 6045

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.21-09-020**

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, 2023, 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 PUC Section 583, Decision (“D.”) 21-09-020 and General Order (“GO”) 66-D Revision 2 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 2022, at Los Angeles, California.

**Donna M.
Newton**

Digitally signed by Donna
M. Newton
Date: 2022.10.11
17:04:13 -07'00'

Donna Newton
Contract and Risk Administration Manager

ATTACHMENT A

SoCalGas Request for Confidentiality on the following information in Appendix I of Advice Letter 6045

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>