

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

Application of SOUTHERN CALIFORNIA
GAS COMPANY (U 904 G) for adoption of
its 2020 Flex Alert Marketing Campaign.

**APPLICATION OF SOUTHERN CALIFORNIA GAS COMPANY (U 904 G)
FOR ADOPTION OF ITS 2020 FLEX ALERT MARKETING CAMPAIGN**

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I. INTRODUCTION

Pursuant to Article 2 of the Rules of Practice and Procedure of the California Public Utilities Commission (CPUC or Commission) and Decision (D.)19-07-010, Ordering Paragraph 3, which provides that “Southern California Gas Company (SoCalGas) shall file an application by December 1, 2019 seeking authorization for a 2020 Flex Alert paid media marketing campaign focused on customers in the Los Angeles area.” SoCalGas files this application to establish a 2020 Flex Alert Campaign. This Application also seeks cost recovery for costs associated with the implementation of Flex Alert Campaigns for 2018 and 2019, as well as the upcoming 2020 Flex Alert Campaign. SoCalGas requests recovery of the estimated revenue requirement of \$8.9 million in 2021. If approved, the average monthly residential bill of 33 therms or \$43.31 (present rates) would increase by \$0.10, or 0.2% to \$43.41 in 2021.

Pursuant to Commission directives, since 2016 SoCalGas has implemented past Flex Alert Campaigns during the summer season to support the California Independent System Operator (CAISO). SoCalGas’ proposed 2020 Flex Alert Campaign builds on these past campaigns, but also seeks to enhance past efforts by focusing on the media messaging most likely to reach customers.

The Commission has previously determined that Aliso Canyon is and was in service and available during the time period when the Commission directed SoCalGas to establish a 2016 and 2017 Flex Alert Campaign to support the CAISO.¹ Although the Commission has determined that Aliso Canyon was available and continued to provide value to customers and supported system reliability, consistent with language in Decision (D.)16-04-039², and in an *abundance of caution*, SoCalGas does not seek costs associated with the 2016 and 2017 Flex Alert Campaigns, as well as costs for the related 2016 and 2017 “Conserve Energy SoCal” Campaigns. SoCalGas was directed by the Commission to conduct these campaigns prior to the July 2017 formal determination by the Commission and the Division of Oil and Gas and Geothermal Resources (DOGGR) that Aliso Canyon is safe to operate, any risks of failure had been identified and addressed, and well integrity had been verified.³ These prior costs are subject to Commission review in a future proceeding.

II. BACKGROUND

SoCalGas has been directed each summer beginning in 2016 through 2019 to implement a paid marketing campaign called the Flex Alert Campaign to support the CAISO. In years 2016 through 2018, a Decision was issued each year ordering SoCalGas to conduct a Flex Alert Campaign. In 2019, D.19-07-010 ordered SoCalGas to implement a 2019 Flex Alert Campaign,

¹ See Decision 18-09-032, Finding of Fact 8 (“Throughout the nine-month period at issue in this proceeding, Aliso Canyon continued to provide value to customers through support system flexibility and reliability during the summer and winter peak demand periods, helping to maintain the integrity of transmission and storage facilities, and supporting system balancing.”).

² D.16-04-039, p. 22.

³ SB 380 Findings and Concurrence Regarding the Safety of the Aliso Canyon Gas Storage Facility, Joint DOGGR and Commission Open Letter, July 19, 2017, available at http://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/News_Room/News_and_Updates/OpenLettertoSoCalGasandPublic.pdf

but also ordered, for the first time, that SoCalGas file an application seeking authorization for a 2020 Flex Alert Campaign.

A Flex Alert is a voluntary call for consumers to conserve electricity when there is a predicated shortage of energy supply. CAISO determines when a Flex Alert should be called and typically issues one when extremely hot weather pushes up electricity supply and threatens to create a situation where the demand for electricity in the State exceeds supply.¹² There are two components to the Flex Alert Campaign, an educational campaign and a trigger campaign. The educational campaign focuses on informing customers in the Los Angeles area about the Flex Alert program and encourages customers to sign up to receive alerts. The trigger campaign is a designated set of funds reserved to provide an amplification of activation messages in the event of a Flex Alert.

III. SUMMARY OF APPLICATION

This Application consists of three chapters that outline SoCalGas' proposal for a 2020 summer Flex Alert Marketing Campaign. Each chapter of the Flex Alert Marketing Campaign Testimony is summarized below.

A. Chapter 1: (Toni Mathews)

Chapter 1 is sponsored by Toni Mathews and describes SoCalGas' overall proposal. It includes a detailed description of the history of SoCalGas' implementation of Flex Alert Campaigns and the specifics of the proposal for SoCalGas' 2020 proposed Flex Alert Media Marketing Campaign, including the educational and trigger components, as well as budget information. The chapter also discusses challenges facing Flex Alert campaigns. Lastly, the Chapter supports the request for cost recovery for the 2018 and 2019 Flex Alert Campaigns, and the upcoming 2020 Flex Alert Campaign.

B. Chapter 2: Cost Recovery (Reginald M. Austria)

Chapter 2 is sponsored by Reginald M. Austria and describes SoCalGas' proposal for the regulatory accounting treatment and cost recovery associated with the proposal, activities, and requests described in this Application.

C. Chapter 3: Gas Rate Impacts (Michael Foster)

Chapter 3 is sponsored by Michael Foster and describes SoCalGas' forecasted gas rate impacts due to the proposed rate recovery described in this Application.

IV. STATUTORY AND PROCEDURAL REQUIREMENTS

A. Rule 2.1 (a) – (c)

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. In accordance with Rule 2.1 (a) - (c) of the Commission's Rules of Practice and Procedure, SoCalGas provides the following information.

1. Rule 2.1 (a) - Legal Name

SoCalGas is a public utility corporation organized and existing under the laws of the State of California. SoCalGas' principal place of business and mailing address is 555 West Fifth Street, Los Angeles, California 90013.

2. Rule 2.1 (b) - Correspondence

All correspondence and communications to SoCalGas regarding this Application should be addressed to:

Corinne Sierzant Regulatory Case Manager
SOUTHERN CALIFORNIA GAS COMPANY
555 West Fifth Street, Suite 1400
Los Angeles, California 90013
Telephone: (213) 244-5354
Facsimile: (213) 244-4957
Email: CSierzant@socalgas.com

A copy should also be sent to:

Holly A. Jones
Senior Counsel
SOUTHERN CALIFORNIA GAS COMPANY
555 West Fifth Street, Suite. 1400
Los Angeles, California 90013
Telephone: (213) 244-2232
Facsimile: (213) 244-4957
Email: HAJones@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), as the most appropriate of the available categories.

(b) Need for Hearings

SoCalGas does not anticipate that evidentiary hearings will be necessary. In the event hearings do become necessary, SoCalGas proposes dates in the procedural schedule below.

(c) Issues to be Considered

The principal issues to be considered in this proceeding are: (1) whether SoCalGas’ proposed 2020 Flex Alert Marketing Campaign should be adopted as filed. This Application does not identify any safety consideration associated with its requested relief.

(d) Proposed Schedule

SoCalGas proposes the following schedule for this Application:

<u>ITEM</u>	<u>DATE</u>
Application filed	November 22, 2019
Protests or Responses/Replies filed	+30 days from Daily Calendar /+10 days
Prehearing Conference	January 2020
Parties' Comments (Testimony if needed)	Late February 2020
Reply Comments (Rebuttal Testimony if needed)	March 2020
Briefs (if needed)	March/April 2020
Proposed and Final Decision	May 2020

B. Rule 2.2 – Articles of Incorporation

A copy of SoCalGas' Restated Articles of Incorporation, as last amended, presently in effect and certified by the California Secretary of State, was previously filed with the Commission in connection with Application (A.) 98-10-012 and is incorporated herein by reference.

C. Rule 2.3 – Financial Statements and Balance Sheets

SoCalGas' Financial Statements and Balance Sheets for the period ending June 30, 2019 are included with this Application as Attachment A.

D. Rule 3.2(a)-(d)

Rule 3.2 of the Commission's Rules of Practice and Procedure applies to applications "for authority to increase rates, or to implement changes that would result in increased rates." In accordance with Rule 3.2 (a) - (d) of the Commission's Rules of Practice and Procedure, SoCalGas provides the following information.

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.

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

A general description of SoCalGas’ property and equipment was previously filed with the Commission on May 3, 2004 in connection with SoCalGas’ Application 04-05-008, and is incorporated herein by reference. A statement of Original Cost and Depreciation Reserve as of March 31, 2019 is attached 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-fixing 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 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 depreciation

differences in accordance with the Economic Recovery Tax Act of 1981 and the Tax Reform Act of 1986.

6. Rule 3.2(a)(8) – Proxy Statement

A copy of SoCalGas' most recent proxy statement, dated April 26, 2019, was provided to the Commission on May 29, 2019, and is incorporated herein by reference.

7. Rule 3.2(b) – Notice to State, Cities and Counties

SoCalGas will, within twenty days after filing this Application, mail a notice to the State of California and to the cities and counties in its service territory.

8. Rule 3.2(c) – Newspaper Publication

SoCalGas will, within twenty days after the filing of this Application, publish in newspapers of general circulation in each county in its service territory notice of this Application.

9. Rule 3.2(d) – Bill Insert Notice

SoCalGas will, within 45 days after the filing of this Application, provide notice of this Application to its customers along with the regular bills sent to those customers that will generally describe the proposed rate changes addressed in this Application.

E. Service

This is a new application and no service list has been established. Accordingly, SoCalGas will serve this Application to the service list for A.12-08-007 et al. by electronic mail and by U.S. mail to those parties who have not provided an electronic address to the Commission. Hard copies will be sent to the Chief Administrative Law Judge.

OFFICER VERIFICATION

I am an officer of Southern California Gas Company and am authorized to make this verification on its behalf. 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 to the best of my knowledge.

Executed this 22nd day of November 2019, at Los Angeles, California.

By: /s/ Sharon Tomkins
Sharon Tomkins

Vice President
Strategy and Engagement
SOUTHERN CALIFORNIA GAS COMPANY

ATTACHMENT A
FINANCIAL STATEMENTS

SOUTHERN CALIFORNIA GAS COMPANY
FINANCIAL STATEMENT
JUNE 30, 2019

(a) Amounts and Kinds of Stock Authorized:

Preferred Stock	160,000	shares	Par Value \$4,000,000
Preferred Stock	840,000	shares	Par Value \$21,000,000
Preferred Stock	5,000,000	shares	Without Par Value
Preferred Stock	5,000,000	shares	Without Par Value
Common Stock	100,000,000	shares	Without Par Value

Amounts and Kinds of Stock Outstanding:

PREFERRED STOCK

6.0%	79,011	shares	\$1,975,275
6.0%	783,032	shares	19,575,800

COMMON STOCK

91,300,000	shares	834,888,907
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(b) Terms of Preferred Stock:

Full information as to this item is given in connection with Application No. 96-09-046, to which references are hereby made.

(c) Brief Description of Mortgage:

Full information as to this item is given in Application No. 09-09-046 to which reference is hereby made.

(d) Number and Amount of Bonds Authorized and Issued:

	Nominal Date of Issue	Par Value		Interest Paid in 2018
		Authorized and Issued	Outstanding	
<u>First Mortgage Bonds:</u>				
5.75% Series KK, due 2035	11-18-05	250,000,000	250,000,000	14,375,000
5.125% Series MM, due 2040	11-18-10	300,000,000	300,000,000	15,375,000
3.750% Series NN, due 2042	09-21-12	350,000,000	350,000,000	13,125,000
4.450% Series OO, due 2044	03-13-14	250,000,000	250,000,000	11,125,000
3.150% Series PP, due 2024	09-11-14	500,000,000	500,000,000	15,750,000
3.200% Series RR, due 2025	06-18-15	350,000,000	350,000,000	11,200,000
2.600% Series TT, due 2026	06-03-16	500,000,000	500,000,000	13,000,000
4.125% Series UU, due 2048	05-10-18	400,000,000	400,000,000	8,983,333
4.300% Series VV, due 2049	09-24-18	550,000,000	550,000,000	0
3.950% Series WW, due 2050	06-04-19	350,000,000	350,000,000	0
<u>Other Long-Term Debt</u>				
1.875% SFr. Foreign Interest Payment Securities	05-14-16	4,338,770	4,338,770	82,624
5.67% Medium-Term Note, due 2028	01-15-03	5,000,000	5,000,000	283,500

SOUTHERN CALIFORNIA GAS COMPANY
FINANCIAL STATEMENT
JUNE 30, 2019

<u>Other Indebtedness:</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Outstanding</u>	<u>Interest Paid 2019</u>
Commercial Paper & ST Bank Loans	Various	Various	Various	190,250,000	\$2,153,632

Amounts and Rates of Dividends Declared:

The amounts and rates of dividends during the past five fiscal years are as follows:

<u>Preferred Stock</u>	<u>Shares Outstanding @ 3-31-19</u>	<u>Dividends Declared</u>				
	2015	2016	2017	2018	2019	
6.0%	79,011	\$118,517	\$118,517	\$118,517	\$118,517	\$59,258
6.0%	783,032	1,174,549	1,174,547	1,174,548	1,174,548	587,274
	<u>862,043</u>	<u>\$1,293,066</u>	<u>\$1,293,064</u>	<u>\$1,293,065</u>	<u>\$1,293,065</u>	<u>\$646,532</u>

<u>Common Stock</u>					
Amount	\$50,000,000	\$0	\$0	\$50,000,000	\$0 [1]

A balance sheet and a statement of income and retained earnings of Applicant for the six months ended June 30, 2019 are attached hereto.

[1] Southern California Gas Company dividend to parent company, Sempra Energy.

**SOUTHERN CALIFORNIA GAS COMPANY
BALANCE SHEET
ASSETS AND OTHER DEBITS
JUNE 30, 2019**

	1. UTILITY PLANT	<u>2019</u>
101	UTILITY PLANT IN SERVICE	\$17,760,602,642
102	UTILITY PLANT PURCHASED OR SOLD	-
105	PLANT HELD FOR FUTURE USE	-
106	COMPLETED CONSTRUCTION NOT CLASSIFIED	-
107	CONSTRUCTION WORK IN PROGRESS	920,849,724
108	ACCUMULATED PROVISION FOR DEPRECIATION OF UTILITY PLANT	(5,988,840,954)
111	ACCUMULATED PROVISION FOR AMORTIZATION OF UTILITY PLANT	(49,166,434)
117	GAS STORED-UNDERGROUND	<u>61,422,045</u>
	TOTAL NET UTILITY PLANT	<u>12,704,867,021</u>
	 2. OTHER PROPERTY AND INVESTMENTS	
121	NONUTILITY PROPERTY	32,000,919
122	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF NONUTILITY PROPERTY	(13,761,173)
123	INVESTMENTS IN SUBSIDIARY COMPANIES NONCURRENT PORTION OF ALLOWANCES	-
124	OTHER INVESTMENTS	15,573
125	SINKING FUNDS	-
128	OTHER SPECIAL FUNDS	250,000
175	LONG TERM PORTION OF DERIVATIVE ASSETS	<u>1,485,202</u>
	TOTAL OTHER PROPERTY AND INVESTMENTS	<u>19,990,521</u>

Data from SPL as of July 30, 2019.

**SOUTHERN CALIFORNIA GAS COMPANY
BALANCE SHEET
ASSETS AND OTHER DEBITS
JUNE 30, 2019**

3. CURRENT AND ACCRUED ASSETS		2019
131	CASH	27,878,182
132	INTEREST SPECIAL DEPOSITS	-
134	OTHER SPECIAL DEPOSITS	-
135	WORKING FUNDS	123,929
136	TEMPORARY CASH INVESTMENTS	-
141	NOTES RECEIVABLE	-
142	CUSTOMER ACCOUNTS RECEIVABLE	399,145,344
143	OTHER ACCOUNTS RECEIVABLE	50,516,151
144	ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS	(4,996,911)
145	NOTES RECEIVABLE FROM ASSOCIATED COMPANIES	93,565,637
146	ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES	(25,034,724)
151	FUEL STOCK	-
152	FUEL STOCK EXPENSE UNDISTRIBUTED	-
154	PLANT MATERIALS AND OPERATING SUPPLIES	53,481,476
155	MERCHANDISE	-
156	OTHER MATERIALS AND SUPPLIES	-
158	GHG ALLOWANCE	255,437,312
	(LESS) NONCURRENT PORTION OF ALLOWANCES	-
163	STORES EXPENSE UNDISTRIBUTED	(1,720,053)
164	GAS STORED	27,653,569
165	PREPAYMENTS	38,184,769
171	INTEREST AND DIVIDENDS RECEIVABLE	821,371
173	ACCRUED UTILITY REVENUES	-
174	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	16,191,294
175	DERIVATIVE INSTRUMENT ASSETS	7,551,237
176	LONG TERM PORTION OF DERIVATIVE ASSETS	(1,485,202)
	TOTAL CURRENT AND ACCRUED ASSETS	937,313,381
4. DEFERRED DEBITS		
181	UNAMORTIZED DEBT EXPENSE	27,921,824
182	UNRECOVERED PLANT AND OTHER REGULATORY ASSETS	3,135,348,512
183	PRELIMINARY SURVEY & INVESTIGATION CHARGES	3,123,969
184	CLEARING ACCOUNTS	1,951,789
185	TEMPORARY FACILITIES	-
186	MISCELLANEOUS DEFERRED DEBITS	736,112,203
188	RESEARCH AND DEVELOPMENT	-
189	UNAMORTIZED LOSS ON REACQUIRED DEBT	4,033,976
190	ACCUMULATED DEFERRED INCOME TAXES	371,335,608
191	UNRECOVERED PURCHASED GAS COSTS	-
	TOTAL DEFERRED DEBITS	4,279,827,880
	TOTAL ASSETS AND OTHER DEBITS	\$ 17,941,998,802

Data from SPL as of July 30, 2019.

SOUTHERN CALIFORNIA GAS COMPANY
BALANCE SHEET
LIABILITIES AND OTHER CREDITS
JUNE 30, 2019

5. PROPRIETARY CAPITAL

	2019
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	(31,306,680)
214 CAPITAL STOCK EXPENSE	143,261
216 UNAPPROPRIATED RETAINED EARNINGS	(3,686,515,383)
219 ACCUMULATED OTHER COMPREHENSIVE INCOME	19,697,661
	(4,554,430,845)
TOTAL PROPRIETARY CAPITAL	

6. LONG-TERM DEBT

221 BONDS	(3,800,000,000)
224 OTHER LONG-TERM DEBT	(9,338,770)
225 UNAMORTIZED PREMIUM ON LONG-TERM DEBT	-
226 UNAMORTIZED DISCOUNT ON LONG-TERM DEBT	7,561,065
	(3,801,777,706)
TOTAL LONG-TERM DEBT	

7. OTHER NONCURRENT LIABILITIES

227 OBLIGATIONS UNDER CAPITAL LEASES - NONCURRENT	(98,657,996)
228.2 ACCUMULATED PROVISION FOR INJURIES AND DAMAGES	(122,899,767)
228.3 ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS	(804,315,818)
228.4 ACCUMULATED MISCELLANEOUS OPERATING PROVISIONS	-
245 NONCURRENT DERIVATIVE INSTRUMENT LIABILITIES	-
230 ASSET RETIREMENT OBLIGATIONS	(2,090,042,947)
	(3,115,916,528)
TOTAL OTHER NONCURRENT LIABILITIES	

Data from SPL as of July 30, 2019.

**SOUTHERN CALIFORNIA GAS COMPANY
BALANCE SHEET
LIABILITIES AND OTHER CREDITS
JUNE 30, 2019**

8. CURRENT AND ACCRUED LIABILITIES		2019
231	NOTES PAYABLE	-
232	ACCOUNTS PAYABLE	(478,320,195)
233	NOTES PAYABLE TO ASSOCIATED COMPANIES	-
234	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	(33,610,753)
235	CUSTOMER DEPOSITS	(66,767,358)
236	TAXES ACCRUED	(8,605,806)
237	INTEREST ACCRUED	(31,299,605)
238	DIVIDENDS DECLARED	(323,265)
241	TAX COLLECTIONS PAYABLE	(16,409,363)
242	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	(239,018,084)
243	OBLIGATIONS UNDER CAPITAL LEASES - CURRENT	(24,281,258)
244	DERIVATIVE INSTRUMENT LIABILITIES	(2,406,121)
245	DERIVATIVE INSTRUMENT LIABILITIES - HEDGES	-
TOTAL CURRENT AND ACCRUED LIABILITIES		(901,041,808)

9. DEFERRED CREDITS

252	CUSTOMER ADVANCES FOR CONSTRUCTION	(93,214,000)
	OTHER DEFERRED CREDITS	(323,782,522)
254	OTHER REGULATORY LIABILITIES	(3,555,289,276)
255	ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	(7,579,013)
257	UNAMORTIZED GAIN ON REACQUIRED DEBT	-
281	ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED	-
282	ACCUMULATED DEFERRED INCOME TAXES - PROPERTY	(1,243,749,443)
283	ACCUMULATED DEFERRED INCOME TAXES - OTHER	(345,217,661)
TOTAL DEFERRED CREDITS		(5,568,831,915)

TOTAL LIABILITIES AND OTHER CREDITS	\$ (17,941,998,802)
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Data from SPL as of July 30, 2019.

SOUTHERN CALIFORNIA GAS COMPANY
STATEMENT OF INCOME AND RETAINED EARNINGS
SIX MONTHS ENDED JUNE 30, 2019

1. UTILITY OPERATING INCOME

400	OPERATING REVENUES		2,164,403,204
401	OPERATING EXPENSES	1,277,956,894	
402	MAINTENANCE EXPENSES	153,309,642	
403-7	DEPRECIATION AND AMORTIZATION EXPENSES	294,991,923	
408.1	TAXES OTHER THAN INCOME TAXES	60,134,642	
409.1	INCOME TAXES	89,920,019	
410.1	PROVISION FOR DEFERRED INCOME TAXES	39,739,957	
411.1	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	(115,659,024)	
411.4	INVESTMENT TAX CREDIT ADJUSTMENTS	(883,821)	
411.6	GAIN FROM DISPOSITION OF UTILITY PLANT	(121,507)	
411.7	LOSS FROM DISPOSITION OF UTILITY PLANT	-	
	TOTAL OPERATING REVENUE DEDUCTIONS		1,799,388,725
	NET OPERATING INCOME		365,014,479

2. OTHER INCOME AND DEDUCTIONS

415	REVENUE FROM MERCHANDISING, JOBBING AND CONTRACT WORK		-
417	REVENUES FROM NONUTILITY OPERATIONS	-	
417.1	EXPENSES OF NONUTILITY OPERATIONS	(3,071,016)	
418	NONOPERATING RENTAL INCOME	597,537	
418.1	EQUITY IN EARNINGS OF SUBSIDIARIES	-	
419	INTEREST AND DIVIDEND INCOME	221,597	
419.1	ALLOWANCE FOR OTHER FUNDS USED DURING CONSTRUCTION	15,749,112	
421	MISCELLANEOUS NONOPERATING INCOME	(1,641,010)	
421.1	GAIN ON DISPOSITION OF PROPERTY	(8,975)	
	TOTAL OTHER INCOME	11,847,245	
421.2	LOSS ON DISPOSITION OF PROPERTY	(55,328)	
425	MISCELLANEOUS AMORTIZATION	(618)	
426	MISCELLANEOUS OTHER INCOME DEDUCTIONS	(10,990,717)	
		(11,046,663)	
408.2	TAXES OTHER THAN INCOME TAXES	(89,730)	
409.2	INCOME TAXES	(21,256)	
410.2	PROVISION FOR DEFERRED INCOME TAXES	(33,141,728)	
411.2	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	31,174,328	
420	INVESTMENT TAX CREDITS	-	
	TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS	(2,078,387)	
	TOTAL OTHER INCOME AND DEDUCTIONS		(1,277,805)
	INCOME BEFORE INTEREST CHARGES		363,736,674
	NET INTEREST CHARGES*		68,599,543
	NET INCOME		\$295,137,131

*NET OF ALLOWANCE FOR BORROWED FUNDS USED DURING CONSTRUCTION. (\$2,813,799)

Data from SPL as of July 30, 2019.

STATEMENT OF INCOME AND RETAINED EARNINGS
SIX MONTHS ENDED JUNE 30, 2019

3. RETAINED EARNINGS

RETAINED EARNINGS AT BEGINNING OF PERIOD, AS PREVIOUSLY REPORTED	\$3,392,024,784
NET INCOME (FROM PRECEDING PAGE)	295,137,131
DIVIDEND TO PARENT COMPANY	-
DIVIDENDS DECLARED - PREFERRED STOCK	(646,532)
OTHER RETAINED EARNINGS ADJUSTMENT	<u>-</u>
RETAINED EARNINGS AT END OF PERIOD	<u><u>\$3,686,515,383</u></u>

ATTACHMENT B
RATE IMPACTS

SoCalGas proposes to include \$8.9 million in costs in the PPP surcharge rate and allocate to customer classes using Equal Percent of Margin (EPAM) method. The table below shows the estimated bundled rate impact for year 2021. The percent change in year 2021 is compared to current rates.

**Southern California Gas Company
Flex Alert Campaign – Gas
Illustrative estimated Bundled Rate increase for Year 2021**

Customer Class		Current Rates	2021	
Core-CARE		\$/th	\$/th	% change
	Residential	\$0.07558	\$0.07862	4%
	Commercial /Industrial	\$0.05384	\$0.05502	2%
	Gas AC	\$0.09938	\$0.09982	0%
Core-Non CARE				
	Residential	\$0.10060	\$0.10365	3%
	Commercial /Industrial	\$0.07887	\$0.08005	1%
	Gas AC	\$0.12441	\$0.12484	0%
	Gas Engine	\$0.07573	\$0.07667	1%
	Natural Gas Vehicle	\$0.02503	\$0.02503	0%
Noncore				
	Commercial /Industrial	\$0.03058	\$0.03076	1%

ATTACHMENT C
COST AND DEPRECIATION RESERVE

SOUTHERN CALIFORNIA GAS COMPANY

Plant Investment and Accumulated Depreciation

As of June 30, 2019

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
	Total Intangible Assets	<u>\$ 663,517</u>	<u>0</u>	<u>\$ 663,517</u>
PRODUCTION:				
325	Other Land Rights	\$ 15,321	\$ -	\$ 15,321
330	Prd Gas Wells Const	\$ 5,557,139	\$ (1,415)	\$ 5,555,724
331	Prd Gas Wells Equip	\$ 454,718	\$ (55)	\$ 454,663
332	Field Lines	\$ 1,731,111	\$ -	\$ 1,731,111
334	FldMeas&RegStnEquip	\$ 536,249	\$ -	\$ 536,249
336	Prf Eqpt	\$ 485,415	\$ -	\$ 485,415
	Total Production	<u>\$ 8,779,952</u>	<u>(1,470)</u>	<u>\$ 8,778,482</u>
UNDERGROUND STORAGE:				
350	Land	\$ 4,539,484	\$ -	\$ 4,539,484
350SR	Storage Rights	\$ 17,935,798	\$ (17,517,436)	\$ 418,361
350RW	Rights-of-Way	\$ 25,354	\$ (17,669)	\$ 7,685
351	Structures and Improvements	\$ 101,285,602	\$ (26,787,224)	\$ 74,498,378
352	Wells	\$ 493,253,029	\$ (18,139,085)	\$ 475,113,944
353	Lines	\$ 164,177,029	\$ (92,304,165)	\$ 71,872,864
354	Compressor Station and Equipment	\$ 450,122,158	\$ (74,539,008)	\$ 375,583,150
355	Measuring And Regulator Equipment	\$ 10,032,118	\$ (2,987,515)	\$ 7,044,604
356	Purification Equipment	\$ 158,520,688	\$ (83,018,840)	\$ 75,501,849
357	Other Equipment	\$ 68,433,643	\$ (19,134,991)	\$ 49,298,652
	Total Underground Storage	<u>\$ 1,468,324,905</u>	<u>(334,445,932)</u>	<u>\$ 1,133,878,973</u>
TRANSMISSION PLANT- OTHER:				
365	Land	\$ 8,167,767	\$ -	\$ 8,167,767
365LRTS	Land Rights	\$ 22,151,012	\$ (15,757,926)	\$ 6,393,086
366	Structures and Improvements	\$ 69,928,730	\$ (19,840,510)	\$ 50,088,220
367	Mains	\$ 2,367,283,320	\$ (693,425,971)	\$ 1,673,857,349
368	Compressor Station and Equipment	\$ 255,367,342	\$ (103,621,980)	\$ 151,745,363
369	Measuring And Regulator Equipment	\$ 182,983,233	\$ (35,466,142)	\$ 147,517,091
370	Communication Equipment	\$ 51,042,690	\$ (5,426,449)	\$ 45,616,241
371	Other Equipment	\$ 7,985,964	\$ (3,912,887)	\$ 4,073,077
	Total Transmission Plant	<u>\$ 2,964,910,058</u>	<u>(877,451,863)</u>	<u>\$ 2,087,458,195</u>
DISTRIBUTION PLANT:				
374	Land	\$ 29,790,559	\$ -	\$ 29,790,559
374LRTS	Land Rights	\$ 2,826,051	\$ (2,119,267)	\$ 706,785
375	Structures and Improvements	\$ 289,201,562	\$ (86,401,584)	\$ 202,799,978
376	Mains	\$ 5,149,572,508	\$ (2,501,415,794)	\$ 2,648,156,714
378	Measuring And Regulator Equipment	\$ 120,281,885	\$ (78,602,819)	\$ 41,679,066
380	Services	\$ 2,971,837,094	\$ (2,117,463,811)	\$ 854,373,283
381	Meters	\$ 936,594,032	\$ (231,995,796)	\$ 704,598,236
382	Meter Installation	\$ 590,627,389	\$ (182,479,319)	\$ 408,148,070
383	House Regulators	\$ 172,306,206	\$ (74,573,121)	\$ 97,733,085
387	Other Equipment	\$ 56,436,698	\$ (24,961,732)	\$ 31,474,966
	Total Distribution Plant	<u>\$ 10,319,473,985</u>	<u>(5,300,013,243)</u>	<u>\$ 5,019,460,742</u>

SOUTHERN CALIFORNIA GAS COMPANY

Plant Investment and Accumulated Depreciation

As of June 30, 2019

ACCOUNT NUMBER	DESCRIPTION	ORIGINAL COSTS	ACCUMULATED RESERVE	NET BOOK VALUE
GENERAL PLANT:				
389	Land	\$ 1,342,839	\$ -	1,342,839
389LRTS	Land Rights	\$ 74,300	\$ (39,291)	35,009
390	Structures and Improvements	\$ 219,512,951	\$ (191,143,997)	28,368,954
391	Office Furniture and Equipment	\$ 1,304,691,709	\$ (866,818,306)	437,873,403
392	Transportation Equipment	\$ 274,786	\$ (144,332)	130,453
393	Stores Equipment	\$ 112,635	\$ (73,429)	39,205
394	Shop and Garage Equipment	\$ 90,333,271	\$ (28,061,037)	62,272,234
395	Laboratory Equipment	\$ 5,063,293	\$ (1,423,512)	3,639,781
396	Construction Equipment	\$ 11,957	\$ (6,202)	5,755
397	Communication Equipments	\$ 204,648,483	\$ (61,961,463)	142,687,020
398	Miscellaneous Equipment	\$ 3,222,219	\$ (1,896,230)	1,325,989
	Total General Plant	<u>\$ 1,829,288,442</u>	<u>(1,151,567,800)</u>	<u>\$ 677,720,643</u>
	Subtotal	<u>\$ 16,591,440,859</u>	<u>(7,663,480,308)</u>	<u>\$ 8,927,960,552</u>
121	Non-Utility Plant	\$ 30,983,736	\$ (12,860,619)	18,123,118
117GSUNC	Gas Stored Underground - NonCurrent	\$ 61,422,045	\$ -	61,422,045
GCL	GCT - Capital Lease	\$ -	\$ -	0
	Total Other - Non-Utility Plant	<u>92,405,781</u>	<u>(12,860,619)</u>	<u>79,545,163</u>
	Total-Reconciliation to Asset History Totals	<u>16,683,846,640</u>	<u>(7,676,340,926)</u>	<u>9,007,505,714</u>
	September 2019 Asset 1020 Report	<u>16,683,846,640</u>	<u>(7,676,340,926)</u>	
	Difference	0	0	

ATTACHMENT D
EARNINGS

**SOUTHERN CALIFORNIA GAS COMPANY
SUMMARY OF EARNINGS
SIX MONTHS ENDED JUNE 30, 2019
(DOLLARS IN MILLIONS)**

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Operating Revenue	\$2,164
2	Operating Expenses	<u>1,799</u>
3	Net Operating Income	<u><u>\$365</u></u>
4	Weighted Average Rate Base	\$7,148
5	Rate of Return*	7.34%

*Authorized Cost of Capital