

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

Application of SOUTHERN CALIFORNIA GAS
COMPANY (U 904 G) for Authority to Establish
Its Authorized Cost of Capital for Utility
Operations for 2026 and to Reset the Annual Cost
of Capital Mechanism.

A.25-03-_____
(Filed March 20, 2025)

**TEST YEAR 2026 COST OF CAPITAL APPLICATION OF
SOUTHERN CALIFORNIA GAS COMPANY (U 904 G)**

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**TEST YEAR 2026 COST OF APPLICATION OF
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I. INTRODUCTION

In accordance with the California Public Utilities Commission’s (Commission) Rules of Practice and Procedure, and Commission decisions (D.) 12-12-034, D.13-03-015 (as modified by D.16-02-019, D.17-07-005, and D.18-01-001), D.19-12-056, D.22-12-031, and D.24-10-008, Southern California Gas Company (SoCalGas) hereby submits its Cost of Capital application to establish its authorized Cost of Capital for Test Year 2026, and to revise its gas rates accordingly.

At this time, as the Commission exercises its various levers to promote affordability for customers, the Commission has an opportunity to help maintain customer affordability by supporting strong sustainable utility financial health, which reduces costs of financing. Financially stable utilities with strong credit metrics and stable revenues are better able to keep borrowing costs low, manage operational costs and invest in infrastructure to help keep utility services safe, reliable, and affordable. This relationship between prioritizing financial health and customer affordability forms a cycle that benefits both the utility and the customers it serves, all of which underscores the importance of establishing an appropriate cost of capital under applicable legal standards.

II. BACKGROUND

In Application (A.) 22-04-011, SoCalGas filed its last Cost of Capital application for Test Year (TY) 2023. The Commission consolidated the filed Cost of Capital applications filed by the four major California gas/electric utilities: Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), SoCalGas, and Pacific Gas and Electric Company (PG&E) (collectively, California IOUs).

In the 2023 Cost of Capital Proceeding, the Commission adopted the following with respect to SoCalGas in its decision:¹

Test Year 2023			
Component	Capital Ratio	Cost	Weighted Cost
Long-Term Debt	45.60%	4.07%	1.86%
Preferred Equity	2.40%	6.00%	0.14%
Common Equity	52.00%	9.80%	5.10%
Rate of Return (ROR)	100.00%		7.10%

The Commission also ordered that the Cost of Capital Mechanism (CCM) shall continue to be in effect through the 2023 Cost of Capital cycle for the California IOUs.² In that decision, the Commission stated that certain policy issues, including evaluation of the CCM, would be considered in a second phase of the proceeding.³

¹ D.22-12-031 at 53 (Ordering Paragraph (OP) 1).

² *Id.* at 54 (OP 6).

³ *Id.* at 43.

In 2023, SoCalGas’s CCM triggered upwards, thus resulting in a new cost of capital for 2024:

Rate of Return for 2024⁴			
Component	Capital Ratio	Cost	Weighted Cost
Long-Term Debt	45.60%	4.54%	2.07%
Preferred Equity	2.40%	6.00%	0.14%
Common Equity	52.00%	10.50%	5.46%
Rate of Return (ROR)	100.00%		7.67%

In the second phase of the TY 2023 Cost of Capital Proceeding, the Commission modified SoCalGas’s ROE to be set at 10.08% for 2025⁵ and modified the CCM adjustment ratio modification from 50% to 20% with an effective date of January 1, 2025 (and allowed the utilities, to update the cost of debt and preferred equity, if applicable for 2025). Accordingly, as of January 1, 2025, SoCalGas’s cost of capital is as follows:

Currently Authorized Cost of Capital (as of January 1, 2025)⁶			
Component	Capital Ratio	Cost	Weighted Cost
Long-Term Debt	45.60%	4.63%	2.11%
Preferred Equity	2.40%	6.00%	0.14%
Common Equity	52.00%	10.08%	5.24%
Rate of Return (ROR)	100.00%		7.49%

In the Phase 2 TY 2023 decision, the Commission stated that the California IOUs were to file their next Cost of Capital application for TY 2026 on March 20, 2025.⁷

III. LEGAL STANDARDS

The legal standard for setting a fair rate of return has been established by the United States Supreme Court in the *Bluefield* and *Hope* cases.⁸ According to the *Bluefield* decision:

⁴ SoCalGas Advice Letter (AL) 6207-G.

⁵ D.24-10-008 at 36 (OP 3).

⁶ *Id.* at 36 (OP 3-4); SoCalGas AL 6404-G.

⁷ D.24-10-008 at 35-36 (OP 1).

⁸ D.12-12-034 at 17; *Bluefield Water Works Co. v. Pub. Services Comm’n*, 262 U.S. 679 (1923) (*Bluefield*); *Fed. Power Comm’n v. Hope Natural Gas Co.*, 320 U.S. 591 (1944) (*Hope*).

A public utility is entitled to such rates as will permit it to earn a return upon the value of the property which it employs for the convenience of the public equal to that generally being made at the same time and in the same general part of the country on investments in other business undertakings which are attended by corresponding risks and uncertainties . . . The return should be reasonably sufficient to assure confidence in the financial soundness of the utility, and should be adequate, under efficient and economical management, to maintain and support its credit, and enable it to raise the money necessary for the proper discharge of its public duties.⁹

The *Hope* decision reinforces principles articulated in the *Bluefield* decision:

From the investor or company point of view it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business. These include service on the debt and dividends on the stock . . . By that standard the return to the equity owner should be commensurate with the returns on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and attract capital.¹⁰

The Commission stated, “in applying these parameters, we must not lose sight of our duty to utility ratepayers to protect them from unreasonable risks including risks of imprudent management.”¹¹ In addition to *Bluefield* and *Hope*, the *Duquesne* decision stands for the guiding principle that the Constitution protect utilities from being limited to a charge for their property serving the public which is so unjust as to be confiscatory.¹² If “the rate does not afford sufficient compensation, the State has taken the use of utility property without paying just compensation and so violated the Fifth and Fourteenth Amendments.”¹³

⁹ *Bluefield*, 262 U.S. at 692.

¹⁰ *Hope*, 320 U.S. at 603.

¹¹ D.12-12-034 at 17.

¹² *See Duquesne Light Co. v. Barasch*, 488 U.S. 299, 307 (1989) (*Duquesne*).

¹³ *Id.* at 308.

IV. SUMMARY OF PROPOSALS

A. Test Year 2026 Cost of Capital and Rate of Return

In this application, SoCalGas is requesting the Commission adopt a Test Year 2026 Cost of Capital, as shown below.

Test Year 2026			
Component	Capital Ratio	Cost	Weighted Cost
Long-Term Debt	45.60%	5.02%	2.29%
Preferred Equity	2.40%	6.00%	0.14%
Common Equity	52.00%	11.00%	5.72%
Rate of Return (ROR)	100.00%		8.15%

SoCalGas's proposed Cost of Capital, if adopted, would result in no change in the Long-Term Debt ratio, no change to the Preferred Equity ratio, and no change to the Common Equity ratio. In addition, SoCalGas is requesting (1) an increase of embedded costs of Long-Term Debt from 4.63% to 5.02%, (2) to maintain its embedded costs for Preferred Equity of 6.00%, and (3) an increase in its currently authorized Return on Equity from 10.08% to 11.00%. On a weighted cost basis, SoCalGas's proposed Cost of Capital structure would result in a Rate of Return of 8.15%, which represents a 66 basis point¹⁴ increase from its currently authorized 7.49%.

This increase in Rate of Return, if adopted, would equate to an expected increase in overall transportation revenues of \$117.4 million for 2026 (or 2.1%). A typical residential customer using 35 therms of gas per month will see a \$1.37 monthly bill increase in 2026 (or 1.8%). SoCalGas has included the relevant affordability metrics required by D.22-08-023 as Attachment E.

¹⁴ One basis point = 0.01%. Ten basis points = 0.10%. One hundred basis points = 1.0%.

B. Authorized Capital Structure

The Long-Term Debt ratio of a utility's authorized ratemaking capital structure represents a measurement of a company's financial leverage. A high Long-Term Debt ratio increases the debt repayment risk to lenders and, all other things being equal, will result in higher costs of capital over the long-term since the utility will not be as competitive in issuing new Long-Term Debt at low cost. Conversely, too low of a Long-Term Debt ratio is not preferred as it does not take advantage of a tax-deductible source of financing, resulting in lower cost than equity.

Preferred Equity is a source of capital that is issued in shares and pays dividends, like Common Equity, but Preferred Equity dividends are paid at an agreed upon amount at regular intervals. Preferred Equity generally has a lower cost than Common Equity, but higher cost than Long-Term Debt. Credit rating agencies generally treat Preferred Equity as a hybrid of debt and equity, assigning a percentage of equity content in accordance with the security's features.

The Common Equity component represents the amount of capital funded by shareholders. The Common Equity ratio reflects how a company is financing its cash needs and shows the percentage of assets on which the shareholders have a claim. A high Common Equity ratio lowers financial risk by reducing the reliance on Long-Term Debt.

Witness Gonzalez's direct testimony supports SoCalGas's proposed capital structure of 52% common equity, 2.4% preferred equity, and 45.6% long term debt.¹⁵ As set forth in Mr. Gonzalez's testimony, there are challenges highlighted with customer arrearages and regulatory undercollections, but SoCalGas believes this capital structure proposal would allow the

¹⁵ See Chapter 2, Prepared Direct Testimony of Richardo Gonzalez (Ex. SCG-02).

Company to continue to access debt and equity markets sufficiently.¹⁶ Regulatory action that potentially increases SoCalGas's leverage, such as higher debt in the authorized capital structure, may be perceived as an unsupportive regulatory environment and counted as credit negative to rating agencies.¹⁷

SoCalGas's request closely aligns with its recent recorded capital structure, Commission precedent, and comparable national gas utilities and should support SoCalGas in maintaining a strong "A" credit rating.¹⁸ Viewed in its entirety, the proposed capital structure is reasonable and should support SoCalGas's efficient access to markets during the anticipated period of significant capital expenditures, thereby increasing the likelihood of access to lower total capital costs over the long term.¹⁹

C. Return on Equity (ROE)

Joshua Nowak sponsors SoCalGas's authorized ROE proposal of 11.00%.²⁰ He examined the company's risks and concluded that its risk environment exceeds the natural gas utility industry average. Mr. Nowak employed the traditional Cost of Capital estimating methodologies which assume business-as-usual circumstances. His ROE recommendation is derived from Cost of Capital studies that he performed using the financial models (*i.e.*, Discounted Cash Flow, Capital Asset Pricing Model, and Risk Premium), as well as his application of professional judgment to the results, to a group of investment-grade gas distribution utilities. He also surveyed and analyzed the historical risk premiums in the utility

¹⁶ D.22-12-031 at 9.

¹⁷ Ex. SCG-02 (Gonzalez) at 2.

¹⁸ *Id.* at 20.

¹⁹ *Id.*

²⁰ *See* Chapter 3, Prepared Direct Testimony of Joshua C. Nowak (Ex. SCG-03).

industry and risk premiums allowed by regulators as indicators of the appropriate risk premium for the utility industry. Mr. Nowak selected an ROE above the average results obtained from the various methodologies in order to account for SoCalGas's higher than average investment risk compared to other gas utilities.

Mr. Nowak concludes that his recommended ROE of 11.00% is required in order for SoCalGas to: (i) attract capital on reasonable terms, (ii) maintain its financial integrity, and (iii) earn a return commensurate with returns on comparable risk investments.

V. SUPPORTING TESTIMONY

SoCalGas's Cost of Capital application is accompanied by prepared direct testimonies from three witnesses, as summarized below:

- 1. Exhibit SCG-01, Policy Overview and Company Risk (witness: Sara P. Mijares).** This testimony provides an overview of SoCalGas's Cost of Capital proposals for the Test Year 2026 and the period until the Cost of Capital is next updated by application. This testimony also describes SoCalGas's business, financial, and regulatory risk, operating as a regulated, gas-only utility in California. Ms. Mijares's testimony provides justification and additional qualitative support for SoCalGas's Return on Equity proposal presented in Exhibit SCG-03 (Nowak), and authorized capital structure proposal presented in Exhibit SCG-02 (Gonzalez). Ms. Mijares supports her analysis with official company disclosures and information from prominent rating agencies such as Moody's, Standard and Poor's (S&P), and Fitch. SoCalGas faces unique risks as a gas-only utility operating in California and in today's economic and regulatory climate. Specifically, investor and creditor sentiment regarding California's regulatory and policy environment is increasingly negative, translating into credit downgrade(s),

higher relative risk for investment, and ultimately higher borrowing costs that flow to customers. Ms. Mijares explains that these risks should be appropriately reflected in SoCalGas's authorized Cost of Capital.

2. **Exhibit SCG-02, Authorized Capital Structure and Embedded Cost of Debt and Preferred (witness: Ricardo Gonzalez).** This testimony presents SoCalGas's authorized capital structure proposal. Mr. Gonzalez presents evidence of SoCalGas's historical recorded capital structure levels. As he shows, SoCalGas has relied on Common Equity relative to Long-Term Debt and Preferred Equity over the past five years, which has helped SoCalGas manage the financial risk of being over-leveraged. SoCalGas recommends maintaining its current capital structure ratio: 52% Common Equity, 2.4% Preferred Equity, and 45.65 Long Term Debt. Mr. Gonzalez also performs and presents an embedded cost analysis for Long-Term Debt and Preferred Equity, which are applied to the capital ratios to yield a weighted cost of Long-Term Debt and Preferred Equity.
3. **Exhibit SCG-03, Return on Equity (witness: Joshua C. Nowak).** This testimony presents SoCalGas's authorized ROE proposal of 11.00%, as discussed earlier.

VI. RELIEF REQUESTED

SoCalGas respectfully requests that the Commission take the following actions:

1. Adopt the proposed Test Year 2023 comprehensive Cost of Capital request, which yields an updated Rate of Return of 8.15%;
2. Adopt an authorized capital structure with the following ratios: Long-Term Debt of 45.60%, Preferred Equity of 2.40%, and Common Equity of 52.00%;
3. Adopt an authorized ROE of 11.00%;

4. Adopt the embedded cost calculations for Long-Term Debt and Preferred Equity, as presented in this application (to be updated during the course of this proceeding); and
5. Continue application of the Cost of Capital Mechanism.

VII. STATUTORY AND PROCEDURAL REQUIREMENTS

A. 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, and relevant decisions, orders, and resolutions of the Commission.

1. Rule 2.1 (a) – Legal Name

SOUTHERN CALIFORNIA GAS COMPANY is a public utility corporation 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, CA 90013.

2. Rule 2.1 (b) – Correspondence

Correspondence and communications should be addressed to:

Will Fuller
GRC Program Manager
c/o SOUTHERN CALIFORNIA GAS COMPANY
8330 Century Park Court
San Diego, CA 92123
Email: wfuller@sdge.com

A copy should also be sent to:

Jeffrey B. Fohrer
Southern California Gas Company
555 West Fifth Street, Ste. 1400
Los Angeles, CA 90013
Email: jfohrer@socalgas.com

3. Rule 2.1 (c)

a. Proposed Category of Proceeding

SoCalGas proposes that this proceeding be categorized as “ratesetting” under Rule 1.3(e) because they propose to modify or establish customer cost allocations and to modify the rates charged for these services.

b. Need for Hearings

Although SoCalGas does not believe that evidentiary hearings are necessary to address questions of material fact pertaining to its request, it includes hearing dates in the proposed procedural schedule below should the Commission determine that hearings are necessary.

c. Issues to be Considered and Relevant Safety Considerations

The scoping memo and ruling from the prior consolidated Cost of Capital proceeding²¹ provides a helpful framework for listing the primary issues to be considered in this application:

- The appropriate capital structure;
- The appropriate cost of Long-Term Debt;
- The appropriate cost of Preferred Stock;
- The appropriate cost of Common Equity;
- Additional risk factors, including financial, business, and regulatory risks, that should be considered in setting the utilities’ authorized return on equity;
- The appropriate rate of return on the utility rate base; and
- Continuing the Cost of Capital Mechanism.

²¹ See A.22-04-008, Assigned Commissioner’s Scoping Memo and Ruling (July 12, 2022) at 3; *see also* A.19-04-014, Assigned Commissioner’s Scoping Memo and Ruling (July 2, 2019) at 2-3.

SoCalGas does not expect there to be specific safety-related issues or considerations that will need to be addressed by the Commission in this proceeding.

d. Proposed Schedule

SoCalGas proposes the following schedule for this application:

<u>EVENT</u>	<u>DATE</u>
Application/Testimony	March 20, 2025
Responses/Protests	within 30 days of Daily Calendar notice
Reply to Responses/Protests	within 10 days (see Rule 2.6)
Prehearing Conference	by May 10, 2025
Intervenor testimony	June 5, 2025
Rebuttal testimony	June 30, 2025
Evidentiary hearings ²²	July 14 – July 16, 2025
Opening briefs	July 31, 2025
Reply briefs	August 15, 2025
Embedded Cost Update	September 12, 2025
Proposed Decision	November 7, 2025
Commission Decision	December 1, 2025

B. Rule 2.2 – Articles of Incorporation

SoCalGas previously filed a certified copy of its Restated Articles of Incorporation with the Commission on October 1, 1998, in connection with A.98-10-012, and these articles are incorporated herein by reference.

C. Rule 3.2

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

The most recent updated balance sheet and income statements for SoCalGas are attached to this application as Attachment A.

²² If hearings are deemed necessary.

2. Rule 3.2(a)(2) and (3) – Statement of Present and Proposed Rates

The rate changes that will result from this application are described in Attachment B.

3. Rule 3.2(a)(4) – Description of Applicant’s Property and Equipment

General descriptions of SoCalGas’s property and equipment were previously filed with the Commission on May 3, 2004 in connection with A.04-05-008, and are incorporated herein by reference. Statements of Original Cost and Depreciation Reserve as of are included as Attachment C.

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

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

5. Rule 3.2(a)(7) – Depreciation

For financial statement purposes, depreciation of utility plant has been computed 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 tax property additions after 1954 and prior to 1981. For financial reporting and rate-making purposes, “flow through accounting” has been adopted for such properties. For tax property additions in years 1981 through 1986, SoCalGas has computed its tax depreciation using the Accelerated Cost Recovery System. For the years after 1986, SoCalGas has computed its tax depreciation using the Modified Accelerated Cost Recovery Systems and, since 1982, has normalized the effects of the accelerated 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.

6. Rule 3.2(a)(8) – Proxy Statement

A copy of the most recent proxy statement, dated April 25, 2024, was mailed to the Commission on May 9, 2024, and is incorporated herein by reference.

7. Rule 3.2(a)(10) – Pass Through of Cost

This application both reallocates costs among customer classes as well as passes through to customers of SoCalGas the costs for the services provided as authorized by the Commission.

8. Rule 3.2(b) - (d) – Service and Notice

SoCalGas is serving this application and testimony (via filed and served notice of availability) on all parties to A.22-04-008, as well as A.22-05-015. Within 20 days of filing, SoCalGas will mail notice of this application to the State of California and to cities and counties served by SoCalGas and will post the notice in their offices and publish the notice in newspapers of general circulation in each county in their service territories. In addition, SoCalGas will, within 45 days after filing this application, include notices with the regular bills mailed to all customers affected by the proposed rate changes.

VIII. CONCLUSION

SoCalGas respectfully requests that the Commission grant the relief requested in this application.

Respectfully submitted,

By: /s/ Sara P. Mijares

Sara P. Mijares
Vice President, Chief Accounting Officer, Assistant
Treasurer and Controller
SOUTHERN CALIFORNIA GAS COMPANY

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

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Email: jfohrer@socalgas.com

March 20, 2025

VERIFICATION

I am an officer of Southern California Gas Company and am authorized to make this verification on behalf of Southern California Gas Company. The matters stated in the foregoing application are true to my own knowledge, except as to matters that are stated therein on information and belief, and as to those matters I believe them to be true.

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

Executed this 20th day of March, 2025, at Los Angeles, California.

By: /s/ Sara P. Mijares
SARA P. MIJARES

Sara P. Mijares
Vice President, Chief Accounting Officer, Assistant
Treasurer and Controller
SOUTHERN CALIFORNIA GAS COMPANY

ATTESTATION

1. I am Vice President, Chief Accounting Officer, Assistant Treasurer and Controller of Southern California Gas Company (SoCalGas). I am providing this attestation based upon the requirements of Ordering Paragraph 5 of California Public Utilities Commission (CPUC or Commission) Decision (D.) 23-09-002.

2. On December 23, 2015, the CPUC's Executive Director issued a letter to SoCalGas directing SoCalGas to provide information to the CPUC concerning costs associated with the uncontrolled release of natural gas from Well SS-25 at the Aliso Canyon Storage Facility from October 23, 2015, through February 11, 2016 (the Incident).

3. Beginning in December 2015, SoCalGas has reported to the Commission the costs associated with the Incident in the monthly Incident-related cost report submitted pursuant to the Executive Director's December 23, 2015, directive (Directive Report).

4. On October 28, 2022, SoCalGas, the CPUC's Safety and Enforcement Division (SED) and the Public Advocates Office at the CPUC (Cal Advocates) filed a Joint Motion for Adoption of Settlement Agreement in Investigation (I.)19-06-016 seeking the approval of the Settlement Agreement entered by SoCalGas, SED, and Cal Advocates (Settlement Agreement).

5. On September 12, 2023, the Commission issued D.23-09-002 which approved the Settlement Agreement between SoCalGas, SED, and Cal Advocates resolving I.19-06-016.

6. Ordering Paragraph 5 of D.23-09-002 states that SoCalGas shall submit an attestation by a Vice President or higher company executive with every application requesting rate recovery attesting that it has not included any expenses or costs identified in the Settlement Agreement. This attestation requirement shall apply for five years from the date of the final issuance of this decision.

7. Through this application, SoCalGas seeks to establish its authorized Cost of Capital for Test Year 2026, and to revise its gas rates accordingly. While SoCalGas is not seeking recovery of specific costs through this application, but instead to establish its cost of capital for Test Year 2026, the company is submitting this attestation out of an abundance of caution given that rates will be revised accordingly. To this end, I have reviewed the testimony supporting this application used to support SoCalGas's proposal and I have reviewed the most recent Directive Report. Based on my review of these documents and other diligence, I am informed and believe, and upon such information and belief, certify that SoCalGas has not included any expenses or costs identified in the Settlement Agreement adopted in D.23-09-002 in the enclosed Application being filed on March 20, 2025.

Executed on March 20, 2025, at Los Angeles, California.

/s/ Sara P. Mijares

Sara P. Mijares

Southern California Gas Company

Vice President, Chief Accounting

Officer, Assistant Treasurer &

Controller

ATTACHMENT A

BALANCE SHEET AND INCOME STATEMENT

**SOUTHERN CALIFORNIA GAS COMPANY
BALANCE SHEET
ASSETS AND OTHER DEBITS
SEPTEMBER 30, 2024**

	1. UTILITY PLANT	<u>2024</u>
101	UTILITY PLANT IN SERVICE	\$26,641,558,055
102	UTILITY PLANT PURCHASED OR SOLD	-
105	PLANT HELD FOR FUTURE USE	-
106	COMPLETED CONSTRUCTION NOT CLASSIFIED	-
107	CONSTRUCTION WORK IN PROGRESS	1,928,283,190
108	ACCUMULATED PROVISION FOR DEPRECIATION OF UTILITY PLANT	(8,346,934,009)
111	ACCUMULATED PROVISION FOR AMORTIZATION OF UTILITY PLANT	(227,215,125)
117	GAS STORED-UNDERGROUND	61,422,045
	TOTAL NET UTILITY PLANT	<u>20,057,114,156</u>

	2. OTHER PROPERTY AND INVESTMENTS	
121	NONUTILITY PROPERTY	33,370,816
122	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF NONUTILITY PROPERTY	(17,058,798)
123	INVESTMENTS IN SUBSIDIARY COMPANIES	-
	NONCURRENT PORTION OF ALLOWANCES	-
124	OTHER INVESTMENTS	1
125	SINKING FUNDS	-
128	OTHER SPECIAL FUNDS	-
	TOTAL OTHER PROPERTY AND INVESTMENTS	<u>16,312,019</u>

**SOUTHERN CALIFORNIA GAS COMPANY
BALANCE SHEET
ASSETS AND OTHER DEBITS
SEPTEMBER 30, 2024**

3. CURRENT AND ACCRUED ASSETS		2024
131	CASH	1,776,133
132	INTEREST SPECIAL DEPOSITS	-
134	OTHER SPECIAL DEPOSITS	-
135	WORKING FUNDS	124,273
136	TEMPORARY CASH INVESTMENTS	-
141	NOTES RECEIVABLE	-
142	CUSTOMER ACCOUNTS RECEIVABLE	837,885,972
143	OTHER ACCOUNTS RECEIVABLE	38,144,057
144	ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS	(255,416,389)
145	NOTES RECEIVABLE FROM ASSOCIATED COMPANIES	(1,028)
146	ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES	(1,532,286)
151	FUEL STOCK	-
152	FUEL STOCK EXPENSE UNDISTRIBUTED	-
154	PLANT MATERIALS AND OPERATING SUPPLIES	135,616,966
155	MERCHANDISE	-
156	OTHER MATERIALS AND SUPPLIES	-
158	GHG ALLOWANCE	1,478,817,820
	(LESS) NONCURRENT PORTION OF ALLOWANCES	-
163	STORES EXPENSE UNDISTRIBUTED	(1,675,527)
164	GAS STORED	153,174,369
165	PREPAYMENTS	96,680,227
171	INTEREST AND DIVIDENDS RECEIVABLE	817,589
173	ACCRUED UTILITY REVENUES	-
174	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	13,252,721
175	DERIVATIVE INSTRUMENT ASSETS	2,268,298
	TOTAL CURRENT AND ACCRUED ASSETS	2,499,933,195
4. DEFERRED DEBITS		
181	UNAMORTIZED DEBT EXPENSE	49,291,964
182	UNRECOVERED PLANT AND OTHER REGULATORY ASSETS	4,814,914,823
183	PRELIMINARY SURVEY & INVESTIGATION CHARGES	1,129,574
184	CLEARING ACCOUNTS	1,930,281
185	TEMPORARY FACILITIES	-
186	MISCELLANEOUS DEFERRED DEBITS	550,309,909
188	RESEARCH AND DEVELOPMENT	-
189	UNAMORTIZED LOSS ON REACQUIRED DEBT	8,947
190	ACCUMULATED DEFERRED INCOME TAXES	1,274,989,721
191	UNRECOVERED PURCHASED GAS COSTS	-
	TOTAL DEFERRED DEBITS	6,692,575,219
	TOTAL ASSETS AND OTHER DEBITS	\$ 29,265,934,589

**SOUTHERN CALIFORNIA GAS COMPANY
BALANCE SHEET
LIABILITIES AND OTHER CREDITS
SEPTEMBER 30, 2024**

5. PROPRIETARY CAPITAL

	2024
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	(5,568,441,827)
219 ACCUMULATED OTHER COMPREHENSIVE INCOME	20,647,297
TOTAL PROPRIETARY CAPITAL	(7,885,407,653)

6. LONG-TERM DEBT

221 BONDS	(5,950,000,000)
224 OTHER LONG-TERM DEBT	(1,409,338,770)
225 UNAMORTIZED PREMIUM ON LONG-TERM DEBT	-
226 UNAMORTIZED DISCOUNT ON LONG-TERM DEBT	18,209,631
TOTAL LONG-TERM DEBT	(7,341,129,139)

7. OTHER NONCURRENT LIABILITIES

227 OBLIGATIONS UNDER CAPITAL LEASES - NONCURRENT	(97,034,466)
228.2 ACCUMULATED PROVISION FOR INJURIES AND DAMAGES	(93,799,579)
228.3 ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS	(220,309,696)
228.4 ACCUMULATED MISCELLANEOUS OPERATING PROVISIONS	-
245 NONCURRENT DERIVATIVE INSTRUMENT LIABILITIES	-
230 ASSET RETIREMENT OBLIGATIONS	(2,917,397,880)
TOTAL OTHER NONCURRENT LIABILITIES	(3,328,541,621)

**SOUTHERN CALIFORNIA GAS COMPANY
BALANCE SHEET
LIABILITIES AND OTHER CREDITS
SEPTEMBER 30, 2024**

8. CURRENT AND ACCRUED LIABILITIES		2024
231	NOTES PAYABLE	(500,000,000)
232	ACCOUNTS PAYABLE	(591,642,699)
233	NOTES PAYABLE TO ASSOCIATED COMPANIES	-
234	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	(39,444,423)
235	CUSTOMER DEPOSITS	(64,993,764)
236	TAXES ACCRUED	(50,254,113)
237	INTEREST ACCRUED	(98,786,132)
238	DIVIDENDS DECLARED	(323,266)
241	TAX COLLECTIONS PAYABLE	(19,128,605)
242	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	(1,273,147,571)
243	OBLIGATIONS UNDER CAPITAL LEASES - CURRENT	(30,420,982)
244	DERIVATIVE INSTRUMENT LIABILITIES	(45,875,561)
245	DERIVATIVE INSTRUMENT LIABILITIES - HEDGES	
TOTAL CURRENT AND ACCRUED LIABILITIES		(2,714,017,116)
9. DEFERRED CREDITS		
252	CUSTOMER ADVANCES FOR CONSTRUCTION	(135,295,193)
253	OTHER DEFERRED CREDITS	(663,498,376)
254	OTHER REGULATORY LIABILITIES	(4,093,249,764)
255	ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	(6,134,946)
257	UNAMORTIZED GAIN ON REACQUIRED DEBT	-
281	ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED	-
282	ACCUMULATED DEFERRED INCOME TAXES - PROPERTY	(2,331,901,662)
283	ACCUMULATED DEFERRED INCOME TAXES - OTHER	(766,759,119)
TOTAL DEFERRED CREDITS		(7,996,839,060)
TOTAL LIABILITIES AND OTHER CREDITS		\$ (29,265,934,589)

SOUTHERN CALIFORNIA GAS COMPANY
STATEMENT OF INCOME AND RETAINED EARNINGS
NINE MONTHS ENDED SEPTEMBER 30, 2024

1. UTILITY OPERATING INCOME

400	OPERATING REVENUES		4,162,723,994
401	OPERATING EXPENSES	2,348,507,831	
402	MAINTENANCE EXPENSES	332,107,634	
403-7	DEPRECIATION AND AMORTIZATION EXPENSES	683,921,953	
408.1	TAXES OTHER THAN INCOME TAXES	160,979,475	
409.1	INCOME TAXES	(2,683,913)	
410.1	PROVISION FOR DEFERRED INCOME TAXES	215,373,711	
411.1	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	(210,029,971)	
411.4	INVESTMENT TAX CREDIT ADJUSTMENTS	(677,096)	
411.6	GAIN FROM DISPOSITION OF UTILITY PLANT	-	
411.7	LOSS FROM DISPOSITION OF UTILITY PLANT	-	
	TOTAL OPERATING REVENUE DEDUCTIONS		3,527,499,624
	NET OPERATING INCOME		635,224,370

2. OTHER INCOME AND DEDUCTIONS

415	REVENUE FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	
417	REVENUES FROM NONUTILITY OPERATIONS	-	
417.1	EXPENSES OF NONUTILITY OPERATIONS	(8,744,585)	
418	NONOPERATING RENTAL INCOME	522,519	
418.1	EQUITY IN EARNINGS OF SUBSIDIARIES	-	
419	INTEREST AND DIVIDEND INCOME	44,873,840	
419.1	ALLOWANCE FOR OTHER FUNDS USED DURING CONSTRUCTION	54,342,476	
421	MISCELLANEOUS NONOPERATING INCOME	(1,628,294)	
421.1	GAIN ON DISPOSITION OF PROPERTY	-	
	TOTAL OTHER INCOME	89,365,956	
421.2	LOSS ON DISPOSITION OF PROPERTY	(232,673)	
425	MISCELLANEOUS AMORTIZATION	-	
426	MISCELLANEOUS OTHER INCOME DEDUCTIONS	(12,686,412)	
	TOTAL OTHER DEDUCTIONS	(12,919,085)	
408.2	TAXES OTHER THAN INCOME TAXES	(282,232)	
409.2	INCOME TAXES	591,003	
410.2	PROVISION FOR DEFERRED INCOME TAXES	(101,869,957)	
411.2	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	102,655,721	
420	INVESTMENT TAX CREDITS	-	
	TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS	1,094,535	
	TOTAL OTHER INCOME, DEDUCTIONS AND TAXES		77,541,406
	INCOME BEFORE INTEREST CHARGES		712,765,776
	NET INTEREST CHARGES*		237,088,440
	NET INCOME		\$475,677,336

*NET OF ALLOWANCE FOR BORROWED FUNDS USED DURING CONSTRUCTION. (\$54,342,476)

**STATEMENT OF INCOME AND RETAINED EARNINGS
NINE MONTHS ENDED SEPTEMBER 30, 2024**

3. RETAINED EARNINGS

RETAINED EARNINGS AT BEGINNING OF PERIOD, AS PREVIOUSLY REPORTED	5,093,734,289
NET INCOME (FROM PRECEDING PAGE)	475,677,336
DIVIDEND TO PARENT COMPANY	-
DIVIDENDS DECLARED - PREFERRED STOCK	(969,798)
DIVIDENDS DECLARED - COMMON STOCK	
OTHER RETAINED EARNINGS ADJUSTMENT	-
RETAINED EARNINGS AT END OF PERIOD	<u><u>\$5,568,441,827</u></u>

ATTACHMENT B

NATURAL GAS TRANSPORTATION RATES

TABLE 1
Natural Gas Transportation Rates
Southern California Gas Company
12-Cost of Capital Rates

03/19/25

12-Cost of Capital

	Present Rates			Proposed Rates			Changes		
	11-February 1, 2025	Proposed	Feb-1-25	12-Cost of Capital	Proposed	Jan-1-26	Revenue	Rate	% Rate
	Volumes	Rate	Revenues	Volumes	Rate	Revenues	Change	Change	change
	Mth	\$/therm	\$000's	Mth	\$/therm	\$000's	\$000's	\$/therm	%
	D	E	F	D	E	F	G	H	I
CORE									
Residential	2,185,983	\$1.47901	\$3,233,097	2,185,983	\$1.51649	\$3,315,030	\$81,932	\$0.03748	2.5%
Commercial & Industrial	880,320	\$0.97142	\$855,161	880,320	\$0.99352	\$874,615	\$19,454	\$0.02210	2.3%
NGV - Pre Sempra-Wide	195,899	\$0.39981	\$78,323	195,899	\$0.40813	\$79,953	\$1,630	\$0.00832	2.1%
Sempra-Wide Adjustment	195,899	\$0.00804	\$1,576	195,899	\$0.00770	\$1,509	(\$67)	(\$0.00034)	-4.2%
NGV - Post Sempra-Wide	195,899	\$0.40786	\$79,899	195,899	\$0.41584	\$81,462	\$1,563	\$0.00798	2.0%
Gas A/C	140	\$0.75957	\$107	140	\$0.77534	\$109	\$2	\$0.01577	2.1%
Gas Engine	19,830	\$0.29627	\$5,875	19,830	\$0.29628	\$5,875	\$0	\$0.00001	0.0%
Total Core	3,282,172	\$1.27176	\$4,174,139	3,282,172	\$1.30313	\$4,277,091	\$102,952	\$0.03137	2.5%
NONCORE COMMERCIAL & INDUSTRIAL									
Distribution Level Service	894,285	\$0.28251	\$252,640	894,285	\$0.28766	\$257,248	\$4,607	\$0.00515	1.8%
Transmission Level Service (2)	750,680	\$0.09107	\$68,366	750,680	\$0.09283	\$69,683	\$1,317	\$0.00176	1.9%
Total Noncore C&I	1,644,965	\$0.19514	\$321,006	1,644,965	\$0.19875	\$326,930	\$5,924	\$0.00361	1.8%
NONCORE ELECTRIC GENERATION									
Distribution Level Service									
Pre Sempra-Wide	335,280	\$0.27285	\$91,481	335,280	\$0.27792	\$93,180	\$1,700	\$0.00507	1.9%
Sempra-Wide Adjustment	335,280	(\$0.00326)	(\$1,093)	335,280	(\$0.00334)	(\$1,120)	(\$28)	(\$0.00008)	2.5%
Distribution Post Sempra Wide	335,280	\$0.26959	\$90,388	335,280	\$0.27458	\$92,060	\$1,672	\$0.00499	1.9%
Transmission Level Service (2)	1,800,969	\$0.08354	\$150,453	1,800,969	\$0.08529	\$153,612	\$3,159	\$0.00175	2.1%
Total Electric Generation	2,136,249	\$0.11274	\$240,841	2,136,249	\$0.11500	\$245,672	\$4,831	\$0.00226	2.0%
TOTAL RETAIL NONCORE	3,781,214	\$0.14859	\$561,847	3,781,214	\$0.15143	\$572,603	\$10,755	\$0.00284	1.9%
WHOLESALE									
Wholesale Long Beach (2)	91,703	\$0.07092	\$6,504	91,703	\$0.07267	\$6,664	\$161	\$0.00175	2.5%
Wholesale SWG (2)	74,685	\$0.07092	\$5,297	74,685	\$0.07267	\$5,428	\$131	\$0.00175	2.5%
Wholesale Vernon (2)	97,040	\$0.07092	\$6,882	97,040	\$0.07267	\$7,052	\$170	\$0.00175	2.5%
International (2)	139,490	\$0.07092	\$9,893	139,490	\$0.07267	\$10,137	\$245	\$0.00175	2.5%
Total Wholesale & International	402,918	\$0.07092	\$28,575	402,918	\$0.07267	\$29,282	\$707	\$0.00175	2.5%
SDG&E Wholesale	841,578	\$0.07022	\$59,093	841,578	\$0.07238	\$60,913	\$1,819	\$0.00216	3.1%
Total Wholesale Incl SDG&E	1,244,496	\$0.07044	\$87,668	1,244,496	\$0.07247	\$90,195	\$2,526	\$0.00203	2.9%
TOTAL NONCORE	5,025,711	\$0.12924	\$649,515	5,025,711	\$0.13188	\$662,797	\$13,282	\$0.00264	2.0%
Unbundled Storage (4)			\$31,952			\$31,952	\$0		
System Total (w/o BTS)	8,307,883	\$0.58446	\$4,855,606	8,307,883	\$0.59845	\$4,971,840	\$116,233	\$0.01399	2.4%
Backbone Transportation Service BTS (3)	2,406	\$0.73303	\$643,832	2,406	\$0.73440	\$645,039	\$1,207	\$0.00137	0.2%
SYSTEM TOTAL w/BTS	8,307,883	\$0.66195	\$5,499,438	8,307,883	\$0.67609	\$5,616,879	\$117,441	\$0.01414	2.1%
EOR Revenues	154,067	\$0.15715	\$24,211	154,067	\$0.16122	\$24,838	\$627	\$0.00407	2.6%
Total Throughput w/EOR Mth/yr	8,461,949			8,461,949					

- 1) These rates are for Natural Gas Transportation Service from "Citygate to Meter." The Backbone Transportation Service (BTS) rate is for service from Receipt Point to Citygate.
- 2) These Transmission Level Service (TLS) amounts represent the average transmission rate, see Table 7 for detailed list of TLS rates.
- 3) BTS charge (\$/dth/day) is proposed as a separate rate. Core will pay through procurement rate, noncore as a separate charge. Charge is for both core and noncore customers
- 4) Unbundled Storage costs are not part of the Core Storage or Load Balancing functions (those are included in transport rates).
- 5) All rates include Franchise Fees & Uncollectible charges.

TABLE 2
Residential Transportation Rates
Southern California Gas Company
03/19/25
12-Cost of Capital

	Present Rates			Proposed Rates			Changes		
	11-February 1, 2025	Average	Feb-1-25	12-Cost of Capital		Jan-1-26	Revenue	Rate	% Rate
	Volumes	Rate	Revenue	Volumes	Rate	Revenue	Change	Change	change
	Mth	\$/th	\$000's	Mth	\$/th	\$000's	\$000's	\$/th	%
	A	B	C	D	E	F	G	H	I
RESIDENTIAL SERVICE									
Customer Charge									
Residential	5,853,636	\$5.00	\$351,218	5,853,636	\$5.00	\$351,218	\$0	\$0.00	0.0%
Multi-Family		\$5.00			\$5.00		\$0	\$0.00	0.0%
Small Master Meter		\$5.00			\$5.00		\$0	\$0.00	0.0%
Submeter Credit-\$/unit/day	128,003	(\$0.27945)	(\$13,056)	128,003	(\$0.27945)	(\$13,056)	\$0	\$0.00000	0.0%
Volumetric Transportation Rate Exclude CSITMA and CAT:									
Baseline Rate	1,458,094	\$0.98327	\$1,433,704	1,458,094	\$1.01913	\$1,485,993	\$52,288	\$0.03586	3.6%
Non-Baseline Rate	719,874	\$1.46872	\$1,057,295	719,874	\$1.50998	\$1,086,997	\$29,702	\$0.04126	2.8%
	2,177,968	\$1.29899	\$2,829,161	2,177,968	\$1.33664	\$2,911,152	\$81,991	\$0.03765	2.9%
NBL/BL Ratio:									
Composite Rate \$/th		\$1.69019			\$1.72619			\$0.03600	2.1%
Gas Rate \$/th		\$0.47500			\$0.47514			\$0.00014	0.0%
NBL/Composite rate ratio (4) =		\$1.15000			\$1.15000				
NBL- BL rate difference \$/th		\$0.48545			\$0.49085			\$0.00540	1.1%
Large Master Meter Rate (Excludes Rate Adders for CAT):									
Customer Charge	53	\$728	\$459	53	\$728	\$459	\$0	\$0.00000	0.0%
Baseline Rate	5,868	\$0.21547	\$1,264	5,868	\$0.20878	\$1,225	(\$39)	(\$0.00669)	-3.1%
Non-Baseline Rate	2,147	\$0.29089	\$625	2,147	\$0.28186	\$605	(\$19)	(\$0.00903)	-3.1%
	8,015	\$0.29295	\$2,348	8,015	\$0.28563	\$2,289	(\$59)	(\$0.00732)	-2.5%
Residential Rates Include CSITMA, CARB and GHG Excludes CAT:									
CSITMA Adder to Volumetric Rate	1,593,779	\$0.00062	\$990	1,593,779	\$0.00062	\$990	\$0	\$0.00000	0.0%
CARB Adder to Volumetric Rate	2,185,983	\$0.00308	\$6,730	2,185,983	\$0.00308	\$6,730	\$0	\$0.00000	0.0%
GHG End User Adder to Volumetric Rate	2,185,983	\$0.18018	\$393,868	2,185,983	\$0.18018	\$393,868	\$0	\$0.00000	0.0%
Residential:									
Customer Charge		\$5.00000			\$5.00000			\$0.00000	0.0%
Baseline \$/therm		\$1.16715			\$1.20301			\$0.03586	3.1%
Non-Baseline \$/therm		\$1.65260			\$1.69386			\$0.04126	2.5%
Average NonCARE Rate \$/therm		\$1.48287			\$1.52052			\$0.03765	2.5%
Large Master Meter:									
Customer Charge		\$728.42			\$728.42			\$0.00000	0.0%
BaseLine Rate		\$0.39935			\$0.39266			(\$0.00669)	-1.7%
Non-Baseline Rate		\$0.47477			\$0.46574			(\$0.00903)	-1.9%
Average NonCARE Rate \$/therm		\$0.47683			\$0.46951			(\$0.00732)	-1.5%
Residential Rates Include CSITMA & CAT:									
CAT Adder to Volumetric Rate	23,460	\$0.00000	\$0	23,460	\$0.00000	\$0	\$0	\$0.00000	0.0%
Residential:									
Customer Charge		\$5.00000			\$5.00000			\$0.00000	0.0%
BaseLine Rate		\$1.16715			\$1.20301			\$0.03586	3.1%
Non-Baseline Rate		\$1.65260			\$1.69386			\$0.04126	2.5%
Large Master Meter:									
Customer Charge		\$728.42			\$728.42			\$0.00000	0.0%
BaseLine Rate		\$0.39935			\$0.39266			(\$0.00669)	-1.7%
Non-Baseline Rate		\$0.47477			\$0.46574			(\$0.00903)	-1.9%
Other Adjustments:									
TCA for CSITMA exempt customers		(\$0.00062)			(\$0.00062)			\$0.00000	0.0%
California Climate Credit - April Bill		(\$86,60450)			(\$86,60450)				
TOTAL RESIDENTIAL	2,185,983	\$1.47901	\$3,233,097	2,185,983	\$1.51649	\$3,315,030	\$81,932	\$0.03748	2.5%

See footnotes, Table 1.

TABLE 3
Core Nonresidential Transportation Rates
Southern California Gas Company

03/19/25

12-Cost of Capital

	Present Rates			Proposed Rates			Changes		
	11-February 1, 2025	Average	Feb-1-25	12-Cost of Capital		Jan-1-26	Revenue	Rate	% Rate
	Volumes	Rate	Revenue	Volumes	Rate	Revenue	Change	Change	change
	Mth	\$/th	\$000's	Mth	\$/th	\$000's	\$000's	\$/th	%
	A	B	C	D	E	F	G	H	I
CORE COMMERCIAL & INDUSTRIAL									
Customer Charge 1	141,959	\$15.00000	\$25,553	141,959	\$15.00000	\$25,553	\$0	\$0.00000	0.0%
Customer Charge 2	61,062	\$15.00000	\$10,991	61,062	\$15.00000	\$10,991	\$0	\$0.00000	0.0%
Volumetric Transportation Rate Exclude CSITMA & CAT:									
Tier 1 = 250th/mo	182,276	\$1.49640	\$272,758	182,276	\$1.54297	\$281,246	\$8,489	\$0.04657	3.1%
Tier 2 = next 4167 th/mo	386,664	\$0.77096	\$298,102	386,664	\$0.79377	\$306,923	\$8,821	\$0.02281	3.0%
Tier 3 = over 4167 th/mo	311,380	\$0.28455	\$88,604	311,380	\$0.29144	\$90,748	\$2,144	\$0.00689	2.4%
	880,320	\$0.79063	\$696,007	880,320	\$0.81273	\$715,461	\$19,454	\$0.02210	2.8%
Volumetric Transportation Rate Include CSITMA & GHG, Exclude CAT:									
CSITMA Adder to Volumetric Rate	867,334	\$0.00062	\$539	867,334	\$0.00062	\$539	\$0	\$0.00000	0.0%
GHG Adder to Volumetric Rate	880,320	\$0.18018	\$158,615	880,320	\$0.18018	\$158,615			
Tier 1 = 250th/mo		\$1.67720			\$1.72377			\$0.04657	2.8%
Tier 2 = next 4167 th/mo		\$0.95176			\$0.97457			\$0.02281	2.4%
Tier 3 = over 4167 th/mo		\$0.46535			\$0.47224			\$0.00689	1.5%
		\$0.97143			\$0.99353			\$0.02210	
								\$0.00000	
Volumetric Transportation Rate Include CSITMA & CAT:									
CAT Adder to Volumetric Rate	98,391	\$0.00000	\$0	98,391	\$0.00000	\$0	\$0	\$0.00000	
Tier 1 = 250th/mo		\$1.67720			\$1.72377			\$0.04657	2.8%
Tier 2 = next 4167 th/mo		\$0.95176			\$0.97457			\$0.02281	2.4%
Tier 3 = over 4167 th/mo		\$0.46535			\$0.47224			\$0.00689	1.5%
		\$0.97143			\$0.99353			\$0.02210	2.3%
Other Adjustments:									
TCA for CSITMA exempt customers		(\$0.00062)			(\$0.00062)			\$0.00000	0.0%
GHG Fee Credit \$/th		(\$0.18018)			(\$0.18018)				
TOTAL CORE C&I	880,320	\$0.97142	\$855,161	880,320	\$0.99352	\$874,615	\$19,454	\$0.02210	2.3%
NATURAL GAS VEHICLES (a sempra-wide rate)									
Customer Charge, P-1	221	\$13.00000	\$34	221	\$13.00000	\$34	\$0	\$0.00000	0.0%
Customer Charge, P-2A	155	\$65.00000	\$121	155	\$65.00000	\$121	\$0	\$0.00000	0.0%
Uncompressed Rate Exclude CSITMA, GHG & C	195,899	\$0.18272	\$35,794	195,899	\$0.19069	\$37,357	\$1,563	\$0.00797	4.4%
Total Uncompressed NGV	195,899	\$0.18351	\$35,949	195,899	\$0.19149	\$37,512	\$1,563	\$0.00798	4.3%
Compressed Rate Adder	7,772	\$1.02004	\$7,928	7,772	\$1.02004	\$7,928	\$0	\$0.00000	0.0%
Low Carbon Fuel Standard (LCFS) Credit		(\$0.37680)			(\$0.37680)			\$0.00000	
Uncompressed Rate Include CSITMA, CARB and GHG Exclude CAT									
CSITMA Adder to Volumetric Rate	195,896	\$0.00062	\$122	195,896	\$0.00062	\$122	\$0	\$0.00000	0.0%
CARB Adder to Volumetric Rate	195,899	\$0.00308	\$603	195,899	\$0.00308	\$603			
GHG End User Adder to Volumetric Rate	195,899	\$0.18018	\$35,297	195,899	\$0.18018	\$35,297			
Uncompressed Rate \$/therm		\$0.36660			\$0.37457			\$0.00797	2.2%
Combined transport & compressor adder & LCFS Credit \$/th		\$1.00984			\$1.01781			\$0.00797	0.8%
Other Adjustments:									
TCA for CSITMA exempt customers		(\$0.00062)			(\$0.00062)			\$0.00000	0.0%
TOTAL NGV SERVICE	195,899	\$0.40786	\$79,899	195,899	\$0.41584	\$81,462	\$1,563	\$0.00798	2.0%
RESIDENTIAL NATURAL GAS VEHICLES (optional rate)									
Customer Charge	195	\$10.00000	\$23	195	\$10.00000	\$23	\$0	\$0.00000	0.0%
Uncompressed Rate Exclude CSITMA & CAT	151	\$0.52159	\$79	151	\$0.53282	\$80	\$2	\$0.01123	2.2%
	151	\$0.67672	\$102	151	\$0.68796	\$104	\$2	\$0.01124	1.7%
Uncompressed Rate Include CSITMA, Exclude CAT									
CSITMA Adder to Volumetric Rate	151	\$0.00062	\$0	151	\$0.00062	\$0		\$0.00000	0.0%
CARB Adder to Volumetric Rate	151	\$0.00308	\$0	151	\$0.00308	\$0			
GHG End User Adder to Volumetric Rate	151	\$0.18018	\$27	151	\$0.18018	\$27			
Uncompressed Rate \$/therm		\$0.70547			\$0.71670			\$0.01123	1.6%
Uncompressed Rate Include CSITMA & CAT									
CAT Adder to Volumetric Rate	0	\$0.00000	\$0	0	\$0.00000	\$0	\$0	\$0.00000	
Uncompressed Rate		\$0.70547			\$0.71670		\$0	\$0.01123	1.6%
Other Adjustments:									
TCA for CSITMA exempt customers		(\$0.00062)			(\$0.00062)			\$0.00000	0.0%
TOTAL RESIDENTIAL NATURAL GAS VEHICL	151	\$0.86060	\$130	151	\$0.87184	\$132	\$2	\$0.01124	1.3%

TABLE 4
Core Nonresidential Transportation Rates (continued)

Southern California Gas Company

03/19/25

12-Cost of Capital

	Present Rates			Proposed Rates			Changes		
	11-February 1, 2025	Average	Feb-1-25	12-Cost of Capital		Jan-1-26	Revenue	Rate	% Rate
	Volumes	Rate	Revenue	Volumes	Rate	Revenue	Change	Change	change
	Mth	\$/th	\$000's	Mth	\$/th	\$000's	\$000's	\$/th	%
	A	B	C	D	E	F	G	H	I
NON-RESIDENTIAL GAS A/C									
Customer Charge	4	\$150.00	\$7	4	\$150.00	\$7	\$0	\$0.00	0.0%
Volumetric Rate	140	\$0.70767	\$99	140	\$0.72344	\$102	\$2	\$0.01577	2.2%
	140	\$0.75895	\$106.563	140	\$0.77472	\$109	\$2	\$0.01577	2.1%
Volumetric Rates Include CSITMA, Exclude CAT									
CSITMA Adder to Volumetric Rate	140	\$0.00062	\$0	140	\$0.00062	\$0	\$0	\$0.00000	0.0%
Volumetric		\$0.70829			\$0.72406			\$0.01577	2.2%
Volumetric Rates Include CSITMA & CAT									
CAT Adder to Volumetric Rate	0	\$0.00000	\$0	0	\$0.00000	\$0	\$0	\$0.00000	0.0%
Gas A/C Rate		\$0.70829			\$0.72406		\$0	\$0.01577	2.2%
Other Adjustments:									
TCA for CSITMA exempt customers		(\$0.00062)			(\$0.00062)			\$0.00000	0.0%
TOTAL A/C SERVICE	140	\$0.75957	\$107	140	\$0.77634	\$109	\$2	\$0.01577	2.1%
GAS ENGINES									
Customer Charge	652	\$50.00	\$391	652	\$50.00	\$391	\$0	\$0.00	0.0%
Volumetric Exclude CSITMA & CAT	19,830	\$0.27592	\$5,472	19,830	\$0.27593	\$5,472	\$0	\$0.00001	0.0%
	19,830	\$0.29565	\$5,863	19,830	\$0.29565	\$5,863	\$0	\$0.00000	0.0%
Volumetric Rates Include CSITMA, Exclude CAT									
CSITMA Adder to Volumetric Rate	19,830	\$0.00062	\$12	19,830	\$0.00062	\$12	\$0	\$0.00000	0.0%
Volumetric		\$0.27654			\$0.27655			\$0.00001	
Volumetric Rates Include CSITMA & CAT									
CAT Adder to Volumetric Rate	0	\$0.00000	\$0	0	\$0.00000	\$0	\$0	\$0.00000	0.0%
Gas Engine Rate		\$0.27654			\$0.27655		\$0	\$0.00001	0.0%
Other Adjustments									
TCA for CSITMA exempt customers		(\$0.00062)			(\$0.00062)			\$0.00000	0.0%
TOTAL GAS ENGINES	19,830	\$0.29627	\$5,875	19,830	\$0.29628	\$5,875	\$0	\$0.00001	0.0%
STREET & OUTDOOR LIGHTING (equals average Non-CAT CCI Rate)									
Street & Outdoor Lighting Base Rate		\$0.97143			\$0.99353			\$0.02210	2.3%
CORE ELECTRIC GENERATION (EG) (optional rate)									
Customer Charge		\$50.00000			\$50.00000			\$0.00000	
Rate excluding CAT		\$0.55821			\$0.58504			\$0.02683	
Volumetric Rates Include CAT									
CAT Adder to Volumetric Rate	0	\$0.00000	\$0	0	\$0.00000	\$0	\$0	\$0.00000	0.0%
Core EG Rate		\$0.55821			\$0.58504		\$0	\$0.02683	

TABLE 5
Noncore Commercial & Industrial Rates
Southern California Gas Company

03/19/25

12-Cost of Capital

	Present Rates			Proposed Rates			Changes		
	11-February 1, 2025	Average	Feb-1-25	12-Cost of Capital		Jan-1-26	Revenue	Rate	% Rate
	Volumes	Rate	Revenue	Volumes	Rate	Revenue	Change	Change	change
	Mth	\$/th	\$000's	Mth	\$/th	\$000's	\$000's	\$/th	%
	A	B	C	D	E	F	G	H	I
NonCore Commercial & Industrial Distribution Level									
Customer Charge	526	\$350.00	\$2,209	526	\$350.00	\$2,209	\$0	\$0.00	0.0%
Volumetric Rates Include CARB Fee, Exclude GHG, and CSITMA									
Tier 1 = 250kth/yr	118,870	\$0.45355	\$53,914	118,870	\$0.46666	\$55,471	\$1,557	\$0.01311	2.9%
Tier 2 = 250k to 1000k	207,858	\$0.28337	\$58,901	207,858	\$0.29119	\$60,526	\$1,625	\$0.00782	2.8%
Tier 3 = 1 to 2 million th/yr	114,904	\$0.17451	\$20,052	114,904	\$0.17895	\$20,562	\$510	\$0.00444	2.5%
Tier 4 = over 2 million th/yr	452,654	\$0.09672	\$43,779	452,654	\$0.09874	\$44,695	\$915	\$0.00202	2.1%
Volumetric totals (excl itcs)	894,285	\$0.19753	\$176,647	894,285	\$0.20268	\$181,254	\$4,607	\$0.00515	2.6%
Volumetric Rates Include CARB, GHG, CSITMA									
CSITMA Adder to Volumetric Rate	891,403	\$0.00062	\$554	891,403	\$0.00062	\$554	\$0	\$0.00000	0.0%
GHG Adder to Volumetric Rate	406,434	\$0.18018	\$73,231	406,434	\$0.18018	\$73,231	\$0	\$0.00000	
Tier 1 = 250kth/yr		\$0.63435			\$0.64746			\$0.01311	2.1%
Tier 2 = 250k to 1000k		\$0.46417			\$0.47199			\$0.00782	1.7%
Tier 3 = 1 to 2 million th/yr		\$0.35531			\$0.35975			\$0.00444	1.2%
Tier 4 = over 2 million th/yr		\$0.27752			\$0.27954			\$0.00202	0.7%
Other Adjustments:									
TCA for CSITMA exempt customers		(\$0.00062)			(\$0.00062)			\$0.00000	0.0%
CARB Fee Credit \$/th		(\$0.00308)			(\$0.00308)			\$0.00000	0.0%
GHG Fee Credit \$/th		(\$0.18018)			(\$0.18018)			\$0.00000	
NCCI - DISTRIBUTION LEVEL	894,285	\$0.28251	\$252,640	894,285	\$0.28766	\$257,248	\$4,607	\$0.00515	1.8%
NCCI-TRANSMISSION LEVEL Incl CARB & GHG	2,419	\$0.07400	\$179	2,419	\$0.07575	\$183	\$4	\$0.00175	2.4%
NCCI-TRANSMISSION LEVEL Incl CARB & GHG	748,261	\$0.07462	\$68,187	748,261	\$0.07637	\$69,499	\$1,313	\$0.00175	2.3%
NCCI-TRANSMISSION LEVEL (2)	750,680	\$0.09107	\$68,366	750,680	\$0.09283	\$69,683	\$1,317	\$0.00176	1.9%
TOTAL NONCORE C&I	1,644,965	\$0.19514	\$321,006	1,644,965	\$0.19875	\$326,930	\$5,924	\$0.00361	1.8%

TABLE 6
Noncore Electric Generation Rates and Enhanced Oil Recovery Rates
Southern California Gas Company

03/19/25
12-Cost of Capital

	Present Rates			Proposed Rates			Changes		
	11-February 1, 2025	Average	Feb-1-25	12-Cost of Capital		Jan-1-26	Revenue	Rate	% Rate
	Volumes	Rate	Revenue	Volumes	Rate	Revenue	Change	Change	change
	Mth	\$/th	\$000's	Mth	\$/th	\$000's	\$000's	\$/th	%
	A	B	C	D	E	F	G	H	I
ELECTRIC GENERATION									
Small EG Distribution Level Service (a Sempra-Wide rate) Exclude CARB & GHG Fee & CSITMA:									
Customer Charge	309	\$0.00000	\$185	309	\$0.00000	\$185	\$0	\$0.00000	0.0%
Volumetric Rate	114,668	\$0.26399	\$30,271	114,668	\$0.27117	\$31,095	\$824	\$0.00718	2.7%
Small EG Distribution Level Service	114,668	\$0.26561	\$30,457	114,668	\$0.27279	\$31,280	\$824	\$0.00718	2.7%
Large EG Distribution Level Service (a Sempra-Wide rate) Exclude CARB & GHG Fee & CSITMA									
Customer Charge	25	\$0.00000	\$0	25	\$0.00000	\$0	\$0	\$0.00000	
Volumetric Rate	220,612	\$0.15243	\$33,629	220,612	\$0.15628	\$34,477	\$848	\$0.00385	2.5%
Large EG Distribution Level Service	220,612	\$0.15243	\$33,629	220,612	\$0.15628	\$34,477	\$848	\$0.00385	2.5%
EG Distribution excl CARB Fee & CSITMA	335,280	\$0.19114	\$64,085	335,280	\$0.19613	\$65,757	\$1,672	\$0.00499	2.6%
Volumetric Rates Include CARB & GHG Fee, Exclude CSITMA									
CARB Fee Cost Adder	294,526	\$0.00308	\$907	294,526	\$0.00308	\$907	\$0	\$0.00000	0.0%
GHG Cost Adder	140,949	\$0.18018	\$25,396	140,949	\$0.18018	\$25,396	\$0	\$0.00000	
EG-Distribution Tier 1 w/CARB Fee		\$0.44725			\$0.45443			\$0.00718	1.6%
EG-Distribution Tier 2 w/CARB Fee		\$0.33569			\$0.33954			\$0.00385	1.1%
Total - EG Distribution Level	335,280	\$0.26959	\$90,388	335,280	\$0.27458	\$92,060	\$1,672	\$0.00499	1.9%
CARB Fee Credit \$/th		(\$0.00308)			(\$0.00308)			\$0.00000	0.0%
GHG Fee Credit \$/th		(\$0.18018)			(\$0.18018)			\$0.00000	
EG Transmission Level Service Excl CARB & GHG Fee	1,800,969	\$0.07092	\$127,725	1,800,969	\$0.07267	\$130,884	\$3,159	\$0.00175	2.5%
EG Transmission Level CARB Fee	226,362	\$0.00308	\$697	226,362	\$0.00308	\$697	\$0	\$0.00000	
EG Transmission Level Service - GHG End Use	122,273	\$0.18018	\$22,031	122,273	\$0.18018	\$22,031			
EG Transmission Level Service - SGIP	1,800,969	\$0.00000	\$0	1,800,969	\$0.00000	\$0			
EG Transmission Level Service Incl CARB & GHG Fee, Exclude CSITMA (1)									
EG Transmission Level (2)	1,800,969	\$0.08354	\$150,453	1,800,969	\$0.08529	\$153,612	\$3,159	\$0.00175	2.1%
TOTAL ELECTRIC GENERATION	2,136,249	\$0.11274	\$240,841	2,136,249	\$0.11500	\$245,672	\$4,831	\$0.00226	2.0%
EOR Rates & revenue Exclude CARB Fee & CSITMA:									
Distribution Level EOR:									
Customer Charge	18	\$500.00000	\$108	18	\$500.00000	\$108	\$0	\$0.00000	0.0%
Volumetric Rate Excl CARB & GHG Fee & C	110,501	\$0.19016	\$21,013	110,501	\$0.19515	\$21,564	\$551	\$0.00499	2.6%
Volumetric Rates Include CARB & GHG Fee, Exclude CSITMA									
CARB Fee		\$0.00308			\$0.00308				
GHG Fee		\$0.18018			\$0.18018				
Volumetric Rate Incl CARB Fee & Excl CSITMA		\$0.37342			\$0.37841			\$0.00499	1.3%
Distribution Level EOR	110,501	\$0.19114	\$21,121	110,501	\$0.19613	\$21,672	\$551	\$0.00499	2.6%
CARB Fee Credit \$/th		(\$0.00308)			(\$0.00308)			\$0.00000	0.0%
GHG Fee Credit \$/th		(\$0.18018)			(\$0.18018)			\$0.00000	
Transmission Level EOR Exclude CARB & GHG	43,565	\$0.07092	\$3,090	43,565	\$0.07267	\$3,166	\$76	\$0.00175	2.5%
Total EOR	154,067	\$0.15715	\$24,211	154,067	\$0.16122	\$24,838	\$627	\$0.00407	2.6%

1) CSITMA - Noncore C&I D Tariff rate Include CSITMA. Customers exempt, including Constitutionally Exempt, receive Transportation Charge Adjustment (TCA).

EG Tariff Rate Exclude CSITMA, since EG customers are exempt.

2) CARB & GHG Fees - EG-D and NCCI-D rates include CARB & GHG Fees.

3) EOR customers tariff Include CARB & GHG Fees and Excludes CSITMA; since EOR customers are exempt from CSITMA and get a credit for CARB & GHG Fees.

See footnotes, Table 1.

TABLE 7
Transmission Level Service Transportation Rates
Southern California Gas Company
03/19/25
12-Cost of Capital

	Present Rates			Proposed Rates			Changes		
	11-February 1, 2025	Average	Feb-1-25	12-Cost of Capital		Jan-1-26	Revenue	Rate	% Rate
	Volumes	Rate	Revenue	Volumes	Rate	Revenue	Change	Change	change
	Mth	\$/th	\$000's	Mth	\$/th	\$000's	\$000's	\$/th	%
	A	B	C	D	E	F	G	H	I
Rate Excluding CSITMA & CARB Fee:									
Reservation Service Option (RS):									
Daily Reservation rate \$/th/day		\$0.02189			\$0.02186			(\$0.00003)	-0.1%
Usage Charge for RS \$/th		\$0.03664			\$0.03844			\$0.00180	4.9%
Class Average Volumetric Rate (CA)									
Volumetric Rate \$/th		\$0.03426			\$0.03421			(\$0.00005)	-0.1%
Usage Charge for CA \$/th		\$0.03664			\$0.03844			\$0.00180	4.9%
Class Average Volumetric Rate (CA) \$/th		\$0.07090			\$0.07265			\$0.00175	2.5%
115% CA (for NonBypass Volumetric NV) \$/th		\$0.08153			\$0.08355			\$0.00202	2.5%
135% CA (for Bypass Volumetric BV) \$/th		\$0.09571			\$0.09808			\$0.00237	2.5%
Total Transmission Level Service (NCCL, EOR, E	2,551,649	\$0.07092	\$180,963	2,551,649	\$0.07267	\$185,440	\$4,476	\$0.00175	2.5%
C&I Rate Including CSITMA & CARB & GHG & SGIP Fee:									
CSITMA Adder to Usage Charge	748,261	\$0.00062	\$465	748,261	\$0.00062	\$465	\$0	\$0.00000	
CARB Fee Adder	977,042	\$0.00308	\$3,008	977,042	\$0.00308	\$3,008	\$0	\$0.00000	
GHG Fee Adder	190,824	\$0.18018	\$34,382	190,824	\$0.18018	\$34,382	\$0	\$0.00000	
SGIP Adder	#DIV/0!	\$0.00000	\$0	#DIV/0!	\$0.00000	\$0	\$0	\$0.00000	
Reservation Service Option (RS):									
Daily Reservation rate \$/th/day		\$0.02189			\$0.02186		\$0	(\$0.00003)	-0.1%
Usage Charge for RS \$/th		\$0.22052			\$0.22232		\$0	\$0.00180	0.8%
Class Average Volumetric Rate (CA)									
Volumetric Rate \$/th		\$0.03426			\$0.03421		\$0	(\$0.00005)	-0.1%
Usage Charge for CA \$/th		\$0.22052			\$0.22232		\$0	\$0.00180	0.8%
Class Average Volumetric Rate (CA) \$/th		\$0.25478			\$0.25653		\$0	\$0.00175	0.7%
115% CA (for NonBypass Volumetric NV) \$/th		\$0.26541			\$0.26743		\$0	\$0.00202	0.8%
135% CA (for Bypass Volumetric BV) \$/th		\$0.27959			\$0.28196		\$0	\$0.00237	0.8%
Other Adjustments:									
Transportation Charge Adj. (TCA) for CSITMA exempt customers		(\$0.00062)			(\$0.00062)			\$0.00000	
California Air Resources Board (CARB) Fee Credit \$/th		(\$0.00308)			(\$0.00308)			\$0.00000	
GHG Fee Credit		(\$0.18018)			(\$0.18018)			\$0.00000	
Total Transmission Level Service Include CS	2,551,649	\$0.08576	\$218,819	2,551,649	\$0.08751	\$223,295	\$4,476	\$0.00175	2.0%
EG & EOR Rate Including CARB Fee & GHG , excluding CSITMA:									
CARB Fee Adder		\$0.00308			\$0.00308			\$0.00000	
GHG Fee Adder		\$0.18018			\$0.18018			\$0.00000	
SGIP Adder	1,800,969	\$0.00000	\$0	1,800,969	\$0.00000	\$0			
Reservation Service Option (RS):									
Daily Reservation rate \$/th/day		\$0.02189			\$0.02186		\$0	(\$0.00003)	-0.1%
Usage Charge for RS \$/th		\$0.21990			\$0.22170		\$0	\$0.00180	0.8%
Class Average Volumetric Rate (CA)									
Volumetric Rate \$/th		\$0.03426			\$0.03421		\$0	(\$0.00005)	-0.1%
Usage Charge for CA \$/th		\$0.21990			\$0.22170		\$0	\$0.00180	0.8%
Class Average Volumetric Rate (CA) \$/th		\$0.25416			\$0.25591		\$0	\$0.00175	0.7%
115% CA (for NonBypass Volumetric NV) \$/th		\$0.26479			\$0.26681		\$0	\$0.00202	0.8%
135% CA (for Bypass Volumetric BV) \$/th		\$0.27897			\$0.28134		\$0	\$0.00237	0.8%
Other Adjustments:									
California Air Resources Board (CARB) Fee Credit \$/th		(\$0.00308)			(\$0.00308)			\$0.00000	0.0%
Greenhouse Gas (GHG) Fee Credit \$/th		(\$0.18018)			(\$0.18018)			\$0.00000	0.0%
Rate Excluding CSITMA, CARB, GHG Fee, & Uncollectibles (applicable to Wholesale & International):									
Reservation Service Option (RS):									
Daily Reservation rate \$/th/day		\$0.02181			\$0.02178			(\$0.00003)	-0.1%
Usage Charge for RS \$/th		\$0.03650			\$0.03830			\$0.00180	4.9%
Class Average Volumetric Rate (CA)									
Volumetric Rate \$/th		\$0.03413			\$0.03409			(\$0.00004)	-0.1%
Usage Charge for CA \$/th		\$0.03650			\$0.03830			\$0.00180	4.9%
Class Average Volumetric Rate (CA) \$/th		\$0.07063			\$0.07239			\$0.00176	2.5%
115% CA (for NonBypass Volumetric NV) \$/th		\$0.08123			\$0.08324			\$0.00201	2.5%
135% CA (for Bypass Volumetric BV) \$/th		\$0.09536			\$0.09772			\$0.00236	2.5%
Total Transmission Level Service (WS & Int'l)	402,918	\$0.07092	\$28,575	402,918	\$0.07267	\$29,282	\$707	\$0.00175	2.5%

Average Transmission Level Service	2,954,567	\$0.08373	\$247,394	2,954,567	\$0.08549	\$252,577	\$5,183	\$0.00176	2.1%
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TABLE 8
Backbone Transmission Service and Storage Rates
Southern California Gas Company

03/19/25
12-Cost of Capital

	Present Rates			Proposed Rates			Changes		
	11-February 1, 2025	Average	Feb-1-25	12-Cost of Capital		Jan-1-26	Revenue	Rate	% Rate
	Volumes	Rate	Revenue	Volumes	Rate	Revenue	Change	Change	change
	Mth	\$/th	\$000's	Mth	\$/th	\$000's	\$000's	\$/th	%
	A	B	C	D	E	F	G	H	I
Backbone Transmission Service BTS									
BTS SFV Reservation Charge \$/dth/day	2,406	\$0.73303	\$643,832	2,406	\$0.73440	\$645,039	\$1,207	\$0.00137	0.2%
BTS MFV Reservation Charge \$/dth/day		\$0.58642			\$0.58752				
BTS MFV Volumetric Charge \$/dth		\$0.14661			\$0.14688				
BTS Interruptible Volumetric Charge \$/dth		\$0.73303			\$0.73440			\$0.00137	0.2%
Storage Costs: (incl. HRSMA)									
Core \$000			\$179,247			\$179,247	\$0		
Load Balancing \$000			\$130,504			\$130,504	\$0		
Unbundled Storage \$000			\$31,952			\$31,952	\$0		
			\$341,703			\$341,703	\$0		

See footnotes, Table 1.

- 1) CSITMA - NCCI and EG TLS Tariff rates include CSITMA. Customers exempt (Constitutional Exempt and EG) receive Transportation Charge Adjustment (TCA).
- 2) CARB Fee - TLS NCCI, EOR and EG Tariff rates include CSITMA. TLS NCCI, EOR and EG customers exempt as they pay CARB Fees directly receive credit.
- 3) Wholesale Customers excludes CSITMA and CARB Fee since these customers are exempt.

Verify TLS Revenue:

NCCI-T	750,680	\$0.09107	\$68,366	750,680	\$0.09283	\$69,683	\$1,317	\$0.00176	1.9%
EG-T	1,800,969	\$0.08354	\$150,453	1,800,969	\$0.08529	\$153,612	\$3,159	\$0.00175	2.1%
LB	91,703	\$0.07092	\$6,504	91,703	\$0.07267	\$6,664	\$161	\$0.00175	2.5%
SWG	74,685	\$0.07092	\$5,297	74,685	\$0.07267	\$5,428	\$131	\$0.00175	2.5%
Vernon	97,040	\$0.07092	\$6,882	97,040	\$0.07267	\$7,052	\$170	\$0.00175	2.5%
Ecogas	139,490	\$0.07092	\$9,893	139,490	\$0.07267	\$10,137	\$245	\$0.00175	2.5%
	2,954,567	\$0.08373	\$247,394	2,954,567	\$0.08549	\$252,577	\$5,183	\$0.00176	2.1%
difference	0	\$0.00000	\$0	0	\$0.00000	\$0	\$0	\$0.00000	

ATTACHMENT C

PLANT INVESTMENT AND ACCUMULATED DEPRECIATION

SoCalGas
Plant Investment and Accumulated Depreciation
As of September 30, 2024

ACCOUNT NUMBER	DESCRIPTION	ORIGINAL COSTS	ACCUMULATED RESERVE	NET BOOK VALUE
INTANGIBLE ASSETS				
301	Organization	76,457	-	76,457
302	Franchise and Consents	592,060	-	592,060
303	Cloud Compute	110,432,915	(18,577,627)	91,855,288
	Total Intangible Assets	<u>111,101,433</u>	<u>(18,577,627)</u>	<u>92,523,805</u>
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	<u>-</u>	<u>-</u>	<u>-</u>
UNDERGROUND STORAGE:				
350	Land	4,539,484	-	4,539,484
350SR	Storage Rights	19,069,515	(17,698,400)	1,371,115
350RW	Rights-of-Way	25,354	(20,020)	5,334
351	Structures and Improvements	193,436,834	(43,303,803)	150,133,031
352	Wells	773,447,054	241,287,227	1,014,734,281
353	Lines	232,551,368	(33,086,304)	199,465,064
354	Compressor Station and Equipment	509,126,919	(104,535,694)	404,591,225
355	Measuring And Regulator Equipment	19,595,899	(5,771,918)	13,823,981
356	Purification Equipment	187,100,829	(103,032,255)	84,068,574
357	Other Equipment	135,286,097	(42,470,753)	92,815,344
	Total Underground Storage	<u>2,074,179,353</u>	<u>(108,631,919)</u>	<u>1,965,547,434</u>
TRANSMISSION PLANT- OTHER:				
365	Land	9,599,020	-	9,599,020
365LRTS	Land Rights	129,778,087	(29,630,116)	100,147,971
366	Structures and Improvements	199,834,393	(32,913,602)	166,920,791
367	Mains	3,767,089,842	(934,248,003)	2,832,841,839
368	Compressor Station and Equipment	657,567,676	(132,357,875)	525,209,801
369	Measuring And Regulator Equipment	448,063,653	(66,527,819)	381,535,834
370	Communication Equipment	107,832,897	(34,338,265)	73,494,633
371	Other Equipment	33,798,723	(7,527,742)	26,270,981
	Total Transmission Plant	<u>5,353,564,291</u>	<u>(1,237,543,421)</u>	<u>4,116,020,869</u>
DISTRIBUTION PLANT:				
374	Land	29,737,007	-	29,737,007
374LRTS	Land Rights	3,789,180	(2,409,114)	1,380,066
375	Structures and Improvements	454,664,170	(99,228,213)	355,435,957
376	Mains	7,115,923,135	(3,232,364,572)	3,883,558,562
378	Measuring And Regulator Equipment	230,939,769	(106,150,475)	124,789,294
380	Services	4,301,559,398	(2,499,304,974)	1,802,254,424
381	Meters	1,060,912,970	(419,814,631)	641,098,340
382	Meter Installation	733,344,337	(291,630,588)	441,713,749
383	House Regulators	208,257,525	(98,094,714)	110,162,811

SoCalGas
Plant Investment and Accumulated Depreciation
As of September 30, 2024

ACCOUNT NUMBER	DESCRIPTION	ORIGINAL COSTS	ACCUMULATED RESERVE	NET BOOK VALUE
387	Other Equipment	79,231,678	(37,035,311)	42,196,367
	Total Distribution Plant	<u>14,218,359,170</u>	<u>(6,786,032,592)</u>	<u>7,432,326,578</u>
GENERAL PLANT:				
389	Land	1,342,839	-	1,342,839
389LRTS	Land Rights	74,300	(49,023)	25,277
390	Structures and Improvements	267,707,799	(201,471,467)	66,236,332
391	Office Furniture and Equipment	2,322,496,825	(1,692,899,646)	629,597,179
392	Transportation Equipment	1,945,297	(357,968)	1,587,328
393	Stores Equipment	308,020	(93,364)	214,657
394	Shop and Garage Equipment	167,028,387	(44,017,951)	123,010,436
395	Laboratory Equipment	10,731,669	(2,767,447)	7,964,222
396	Construction Equipment	-	-	-
397	Communication Equipments	301,799,919	(128,387,055)	173,412,864
398	Miscellaneous Equipment	10,705,853	(885,650)	9,820,203
	Total General Plant	<u>3,084,140,908</u>	<u>(2,070,929,571)</u>	<u>1,013,211,337</u>
	Subtotal	<u>24,841,345,154</u>	<u>(10,221,715,131)</u>	<u>14,619,630,023</u>
121	Non-Utility Plant	32,335,315	(14,522,477)	17,812,838
117GSUNC	Gas Stored Underground - NonCurrent	61,422,045	-	61,422,045
GCL	GCT - Capital Lease	-	-	-
	Total Other - Non-Utility Plant	<u>93,757,360</u>	<u>(14,522,477)</u>	<u>79,234,883</u>
	Total-Reconciliation to Asset History Totals	<u>24,935,102,514</u>	<u>(10,236,237,608)</u>	<u>14,698,864,906</u>
	Sept 2024 Asset 1020 Report	<u>24,935,102,514</u>	<u>(10,236,237,608)</u>	<u>14,698,864,906</u>
	Difference	<u>(0)</u>	<u>(0)</u>	<u>(0)</u>

ATTACHMENT D

SUMMARY OF EARNINGS

**SOUTHERN CALIFORNIA GAS COMPANY
SUMMARY OF EARNINGS
NINE MONTHS ENDED SEPTEMBER 30, 2024
(DOLLARS IN MILLIONS)**

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Operating Revenue	\$4,163
2	Operating Expenses	<u>3,527</u>
3	Net Operating Income	<u>\$636</u>
4	Weighted Average Rate Base	\$12,345
5	Rate of Return*	7.67%

*Authorized Cost of Capital

ATTACHMENT E

GAS AFFORDABILITY METRICS

Summary: The AR20 impacts of SoCalGas's proposal for its most disadvantaged customers who are not enrolled in any low income programs are in the range of -0.20% to 3.17%. For households earning minimum wage at the County of Los Angeles level, the gas essential use bill increase equates to a reduction of 6 to 4 minutes of work per month. At the California statewide minimum wage level, the gas essential use bill increase equates to a reduction of 4 to 3 minutes of work per month. For households earning the California statewide minimum wage for fast food workers, the gas essential use bill increase equates to a reduction of 3 to 2 minutes of work per month. These results do not include low income program discounts for customers who are eligible and enrolled (such as CARE).

	Incremental Change in Affordability Ratio for 20th Percentile Households (AR20)	Incremental Change in Time for Households Earning Minimum Wage (HM)			Incremental Change in AR20 in Areas of Affordability Concern
		County of Los Angeles	CA Statewide	CA Statewide - Fast Food Workers	
Lowest - Highest Affordability Impact by Climate Zone	Non-CARE	Non-CARE			Non-CARE
	-0.01% to 0.3%	-0.1 to -.07 hours or -6 to -4 minutes	-0.07 to -0.05 hours or -4 to -3 minutes	-0.06 to -0.04 hours or -3 to -2 minutes	-0.1% to 0.2%

MONTHLY GAS AVERAGE USAGE BILLS (NON-CARE)

Climate Zone	Current Feb-2025	2026		
	Bill (\$)	Bill (\$)	Δ (\$)	Δ (%)
Zone 1, Coastal/ Inland Area	\$74.52	\$75.89	\$1.37	1.8%
Zone 2, Desert	\$75.84	\$77.24	\$1.40	1.8%
Zone 3, Mountains	\$95.78	\$97.59	\$1.81	1.9%
Average	\$74.74	\$76.11	\$1.37	1.8%

MONTHLY GAS ESSENTIAL USAGE BILLS (NON-CARE)

Climate Zone	Current Feb-2025	2026		
	Bill (\$)	Bill (\$)	Δ (\$)	Δ (%)
Zone 1, Coastal/ Inland Area	\$49.38	\$50.29	\$0.91	1.8%
Zone 2, Desert	\$53.64	\$54.64	\$0.99	1.9%
Zone 3, Mountains	\$73.78	\$75.18	\$1.40	1.9%
Average	\$49.88	\$50.79	\$0.92	1.8%

HM METRIC FOR GAS CUSTOMERS (NON-CARE)

Los Angeles County

Climate Zone	Current Feb-2025	2026		
	Hours	Hours	Δ (hrs)	Δ (%)
Zone 1, Coastal/ Inland Area	2.77	2.71	-0.07	-2.4%
Zone 2, Desert	3.01	2.94	-0.07	-2.4%
Zone 3, Mountains	4.14	4.05	-0.10	-2.3%
Average	2.80	2.73	-0.07	-2.4%

HM METRIC FOR GAS CUSTOMERS (NON-CARE)

California Statewide

	Current Feb-2025	2026		
Climate Zone	Hours	Hours	Δ (hrs)	Δ (%)
Zone 1, Coastal/ Inland Area	2.99	2.94	-0.05	-1.6%
Zone 2, Desert	3.25	3.20	-0.05	-1.6%
Zone 3, Mountains	4.47	4.40	-0.07	-1.6%
Average	3.02	2.97	-0.05	-1.6%

HM METRIC FOR GAS CUSTOMERS (NON-CARE)

CA Statewide - Fast Food Workers

	Current Feb-2025	2026		
Climate Zone	Hours	Hours	Δ (hrs)	Δ (%)
Zone 1, Coastal/ Inland Area	2.47	2.43	-0.04	-1.6%
Zone 2, Desert	2.68	2.64	-0.04	-1.6%
Zone 3, Mountains	3.69	3.63	-0.06	-1.5%
Average	2.49	2.45	-0.04	-1.6%

AR20 METRIC FOR GAS CUSTOMERS (NON-CARE)

	Current Feb-2025	2026	
Climate Zone	AR20	AR20	Change from current (%)
Zone 1, Coastal/ Inland Area	9.52%	9.82%	0.30%
Zone 2, Desert	4.05%	4.07%	0.01%
Zone 3, Mountains	5.01%	5.00%	-0.01%
Average	9.01%	9.28%	0.3%

AR50 METRIC FOR GAS CUSTOMERS (NON-CARE)

	Current Feb-2025	2026	
Climate Zone	AR50	AR50	Change from current (%)
Zone 1, Coastal/ Inland Area	0.91%	0.90%	-0.01%
Zone 2, Desert	1.11%	1.11%	0.00%
Zone 3, Mountains	1.27%	1.26%	-0.01%
Average	0.93%	0.92%	0.0%

SoCalGas- HM Metrics

Notes

1) Current Los Angeles County minimum wage is \$17.81/hour. For 2026, SoCalGas forecasted the minimum wage to increase to \$18.58/hour based on the for five years ending August 2024 from the Bureau of Labor Stastics Los Angeles CPI

2) Current California Statewide minimum wage at \$16.50/hour. For 2026, SoCalGas forecasted the minimum wage to increase to \$17.08/hour based on the California Labor Code section 1182.12, where minimum wage to increase by the lesser of 3.5% or the 12-month period from July to June percentage change in the CPI-W. Source: https://www.dir.ca.gov/dlse/minimum_wage.htm

3) Other variations available for healthcare worker minimum wage not included in analysis. Source: <https://www.dir.ca.gov/dlse/Health-Care-Worker-Minimum-Wage-FAQ.htm>

4) Current California Statewide minimum wage for Fast Food Workers at \$20.00/hour. For 2026, SoCalGasforecasted the minimum wage to increase to \$20.70/hour based on the California Labor Code section 1182.12, where minimum wage to increase by the lesser of 3.5% or the 12-month period from July to June percentage change in the CPI-W. Source: <https://www.dir.ca.gov/dlse/Fast-Food-Minimum-Wage-FAQ.htm>

AR20 AREAS OF AFFORDABILITY CONCERN (AAC)
BY PUBLIC USE MICRODATA AREAS (PUMA) (NON-CARE)

PUMA #	County / City	Climate Zone	# of Housing Units	2025	2026				Change from current (%)
03721	Los Angeles County (North)--LA City (Northeast/North Hollywood & Valley Village) PUMA	SCG 1	60,113	2.7%	2.5%				-0.1%
03722	Los Angeles County (Northwest)--LA City (North Central/Van Nuys & North Sherman Oaks) PUMA	SCG 1	66,340	2.2%	2.1%				-0.1%
03723	Los Angeles County (North)--LA City (North Central/Mission Hills & Panorama City) PUMA	SCG 1	42,981	2.3%	2.1%				-0.1%
03727	Los Angeles County (Central)--LA City (Central/Pacific Palisades) PUMA	SCG 1	83,690	1.4%	1.3%				-0.1%
03728	Los Angeles County (Southwest)--Santa Monica City PUMA	SCG 1	59,802	1.7%	1.6%				-0.1%
03729	Los Angeles County (West Central)--LA City (West Central/Westwood & West Los Angeles) PUMA	SCG 1	103,670	1.8%	1.7%				-0.1%
03730	Los Angeles County (West Central)--LA City (Central/Hancock Park & Mid-Wilshire) PUMA	SCG 1	85,302	1.8%	1.7%				-0.1%
03731	Los Angeles County (Central)--West Hollywood & Beverly Hills Cities PUMA	SCG 1	69,091	1.8%	1.7%				-0.1%
03732	Los Angeles County (Central)--LA City (East Central/Hollywood) PUMA	SCG 1	92,097	2.7%	2.6%				-0.2%
03733	Los Angeles County (Central)--LA City (Central/Koreatown) PUMA	SCG 1	51,641	3.2%	3.0%				-0.2%
03734	Los Angeles County--LA City (East Central/Silver Lake, Echo Park & Westlake) PUMA	SCG 1	84,863	2.4%	2.3%				-0.1%
03738	Los Angeles County (Central)--El Monte & South El Monte Cities PUMA	SCG 1	35,270	2.0%	1.9%				-0.1%

03742	Los Angeles County (Central)-- Huntington Park City, Florence- Graham & Walnut Park PUMA	SCG 1	29,088	2.3%	2.2%				-0.1%
03744	Los Angeles County (Central)-- LA City (East Central/Central City & Boyle Heights) PUMA	SCG 1	65,418	4.0%	3.8%				-0.2%
03746	Los Angeles County--LA City (Central/Univ. of Southern California & Exposition Park) PUMA	SCG 1	36,301	3.4%	3.2%				-0.2%
03750	Los Angeles County (South Central)--LA City (South Central/Westmont) PUMA	SCG 1	57,870	2.7%	2.6%				-0.2%
03751	Los Angeles County (South Central)--LA City (South Central/Watts) PUMA	SCG 1	41,679	3.8%	3.6%				-0.2%