BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

In the Matter of the Application of Southern California Gas Company (U 904 G) Regarding Year 29 (2022-2023) of Its Gas Cost Incentive Mechanism.	A.23-07-____ (Filed July 17, 2023)

APPLICATION OF SOUTHERN CALIFORNIA GAS COMPANY (U 904 G) REGARDING YEAR 29 (2022-2023) OF ITS GAS COST INCENTIVE MECHANISM

JEFFREY B. FOHRER

Attorney for:

SOUTHERN CALIFORNIA GAS COMPANY
555 West Fifth Street, 14TH Floor
Los Angeles, California 90013-1011
Telephone: (213) 244-3061
Facsimile: (213) 629-9620
E-mail: jfohrer@socalgas.com

Dated**:** July 17, 2023

TABLE OF CONTENTS

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

In the Matter of the Application of Southern California Gas Company (U 904 G) Regarding Year 29 (2022-2023) of Its Gas Cost Incentive Mechanism.	A.23-07-____ (Filed July 17, 2023)

APPLICATION OF SOUTHERN CALIFORNIA GAS COMPANY (U 904 G) REGARDING YEAR 29 (2022-2023) OF ITS GAS COST INCENTIVE MECHANISM

I. INTRODUCTION

Southern California Gas Company (SoCalGas) hereby submits its twenty-ninth annual application (Application) under the Gas Cost Incentive Mechanism (GCIM). The California Public Utilities Commission (CPUC or Commission) established the GCIM in Decision (D.) 94-03-076, which was modified and extended in D.97-06-061, extended on an annual basis beginning with Year 6 in D.98-12-057, and then further modified and extended on an annual basis beginning with Year 8 in D.02-06-023.[1] Pursuant to these decisions and SoCalGas's Tariff Preliminary Statement Part VIII, "Gas Cost Incentive Mechanism," SoCalGas is to file an application and report in June of each year to address its performance under the GCIM for the previous April 1 - March 31 period (GCIM Year). On June 14, 2023, the Executive Director of the CPUC approved a request from SoCalGas for an extension of time, pursuant to Rule 16.6, to extend the date to file this GCIM application to July 15, 2023, rather than June 15, 2023.

[1] Pursuant to D.02-06-023, the GCIM will continue on an annual basis until the Commission modifies or terminates it after giving interested parties notice and an opportunity to be heard. *See* D.02-06-023, mimeo., at 16, 21-22, and p. 1 of Attachment A.

Included as Attachment A to this Application, SoCalGas provides its report on gas supply and core storage activity for the 12-month GCIM Year ended March 31, 2023 (Year 29). This report documents the market conditions experienced during Year 29 as well as the ongoing monitoring and evaluation of SoCalGas's procurement and hedging activities. The monitoring and evaluation activities included bi-weekly meetings with the Public Advocates Office (Cal PA) and the CPUC's Energy Division,[2] as well as providing monthly reports to the CPUC, which included a calculation of year-to-date GCIM benefit to core customers,[3] total monthly actual costs and benchmark dollars, benchmark prices, current year capacity holdings and capacity utilization by pipeline. The GCIM continued to provide significant value to core ratepayers during Year 29, as SoCalGas was able to purchase gas at $417.6 million below the GCIM benchmark, resulting in a core ratepayer benefit of $354.9 million in lower gas costs. As a result of this performance below benchmark, SoCalGas's Year 29 shareholder reward is calculated pursuant to the GCIM formula to be $62.8 million.

In recognition of the confluence of market conditions and unprecedented high winter commodity prices that adversely affected customers' bills, SoCalGas proposes to share a substantial portion of its Year 29 reward with core customers through procurement rates over the 2024-25 winter period. To determine the amount to share with customers, SoCalGas approximated its Year 29 reward without the impact of unprecedented winter prices by replacing Year 29 actual data for December, January, and February with five-year average data from GCIM Year 24 through Year 28 for those same months. As documented in Attachment A, this adjusted calculation results in an approximated reward of $25.4 million. SoCalGas is proposing to share with customers the difference between this $25.4 million approximated reward (that excludes the

---

[2] The Utility Reform Network, or TURN, is also invited to the biweekly meetings.

[3] Core customers are generally residential customers and small businesses.

impact of unprecedented winter prices) and its actual calculated reward under the GCIM formula. Subject to approval of SoCalGas's $62.8 million award as set forth in this application, that difference – and the amount that SoCalGas will share with core customers through procurement rates over the 2024-25 winter period – is $37.4 million.[4]

II. BACKGROUND

A. Establishment of the GCIM

On March 16, 1994, the Commission approved SoCalGas's Application (A.) 93-10-034, implementing a new method by which the Commission oversees the reasonableness of gas purchases and gas storage decisions made by SoCalGas on behalf of retail core customers (D.94-03-076). The Commission initially established a three-year experimental GCIM program beginning April 1, 1994. As stated in D.94-03-076, the GCIM program originally consisted of two separate elements, one that measured performance for gas procurement efforts, and the other that measures performance for efficient gas storage operations for the core class. The original GCIM affected approximately 75 percent of SoCalGas's total gas purchases.

The original GCIM established a benchmark against which to measure the price SoCalGas pays for core and core subscription gas supply. The benchmark was based on a combination of monthly gas price indices published in Natural Gas Intelligence, Inside FERC Gas Market Report, and a New York Mercantile Exchange (NYMEX) component for gas futures. The GCIM proposal included a "tolerance band" to allow SoCalGas to meet objectives related to service reliability and supply security. The approved tolerance band was initially established at four and one-half percent during the first year of the GCIM and four percent for the subsequent two years.

4 To accomplish this, SoCalGas asks the Commission to waive, to the extent necessary, SoCalGas's GCIM tariff provisions and Section 532 of the Public Utilities Code.

In establishing the GCIM in D.94-03-076, the Commission ordered the Commission Advisory and Compliance Division (CACD) to conduct an evaluation of the GCIM by August 1, 1996, to provide the Commission with guidance regarding the success or failure of the program prior to its three-year completion. Cal PA, formerly the Office of Ratepayer Advocates (ORA), was given the task of auditing SoCalGas's annual reports on the GCIM.[5]

B. Modifications to the GCIM Process

In D.02-06-023, the Commission approved a Settlement Agreement executed in July of 2001 by SoCalGas, Cal PA, and The Utility Reform Network (TURN). Specifically, D.02-06-023 extended and made the following changes to SoCalGas's GCIM:

1. Elimination of the NYMEX Program as a benchmark index, beginning in Year 8.
2. Shareholder rewards will be capped at 1.5 percent of the actual annual gas commodity cost.
3. The sharing bands below the benchmark will be:

Sharing Band	Ratepayer%	Shareholder%
0.0%-1.00%	100%	0%
1.00%-5.00%	75%	25%
5.00% & Above	90%	10%

Pursuant to D.02-06-023, SoCalGas's GCIM will continue annually until further modified or terminated upon Commission order.[6]

In the GCIM Year 11 Proceeding (A.05-06-030), further modifications were made. On November 30, 2005, Cal PA issued its GCIM Year 11 Monitoring and Evaluation Report which concurred with SoCalGas's proposed shareholder reward of $2.5 million, but also recommended two modifications to the GCIM mechanism.[7]

---

5 At the time of the original GCIM decision, Cal PA was known as the Division of Ratepayer Advocates (DRA). Over the ensuing GCIM years, the name of this organization changed from DRA to ORA, back to DRA, back to ORA, and then changed to Cal PA. To avoid confusion, this Application will simply refer to Cal PA throughout because that is the current name of this organization.

6 D.02-06-023, mimeo, at 25-26 and p. 1 of Attachment A (the Settlement Agreement).

7 Cal PA GCIM Year 11 Monitoring and Evaluation Report, pp. 1-2.

1. SoCalGas should inject gas into storage on a uniform ratable basis during the injection months.

2. SoCalGas should meet a strict minimum of 70 Bcf inventory level in storage by November 1.

On February 17, 2006, Cal PA, TURN, and SoCalGas filed a Joint Recommendation, which resolved the concerns raised by Cal PA in its Monitoring and Evaluation Report. Specifically, the Joint Recommendation proposed the following changes to the GCIM:

- The core's October 31 physical inventory storage target will change from 70 Bcf +5/-5 Bcf to 70 Bcf +5/-2 Bcf. This core physical inventory does not include any net park and net loan positions.
- If additional storage inventory capacity is allocated to SoCalGas's core beyond 70 Bcf, core's October 31 physical inventory storage target will be increased by that amount.
- SoCalGas must obtain the consent of Cal PA and TURN to rely upon its existing secondary storage target.
- Unless otherwise agreed to by Cal PA and TURN, SoCalGas must have a minimum core- purchased inventory of 49 Bcf on July 31, 2006. This target may include net loan positions.
- For the years beyond 2006, SoCalGas will obtain agreement from Cal PA and TURN for mid-season core-purchased inventory target(s) which must be met unless otherwise agreed to by Cal PA and TURN. Each of these changes would be reflected in SoCalGas's GCIM tariff.

The Joint Recommendation of Cal PA, TURN and SoCalGas was adopted by the Commission in D.06-10-029 along with SoCalGas's requested shareholder reward for Year 11 of $2.5 million.[8]

In January 2018, the Commission issued D.18-01-005, approving A.17-06-016 and SoCalGas's requested shareholder reward of $4.235 million. That decision also directs SoCalGas to meet with Cal PA in the event that SoCalGas anticipates that it will have less than 47.0 Bcf of

[8] As with GCIM Year 7, Year 8, Year 9, and Year 10 shareholder rewards granted by the Commission, the GCIM Year 11 reward was made subject to refund or adjustment, to be determined in Investigation (I.)02-11-040. However, in D.06-12-034, the Commission closed I.02-11-040 with prejudice and terminated the conditions imposed upon these GCIM shareholder rewards.

mid-season core storage inventory on July 31 of each year, starting on July 31, 2018. That decision also requires SoCalGas to provide written notification of its mid-season (July 31) and annual (November 1) core purchased storage inventory targets to the Commission's Energy Division, also beginning in 2018.

In February 2020, the Commission issued D.20-02-007, approving A.19-06-009 and SoCalGas's requested shareholder reward of $16,798,695. In D.20-02-007, the Commission ordered SoCalGas to include additional information in future GCIM applications:

- The table titled "Summary of GCIM Results to Date" must include a column showing the actual annual cost greater than 5% below the Benchmark Budget (measured as a percentage of the annual Benchmark Gas Commodity Cost) in which the gain in excess of 5% is allocated 90% to core ratepayers and 10% to shareholders.
- The calculation of the requested shareholder award for the GCIM Year showing: (i) the total benchmark costs for the GCIM Year broken down by transportation and commodity; (ii) total actual costs broken down by transportation and commodity; (iii) Secondary Market Services net revenues; and (iv) the net hedging gain or loss broken down by winter hedges and other hedges.
- A narrative and quantitative comparison of the previous GCIM Year and the current GCIM Year benchmark costs and actual costs, including total actual costs broken down by: (i) transportation and commodity; (ii) Secondary Market Services net revenues; and (iii) the net hedging gain or loss broken down by winter hedges and other hedges.[9]

C. GCIM Year 28

SoCalGas filed A.22-06-05 on June 15, 2022, requesting a GCIM shareholder reward of $22,313,352 for Year 28. During GCIM Year 28, SoCalGas continued to provide its bundled core customers with reliable natural gas supplies, at $122.2 million below benchmark cost, resulting in a ratepayer benefit of $99.9 million in lower gas costs. On October 17, 2022, Cal PA served its Monitoring and Evaluation Report for GCIM Year 28 and recommended approval of SoCalGas's

[9] D.20-02-007 at p. 13 (Ordering Paragraph 2).

requested shareholder reward. On June 29, 2023, the Commission adopted D.23-06-028, approving A.22-06-05 and SoCalGas's requested shareholder reward of $22,313,352.

III. PURPOSE OF APPLICATION AND RELIEF SOUGHT

The purpose of this Application is to address the shareholder reward for SoCalGas's performance in Year 29 pursuant to the GCIM. As documented in Attachment A, in GCIM Year 29 SoCalGas was able to purchase gas at $417.6 million below the GCIM benchmark, providing a ratepayer benefit of $354.9 million in lower gas costs. The actual cost of all purchases by SoCalGas subject to the GCIM was $4,479,165,500, while the benchmark cost was $4,896,806,733. If the Commission determines that these figures are accurate, SoCalGas's shareholder reward is calculated pursuant to the GCIM formula to be $62,783,957. Subject to approval of this shareholder reward, and as described earlier in this application, SoCalGas proposes to share $37,429,313 of the reward – the difference between an approximated reward of $25,354,644 (that excludes the impact of unprecedented winter prices) and SoCalGas's actual calculated reward under the GCIM formula – with core customers through procurement rates over the 2024-2025 winter period.

IV. STATUTORY AND PROCEDURAL REQUIREMENTS

A. Category, Need for Hearing, Issues to be Considered, Relevant Safety Considerations, and Schedule – Rule 2.1(c)

SoCalGas proposes that this proceeding be categorized as "ratesetting" because SoCalGas's proposals will have a future effect on rates. SoCalGas does not believe that evidentiary hearings are necessary. With the data provided herein and the GCIM settlement adopted by the Commission in D.02-06-023, SoCalGas does not believe that its proposals in this proceeding will raise any issues of fact that will require a hearing.

The issues to be considered in this proceeding are whether SoCalGas has calculated its shareholder reward of $62,783,957 in accordance with applicable Commission decisions and SoCalGas's GCIM tariff and whether SoCalGas's requested shareholder reward as described herein should be approved. This application does not identify any safety consideration associated with its requested relief. In addition, SoCalGas does not identify any Environmental and Safety Justice (ESJ) issues in this application.

SoCalGas proposes the following schedule for this Application:

EVENT	**DATE**
SoCalGas files Application	July 17, 2023
Deadline for responses to Application	within 30 days Daily Calendar notice
Prehearing Conference	September 15, 2023
Cal PA Monitoring Report	November 15, 2023[10]
Comments on Cal PA Report	November 30, 2023
Reply Comments (if any) on Report	December 6, 2023
Proposed Decision	January 2024
Commission Decision	February 2024

B. Authority – Rule 2.1

This Application is made pursuant to Sections 451, 454, 489, 491, 701, 728, and 729 of the Public Utilities Code of the State of California, the Commission's Rules of Practice and Procedure, SoCalGas's GCIM Preliminary Statement, and relevant decisions, orders, and resolutions of the Commission, including D.02-06-023.

---

[10] Cal PA's Monitoring Report is typically due October 15. Due to the extension of time granted to file this Application, SoCalGas has proposed adjusting this date to November 15. SoCalGas will collaborate with Cal PA and the assigned Commission staff to identify the appropriate date for this report.

C. Corporate Information and Correspondence – Rule 2.1(a) and (b)

SoCalGas is a public utility organized and existing under the laws of the State of California. SoCalGas's principal place of business and mailing address is 555 West Fifth Street, Los Angeles, California 90013. All correspondence and communications regarding this Application should be addressed to:

Jordan Calzadillas
Regulatory Case Manager for:

Southern California Gas Company
555 West Fifth Street, GT14D6
Los Angeles, California 90013-1011
Tel: (213) 244-3365
Fax: (213) 244-4957
E-mail: JCalzadi@socalgas.com

A copy should also be sent to:

Jeffrey B. Fohrer
Attorney (and Party) for:

Southern California Gas Company
555 West Fifth Street, GT14E7
Los Angeles, California 90013-1011
Tel: (213) 244-3061
Fax: (213) 629-9620
E-mail: jfohrer@socalgas.com

D. Request for Ex Parte Approval – Rule 2.1(c)

The Commission is familiar with SoCalGas's GCIM and the limited issues presented by this Application. SoCalGas believes that the information provided by this Application and accompanying Year 29 Report will be a sufficient basis for the Commission to reach a decision without hearings. Accordingly, SoCalGas respectfully requests that the Commission approve this Application expeditiously, and without evidentiary hearings.

E. Articles of Incorporation – Rule 2.2

SoCalGas previously filed a certified copy of its Restated Articles of Incorporation with Application No. 98-10-012, and these articles are incorporated herein by reference.

F. Balance Sheet and Income Statement – Rule 3.2(a)(1)

The most recent updated Balance Sheet and Income Statement for SoCalGas is attached to this application as Attachment B.

G. Rates – Rule 3.2(a)(2) and (3)

The rate changes that will result from this Application are described in Attachment C.

H. Property and Equipment – Rule 3.2(a)(4)

A general description of SoCalGas's property and equipment was previously filed with the Commission on May 3, 2004 in connection with SoCalGas's Application 04-05-008, and is incorporated herein by reference. A statement of Original Cost and Depreciation Reserve as of March 31, 2023, is attached as Attachment D.

I. Summary of Earnings – Rules 3.2(a)(5) and (6)

The summary of earnings for SoCalGas is included herein as Attachment E.

J. Exhibits and Readiness – Rule 3.2

SoCalGas's GCIM Year 29 Annual Report accompanies this Application. SoCalGas is now ready to proceed with its showing.

K. Depreciation – Rule 3.2(a)(7)

For financial statement purposes, SoCalGas has computed depreciation of utility plants on a straight-line remaining life basis at rates based on the estimated useful lives of plant properties. For federal income tax accrual purposes, SoCalGas generally computes depreciation using the straight-line method for tax property additions prior to 1954, and liberalized depreciation, which includes Class Life and Asset Depreciation Range Systems, on property additions after 1954 and prior to 1981. For financial reporting and rate purposes, "flow through accounting" has been adopted for such properties.

For property additions in years 1981 through 1986, SoCalGas has computed its tax depreciation using the Accelerated Cost Recovery System. For years after 1986, the Company has computed its tax depreciation using the Modified Accelerated Cost Recovery Systems, and, since 1982, has normalized the effects of the depreciation differences in accordance with the Economic Recovery Tax Act of 1981, the Tax Reform Act of 1986, and the Tax Cuts and Jobs Act of 2017.

L. Proxy Statement – Rule 3.2(a)(8)

A copy of the most recent proxy statement, dated April 25, 2023, was provided to the Commission by letter dated May 9, 2023, and is incorporated herein by reference.

M. Pass Through of Costs – Rule 3.2(a)(10)

The shareholder reward sought by SoCalGas in this Application does not reflect and simply pass through to customers increased costs to SoCalGas for services and commodities furnished by it.

N. Service and Notice – Rule 3.2(b)

SoCalGas is serving this Application on all parties to A.22-06-005. Within twenty days of filing, SoCalGas will mail notice of this Application to the State of California and to cities and counties served by SoCalGas, and SoCalGas will post the notice in its offices and publish the notice in newspapers of general circulation in each county in its service territory. In addition, SoCalGas will include notices with the regular bills mailed to all customers affected by the proposed rate change.

V. CONCLUSION

For the reasons set forth above and in Attachment A, SoCalGas respectfully requests that the Commission approve a shareholder reward calculated under the GCIM of $62,783,957. Subject to approval of this reward, and as described in this application, SoCalGas will share $37,429,313 of the reward – the difference between an approximated reward of $25,354,644 (that excludes the impact of unprecedented winter prices) and SoCalGas's actual calculated reward under the GCIM formula – with core customers through procurement rates over the 2024-2025 winter period.

Respectfully submitted,

SOUTHERN CALIFORNIA GAS COMPANY

By: *__/s/ Elsa Valay-Paz______________*
Elsa Valay-Paz
Vice President Gas Acquisition

By: /s/ *Jeffrey B. Fohrer*
Jeffrey B. Fohrer

JEFFREY B. FOHRER

Attorney for:

Southern California Gas Company
555 West Fifth Street, 14th Floor
Los Angeles, California 90013-1011
Telephone: (213) 244-3061
Facsimile: (213) 629-9620
E-mail: jfohrer@socalgas.com

Dated: July 17, 2023

VERIFICATION

I, Elsa Valay-Paz, am an officer of Southern California Gas Company, and I am authorized to make this verification on its behalf. The content of this Application is true, except as to matters that are stated on information and belief. As to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 17, 2023, at Los Angeles, California.

/s/ Elsa Valay-Paz

Elsa Valay-Paz
Vice President Gas Acquisition

ATTACHMENT A

Southern California Gas Company

Annual Report on the Gas Cost Incentive Mechanism

Southern California Gas Company
Annual Report on the Gas Cost Incentive Mechanism
April 1, 2022, through March 31, 2023

I. Introduction

Since its inception, the Gas Cost Incentive Mechanism (GCIM) has increased the efficiency of regulation by reducing the burden of regulatory oversight and providing a structure that enables Southern California Gas Company (SoCalGas) to focus on securing reliable gas at a reasonable cost for its core customers. This report summarizes the results of the SoCalGas Gas Acquisition Department's (Gas Acquisition) activities on behalf of the core procurement customers of SoCalGas and San Diego Gas & Electric Company (SDG&E) under the GCIM during the period April 1, 2022, through March 31, 2023 (GCIM Year 29). This report also details the shareholder reward calculation under the GCIM for Year 29 as set forth in SoCalGas's GCIM Preliminary Statement Part VIII, as well as documents SoCalGas's proposal to share a portion of the shareholder reward for this cycle.

II. GCIM Year 29 Market Conditions [1]

As the energy landscape continued to evolve, global and domestic (i.e., lower 48 and western region) external forces had an increasing influence on local market conditions. GCIM Year 29 can be summarized as a year of natural gas scarcity concerns. The scarcity was initiated by low storage levels in Europe and reduced flowing supplies into Europe stemming from the Russian/Ukraine conflict. Scarcity in the U.S. was amplified by higher-than-expected summer power demand, combined with total U.S. storage levels lagging the 5-year average for most of the injection season. Fortunately, supply/demand was more balanced for the U.S. as a whole by winter. In the western U.S., however, storage levels were below the 5-year average at the end of the injection season and due to a number of factors fell further below the average early in the winter. Subsequently, price volatility was experienced in the western U.S. during the winter 2022-2023 which started to show in November 2022, escalated during December 2022 and January 2023, and continued through February 2023.

[1] Fundamental market condition information in this section is from the April 2023 issue of Energy Information Administration (EIA) Natural Gas Monthly unless otherwise noted.

At the start of GCIM Year 29, global LNG prices spiked as a result of tightening supplies caused, in part, by the war in Ukraine. In the U.S., persistently higher than expected electric generation sector demand beginning in the second quarter of 2022 exerted additional upward pressure on Henry Hub prices. Also, during that time frame, reduced hydro-generation from severe drought conditions in the western U.S. contributed to higher-than-expected natural gas consumption and additional price volatility in the western U.S. natural gas markets. By the end of the injection season (October 2022), storage inventories as noted in the Energy Information Administration (EIA) Pacific region report entering the winter heating season were not only below the 5-year average but also below the minimum level observed during that period.[2] Natural gas supply scarcity in the western U.S. led to both higher natural gas prices and higher price expectations throughout the summer of 2022, with little to no reprieve entering the winter heating season. The bullish market sentiment peaked in the western U.S. during the GCIM Year 29 winter season (November 2022-March 2023) driven by further/enhanced natural gas scarcity in the western U.S., gas storage levels remaining below the 5-year minimum level in the Pacific region, and other factors discussed below.[3] These market conditions especially contributed to price hyper-volatility in the western U.S. during the months of December 2022 and January 2023.

<u>Global Scarcity</u>

The Russia/Ukraine conflict, which erupted in February 2022, disrupted energy supplies in Europe as natural gas flows came to a halt on the Nord Stream pipeline. At the beginning of GCIM year 29, natural gas supply scarcity was a factor that was impacting global energy markets. European governments enacted mandates to maximize storage injections during the 2022 summer injection season ahead of the upcoming winter. At the same time, nuclear power generation in France was reduced due to unplanned maintenance which increased natural gas demand for power generation throughout Europe.[4] This added additional upward pressure to global LNG prices which peaked higher than $100/MMBtu (equivalent) prior to winter.[5]

---

2 Source – EIA Weekly Natural Gas Storage Report, November 3, 2022 publication.

3 Source – EIA Natural Gas Weekly Update, December 22, 2022 publication.

4 The Russian/Ukraine conflict impact on European natural gas prices was significant. A ban on Russian oil and gas imports into Europe, a pipeline explosion (Nord Stream 2), coupled with a drop in French nuclear power production caused LNG prices to spike as it became the only viable option for marginal power generation in Europe. RTE, France’s Transmission System Operator. https://www.services-rte.com/en/download-data-published-by-rte.html?category=generation&type=actual_generations_per_production_type

5 Intercontinental Exchange Dutch TTF Natural Gas Last Day Financial Futures.

However, a mild winter in Europe allowed for a reduction in heating demand which moderated prices.

U.S. Scarcity

Just before GCIM Year 29 began, strong demand in the U.S. due to cold weather at the beginning of 2022 (February 2022-March 2022) drew down total U.S. storage levels. Total U.S. natural gas storage levels started the 2022 injection season approximately 285 Bcf below the 5-year average[6] and remained below the 5-year average for most of the 2022 summer which contributed to further escalation in prices and price expectations. July 2022 prompt month Henry Hub prices exceeded $9.00/MMBtu with occasional daily changes greater than $1.00/MMBtu. U.S. dry production increased by 3.8 Bcf/day during the 2022 summer (98.8 Bcf/day) relative to the same period in 2021 (95.1 Bcf/day). However, a record hot summer in the U.S. increased demand by 3.8 Bcf/d during the 2022 summer period (92.0 Bcf/d) relative to the 2021 summer period (88.2 Bcf/d)[7] which resulted in U.S. storage levels struggling to keep from falling further behind the 5-year average throughout most of the summer (by August 12, 2022, the deficit to the 5-year average had grown to 367 Bcf). Towards the end of the summer and into the fall there was a reduction in Henry Hub prices with seasonally decreased demand. During the injection season, Henry Hub prompt month daily settlement contracts reached a high of $9.32/MMBtu on June 6, 2022, and fell to a low of $4.96/MMBtu by October 21, 2022.

As winter commenced for the GCIM Year 29 period, mild temperatures outside of the western U.S. allowed for total U.S. storage levels, driven by all regions except the west, to recover to the 5-year average by early November.[8] This relieved natural gas scarcity in the U.S. overall but did not ameliorate market tightness or price volatility in the western U.S.

Scarcity and Hyper-Volatility in the West

At the start of GCIM Year 29, in the western U.S. there was increased natural gas demand for power generation due to drought conditions and reduced hydro capacity. While Gas Acquisition

6 1,382 Bcf on April 1, 2022 vs. the 5-year average of 1,667 Bcf.
7 Source - S&P Global Platts.
8 Total U.S. storage inventory was 3,644 Bcf as of November 11, 2022 compared to the 5-year average storage inventory level of 3,651 Bcf.

met its required GCIM storage injection targets[9] by the end of October 2022, prices for natural gas in the western U.S. faced upward pressure for most of the injection season (April 2022 – October 2022) due to the ongoing drought and the factors driving Henry Hub price volatility described above.

As previously stated, western U.S. storage as reported for the Pacific region started the winter well below the 5-year average.[10] The western U.S. then immediately experienced colder than normal weather, which continued throughout most of winter and ultimately resulted in the coldest winter in SoCalGas's service territory since 1984-85.[11]

In contrast to prices for Henry Hub and in the rest of the country declining during early winter, prices for the western U.S. increased. Prices in the western U.S. became increasingly volatile as colder than normal temperatures persisted. SoCal Citygate daily prices peaked at $49.67/MMBtu on December 14, 2022, Rockies daily prices (Kern Receipt) peaked at $52.47/MMBtu on December 22, 2022, and Malin daily prices peaked at $55.38/MMBtu on December 22, 2022.[12] January first-of-month bidweek prices[13] posted record levels with Malin at $39.31, Rockies at $51.33/MMBtu, and SoCal Citygate at $54.31/MMBtu.

The EIA Weekly Update published on December 22, 2022, identified the following as main drivers that contributed to contemporaneous natural gas price hyper-volatility observed in the west:

- Low natural gas storage levels in the Pacific region
- High natural gas consumption (non-weather related)
- Reduced natural gas flows

---

9 Storage targets achieved during GCIM Year 29 included 1) January, February March core peak day minimums, 2) July 31 mid-injection season target, and 3) November 1 reliability target of 80.025 +0 / -2 Bcf.

10 The Pacific region storage represents the majority share of the storage capacity in the Western U.S. and entered the winter season with inventory of 241 Bcf as of November 11, 2022, which reflected a 17% deficit compared to the 5-year average inventory level of 290 Bcf.

11 Based on SoCalGas HDD data from 1950 to present, this 5-month period was the coldest in SoCalGas's service territory since the 1984-85 winter season. Based on SDG&E HDD data from 1972 to present, this 5-month period was the coldest in SDG&E's history. Notwithstanding, our peak-day core burn was below the 1-in-10 year peak day reliability planning standard.

12 Source – NGI's Daily Gas Price Index publication

13 Source - NGI's January 2023 Bidweek Survey publication

- Pipeline constraints including maintenance in West Texas
- Widespread below normal temperatures across the region

In addition to low Pacific region storage and increased demand due to weather, supplies to the western U.S. were significantly constrained. The ongoing outage of El Paso Natural Gas Pipeline (EPNG) Line 2000 reduced supply availability by approximately 0.5 Bcf/day throughout most of GCIM Year 29. Also, during the November 2022 to January 2023 timeframe, multiple EPNG north mainline outages reduced availability by approximately an additional 0.6 Bcf/day. These constraints resulted in increased withdrawals from storage throughout the western U.S. and accelerated the decline in storage levels materially more than from weather alone. By the end of GCIM Year 29, storage levels for the Pacific region were 91 Bcf (56%) lower than the previous year and 96 Bcf (57%) lower than the 5-year average. In contrast, reduced winter reliance on storage by the rest of the country resulted in total U.S. storage inventory (inclusive of the Pacific region) reaching 443 Bcf (32%) higher than the previous year and 298 Bcf (19%) higher than the 5-year average.

III. Overview of Year 29 GCIM Results

Table 1 below summarizes overall performance under the GCIM during the last 29 years. Notably, SoCalGas core customers captured the vast majority of the benefits of reduced gas costs relative to the GCIM benchmark (Benchmark) and have realized $1.8 billion out of the total $2.1 billion in lower gas commodity costs. Additionally, a GCIM Summary for the past 29 years that provides details on the comparison to benchmark sharing band amounts is included in Appendix A.

TABLE 1
GCIM PERFORMANCE
YEAR ENDED MARCH 31*

Year	GCIM	Net Purchases (Citygate Volumes)		Net Gas Cost		Benchmark Gas Commodity Cost		Comparison to Benchmark ($Millions)		
	Year	Million MMBtu/d	Million MMBtu	Total ($ Millions)	Unit Cost ($/MMBtu)	Total ($ Millions)	Unit Cost ($/MMBtu)	Customer Savings	Shareholder Award	Total
1995	1	0.76	277	445	1.61	441	1.59	(1.1)	0.0	(1.1)
1996	2	0.66	243	322	1.33	326	1.35	3.2	3.2	6.4
1997	3	0.66	243	530	2.18	550	2.27	10.6	10.6	21.2
1998	4	0.66	241	542	2.25	549	2.28	4.8	2.0	6.8
1999	5	0.75	275	520	1.89	538	1.95	10.4	7.7	18.1
2000	6	1.06	385	902	2.34	926	2.40	14.4	9.8	24.2
2001	7	1.09	398	2,055	5.16	2,279	5.72	192.8	30.8	223.6
2002	8	1.01	370	1,159	3.13	1,349	3.64	172.4	17.4	189.8
2003	9	1.03	376	1,333	3.55	1,373	3.65	32.7	6.3	39.0
2004	10	1.02	374	1,730	4.63	1,757	4.70	24.6	2.4	27.0
2005	11	1.03	375	2,103	5.61	2,134	5.69	28.9	2.5	31.4
2006	12	1.06	387	2,923	7.54	2,992	7.72	59.3	9.8	69.1
2007	13	1.02	372	2,135	5.74	2,192	5.89	48.8	8.9	57.7
2008	14	1.03	376	2,349	6.25	2,399	6.38	43.6	6.5	50.1
2009	15	1.15	418	2,661	6.36	2,737	6.54	63.6	12.0	75.6
2010	16	1.11	406	1,548	3.82	1,588	3.91	33.9	6.0	39.9
2011	17	1.11	406	1,559	3.84	1,600	3.94	34.7	6.2	40.9
2012	18	1.18	432	1,547	3.58	1,585	3.67	32.1	5.4	37.5
2013	19	1.06	387	1,107	2.86	1,141	2.95	28.9	5.8	34.7
2014	20	1.05	382	1,485	3.88	1,556	4.07	56.7	13.7	70.4
2015	21	0.99	361	1,368	3.79	1,411	3.91	35.9	7.3	43.1
2016	22	0.92	337	772	2.29	800	2.38	23.1	5.0	28.1
2017	23	1.01	368	994	2.70	1,021	2.77	23.0	4.2	27.2
2018	24	1.02	371	974	2.63	1,036	2.80	50.4	11.4	61.7
2019	25	1.00	364	1,145	3.15	1,251	3.44	88.7	16.8	105.5
2020	26	1.11	404	854	2.12	936	2.32	69.2	12.8	82.0
2021	27	1.01	369	743	2.01	928	2.51	173.6	11.1	184.7
2022	28	1.09	398	1,896	4.77	2,018	5.07	99.9	22.3	122.2
2023	29	1.02	371	4,186	11.29	4,603	12.42	354.9	62.8	417.6
Total GCIM Years		0.988	10,466	41,886	4.00	44,016	4.21	1,813.8	320.8	2,134.5

Note: Numbers may not total exactly due to rounding.

* Years 1- 3 exclude benefits related to Storage Incentive Mechanism ("SIM"), which was eliminated in Year 4. The SIM shareholder rewards for Years 1, 2, 3 were $103,364, $67,645, and $171,106, respectively.

As indicated in Table 1 for GCIM Year 29, Gas Acquisition acquired gas at $417.6 million below the Benchmark, providing core customers with a benefit of $354.9 million in lower gas commodity costs. The Benchmark consists of a volume-weighted average of published indices for the locations where Gas Acquisition purchases gas for its core customers. Gas Acquisition's average Net Unit Cost was $11.29/MMBtu, which is $1.13/MMBtu below the Benchmark Unit Cost of $12.42/MMBtu.

During GCIM Year 29, Gas Acquisition purchased a net 371 million MMBtus of gas for its retail core load. Gas Acquisition's interstate capacity rights, which are primarily on the El Paso, Transwestern, and Kern River pipeline systems, enabled the core procurement requirements to be met mostly through basin purchases, which were supplemented with purchases at the California border and SoCal Citygate.

Table 2 below provides details on the GCIM Year 29 under benchmark amount by showing (1) total benchmark costs broken down by transportation cost and commodity cost; (2) total actual costs broken down by transportation and commodity; (3) Secondary Market Services (SMS) net revenues; and (4) net hedging gains or losses broken down by winter hedges and other hedges.

TABLE 2
GCIM BENCHMARK AND ACTUAL COSTS
YEAR ENDED MARCH 31, 2023

	Benchmark	Actual	Over/(Under) Benchmark
Commodity	$ 4,591,055,160	$ 4,229,887,384	(361,167,776)
SMS Net Revenue		(54,096,161)	(54,096,161)
Off System Park and Loans		158,712	158,712
Hedging (25% WH + Other)*	12,183,200	9,647,191	(2,536,009)
Total Commodity	4,603,238,360	4,185,597,127	(417,641,233)
Transportation	293,568,373	293,568,373	-
Total	4,896,806,733	4,479,165,500	(417,641,233)

		Ratepayers' Share	Shareholders' Share
1% Tolerance Band - 100% Ratepayer	$ 46,032,384	$ 46,032,384	$ -
Amount Subject to 75%/25% Sharing	184,129,534	138,097,151	46,032,384
Amount Subject to 90%/10% Sharing	167,515,733	150,764,160	16,751,573
Excess of 1.5% Shareholder Cap - 100% Ratepayer	19,963,582	19,963,582	-
Total	417,641,233	354,857,276	62,783,957
		85%	15%

Hedging Costs/(Revenue)	Total	* Included in GCIM
Other	$ 3,011	$ 3,011
Winter Financial Transactions	-	-
Winter Physical Transactions	38,576,722	9,644,181
Total Hedging	38,579,733	9,647,191

Note: Due to rounding to the dollar, some of the numbers may not total exactly.

Total benchmark costs for GCIM Year 29 were $4,896,806,733 and total actual costs were $4,479,165,500 which resulted in the under-benchmark amount of $417,641,233. Included in total actual costs are $4,229,887,384 of commodity costs, $293,568,373 of transportation costs, $158,712 of off system park and loan costs, net SMS revenues of $54,096,161 and net hedging costs of $9,647,191. Hedging costs included in the GCIM calculation consist of 25% of winter hedge activity and 100% of all other hedging activity. Details on winter hedge activity are in the below "Winter Hedge Activity" section. The ratepayers' share of the under-benchmark amount is $354,857,276 or 85% of the total, with the remaining 15% allocated to shareholders. Because the under-benchmark amount exceeds the shareholder cap, which is 1.5% of actual commodity costs for the GCIM year[14], an additional $1,996,358 (10% of $19,963,582[15]) of the under-benchmark savings are reallocated from shareholders to ratepayers.

Table 3 below is a comparison of GCIM Year 29 costs with GCIM Year 28 costs broken down by (1) Commodity Costs; (2) Transportation Costs (3) SMS Net Revenues; (4) Off System Park and Loan Costs and (5) Net Hedging Costs/Revenue including winter hedge transactions.

TABLE 3
COMPARISON OF GCIM YEAR 29 AND YEAR 28
BENCHMARK AND ACTUAL COSTS
YEAR ENDED MARCH 31

	Year 29	Year 28	Difference
Commodity Benchmark	$ 4,603,238,360	$ 2,018,335,750	$ 2,584,902,610
Commodity Actual	4,229,887,384	1,929,677,459	2,300,209,925
SMS Net Revenue	(54,096,161)	(31,034,821)	(23,061,340)
Off System Park and Loans	158,712	195,953	(37,241)
Hedging (25% WH + Other)*	9,647,191	(2,719,575)	12,366,766
Total Commodity	4,185,597,127	1,896,119,017	2,289,478,110
Over/(Under) Benchmark	(417,641,233)	(122,216,733)	(295,424,500)
Ratepayers' Share	$ 354,857,276	$ 99,903,381	$ 254,953,895
Shareholders' Share	62,783,957	22,313,352	40,470,605
	417,641,233	122,216,733	295,424,500
Transportation	$ 293,568,373	$ 280,199,297	$ 13,369,077
Hedging Costs/(Revenue)			
Other	$ 3,011	$ (2,716,793)	$ 2,719,803
Winter Financial Transactions	-	(11,129)	11,129
Winter Physical Transactions	38,576,722	-	38,576,722
Total Hedging	38,579,733	(2,727,922)	41,307,655
*Included in GCIM (25% WH + Other)	$ 9,647,191	$ (2,719,575)	$ 12,366,766

Note: Due to rounding to the dollar, some of the numbers may not total exactly.

14 The 1.5% shareholder cap for GCIM Year 29 is $62,783,957.

15 See Table 2 above, GCIM Benchmark and Actual Costs

The commodity benchmark for GCIM Year 29 was $2,584,902,610 higher than the commodity benchmark for GCIM Year 28. The increase is driven by the price increase of published indices used to calculate the benchmark for GCIM Year 29 when compared to GCIM Year 28. Actual commodity costs for GCIM Year 29 were $2,300,209,925 higher than for GCIM Year 28 due to higher gas purchase prices. GCIM Year 29 SMS revenue of $54,096,161 was higher than GCIM Year 28 by $23,061,340. Hedging costs included in GCIM Year 29 were $9,647,191 compared to a gain of $2,719,575 in GCIM Year 28. Off system park and loan costs in GCIM Year 29 are minimal and decreased by $37,241 from GCIM Year 28 costs. Each of these factors contributed to an under-benchmark amount for GCIM Year 29 that was $295,424,500 greater than in GCIM Year 28. Transportation costs for GCIM Year 29 were approximately $13 million higher than in GCIM Year 28. Actual transportation costs are included in both the benchmark and actual costs and do not impact the over/(under) benchmark amount or the ratepayer and shareholder share of the cost savings.

IV. Description of Gas Procurement Activities

The GCIM encourages SoCalGas's Gas Acquisition department, on behalf of its core customers, to manage gas costs and mitigate price volatility proactively through the use of physical and financial trades, storage, and interstate pipeline capacity. The Gas Acquisition organization operates pursuant to a robust governance framework subject to oversight and participation by other Company groups including, but not limited to, Enterprise Risk Management, Legal, Accounting & Finance, and Credit. Additionally, SoCalGas's Market Activity Policy establishes the governance framework for energy procurement activities conducted by Gas Acquisition. SoCalGas's Gas Acquisition department has expertise in fundamental market analysis, gas trading, gas transportation, risk management, and back-office operations. This expertise has continually been developed over the last twenty-nine years of operation under the GCIM. As a result, and consistent with prior GCIM years, Gas Acquisition effectively managed its gas procurement activities during GCIM Year 29 and provided reliable gas supplies at reasonable gas commodity costs for retail core customers given market conditions.

GCIM Year 29 results continue to show that the GCIM program is successful in meeting the objectives established in D.90-07-065 and R.90-02-008:

- Improve the utility's incentives to operate efficiently;
- Reduce the burden of regulatory oversight, both for the regulators and the utility;
- Provide a more stable and predictable regulatory environment;
- Align the interests of utility shareholders with those of utility customers;
- Implement a system that is readily understandable;
- Fairly balance risk and reward for the utility, and provide positive as well as negative incentives; and
- Implement a regulatory structure that allows management to focus primarily on costs and markets, rather than on CPUC proceedings.

SoCalGas's Gas Acquisition's procurement activities were conducted to achieve the primary objectives of supply security and reliability at a reasonable cost within the context of the challenging market conditions previously described. Gas Acquisition accomplished these objectives in GCIM Year 29 by:

- Meeting retail core requirements during the peak demand season (November to March) with firm long-term contracts[16], monthly baseload, and after-market purchases. In GCIM Year 29, Gas Acquisition maintained a gas supply portfolio comprised of long-term supply transactions (64.7%) and month-to-month baseload transactions (34.7%). Daily purchase and sale transactions, while significant in absolute volumes, contributed 0.6% on a net basis.
- Meeting its share of the January, February, March 2023 month-end minimum storage targets.[17]
- Reaching a core purchased inventory level of 69.18 Bcf on July 31st, which met Gas Acquisition's 47 Bcf mid-season target.
- Reaching a core physical storage inventory on October 31 of 79.30 Bcf (reflects a negative 3.85 Bcf net SMS position and includes 3.20 Bcf of Core

[16] Contracts with terms greater than one month.
[17] Provided in the Southern California Gas Company Winter 2022-23 Technical Assessment dated October 26, 2022.

Transportation Aggregation (CTA) volumes) which was within the November 1 GCIM target of 80.025 Bcf +0/-2 Bcf.

- Managing the use of the rights and assets assigned to the retail core including storage inventory, injection and withdrawal rights, and flowing supply through the use of SMS transactions with fees based on existing market conditions and completed on a non-discriminatory basis. SMS transactions continued to contribute towards lowering overall gas costs by using assets when not directly needed for reliability.
- Performing physical and financial trades on behalf of retail core customers to reduce retail core gas costs.
- Utilizing Gas Acquisition's interstate and Backbone Transportation Service (BTS) capacity rights to provide portfolio supply diversification and to lower the cost of gas by accessing lower cost basin supplies.

In summary, the GCIM framework provides an incentive for Gas Acquisition to use retail core's available interstate pipeline and storage rights efficiently to deliver reliable gas at a reasonable cost to its retail core customers. Reliability is achieved by constructing a portfolio of gas supplies that is diversified by contract type, geographic region, and supplier in addition to constructing a portfolio of interstate transportation contracts that is diversified with multiple paths for transporting those supplies. Gas Acquisition uses Commission-approved tools available to a typical trading organization, including purchases, sales, loans, parks, wheels, derivatives, and transportation contracts. These tools enhance Gas Acquisition's ability to make economic use of core assets, when not directly needed for reliability, to lower overall gas costs for its core customers.

Interstate Capacity

Pursuant to D.04-09-022 and Advice Nos. (AL) 3969 and 5254, SoCalGas filed Advice Letter 5699 on September 28, 2020, to update the capacity planning range for the combined portfolio of SoCalGas and SDG&E for GCIM Years 28 and 29 based on the 2020 California Gas Report core procurement load forecasts for SoCalGas and SDG&E.[18] The minimum firm capacity

[18] Details on the calculation of the capacity planning range are in AL 5699 Attachment A "SoCalGas's Combined Portfolio Calculations and Workpapers based on the 2020 California Gas Report".

required for the period April to October 2022 was established at 905 MDth/day, while the minimum required for November 2022 to March 2023 was 1,006 MDth/day. Appendix C to this report shows that SoCalGas's interstate capacity holding during each month of GCIM Year 29 met these minimum capacity requirements and did not exceed maximum requirements.

Winter Hedging Activity

In compliance with D.10-01-023 issued on January 25, 2010, which adopted an incentive framework to motivate optimal use of gas hedging for California utilities and modified the treatment of hedging costs and revenue for SoCalGas and SDG&E, SoCalGas continued to include 25% of costs and revenue from Gas Acquisition's winter hedging activities in the calculation of GCIM total actual costs. In GCIM Year 29, SoCalGas's winter hedge activities resulted in a $10,144,036 total savings from benchmark prices of which 25% or $2,536,009 was included in the GCIM under benchmark amount. The remaining 75% or $7,608,027 of the savings was allocated 100% to ratepayers outside of the GCIM. For GCIM Year 29, all of the winter hedge transactions were physical gas purchases and sales for which were received/delivered; thus, the winter hedge costs/revenues were subject to the same benchmark as other physical transactions. The total net cost for winter hedge transactions was $38,576,722 of which 25% or $9,644,181 was included in the GCIM calculation subject to a benchmark amount of $12,183,200 which resulted in the under-benchmark amount of $2,536,009 mentioned earlier in this section.

The Public Advocates Office (Cal PA) and Energy Division staff were kept apprised of SoCalGas's winter hedge activity primarily via bi-weekly conference calls during GCIM Year 29.

V. GCIM Monitoring and Evaluation

Throughout the GCIM program, SoCalGas has worked closely with Cal PA and Energy Division to establish an efficient monitoring and timely reporting system to keep Cal PA and Energy Division informed of Gas Acquisition's activities.[19] Pursuant to the provisions of General Order 66-D Revision 2 and D.21-09-020, SoCalGas provided a monthly report, 60 days after the end of each month, to Cal PA and Energy Division on a confidential basis. These reports included a calculation of year-to-date GCIM benefit to core customers, total monthly actual costs and

[19] The Utility Reform Network, or TURN, is also invited to these meetings.

benchmark dollars, benchmark prices, current year capacity holdings and a capacity utilization by pipeline report.

SoCalGas also communicated frequently with Cal PA and the Energy Division on all important Gas Acquisition issues during Year 29, including market conditions, system outages and winter hedging activities. Finally, SoCalGas's GCIM activities abided by the CPUC's Affiliate Transaction Rules. Appendix B contains SoCalGas's Annual Report on Affiliate Transactions Section C: Utility Provision of Goods and Services to Its Affiliated Entities and Section D: Affiliated Entities Provision of Goods and Services to the Utility.

VI. Recommendations

SoCalGas concludes from its GCIM Year 29 results that the GCIM continues to be a successful program that provides measurable and substantive benefits to SoCalGas's core customers. During Year 29, each of the CPUC established objectives for incentive regulation as summarized in Section IV were met, in addition to SoCalGas's primary objectives of supply security and reliability at a reasonable cost. SoCalGas was able to purchase gas at $417.6 million below the GCIM benchmark, resulting in a core ratepayer benefit of $354.9 million in lower gas costs. As a result of this performance below benchmark, SoCalGas's Year 29 shareholder reward is calculated pursuant to the GCIM formula in SoCalGas Preliminary Statement Part VIII to be $62.8 million.

In recognition of the confluence of market conditions and unprecedented high winter commodity prices that adversely affected customers' bills, SoCalGas proposes to share a substantial portion of its Year 29 reward with core customers through procurement rates over the 2024-25 winter period. To determine the amount to share with customers, SoCalGas approximated its Year 29 reward without the impact of unprecedented winter prices by replacing Year 29 actual data for December, January, and February ($44.5 million) with five-year average data from GCIM Year 24 through Year 28 for those same months ($7.1 million). As detailed in Table 4 and Table 5 below, this adjusted calculation results in an approximated reward of $25.4 million.

TABLE 4
CALCULATION OF THE 5-YR AVERAGE SHAREHOLDER REWARD FOR DECEMBER THROUGH FEBRUARY GCIM YEARS 24 THROUGH 28

	Dec	Jan	Feb	Total
Year 24	$ 6,007,107	$ 1,468,463	$ 1,211,098	$ 8,686,668
Year 25	$ 3,145,586	$ 2,373,794	$ 2,345,458	$ 7,864,838
Year 26	$ 2,760,480	$ 2,169,401	$ 1,232,338	$ 6,162,219
Year 27	$ 2,504,586	$ 2,418,104	$ (584,408)	$ 4,338,282
Year 28	$ 2,908,479	$ 4,940,861	$ 621,876	$ 8,471,216
Total	$ 17,326,237	$ 13,370,623	$ 4,826,363	$ 35,523,223
5-Yr Average	**$ 3,465,247**	**$ 2,674,125**	**$ 965,273**	**$ 7,104,645**

TABLE 5
CALCULATION OF THE ADJUSTED YEAR 29 SHAREHOLDER REWARD

Year 29	Shareholder Reward	Removal of Yr 29 Dec-Feb	5-Yr Average	Adjusted Yr 29
Apr	$ 1,542,491			$ 1,542,491
May	$ 2,027,404			$ 2,027,404
Jun	$ 1,850,800			$ 1,850,800
Jul	$ 880,273			$ 880,273
Aug	$ 1,506,790			$ 1,506,790
Sep	$ 3,775,558			$ 3,775,558
Oct	$ 659,142			$ 659,142
Nov	$ 2,567,301			$ 2,567,301
Dec	$ 8,840,271	$ (8,840,271)	$ 3,465,247	$ 3,465,247
Jan	$ 29,085,938	$ (29,085,938)	$ 2,674,125	$ 2,674,125
Feb	$ 6,607,749	$ (6,607,749)	$ 965,273	$ 965,273
Mar	$ 3,440,241			$ 3,440,241
Total	**$ 62,783,957**	**$ (44,533,958)**	**$ 7,104,645**	**$ 25,354,644**

SoCalGas is proposing to share with customers the difference between this $25.4 million approximated reward (that excludes the impact of unprecedented winter prices) and its actual calculated reward under the GCIM formula. Subject to approval of SoCalGas's $62.8 million award as set forth in this application, that difference – and the amount that SoCalGas will share with core customers through procurement rates over the 2024-25 winter period – is $37.4 million.

Appendix A

Summary of GCIM Results to Date

SOUTHERN CALIFORNIA GAS COMPANY
APPENDIX A
Summary of GCIM Results to Date

GCIM Year	Benchmark Dollars	Actual Dollars	(Over)/Under Benchmark	Upper Tolerance Band *	100% Ratepayer Lower Tolerance** 0.0% - 0.5%	100% Ratepayer Lower Tolerance** 0.0% - 1.0%	75% Ratepayer/ 25% Shareholder Sharing Band 1.0% - 5.0%	90% Ratepayer/ 10% Shareholder Sharing Band 5.0% - Cap	100% Ratepayer Excess of Cap*** > 1.5% Cap	Subject to Sharing**
1	$ 567,448,362	$ 568,566,020	$ (1,117,658)	$ 17,089,530	N/A	N/A	N/A	N/A	N/A	$ -
2	$ 448,713,459	$ 442,313,459	$ 6,400,000	$ 13,058,694	N/A	N/A	N/A	N/A	N/A	$ 6,400,000
3	$ 680,061,509	$ 658,875,670	$ 21,185,839	$ 22,014,554	N/A	N/A	N/A	N/A	N/A	$ 21,185,839
4	$ 672,131,591	$ 665,307,357	$ 6,824,234	$ 10,977,634	$ 2,744,409	N/A	N/A	N/A	N/A	$ 4,079,825
5	$ 649,294,620	$ 631,138,278	$ 18,156,342	$ 10,761,348	$ 2,690,337	N/A	N/A	N/A	N/A	$ 15,466,005
6	$ 1,061,264,614	$ 1,037,113,228	$ 24,151,386	$ 18,527,592	$ 4,631,898	N/A	N/A	N/A	N/A	$ 19,519,488
7	$ 2,411,105,910	$ 2,187,533,957	$ 223,571,953	$ 45,580,915	N/A	$ 22,790,458	$ 91,161,830	$ 80,361,297	$ 29,258,368	$ 171,523,127
8	$ 1,480,091,362	$ 1,290,296,698	$ 189,794,664	$ 26,979,670	N/A	$ 13,489,835	$ 53,959,340	$ 38,983,224	$ 83,362,266	$ 92,942,563
9	$ 1,506,037,786	$ 1,467,033,460	$ 39,004,326	$ 27,458,164	N/A	$ 13,729,082	$ 25,275,244	N/A	N/A	$ 25,275,244
10	$ 1,892,688,526	$ 1,865,659,816	$ 27,028,710	$ 35,140,805	N/A	$ 17,570,403	$ 9,458,308	N/A	N/A	$ 9,458,308
11	$ 2,277,899,575	$ 2,246,521,573	$ 31,378,002	$ 42,689,291	N/A	$ 21,344,646	$ 10,033,356	N/A	N/A	$ 10,033,356
12	$ 3,126,842,590	$ 3,057,709,957	$ 69,132,633	$ 59,836,552	N/A	$ 29,918,276	$ 39,214,357	N/A	N/A	$ 39,214,357
13	$ 2,308,210,816	$ 2,250,470,333	$ 57,740,483	$ 43,849,020	N/A	$ 21,924,510	$ 35,815,973	N/A	N/A	$ 35,815,973
14	$ 2,513,802,467	$ 2,463,728,945	$ 50,073,522	$ 47,972,531	N/A	$ 23,986,266	$ 26,087,256	N/A	N/A	$ 26,087,256
15	$ 2,894,131,587	$ 2,818,571,496	$ 75,560,091	$ 54,736,539	N/A	$ 27,368,269	$ 48,191,822	N/A	N/A	$ 48,191,822
16	$ 1,753,539,090	$ 1,713,612,056	$ 39,927,034	$ 31,756,473	N/A	$ 15,878,237	$ 24,048,797	N/A	N/A	$ 24,048,797
17	$ 1,750,392,490	$ 1,709,500,858	$ 40,891,632	$ 32,006,773	N/A	$ 16,003,387	$ 24,888,245	N/A	N/A	$ 24,888,245
18	$ 1,742,334,582	$ 1,704,835,267	$ 37,499,315	$ 31,696,187	N/A	$ 15,848,094	$ 21,651,221	N/A	N/A	$ 21,651,221
19	$ 1,308,126,351	$ 1,273,387,819	$ 34,738,531	$ 22,829,340	N/A	$ 11,414,670	$ 23,323,861	N/A	N/A	$ 23,323,861
20	$ 1,737,216,795	$ 1,666,818,834	$ 70,397,961	$ 31,115,453	N/A	$ 15,557,726	$ 54,840,235	N/A	N/A	$ 54,840,235
21	$ 1,598,485,093	$ 1,555,377,080	$ 43,108,013	$ 28,217,182	N/A	$ 14,108,591	$ 28,999,422	N/A	N/A	$ 28,999,422
22	$ 996,287,032	$ 968,124,520	$ 28,162,512	$ 16,006,729	N/A	$ 8,003,365	$ 20,159,148	N/A	N/A	$ 20,159,148
23	$ 1,237,875,858	$ 1,210,673,619	$ 27,202,239	$ 20,429,693	N/A	$ 10,214,847	$ 16,987,393	N/A	N/A	$ 16,987,393
24	$ 1,282,690,267	$ 1,220,968,072	$ 61,722,195	$ 20,723,318	N/A	$ 10,361,659	$ 41,446,636	$ 9,913,900	N/A	$ 51,360,536
25	$ 1,474,431,952	$ 1,368,973,255	$ 105,458,697	$ 25,011,300	N/A	$ 12,505,650	$ 50,022,600	$ 42,930,447	N/A	$ 92,953,047
26	$ 1,192,981,598	$ 1,111,009,145	$ 81,972,454	$ 18,714,713	N/A	$ 9,357,356	$ 37,429,426	$ 34,490,914	$ 694,757	$ 71,920,340
27	$ 1,200,571,089	$ 1,015,826,118	$ 184,744,972	$ 18,553,200	N/A	$ 9,276,600	$ 37,106,400	$ 18,671,254	$ 119,690,717	$ 55,777,654
28	$ 2,298,535,046	$ 2,176,318,313	$ 122,216,733	$ 40,366,715	N/A	$ 20,183,358	$ 80,733,430	$ 21,299,946	N/A	$ 102,033,376
29	$ 4,896,806,733	$ 4,479,165,500	$ 417,641,233	$ 92,064,767	N/A	$ 46,032,384	$ 184,129,534	$ 167,515,733	$ 19,963,582	$ 351,645,267
	$ 48,959,998,752	$ 46,825,430,702	$ 2,134,568,050	$ 906,164,684	$ 10,066,644	$ 406,867,666	$ 984,963,834	$ 414,166,715	$ 252,969,691	$ 1,465,781,707

* Upper Tolerance band of 4.5% for GCIM Year 1, 4% for Years 2 - 3, and 2% for Years 4 - 28.

** For Years 4-6, GCIM Gain/(Loss) subject to sharing is the Amount Under Benchmark less the 0.5% Lower Tolerance Band. For Years 7-28, the Gain/(Loss) subject to sharing is the Amount Under Benchmark less the 1% Lower Tolerance Band, pursuant to D.02-06-023

Note: Benchmark and Actual Dollars are inclusive of all transportation costs for delivery of gas to SoCalGas' system.

Appendix B

Annual Report on Affiliate Transactions

Southern California Gas Company

Annual Report on Affiliate Transactions

Section C: Utility Provision of Goods and Services to Its Affiliated Entities

SOUTHERN CALIFORNIA GAS COMPANY

Affiliate Transactions Annual Report

2022

Response to Affiliate Transaction Reporting Requirements Section:

C. UTILITY PROVISION OF GOODS AND SERVICES TO ITS AFFILIATED ENTITIES

Request No. 1-7:

1. Using the format of Table II-C-1, each utility shall report any goods and/or services that the utility provided to any of its affiliated entities during the period covered by the annual report. All goods and/or services shall be reported regardless of whether or not the utility was reimbursed.

2. For purposes of this section, and section II-D, "Goods" are defined as any tangible item having economic value. Examples of "goods" include office supplies, office computers, and personal automobiles. No item shall qualify as a good if it has:

   a) A depreciable life, for federal tax purposes, of more than 3 years, except for cars, personal computers, and office machinery[1]; and
   b) A value of greater than $20,000.

   The transfer of an item of tangible property described in (a) or (b) above shall be reported under Section E ("Transfer of Tangible Asset").

3. For purposes of this section, "Services" includes any activity of economic value provided by the utility, or a company under contract to the utility, to any affiliated entity. Examples of "services" include, but are not limited to the provision of professional expertise (e.g., legal, consulting, engineering), administrative support, (e.g., data and payroll processing, arranging travel, transportation services, etc.) and general corporate management and support activities (e.g., time spent by corporate executives and employees on affiliated entity issues, investor relations, shareholder services, etc.).

4. The cost of each good and/or service that the utility provided to any of its affiliated entities shall be assigned to an appropriate Uniform System of Accounts (USOA).

5. Using the format shown, each utility shall create a table entitled (Table II-C-1), containing:

   - A set of columns by listing horizontally across the top each affiliated entity of the utility excluding, however, any affiliated entities to which the utility provided no goods and/or services during the calendar year;
   - A set of rows by listing vertically down the left side of Table II-C-1 each USOA account (listed in ascending order) for which the utility had incurred a cost (whether or not reimbursed) for providing any good or service to an affiliated entity.

---

[1] See Section 1240, “Classes of Depreciable Property", 1992 U.S. Master Tax Guide (Commerce Clearing House) discussing Internal Revenue Code sections 1245 and*1250.

SOUTHERN CALIFORNIA GAS COMPANY

Affiliate Transactions Annual Report

2022

Response to Affiliate Transaction Reporting Requirements Section:

C. UTILITY PROVISION OF GOODS AND SERVICES TO ITS AFFILIATED ENTITIES

Request No. 1-7 (Cont'd):

- The middle portions of Table II-C-1 corresponding to each horizontal column and vertical row will be called cells.

6. For each cell in Table II-C-1 the utility shall aggregate all transactions for goods and/or services it provided to each affiliated entity under:

   a) The appropriate column heading for that affiliated entity; and,
   b) The row corresponding to the appropriate USOA account category.

7. The following information shall be reported in the corresponding cells of Table II-C-1:

   - The total transfer price assigned to this USOA account for any goods or services provided by the utility to the affiliated entity;
   - The allocated cost, if different from the transfer price, for any goods or services provided by the utility to the affiliated entity;
   - Allocated costs as a percentage of total recorded costs for the USOA account;
   - The ratio for each USOA account of the actual total recorded expenses versus total expenses authorized in the utility's most recent General Rate Case (expressed as a percentage).

Response:

See attached Table II-C-1 for charges to affiliates.

SOUTHERN CALIFORNIA GAS COMPANY

Affiliate Transactions Annual Report

2022

Response to Affiliate Transaction Reporting Requirements Section:

C. UTILITY PROVISION OF GOODS AND SERVICES TO ITS AFFILIATED ENTITIES

Request No. 8:

8. Briefly list the applicable cost allocation methodology and transfer pricing method used to determine the corresponding dollar volumes listed on the previous table.

Response:

All dollar values in Table II-C-1 represent fully loaded costs. SoCalGas considers "fully loaded/allocated costs" to mean the same as "transfer pricing" as referred to in this requirement. Therefore, the information that is requested relative to transfer pricing differences is not applicable. Following is a description of the costing methodologies that are referenced in Table II-C-1:

(A) All services provided by SoCalGas are billed at fully loaded cost. In the case of labor charges, "fully loaded" costs include all associated labor, indirect overheads and, where applicable, a labor premium. For the shared service labor billed to the unregulated affiliates, a 5% premium is applied to fully loaded labor costs. For non-shared services to unregulated, energy-related affiliates, a 10% premium is applied to direct non-executive labor and a 15% premium is applied to direct executive labor. The Enova/Pacific Enterprises Merger Decision (D.98-03-073) requires these additional labor premiums.

(B) In most circumstances where a SoCalGas employee transfers to an affiliate company, the Enova/Pacific Enterprises Merger Decision (D.98-03-073) requires that Employee Transfer fees be charged to the affiliate. These costs are included under Human Resources and do not require overhead loadings or add-on-costs.

(C) SoCalGas sold natural gas supplies to Sempra Generation during the reporting period:

All gas sales transactions reported under USOA 803 were the results of "arms-length" transactions through brokerage firms. Neither party had knowledge of the counterparty's identity until after commitment to the broker was made, in accordance with Affiliate Transaction Rules. Revenues from these gas sales are recorded as a reduction to cost of gas purchased.

SOUTHERN CALIFORNIA GAS COMPANY

Affiliate Transactions Annual Report

2022

Response to Affiliate Transaction Reporting Requirements Section:

C. UTILITY PROVISION OF GOODS AND SERVICES TO ITS AFFILIATED ENTITIES

Request No. 9:

9. In addition to the information requested in Table II-C-1, each utility shall provide, as a separate document, a brief narrative description for any affiliated entity that had over $10,000 of transfer price recorded in any USOA account. This narrative description will describe in greater detail the types of goods and services provided, as well as the methodologies used to calculate their transfer price and allocated cost.

Response:

Individual "Internal Orders" have been established for charging to each affiliate company for services performed. Generally, one internal order is created for each project or type of work done. All services are billed on a monthly basis.

USOA Account 146
This account is used by SoCalGas for amounts due from affiliated companies for services provided. These amounts are billed at fully loaded cost, plus appropriate labor premiums.

The nature of services billed in account 146 is as follows:

Accounting & Finance
This category includes services such as affiliate billing and costing, accounts payable, business planning and budgets, management accounting rotation program.

Human Resources
This category includes the reimbursements from Sempra Energy for SoCalGas executive long-term incentive plan. It also contains human resources, disability management services, diversity, employee development, wellness, and incentive compensation billing for employees that transferred from affiliates to SoCalGas.

Information Technology
This category includes service charges for IT budgeting, service management, server engineering, mainframe, internet engineering, information protection, disaster recovery, network engineering, LAN/WAN, hardware and software maintenance, production control operations, operation control and telecom.

Oil/Gas Assessment & Extraction
This category includes billings to Pacific Enterprises Oil Company (PEOC) for lifting costs provided at the Aliso Canyon underground storage facility.

SOUTHERN CALIFORNIA GAS COMPANY

Affiliate Transactions Annual Report

2022

Response to Affiliate Transaction Reporting Requirements Section:

C. UTILITY PROVISION OF GOODS AND SERVICES TO ITS AFFILIATED ENTITIES

Request No. 9 (Cont'd):

Depreciation
This category contains charges for depreciation, usage, and return on shared assets.

Real Estate & Facilities
This category includes services such as real estate management, rent management, capital facilities, operational/maintenance programs.

USOA Account 803

Gas Sales
This account is used by the SoCalGas core procurement group for amounts related to natural gas sales and purchases transactions, and associated financial derivatives gains and losses. In this report, gas sales are recorded in Section C, and gas purchases are recorded in Section D.

All purchases and sales with affiliates were the result of "arms-length" transactions through brokerage firms. Neither party had knowledge of the counterparty's identity until after commitment to the broker was made, in accordance with Affiliate Transactions Rules.

Revenues from gas sales are recorded as a reduction to Cost of Gas Purchased.

Table II-C-1
SOUTHERN CALIFORNIA GAS COMPANY
Provision of Goods and Services
From the Utility to its Affiliated Entities
For the Year Ended December 31, 2022

USOA Acct	Item/Services Description	Cost Allocation Methodology	Sempra Energy	Pacific Enterprise Oil Company	Sempra Infrastructure Services	Sempra Gas & Power Marketing, LLC	Total
146	Accounting & Finance	A	$ 82,220	$ -	$ -	$ -	$ 82,220
	Corporate Budgets	A	$ 3,784	$ -	$ -	$ -	$ 3,784
	Human Resources	A & B	$ 6,322,941	$ -	$ 176,054	$ -	$ 6,498,995
	Information Technology	A	$ 1,086,024	$ -	$ 503,925	$ -	$ 1,589,949
	Oil/Gas Assessment & Extraction	A	$ -	$ 19,598	$ -	$ -	$ 19,598
	Depreciation	A	$ 3,569,123	$ -	$ 118,532	$ -	$ 3,687,656
	Real Estate & Facilities	A	$ 480,286	$ -	$ -	$ -	$ 480,286
							$ -
803	Gas Sales	C	$ -	$ -	$ -	$ 11,681,426	$ 11,681,426
	Total		**$ 11,544,377**	**$ 19,598**	**$ 798,512**	**$ 11,681,426**	**$ 24,043,913**

Southern California Gas Company

Annual Report on Affiliate Transactions

Section D: Affiliated Entities Provision of Goods and Services to the Utility

SOUTHERN CALIFORNIA GAS COMPANY

Affiliate Transactions Annual Report

2022

Response to Affiliate Transaction Reporting Requirements Section:

D. AFFILIATED ENTITIES PROVISION OF GOODS AND SERVICES TO THE UTILITY

Request No. 1-9:

1. Section C required each utility to report goods and/or services that it provided to its affiliated entities. This section (Section D), requires the reporting of all goods and/or services that the affiliated entities provided to the utility.

2. Each utility shall report any goods and/or services that were provided to it by any of its affiliated entities during the period covered by the annual report. All goods and/or services shall be reported regardless of whether or not the affiliated entity was reimbursed.

3. For purposes of this section, "Goods" has the same meaning as used in Section C above.

4. For purposes of this section, "Services" includes any activity of economic value provided by the affiliated entity, or any company under contract to the affiliated entity, to the utility. The examples of the types of services listed in #3 of Section II-C above are applicable to this section as well. Purchases of natural gas or electric energy from any affiliated entity should be reported in this section.

5. The cost of each good and/or service that the affiliated entity provided to the utility shall be assigned by the utility to an appropriate USOA Account of the utility.

6. Using the format shown, each utility shall create a table (entitled Table II-D-l), containing:

   - A set of columns by listing horizontally across the top of Table II-D-1 each affiliated entity listed in Table II-A-1, excluding, however, any affiliated entities which provided no goods and/or services to the utility during the calendar year.
   - A set of rows by listing vertically down the left side of Table II-D-1 each USOA account (listed in ascending order) for which the utility had incurred a cost for goods and/or services provided by the affiliated entity.
   - The middle portions of Table II-D-1, corresponding to each horizontal column and vertical row, will be called cells.

SOUTHERN CALIFORNIA GAS COMPANY

Affiliate Transactions Annual Report

2022

Response to Affiliate Transaction Reporting Requirements Section:

D. AFFILIATED ENTITIES PROVISION OF GOODS AND SERVICES TO THE UTILITY

Request No. 1-9 (Cont'd):

7. For each cell in Table II-D-1, the utility shall aggregate all transactions for goods and/or services provided by the affiliated entity under:

    1) The-appropriate column heading for that affiliated entity; and,

    2) The row corresponding to the appropriate USOA account category.

8. The following information shall be reported in the corresponding cells of Table II-D-1;

    - The total transfer price assigned to this USOA account for any goods or services provided by the affiliated entity to the utility;
    - The allocated cost, if different from the transfer price, as calculated by the affiliated entity as the cost for any goods or services provided to the utility;
    - The fair market value of the goods and service provided, if determined;
    - Allocated costs as a percentage of total recorded costs for the USOA account.

9. At the end of each row, each utility shall briefly list the applicable methodology used to determine allocated cost and transfer price as well as any calculations and reviews utilized to determine fair market value.

Response:

Using the format provided for Table II-D-1 (attached), the costs of all goods and services provided to Southern California Gas Company by affiliated entities during the reporting period have been presented. The costs have been accumulated by USOA account and by affiliated entity.

In accordance with the Affiliate Compliance Guidelines (see Section II-B-VII), the "transfer price" for goods and services provided to Southern California Gas Company by Sempra Energy is recorded at fully loaded costs.

SOUTHERN CALIFORNIA GAS COMPANY

Affiliate Transactions Annual Report

2022

Response to Affiliate Transaction Reporting Requirements Section:

D. AFFILIATED ENTITIES PROVISION OF GOODS AND SERVICES TO THE UTILITY

Request No. 10:

10. In addition to the information requested in Table II-D-1, each utility shall provide, as a separate document, a brief narrative description for any USOA account that had recorded over $10,000 in goods and services provided by an affiliated entity. This narrative description will describe in greater detail the types of goods and services provided, as well as the methodologies used to calculate their transfer price and a summary of all methodologies and calculations used to determine fair market value.

Response No. 10:

All values in Table II-D-1 related to purchased goods and services from Sempra Energy are at fully loaded cost as required by the Affiliate Compliance Guidelines (see Section II-B-VII). Goods or services directly requested by Southern California Gas Company are recorded in the appropriate USOA account. Shared services costs are allocated to Southern California Gas Company on a causal or beneficial relationship when identifiable; otherwise the shared services costs are allocated using an approved multifactor allocation method. Shared services costs received by Southern California Gas Company from Sempra Energy are analyzed and recorded to the appropriate USOA account.

All values in Table II-D-1 related to purchases/sales of energy between Sempra Generation and Southern California Gas Company are at fair market value.

USOA Account 107: Construction Work in Progress (CWIP)

This account includes gas construction work in progress assets and allocations for services provided by affiliates that support capital activities at Southern California Gas Company.

USOA Account 165: Prepayments

This account includes prepayments for taxes, insurance, interest, and disbursements made prior to the period to which they apply. The costs in this account are related to insurance premiums.

SOUTHERN CALIFORNIA GAS COMPANY

Affiliate Transactions Annual Report

2022

Response to Affiliate Transaction Reporting Requirements Section:

D. AFFILIATED ENTITIES PROVISION OF GOODS AND SERVICES TO THE UTILITY

Response No. 10 (Cont'd):

USOA Account 184: Clearing Accounts
This account includes undistributed balances in clearing accounts at the date of the balance sheet. When services are provided to Southern California Gas Company, a portion of the cost of this service is charged to a clearing account. These are administrative and general costs related to affiliate and third-party transactions. Balances in this clearing account shall be substantially cleared not later than the end of the calendar year unless items held therein relate to a further period.

USOA Account 417: Expenses of Nonutility Operations
This account includes expenses applicable to operations which are nonutility in character but nevertheless constitute a distinct operating activity of the enterprise as a whole, such as the operation of an ice department where applicable statutes do not define such operation as a utility, or the operation of a servicing organization for furnishing supervision, management engineering, and similar services to others.

USOA Account 803: Natural Gas Transmission Line Purchases
This account is used by the SoCalGas core procurement group for amounts related to natural gas sales and purchases transactions, and associated financial derivatives gains and losses. In this report, gas sales are recorded in Section C, and gas purchases are recorded in Section D.

All purchases and sales with affiliates were the result of "arms-length" transactions through brokerage firms. Neither party had knowledge of the counterparty's identity until after commitment to the broker was made, in accordance with Affiliate Transactions Rules.

During the reporting period, Southern California Gas Company did not enter into any over-the-counter financial swap transactions with its affiliates.

USOA Account 832: Maintenance of Reservoirs and Wells
This account includes the cost of labor, materials used and expenses incurred in the maintenance of reservoirs and wells.

USOA Account 908: Customer Assistance Expenses
This account includes the cost of labor, materials utilized and expenses incurred in providing instructions or assistance to customers, the object of which is to promote safe, efficient and economical use of the utility's service.

SOUTHERN CALIFORNIA GAS COMPANY

Affiliate Transactions Annual Report

2022

Response to Affiliate Transaction Reporting Requirements Section:

D. AFFILIATED ENTITIES PROVISION OF GOODS AND SERVICES TO THE UTILITY

Response No. 10 (Cont'd):

USOA Account 910: Miscellaneous Customer Service and Informational Expenses
This account includes the cost of labor, materials utilized, and expenses incurred in providing customer service and informational activities, which are not includible in other customer information expense accounts.

USOA Account 923: Outside Services Employed
This account includes the fees and expenses of professional consultants (such as lawyers, auditors, appraisers, expert witnesses, or management, accounting, and engineering consultants) and others for general services that are not applicable to a particular operation function or to other accounts. This account includes the salaries and wages expenses of affiliate administrative and general departments that provide service to Southern California Gas Company. In addition, this account includes office supplies and expenses incurred in connection with this general administration.

USOA Account 924: Property Insurance
This account includes the cost of insurance or reserve accruals to protect the utility against losses and damages to owned or leased property used in its utility operations. It also includes the cost of labor and related supplies and expenses incurred in property insurance activities.

USOA Account 925: Injuries and Damages
This account includes the cost of insurance or reserve accruals to protect the utility against injuries and damages claims of employees or others, losses of such character not covered by insurance, and expenses incurred in settlement of injuries and damages claims. It also includes the cost of labor and related supplies and expenses incurred in injuries and damages activities.

USOA Account 926: Employee Pensions and Benefits
This account includes stock option expenses, pension accruals or actual payments made on behalf of current employees or retired employees, payments for the purchase of annuities relating to pensions, education reimbursements, and audit fees.

USOA Account 928: Regulatory Commission Expenses
This account includes all expenses properly includible in utility operating expenses, incurred by the utility in connection with formal cases before regulatory commissions, or other regulatory bodies, or cases in which such a body is a party, including payments made to a regulatory commission for fees assessed against the utility for pay and expenses of such commission, its officers, agents, and employees.

Response to Affiliate Transaction Reporting Requirements Section:

D. AFFILIATED ENTITIES PROVISION OF GOODS AND SERVICES TO THE UTILITY

Response No. 10 (Cont'd):

USOA Account 930: Miscellaneous General Expenses
This account includes the cost of labor and expenses incurred in connection with the general management of the Southern California Gas Company not provided for elsewhere.

Request No. 11 :

1. For any USOA account classification containing greater than $25,000 in reported transactions, the utility shall provide as an addendum to Table II-D-1 any comparisons performed by the utility of the cost of goods or services provided by the affiliated entities with other providers not affiliated with the utility.

Response:

During 2022, the utility did not conduct any studies for the purpose of comparing the cost of goods or services provided during the year by affiliated entities with the costs provided by unaffiliated providers.

TABLEII-D-I
SOUTHERNCALIFORNIAGASCOMPANY
Provision of Goods And Services
from Affiliated Entities To The Utility
For The Year Ended December 31, 2022

USOA Account	Account Description	Sempra Energy	Sempra Gas & Power Marketing, LLC	Total	% of USOA Account
107	Construction Work In Progress	6,021,907	-	6,021,907	2.66%
165	Prepayments	14,195,816	-	14,195,816	105.52%
184	Clearing Accounts	2,495,105	-	2,495,105	<1.00%
417	EXP FOR NONUTIL OPER	4,821,886	-	4,821,886	38.53%
803	Natural Gas Transmission Line Purchases	-	2,308,580	2,308,580	<1.00%
832	Maintenance of Reservoirs -Wells	38,623,665	-	38,623,665	881.47%
908	Customer Assistance Expenses	366,316	-	366,316	<1.00%
910	Miscellaneous Customer Serv And Informational Expe	634,661	-	634,661	25.85%
923	Outside Services Employed	82,872,515	-	82,872,515	45.40%
924	Property Insurance	527,581	-	527,581	8.07%
925	Injuries And Damages	53,181,304	-	53,181,304	81.87%
926	Employee Pensions And Benefits	12,169,577	-	12,169,577	5.39%
928	Regulatory Commission Expenses	123,344	-	123,344	1.46%
930	Miscellaneous General Expenses	114,030	-	114,030	<1.00%
	Total:	216,147,707	2,308,580	218,456,287	

Appendix C

Southern California Gas Company Core Firm Transportation Capacity Holdings

Appendix C
Current Core Firm Transportation Capacity Holdings
April 2022 - March 2023
(In MDth/d)

Pipeline	Region	April 2022	May 2022	June 2022	July 2022	August 2022	September 2022	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023
EPNG	Permian	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0
	San Juan	285.0	285.0	285.0	285.0	285.0	285.0	285.0	385.0	385.0	385.0	385.0	385.0
	Dagmoj	50.0	50.0	50.0	50.0	50.0	50.0	50.0	74.8	50.0	50.0	50.0	52.6
	Total	450.0	450.0	450.0	450.0	450.0	450.0	450.0	574.8	550.0	550.0	550.0	552.6
TWPL	Permian	100.0	100.0	100.0	100.0	100.0	100.0	100.0	13.2	13.2	13.2	13.2	13.2
	San Juan	125.0	125.0	79.3	54.3	54.3	84.3	125.0	263.2	263.2	263.2	263.2	263.2
	Total	225.0	225.0	179.3	154.3	154.3	184.3	225.0	276.3	276.3	276.3	276.3	276.3
KERN	Rockies	209.4	209.4	239.0	248.7	248.7	242.2	266.8	222.3	276.7	276.7	276.7	258.5
	Total	209.4	209.4	239.0	248.7	248.7	242.2	266.8	222.3	276.7	276.7	276.7	258.5
NOVA	Canadian Path	54.3	54.3	54.3	54.3	54.3	54.3	54.3	54.3	54.3	54.3	54.3	54.3
	Total	54.3	54.3	54.3	54.3	54.3	54.3	54.3	54.3	54.3	54.3	54.3	54.3
FTHLS	Canadian Path	53.8	53.8	53.8	53.8	53.8	53.8	53.8	53.8	53.8	53.8	53.8	53.8
	Total	53.8	53.8	53.8	53.8	53.8	53.8	53.8	53.8	53.8	53.8	53.8	53.8
GTN	Canadian Path	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5
	Total	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5
PG&E	Canadian Path	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9
	Total	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9

Summary of Capacity by Region

	April 2022	May 2022	June 2022	July 2022	August 2022	September 2022	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023
Permian	215.0	215.0	215.0	215.0	215.0	215.0	215.0	128.2	128.2	128.2	128.2	128.2
San Juan	410.0	410.0	364.3	339.3	339.3	369.3	410.0	672.9	648.2	648.2	648.2	650.7
Rockies	259.4	259.4	289.0	298.7	298.7	292.2	316.8	272.3	326.7	326.7	326.7	308.5
Canadian Path	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9
Grand Total	936.4	936.4	920.3	905.0	905.0	928.5	993.7	1,125.3	1,155.0	1,155.0	1,155.0	1,139.4

Notes:

The capacity data in this table is grouped by source of supply (i.e. receipt locations), and not displayed for each receipt/delivery point combination.

For the purpose of calculating the capacity planning range pursuant to D.04-09-022, only the PG&E capacity is included from the Canadian path.

EPNG/Dagmoj gas is sourced from the Rockies and San Juan regions.

Advice No. 5699 Capacity Range:												
Minimum	905.0	905.0	905.0	905.0	905.0	905.0	905.0	1,006.0	1,006.0	1,006.0	1,006.0	1,006.0
Maximum	1,207.0	1,207.0	1,207.0	1,207.0	1,207.0	1,207.0	1,207.0	1,207.0	1,207.0	1,207.0	1,207.0	1,207.0

ATTACHMENT B

Southern California Gas Company

Balance Sheet and Income Statement

SOUTHERN CALIFORNIA GAS COMPANY
BALANCE SHEET
ASSETS AND OTHER DEBITS
MARCH 31, 2023

	1. UTILITY PLANT	2023
101	UTILITY PLANT IN SERVICE	$24,017,393,935
102	UTILITY PLANT PURCHASED OR SOLD	-
105	PLANT HELD FOR FUTURE USE	-
106	COMPLETED CONSTRUCTION NOT CLASSIFIED	-
107	CONSTRUCTION WORK IN PROGRESS	1,536,808,867
108	ACCUMULATED PROVISION FOR DEPRECIATION OF UTILITY PLANT	(7,506,655,041)
111	ACCUMULATED PROVISION FOR AMORTIZATION OF UTILITY PLANT	(165,177,173)
117	GAS STORED-UNDERGROUND	61,422,045
	TOTAL NET UTILITY PLANT	**17,943,792,633**

	2. OTHER PROPERTY AND INVESTMENTS	
121	NONUTILITY PROPERTY	49,818,825
122	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF NONUTILITY PROPERTY	(16,795,592)
123	INVESTMENTS IN SUBSIDIARY COMPANIES	-
	NONCURRENT PORTION OF ALLOWANCES	-
124	OTHER INVESTMENTS	1
125	SINKING FUNDS	-
128	OTHER SPECIAL FUNDS	250,000
	TOTAL OTHER PROPERTY AND INVESTMENTS	**33,273,234**

Data from SPL as of June 13, 2023

SOUTHERN CALIFORNIA GAS COMPANY
BALANCE SHEET
ASSETS AND OTHER DEBITS
MARCH 31, 2023

3. CURRENT AND ACCRUED ASSETS

		2023
131	CASH	7,326,358
132	INTEREST SPECIAL DEPOSITS	-
134	OTHER SPECIAL DEPOSITS	-
135	WORKING FUNDS	124,273
136	TEMPORARY CASH INVESTMENTS	-
141	NOTES RECEIVABLE	-
142	CUSTOMER ACCOUNTS RECEIVABLE	1,598,425,372
143	OTHER ACCOUNTS RECEIVABLE	93,833,722
144	ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS	(151,627,325)
145	NOTES RECEIVABLE FROM ASSOCIATED COMPANIES	-
146	ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES	92,420,168
151	FUEL STOCK	-
152	FUEL STOCK EXPENSE UNDISTRIBUTED	-
154	PLANT MATERIALS AND OPERATING SUPPLIES	114,296,839
155	MERCHANDISE	-
156	OTHER MATERIALS AND SUPPLIES	-
158	GHG ALLOWANCE	743,947,174
	(LESS) NONCURRENT PORTION OF ALLOWANCES	-
163	STORES EXPENSE UNDISTRIBUTED	1,821,772
164	GAS STORED	23,946,249
165	PREPAYMENTS	31,043,851
171	INTEREST AND DIVIDENDS RECEIVABLE	826,038
173	ACCRUED UTILITY REVENUES	-
174	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	17,292,736
175	DERIVATIVE INSTRUMENT ASSETS	12,588,875
	TOTAL CURRENT AND ACCRUED ASSETS	**2,586,266,102**

4. DEFERRED DEBITS

181	UNAMORTIZED DEBT EXPENSE	35,783,469
182	UNRECOVERED PLANT AND OTHER REGULATORY ASSETS	3,806,655,613
183	PRELIMINARY SURVEY & INVESTIGATION CHARGES	311,013
184	CLEARING ACCOUNTS	(1,954,934)
185	TEMPORARY FACILITIES	-
186	MISCELLANEOUS DEFERRED DEBITS	515,424,152
188	RESEARCH AND DEVELOPMENT	-
189	UNAMORTIZED LOSS ON REACQUIRED DEBT	100,386
190	ACCUMULATED DEFERRED INCOME TAXES	727,498,767
191	UNRECOVERED PURCHASED GAS COSTS	-
	TOTAL DEFERRED DEBITS	**5,083,818,466**
	TOTAL ASSETS AND OTHER DEBITS	**$ 25,647,150,435**

Data from SPL as of June 13, 2023

SOUTHERN CALIFORNIA GAS COMPANY
BALANCE SHEET
LIABILITIES AND OTHER CREDITS
MARCH 31, 2023

5. PROPRIETARY CAPITAL

		2023
201	COMMON STOCK ISSUED	(834,888,907)
204	PREFERRED STOCK ISSUED	(21,551,075)
207	PREMIUM ON CAPITAL STOCK	-
208	OTHER PAID-IN CAPITAL	-
210	GAIN ON RETIRED CAPITAL STOCK	(9,722)
211	MISCELLANEOUS PAID-IN CAPITAL	(1,481,306,680)
214	CAPITAL STOCK EXPENSE	143,261
216	UNAPPROPRIATED RETAINED EARNINGS	(4,742,917,946)
219	ACCUMULATED OTHER COMPREHENSIVE INCOME	22,870,791
	TOTAL PROPRIETARY CAPITAL	**(7,057,660,278)**

6. LONG-TERM DEBT

221	BONDS	(5,050,000,001)
224	OTHER LONG-TERM DEBT	(1,009,338,770)
225	UNAMORTIZED PREMIUM ON LONG-TERM DEBT	-
226	UNAMORTIZED DISCOUNT ON LONG-TERM DEBT	11,187,389
	TOTAL LONG-TERM DEBT	**(6,048,151,382)**

7. OTHER NONCURRENT LIABILITIES

227	OBLIGATIONS UNDER CAPITAL LEASES - NONCURRENT	(104,320,297)
228.2	ACCUMULATED PROVISION FOR INJURIES AND DAMAGES	(105,956,005)
228.3	ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS	(275,656,265)
228.4	ACCUMULATED MISCELLANEOUS OPERATING PROVISIONS	-
245	NONCURRENT DERIVATIVE INSTRUMENT LIABILITIES	-
230	ASSET RETIREMENT OBLIGATIONS	(2,767,949,730)
	TOTAL OTHER NONCURRENT LIABILITIES	**(3,253,882,297)**

Data from SPL as of June 13, 2023

SOUTHERN CALIFORNIA GAS COMPANY
BALANCE SHEET
LIABILITIES AND OTHER CREDITS
MARCH 31, 2023

8. CURRENT AND ACCRUED LIABILITES

		2023
231	NOTES PAYABLE	(1,022,847,257)
232	ACCOUNTS PAYABLE	(1,012,645,569)
233	NOTES PAYABLE TO ASSOCIATED COMPANIES	-
234	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	(52,731,391)
235	CUSTOMER DEPOSITS	(28,565,419)
236	TAXES ACCRUED	36,826,972
237	INTEREST ACCRUED	(61,258,932)
238	DIVIDENDS DECLARED	(323,266)
241	TAX COLLECTIONS PAYABLE	(68,061,718)
242	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	(398,753,050)
243	OBLIGATIONS UNDER CAPITAL LEASES - CURRENT	(29,965,067)
244	DERIVATIVE INSTRUMENT LIABILITIES	(38,089,611)
245	DERIVATIVE INSTRUMENT LIABILITIES - HEDGES	
	TOTAL CURRENT AND ACCRUED LIABILITIES	**(2,676,414,308)**

9. DEFERRED CREDITS

252	CUSTOMER ADVANCES FOR CONSTRUCTION	(143,755,064)
253	OTHER DEFERRED CREDITS	(720,268,849)
254	OTHER REGULATORY LIABILITIES	(3,556,487,118)
255	ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	(5,445,500)
257	UNAMORTIZED GAIN ON REACQUIRED DEBT	-
281	ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED	-
282	ACCUMULATED DEFERRED INCOME TAXES - PROPERTY	(1,618,149,557)
283	ACCUMULATED DEFERRED INCOME TAXES - OTHER	(566,936,082)
	TOTAL DEFERRED CREDITS	**(6,611,042,170)**
	TOTAL LIABILITIES AND OTHER CREDITS	**$ (25,647,150,435)**

Data from SPL as of June 13, 2023

SOUTHERN CALIFORNIA GAS COMPANY
STATEMENT OF INCOME AND RETAINED EARNINGS
THREE MONTHS ENDED MARCH 31, 2023

1. UTILITY OPERATING INCOME

400	OPERATING REVENUES		3,792,454,522
401	OPERATING EXPENSES	2,924,150,912	
402	MAINTENANCE EXPENSES	99,759,815	
403-7	DEPRECIATION AND AMORTIZATION EXPENSES	207,735,418	
408.1	TAXES OTHER THAN INCOME TAXES	49,372,807	
409.1	INCOME TAXES	9,347,113	
410.1	PROVISION FOR DEFERRED INCOME TAXES	117,620,649	
411.1	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	(30,197,250)	
411.4	INVESTMENT TAX CREDIT ADJUSTMENTS	(395,538)	
411.6	GAIN FROM DISPOSITION OF UTILITY PLANT	-	
411.7	LOSS FROM DISPOSITION OF UTILITY PLANT	-	
	TOTAL OPERATING REVENUE DEDUCTIONS		3,377,393,926
	NET OPERATING INCOME		415,060,596

2. OTHER INCOME AND DEDUCTIONS

415	REVENUE FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	
417	REVENUES FROM NONUTILITY OPERATIONS	-	
417.1	EXPENSES OF NONUTILITY OPERATIONS	(2,378,269)	
418	NONOPERATING RENTAL INCOME	497,784	
418.1	EQUITY IN EARNINGS OF SUBSIDIARIES	-	
419	INTEREST AND DIVIDEND INCOME	11,351,625	
419.1	ALLOWANCE FOR OTHER FUNDS USED DURING CONSTRUCTION	10,348,127	
421	MISCELLANEOUS NONOPERATING INCOME	(461,525)	
421.1	GAIN ON DISPOSITION OF PROPERTY	-	
	TOTAL OTHER INCOME	19,357,742	
421.2	LOSS ON DISPOSITION OF PROPERTY	-	
425	MISCELLANEOUS AMORTIZATION	-	
426	MISCELLANEOUS OTHER INCOME DEDUCTIONS	(7,542,479)	
		(7,542,479)	
408.2	TAXES OTHER THAN INCOME TAXES	(71,642)	
409.2	INCOME TAXES	704,226	
410.2	PROVISION FOR DEFERRED INCOME TAXES	(53,823,242)	
411.2	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	55,134,625	
420	INVESTMENT TAX CREDITS	-	
	TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS	**1,943,967**	
	TOTAL OTHER INCOME AND DEDUCTIONS		**13,759,230**
	INCOME BEFORE INTEREST CHARGES		428,819,826
	NET INTEREST CHARGES*		68,957,965
	NET INCOME		**$359,861,861**

**NET OF ALLOWANCE FOR BORROWED FUNDS USED DURING CONSTRUCTION. ($10,348,127)*

Data from SPL as of June 13, 2023

STATEMENT OF INCOME AND RETAINED EARNINGS
THREE MONTHS ENDED MARCH 31, 2023

3. RETAINED EARNINGS

RETAINED EARNINGS AT BEGINNING OF PERIOD, AS PREVIOUSLY REPORTED	4,383,379,351
NET INCOME (FROM PRECEDING PAGE)	359,861,861
DIVIDEND TO PARENT COMPANY	-
DIVIDENDS DECLARED - PREFERRED STOCK	(323,266)
OTHER RETAINED EARNINGS ADJUSTMENT	-
RETAINED EARNINGS AT END OF PERIOD	4,742,917,946

ATTACHMENT C

Southern California Gas Company

Statement of Proposed Rates

Rate Tables

Impact of GCIM Award on Gas Rate over Last 12 Months

Calculation of GCIM Award $/therm:	
GCIM Award $000	$62,784
Core Sales per 2020TCAP Mth/yr	3,764,211
GCIM Award $/th	**$0.01668**

ATTACHMENT D

Southern California Gas Company

Statement of Original Cost and

Depreciation Reserve

SoCalGas
Plant Investment and Accumulated Depreciation
As of March 31, 2023

ACCOUNT NUMBER	DESCRIPTION	ORIGINAL COSTS	ACCUMULATED RESERVE	NET BOOK VALUE
INTANGIBLE ASSETS				
301	Organization	76,457	-	76,457
302	Franchise and Consents	587,060	-	587,060
303	Cloud Compute	30,874,452	(2,470,529)	28,403,923
	Total Intangible Assets	31,537,969	(2,470,529)	29,067,440
PRODUCTION:				
325	Other Land Rights	-	-	-
330	Prd Gas Wells Const	-	-	-
331	Prd Gas Wells Eqp	-	-	-
332	Field Lines	-	-	-
334	FldMeas&RegStnEquip	-	-	-
336	Prf Eqpt	-	-	-
	Total Production	-	-	-
UNDERGROUND STORAGE:				
350	Land	4,539,484	-	4,539,484
350SR	Storage Rights	19,069,515	(17,634,213)	1,435,302
350RW	Rights-of-Way	25,354	(19,349)	6,006
351	Structures and Improvements	161,769,785	(39,818,568)	121,951,217
352	Wells	655,477,742	194,555,168	850,032,909
353	Lines	218,577,422	(53,008,449)	165,568,974
354	Compressor Station and Equipment	483,636,868	(106,186,210)	377,450,658
355	Measuring And Regulator Equipment	17,995,636	(4,913,755)	13,081,881
356	Purification Equipment	173,092,582	(98,390,614)	74,701,968
357	Other Equipment	114,881,486	(35,344,178)	79,537,308
	Total Underground Storage	1,849,065,874	(160,760,167)	1,688,305,707
TRANSMISSION PLANT- OTHER:				
365	Land	9,595,757	-	9,595,757
365LRTS	Land Rights	129,194,887	(25,009,730)	104,185,157
366	Structures and Improvements	167,729,958	(26,244,464)	141,485,494
367	Mains	3,315,953,725	(840,678,180)	2,475,275,545
368	Compressor Station and Equipment	562,429,416	(116,997,771)	445,431,645
369	Measuring And Regulator Equipment	376,364,203	(57,991,823)	318,372,380
370	Communication Equipment	89,721,382	(24,256,619)	65,464,763
371	Other Equipment	23,752,707	(5,656,333)	18,096,374
	Total Transmission Plant	4,674,742,036	(1,096,834,921)	3,577,907,115
DISTRIBUTION PLANT:				
374	Land	29,737,007	-	29,737,007
374LRTS	Land Rights	3,432,119	(2,308,195)	1,123,923
375	Structures and Improvements	416,928,182	(102,990,800)	313,937,382
376	Mains	6,561,367,679	(3,003,595,428)	3,557,772,251
378	Measuring And Regulator Equipment	169,651,835	(95,181,531)	74,470,303

SoCalGas
Plant Investment and Accumulated Depreciation
As of March 31, 2023

ACCOUNT NUMBER	DESCRIPTION	ORIGINAL COSTS	ACCUMULATED RESERVE	NET BOOK VALUE
380	Services	3,914,233,273	(2,365,995,970)	1,548,237,303
381	Meters	1,018,327,546	(364,444,717)	653,882,829
382	Meter Installation	683,278,931	(257,007,312)	426,271,619
383	House Regulators	197,861,092	(90,863,261)	106,997,831
387	Other Equipment	77,512,758	(33,661,498)	43,851,260
	Total Distribution Plant	13,072,330,421	(6,316,048,711)	6,756,281,710
GENERAL PLANT:				
389	Land	1,342,839	-	1,342,839
389LRTS	Land Rights	74,300	(46,242)	28,058
390	Structures and Improvements	283,381,449	(205,530,093)	77,851,356
391	Office Furniture and Equipment	1,978,011,851	(1,383,434,735)	594,577,116
392	Transportation Equipment	143,785	(77,929)	65,856
393	Stores Equipment	186,007	(85,161)	100,846
394	Shop and Garage Equipment	159,179,373	(40,220,880)	118,958,493
395	Laboratory Equipment	10,194,471	(2,211,809)	7,982,662
396	Construction Equipment	-	2,457	2,457
397	Communication Equipments	265,199,839	(110,021,997)	155,177,842
398	Miscellaneous Equipment	1,783,594	(366,696)	1,416,898
	Total General Plant	2,699,497,508	(1,741,993,086)	957,504,422
	Subtotal	**22,327,173,808**	**(9,318,107,413)**	**13,009,066,395**
121	Non-Utility Plant	32,335,315	(14,402,196)	17,933,119
117GSUNC	Gas Stored Underground - NonCurrent	61,422,045	-	61,422,045
GCL	GCT - Capital Lease	-	-	-
	Total Other - Non-Utility Plant	93,757,360	(14,402,196)	79,355,164
	Total-Reconciliation to Asset History Totals	22,420,931,168	(9,332,509,609)	13,088,421,559
	Mar 2023 Asset 1020 Report	22,420,931,168	(9,332,509,609)	13,088,421,559
	Difference	(0)	(0)	(0)

ATTACHMENT E

Southern California Gas Company

Summary of Earnings

SOUTHERN CALIFORNIA GAS COMPANY
SUMMARY OF EARNINGS
THREE MONTHS ENDED MARCH 31, 2023
(DOLLARS IN MILLIONS)

Line No.	Item	Amount
1	Operating Revenue	$3,792
2	Operating Expenses	3,377
3	Net Operating Income	$415
4	Weighted Average Rate Base	$11,253
5	Rate of Return*	7.10%
	*Authorized Cost of Capital	