

Application of SOUTHERN CALIFORNIA GAS)
COMPANY for authority to update its gas revenue)
requirement and base rates)
effective January 1, 2024 (U 904-G))

Application No. 22-05-015

Exhibit No.: (SCG-20-WP-R)

REVISED WORKPAPERS TO
PREPARED DIRECT TESTIMONY
OF ALBERT J. GARCIA
ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

AUGUST 2022



**2024 General Rate Case - REVISED
INDEX OF WORKPAPERS**

Exhibit SCG-20-WP-R - SCG ENVIRONMENTAL

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Overall Summary For Exhibit No. SCG-20-WP-R

Area:	SCG ENVIRONMENTAL
Witness:	Albert J. Garcia

Description	In 2021 \$ (000) Incurred Costs			
	Adjusted-Recorded	Adjusted-Forecast		
	2021	2022	2023	2024
Non-Shared Services	23,668	28,439	26,438	25,810
Shared Services	0	0	0	0
Total	23,668	28,439	26,438	25,810

Note: Totals may include rounding differences.

Southern California Gas Company
 2024 GRC - REVISED
 Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
 Witness: Albert J. Garcia

Summary of Non-Shared Services Workpapers:

Description	In 2021 \$ (000) Incurred Costs			
	Adjusted-Recorded	Adjusted-Forecast		
	2021	2022	2023	2024
A. Environmental Compliance	7,230	9,669	9,126	9,126
B. New Environmental Reg Balancing Account (NERBA)	16,438	18,770	17,312	16,684
Total	23,668	28,439	26,438	25,810

Note: Totals may include rounding differences.

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
 Witness: Albert J. Garcia
 Category: A. Environmental Compliance
 Workpaper: 2EV000.000

Summary for Category: A. Environmental Compliance

	In 2021\$ (000) Incurred Costs			
	Adjusted-Recorded	Adjusted-Forecast		
	2021	2022	2023	2024
Labor	4,520	5,724	6,046	6,046
Non-Labor	2,710	3,945	3,080	3,080
NSE	0	0	0	0
Total	7,230	9,669	9,126	9,126
FTE	40.3	52.7	55.5	55.5

Workpapers belonging to this Category:

2EV000.000 ENVIRONMENTAL

Labor	4,520	5,724	6,046	6,046
Non-Labor	2,710	3,945	3,080	3,080
NSE	0	0	0	0
Total	7,230	9,669	9,126	9,126
FTE	40.3	52.7	55.5	55.5

Note: Totals may include rounding differences.

Beginning of Workpaper
2EV000.000 - ENVIRONMENTAL

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
 Witness: Albert J. Garcia
 Category: A. Environmental Compliance
 Category-Sub: 1. Environmental Compliance
 Workpaper: 2EV000.000 - ENVIRONMENTAL

Activity Description:

Environmental Services responds dynamically to several changing factors throughout the SCG territory which cannot be expected to follow historical trending patterns. Regulatory requirements from government agencies expand the scope of roles and responsibilities annually. These Environmental Services cost centers include subject matter expertise in air quality, water quality, biological resources, cultural resources, land planning, and waste management, while managing the internal environmental governance of the company. The group manages and supports ongoing environmental compliance, including obtaining environmental permits and approvals, developing environmental programs and conducting specialized environmental training.

Forecast Explanations:

Labor - Base YR Rec

A base year forecasting methodology was used to forecast labor and non-labor costs for this cost category. This method is appropriate because it includes specific new environmental regulatory and program-related requirements and costs impacting the company during the TY 2024 GRC forecast period, which are incremental to historically incurred costs. The specific cost drivers and incremental costs are best applied to a conservative base year spending level instead of using historical averages or trending that may not be reflective of recent spending patterns. The base year represents the most accurate manner of forecasting costs since it is the most recent and reliable indicator of current cost drivers for the department, which is expected to continue through the test year.

Non-Labor - Base YR Rec

A base year forecasting methodology was used to forecast labor and non-labor costs for this cost category. This method is appropriate because it includes specific new environmental regulatory and program-related requirements and costs impacting the company during the TY 2024 GRC forecast period, which are incremental to historically incurred costs. The specific cost drivers and incremental costs are best applied to a conservative base year spending level instead of using historical averages or trending that may not be reflective of recent spending patterns. The base year represents the most accurate manner of forecasting costs since it is the most recent and reliable indicator of current cost drivers for the department, which is expected to continue through the test year.

NSE - Base YR Rec

N/A

Summary of Results:

		In 2021\$ (000) Incurred Costs								
		Adjusted-Recorded					Adjusted-Forecast			
Years		2017	2018	2019	2020	2021	2022	2023	2024	
Labor		4,292	4,377	4,405	4,563	4,520	5,724	6,046	6,046	
Non-Labor		2,480	2,141	1,937	2,612	2,710	3,946	3,081	3,081	
NSE		0	0	0	0	0	0	0	0	
Total		6,772	6,518	6,342	7,175	7,230	9,670	9,127	9,127	
FTE		41.5	42.3	41.0	41.2	40.3	52.7	55.5	55.5	

Note: Totals may include rounding differences.

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
 Witness: Albert J. Garcia
 Category: A. Environmental Compliance
 Category-Sub: 1. Environmental Compliance
 Workpaper: 2EV000.000 - ENVIRONMENTAL

Summary of Adjustments to Forecast:

In 2021 \$(000) Incurred Costs										
Forecast Method		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
Years		2022	2023	2024	2022	2023	2024	2022	2023	2024
Labor	Base YR Rec	4,520	4,520	4,520	1,204	1,526	1,526	5,724	6,046	6,046
Non-Labor	Base YR Rec	2,710	2,710	2,710	1,235	370	370	3,945	3,080	3,080
NSE	Base YR Rec	0	0	0	0	0	0	0	0	0
Total		7,230	7,230	7,230	2,439	1,896	1,896	9,669	9,126	9,126
FTE	Base YR Rec	40.3	40.3	40.3	12.4	15.2	15.2	52.7	55.5	55.5

Forecast Adjustment Details:

Year	Labor	NLbr	NSE	Total	FTE	Adj Type
2022	0	1,235	0	1,235	0.0	1-Sided Adj
Explanation:	Adjusted for costs associated with CDCA permit renewal and Underground Storage Tanks (UST) testing requirements. CDCA cost \$300,000 in 2021, and \$600,000 is remaining for 2022 Desert Region Incidental Take Permit - Consultant Fees for CEQA will total \$200,000. Based on historical budgets, the cost estimate for annual testing is \$190,000. In addition, every three years the majority of UST sites will require secondary containment testing.					
2022	1,204	0	0	1,204	12.4	1-Sided Adj
Explanation:	2021 Base Year Hires True-up - \$447,000 and 5.0 FTE Three Environmental Specialists for Air Quality/GHG Support - \$144,000 for 1.2 FTE One Environmental Specialist for Environmental Field Services - \$22,000 for 0.2 FTE One Project Manager for Environmental Programs - \$96,000 for 0.8 FTE Two Project Managers for Major Project Support - \$86,000 for 1.2 FTE One Environmental Project Specialist and one Project Manager for Planning, Cultural & Natural Resources - \$99,000 for 1.6 FTE 2022 Backfill Hires - \$757,000 for 8.7 FTE One Environmental Specialist for Air Quality/GHG Support - \$67,000 for 0.6 FTE Three Environmental Specialists for Environmental Field Services - \$184,000 for 2.5 FTE Two Admins, one Environmental Specialist, one Logistics Rep for Environmental Programs - \$205,000 for 2.6 FTE One Project Manager and One Environmental Specialist for Major Project Support - \$115,000 for 1.5 FTE One Environmental Project Specialist, one Biologist, one Team Lead, one Natural Resource, and one Water Quality for Planning, Cultural & Natural Resources - \$186,000 for 2.5 FTE \$447,000 (2021 hires) + \$757,000 (2022 incremental hires) = \$1.204M					
2022 Total	1,204	1,235	0	2,439	12.4	
2023	322	370	0	692	2.8	1-Sided Adj

Note: Totals may include rounding differences.

SCG/SCG ENVIRONMENTAL/Exh No:SCG-20-WP-R/Witness: A. Garcia

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
 Witness: Albert J. Garcia
 Category: A. Environmental Compliance
 Category-Sub: 1. Environmental Compliance
 Workpaper: 2EV000.000 - ENVIRONMENTAL

<u>Year</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj_Type</u>
Explanation:	Adjusted for costs associated with UST testing requirements, and additional FTEs anticipated for increases in workload.					
	Total incremental request of \$322,000 for two hires to support Environmental Field Services - \$200,920 for 1.5 FTE					
	Two hires to support Air Quality/GHG Support for responsibilities associated with California Accidental Release (CalARP) tasks and compliance for modernization and capital projects - \$120,813 for 1.3 FTE					
	Based on historical budgets, the cost estimate for annual testing is \$190,000. In addition, every three years the majority of our UST sites will require secondary containment testing.					
2023	1,204	0	0	1,204	12.4	1-Sided Adj
Explanation:	Costs for hires in 2021 and 2022 are carried forward for 2023:					
	2021 Base Year Hires True-up - \$447,000 for 5.0 FTE Three Environmental Specialists for Air Quality/GHG Support - \$144,000 for 1.2 FTE					
	One Environmental Specialist for Environmental Field Services - \$22,000 for 0.2 FTE					
	One Project Manager for Environmental Programs - \$96,000 for 0.8 FTE					
	Two Project Managers for Major Project Support - \$86,000 for 1.2 FTE					
	One Environmental Project Specialist and one Project Manager for Planning, Cultural & Natural Resources - \$99,000 for 1.6 FTE					
	2022 Backfill Hires - \$757,000 for 8.7 FTE					
	One Environmental Specialist for Air Quality/GHG Support - \$67,000 for 0.6 FTE					
	Three Environmental Specialists for Environmental Field Services - \$184,000 for 2.5 FTE					
	Two Admins, one Environmental Specialist, one Logistics Rep for Environmental Programs - \$205,000 for 2.6 FTE					
	One Project Manager and One Environmental Specialist for Major Project Support - \$115,000 for 1.5 FTE					
	One Environmental Project Specialist, one Biologist, one Team Lead, one Natural Resource, and one Water Quality for Planning, Cultural & Natural Resources - \$186,000 for 2.5 FTE					
	\$447,000 (2021 hires) + \$757,000 (2022 incremental hires)= \$1.204M					
2023 Total	1,526	370	0	1,896	15.2	

2024	322	370	0	692	2.8	1-Sided Adj
Explanation:	Adjusted for costs associated with UST testing requirements, and additional FTEs anticipated for increases in workload.					
	Total incremental request of \$322,000 for two hires to support Environmental Field Services - \$200,920 for 1.5 FTE					
	Two hires to support Air Quality/GHG Support for responsibilities associated with California Accidental Release (CalARP) tasks and compliance for modernization and capital projects - \$120,813 for 1.3 FTE					
	Based on historical budgets, the cost estimate for annual testing is \$190,000. In addition, every three years the majority of our UST sites will require secondary containment testing.					

Note: Totals may include rounding differences.

SCG/SCG ENVIRONMENTAL/Exh No:SCG-20-WP-R/Witness: A. Garcia

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
 Witness: Albert J. Garcia
 Category: A. Environmental Compliance
 Category-Sub: 1. Environmental Compliance
 Workpaper: 2EV000.000 - ENVIRONMENTAL

<u>Year</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2024	1,204	0	0	1,204	12.4	1-Sided Adj
Explanation:	<p>Costs for hires in 2021 and 2022 are carried forward for 2024:</p> <p>2021 Base Year Hires True-up - \$447,000 for 5.0 FTE Three Environmental Specialists for Air Quality/GHG Support - \$144,000 for 1.2 FTE One Environmental Specialist for Environmental Field Services - \$22,000 for 0.2 FTE One Project Manager for Environmental Programs - \$96,000 for 0.8 FTE Two Project Managers for Major Project Support - \$86,000 for 1.2 FTE One Environmental Project Specialist and one Project Manager for Planning, Cultural & Natural Resources - \$99,000 for 1.6 FTE</p> <p>2022 Backfill Hires - \$757,000 for 8.7 FTE One Environmental Specialist for Air Quality/GHG Support - \$67,000 for 0.6 FTE Three Environmental Specialists for Environmental Field Services - \$184,000 for 2.5 FTE Two Admins, one Environmental Specialist, one Logistics Rep for Environmental Programs - \$205,000 for 2.6 FTE One Project Manager and One Environmental Specialist for Major Project Support - \$115,000 for 1.5 FTE One Environmental Project Specialist, one Biologist, one Team Lead, one Natural Resource, and one Water Quality for Planning, Cultural & Natural Resources - \$186,000 for 2.5 FTE</p> <p>\$447,000 (2021 hires) + \$757,000 (2022 incremental hires) = \$1.204M</p>					
2024 Total	1,526	370	0	1,896	15.2	

Note: Totals may include rounding differences.

SCG/SCG ENVIRONMENTAL/Exh No:SCG-20-WP-R/Witness: A. Garcia

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
Witness: Albert J. Garcia
Category: A. Environmental Compliance
Category-Sub: 1. Environmental Compliance
Workpaper: 2EV000.000 - ENVIRONMENTAL

Determination of Adjusted-Recorded (Incurred Costs):

	2017 (\$000)	2018 (\$000)	2019 (\$000)	2020 (\$000)	2021 (\$000)
Recorded (Nominal \$)*					
Labor	3,291	3,440	3,519	3,813	3,873
Non-Labor	2,204	1,977	1,807	2,582	2,767
NSE	0	0	0	0	0
Total	5,495	5,417	5,325	6,395	6,641
FTE	35.3	35.9	35.0	35.6	34.7
Adjustments (Nominal \$) **					
Labor	0	0	-12	-45	-32
Non-Labor	0	-14	0	-156	-57
NSE	0	0	0	0	0
Total	0	-14	-13	-201	-89
FTE	0.0	0.0	-0.6	-1.4	-0.8
Recorded-Adjusted (Nominal \$)					
Labor	3,291	3,440	3,506	3,767	3,842
Non-Labor	2,204	1,963	1,807	2,426	2,710
NSE	0	0	0	0	0
Total	5,495	5,403	5,313	6,194	6,552
FTE	35.2	35.9	34.3	34.2	33.8
Vacation & Sick (Nominal \$)					
Labor	558	592	665	664	678
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	558	592	665	664	678
FTE	6.3	6.4	6.7	7.0	6.5
Escalation to 2021\$					
Labor	443	344	234	132	0
Non-Labor	276	178	130	185	0
NSE	0	0	0	0	0
Total	720	522	364	317	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2021\$)					
Labor	4,292	4,377	4,405	4,563	4,520
Non-Labor	2,480	2,141	1,937	2,612	2,710
NSE	0	0	0	0	0
Total	6,772	6,518	6,342	7,175	7,230
FTE	41.5	42.3	41.0	41.2	40.3

* After company-wide exclusions of Non-GRC costs

** Refer to "Detail of Adjustments to Recorded" page for line item adjustments

Note: Totals may include rounding differences.

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
 Witness: Albert J. Garcia
 Category: A. Environmental Compliance
 Category-Sub: 1. Environmental Compliance
 Workpaper: 2EV000.000 - ENVIRONMENTAL

Summary of Adjustments to Recorded:

In Nominal \$ (000) Incurred Costs					
Years	2017	2018	2019	2020	2021
Labor	0	0	-12	-45	-32
Non-Labor	-0.026	-14	-0.144	-156	-57
NSE	0	0	0	0	0
Total	-0.026	-14	-13	-201	-89
FTE	0.0	0.0	-0.6	-1.4	-0.8

Detail of Adjustments to Recorded:

Year	Labor	NLbr	NSE	FTE	Adj Type
2017	0	0	0	0.0	1-Sided Adj
Explanation:	Incremental costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2017 Total	0	0	0	0.0	
2018	0	-5	0	0.0	1-Sided Adj
Explanation:	Incremental costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2018	0	-3	0	0.0	1-Sided Adj
Explanation:	Incremental costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2018	0	-4	0	0.0	1-Sided Adj
Explanation:	Incremental costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2018	0	-1	0	0.0	1-Sided Adj
Explanation:	Incremental costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2018 Total	0	-14	0	0.0	
2019	-1	0	0	-0.1	1-Sided Adj
Explanation:	One-sided adjustment to remove PSEP SDG&E costs for Line 1600.				
2019	-5	0	0	-0.1	CCTR Transf To 2100-0170.000
Explanation:	Transfer of transmission costs to 2100-0170.000 Gas Transmission and Construction witness area where these costs are being forecasted.				
2019	0	0	0	-0.1	CCTR Transf To 2100-0170.000

Note: Totals may include rounding differences.

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
 Witness: Albert J. Garcia
 Category: A. Environmental Compliance
 Category-Sub: 1. Environmental Compliance
 Workpaper: 2EV000.000 - ENVIRONMENTAL

<u>Year</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>
Explanation:	Transfer of transmission costs to 2100-0170.000 Gas Transmission and Construction witness area where these costs are being forecasted.				
2019	-5	0	0	-0.1	CCTR Transf To 2100-0170.000
Explanation:	Transfer of transmission costs to 2100-0170.000 Gas Transmission and Construction witness area where these costs are being forecasted.				
2019	-1	0	0	-0.1	CCTR Transf To 2100-0170.000
Explanation:	Transfer of transmission costs to 2100-0170.000 Gas Transmission and Construction witness area where these costs are being forecasted.				
2019	0	0	0	-0.1	CCTR Transf To 2100-0170.000
Explanation:	Transfer of transmission costs to 2100-0170.000 Gas Transmission and Construction witness area where these costs are being forecasted.				
2019 Total	-12	0	0	-0.6	
2020	-2	-20	0	-0.1	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2020	0	0	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2020	0	0	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2020	0	-2	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2020	0	-1	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2020	0	-4	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2020	0	-1	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2020	0	-1	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				

Note: Totals may include rounding differences.

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
 Witness: Albert J. Garcia
 Category: A. Environmental Compliance
 Category-Sub: 1. Environmental Compliance
 Workpaper: 2EV000.000 - ENVIRONMENTAL

<u>Year</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>
2020	0	-5	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2020	0	-3	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2020	0	-2	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2020	0	-1	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2020	0	-1	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2020	0	-3	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2020	0	-3	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2020	0	-1	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2020	0	-2	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2020	0	0	0	-0.1	CCTR Transf To 2200-0279.000
Explanation:	Transfer of Aliso shallow zone labor costs to 2200-0279.000 Gas Integrity Programs witness area where these costs are being forecasted.				
2020	0	0	0	-0.1	CCTR Transf To 2100-0170.000
Explanation:	Transfer of transmission costs to 2100-0170.000 Gas Transmission and Construction witness area where these costs are being forecasted.				
2020	-23	-57	0	-0.1	CCTR Transf To 2100-0170.000
Explanation:	Transfer of transmission costs to 2100-0170.000 Gas Transmission and Construction witness area where these costs are being forecasted.				

Note: Totals may include rounding differences.

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
 Witness: Albert J. Garcia
 Category: A. Environmental Compliance
 Category-Sub: 1. Environmental Compliance
 Workpaper: 2EV000.000 - ENVIRONMENTAL

<u>Year</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>
2020	0	-49	0	-0.1	CCTR Transf To 2100-0170.000
Explanation:	Transfer of transmission costs to 2100-0170.000 Gas Transmission and Construction witness area where these costs are being forecasted.				
2020	-11	0	0	-0.1	CCTR Transf To 2100-0170.000
Explanation:	Transfer of transmission costs to 2100-0170.000 Gas Transmission and Construction witness area where these costs are being forecasted.				
2020	-4	0	0	-0.1	CCTR Transf To 2100-0170.000
Explanation:	Transfer of transmission costs to 2100-0170.000 Gas Transmission and Construction witness area where these costs are being forecasted.				
2020	0	0	0	-0.1	CCTR Transf To 2100-0170.000
Explanation:	Transfer of transmission costs to 2100-0170.000 Gas Transmission and Construction witness area where these costs are being forecasted.				
2020	0	0	0	-0.1	CCTR Transf To 2200-2011.002
Explanation:	Transfer costs to GOSI CC 2200-2011.002 related to SB1371 (BLM) Emissions Strategy Program				
2020	-2	0	0	-0.1	CCTR Transf To 2200-2011.002
Explanation:	Transfer costs to GOSI CC 2200-2011.002 related to SB1371 (BLM) Emissions Strategy Program				
2020	0	0	0	-0.1	CCTR Transf To 2200-2011.002
Explanation:	Transfer costs to GOSI CC 2200-2011.002 related to SB1371 (BLM) Emissions Strategy Program.				
2020	0	0	0	-0.1	1-Sided Adj
Explanation:	One-sided adjustment to exclude non-environmental project costs.				
2020	-2	0	0	-0.1	1-Sided Adj
Explanation:	One-sided adjustment to exclude non-environmental project costs.				
2020	0	0	0	-0.1	1-Sided Adj
Explanation:	One-sided adjustment to exclude non-environmental project costs.				
2020 Total	-45	-156	0	-1.4	
2021	0	-1	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2021	0	0	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2021	0	-1	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				

Note: Totals may include rounding differences.

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
 Witness: Albert J. Garcia
 Category: A. Environmental Compliance
 Category-Sub: 1. Environmental Compliance
 Workpaper: 2EV000.000 - ENVIRONMENTAL

<u>Year</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>
2021	0	-1	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2021	0	-2	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2021	0	-1	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2021	0	-1	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2021	0	-3	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2021	0	-2	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2021	0	-2	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2021	0	-1	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2021	0	-1	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2021	0	0	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2021	0	-1	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2021	0	-2	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				

Note: Totals may include rounding differences.

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
 Witness: Albert J. Garcia
 Category: A. Environmental Compliance
 Category-Sub: 1. Environmental Compliance
 Workpaper: 2EV000.000 - ENVIRONMENTAL

<u>Year</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>
2021	0	-1	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2021	0	-1	0	0.0	1-Sided Adj
Explanation:	Incremental COVID-related costs that are anticipated to be requested for recovery through a non-GRC Catastrophic Event Memorandum Account (CEMA).				
2021	-2	0	0	-0.1	1-Sided Adj
Explanation:	One-sided adjustment to exclude SDG&E Moreno Compressor Station costs.				
2021	-9	-37	0	-0.1	1-Sided Adj
Explanation:	One-sided adjustment to exclude SDG&E Moreno Compressor Station costs.				
2021	-20	0	0	-0.2	1-Sided Adj
Explanation:	One-sided adjustment to exclude SDG&E Moreno Compressor Station costs.				
2021	-1	0	0	-0.1	1-Sided Adj
Explanation:	One-sided adjustment to exclude SDG&E Moreno Compressor Station costs.				
2021	-1	0	0	-0.1	1-Sided Adj
Explanation:	One-sided adjustment to exclude SDG&E Moreno Compressor Station costs.				
2021	0	0	0	-0.1	1-Sided Adj
Explanation:	Adjustment to remove non-GRC costs related to the SB1371 Emissions Strategy Program that are being recovered through a separate regulatory process.				
2021	0	0	0	-0.1	1-Sided Adj
Explanation:	Adjustment to remove non-GRC costs related to the SB1371 Emissions Strategy Program that are being recovered through a separate regulatory process.				
2021 Total	-32	-57	0	-0.8	

Note: Totals may include rounding differences.

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
 Witness: Albert J. Garcia
 Category: B. New Environmental Reg Balancing Account (NERBA)
 Workpaper: VARIOUS

Summary for Category: B. New Environmental Reg Balancing Account (NERBA)

	In 2021\$ (000) Incurred Costs			
	Adjusted-Recorded	Adjusted-Forecast		
	2021	2022	2023	2024
Labor	1,628	1,792	1,409	1,296
Non-Labor	14,811	16,979	15,904	15,389
NSE	0	0	0	0
Total	16,439	18,771	17,313	16,685
FTE	14.3	15.2	11.8	10.8

Workpapers belonging to this Category:

2EV001.001 RNERBA-Subpart W

Labor	61	70	70	70
Non-Labor	15	20	20	20
NSE	0	0	0	0
Total	76	90	90	90
FTE	0.5	0.0	0.0	0.0

2EV001.002 RNERBA-AB32 Fees

Labor	0	0	0	0
Non-Labor	9,167	9,681	10,223	10,795
NSE	0	0	0	0
Total	9,167	9,681	10,223	10,795
FTE	-0.1	0.0	0.0	0.0

2EV001.003 RAMP RNERBA-LDAR

Labor	1,567	1,722	1,339	1,226
Non-Labor	5,629	7,278	5,661	4,574
NSE	0	0	0	0
Total	7,196	9,000	7,000	5,800
FTE	13.9	15.2	11.8	10.8

Note: Totals may include rounding differences.

Beginning of Workpaper
2EV001.001 - RNERBA-Subpart W

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
 Witness: Albert J. Garcia
 Category: B. New Environmental Reg Balancing Account (NERBA)
 Category-Sub: 1. New Environmental Reg Balancing Account (NERBA)
 Workpaper: 2EV001.001 - RNERBA-Subpart W

Activity Description:

Both the federal and state mandatory GHG Reporting Rules require Petroleum and Natural Gas Systems to report GHG emissions annually. The federal requirement is embodied in Title 40, CFR, Part 98, Subpart W. The state requirement is contained in Title 17, California Code of Regulations (CCR), Sub-Article 5, beginning with section 95150.

Forecast Explanations:

Labor - Base YR Rec

A base year forecasting methodology was used to forecast this cost category because starting with the most recent base year represents a conservative base upon which to apply forecasted incremental cost pressures for Subpart W NERBA items described within the cost drivers below. The base year represents the most accurate manner of forecasting costs since it is the most recent and reliable indicator of specific cost drivers during the forecasting period. As Subpart W NERBA items are not readily predictable given the attributes as described earlier, traditional averaging of historical costs would not be a representative forecast method.

Non-Labor - Base YR Rec

A base year forecasting methodology was used to forecast this cost category because starting with the most recent base year represents a conservative base upon which to apply forecasted incremental cost pressures for Subpart W NERBA items described within the cost drivers below. The base year represents the most accurate manner of forecasting costs since it is the most recent and reliable indicator of specific cost drivers during the forecasting period. As Subpart W NERBA items are not readily predictable given the attributes as described earlier, traditional averaging of historical costs would not be a representative forecast method.

NSE - Base YR Rec

N/A

Summary of Results:

		In 2021\$ (000) Incurred Costs								
		Adjusted-Recorded					Adjusted-Forecast			
Years		2017	2018	2019	2020	2021	2022	2023	2024	
Labor		120	114	86	80	61	70	70	70	
Non-Labor		212	24	41	19	15	20	20	20	
NSE		0	0	0	0	0	0	0	0	
Total		332	138	128	98	76	90	90	90	
FTE		0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.0	

Note: Totals may include rounding differences.

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
 Witness: Albert J. Garcia
 Category: B. New Environmental Reg Balancing Account (NERBA)
 Category-Sub: 1. New Environmental Reg Balancing Account (NERBA)
 Workpaper: 2EV001.001 - RNERBA-Subpart W

Summary of Adjustments to Forecast:

In 2021 \$(000) Incurred Costs										
Forecast Method		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
Years		2022	2023	2024	2022	2023	2024	2022	2023	2024
Labor	Base YR Rec	61	61	61	9	9	9	70	70	70
Non-Labor	Base YR Rec	15	15	15	5	5	5	20	20	20
NSE	Base YR Rec	0	0	0	0	0	0	0	0	0
Total		76	76	76	14	14	14	90	90	90
FTE	Base YR Rec	0.5	0.5	0.5	-0.5	-0.5	-0.5	0.0	0.0	0.0

Forecast Adjustment Details:

Year	Labor	NLbr	NSE	Total	FTE	Adj Type
2022	9	5	0	14	-0.5	1-Sided Adj
Explanation:	Added Subpart W dollars to base year, based on historical costs and compliance requirements associated with new, proposed or evolving environmental rules or regulations.					
2022 Total	9	5	0	14	-0.5	
2023	9	5	0	14	-0.5	1-Sided Adj
Explanation:	Added Subpart W dollars to base year, based on historical costs and compliance requirements associated with new, proposed or evolving environmental rules or regulations.					
2023 Total	9	5	0	14	-0.5	
2024	9	5	0	14	-0.5	1-Sided Adj
Explanation:	Added Subpart W dollars to base year, based on historical costs and compliance requirements associated with new, proposed or evolving environmental rules or regulations.					
2024 Total	9	5	0	14	-0.5	

Note: Totals may include rounding differences.

SCG/SCG ENVIRONMENTAL/Exh No:SCG-20-WP-R/Witness: A. Garcia

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
 Witness: Albert J. Garcia
 Category: B. New Environmental Reg Balancing Account (NERBA)
 Category-Sub: 1. New Environmental Reg Balancing Account (NERBA)
 Workpaper: 2EV001.001 - RNERBA-Subpart W

Determination of Adjusted-Recorded (Incurred Costs):

	2017 (\$000)	2018 (\$000)	2019 (\$000)	2020 (\$000)	2021 (\$000)
Recorded (Nominal \$)*					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Adjustments (Nominal \$) **					
Labor	92	90	69	66	52
Non-Labor	188	22	38	17	15
NSE	0	0	0	0	0
Total	280	111	107	83	67
FTE	0.0	0.0	0.0	0.0	0.4
Recorded-Adjusted (Nominal \$)					
Labor	92	90	69	66	52
Non-Labor	188	22	38	17	15
NSE	0	0	0	0	0
Total	280	111	107	83	67
FTE	0.0	0.0	0.0	0.0	0.4
Vacation & Sick (Nominal \$)					
Labor	16	15	13	12	9
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	16	15	13	12	9
FTE	0.0	0.0	0.0	0.0	0.1
Escalation to 2021\$					
Labor	12	9	5	2	0
Non-Labor	24	2	3	1	0
NSE	0	0	0	0	0
Total	36	11	7	4	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2021\$)					
Labor	120	114	86	80	61
Non-Labor	212	24	41	19	15
NSE	0	0	0	0	0
Total	332	138	128	98	76
FTE	0.0	0.0	0.0	0.0	0.5

* After company-wide exclusions of Non-GRC costs

** Refer to "Detail of Adjustments to Recorded" page for line item adjustments

Note: Totals may include rounding differences.

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
 Witness: Albert J. Garcia
 Category: B. New Environmental Reg Balancing Account (NERBA)
 Category-Sub: 1. New Environmental Reg Balancing Account (NERBA)
 Workpaper: 2EV001.001 - RNERBA-Subpart W

Summary of Adjustments to Recorded:

In Nominal \$ (000) Incurred Costs						
	Years	2017	2018	2019	2020	2021
Labor		92	90	69	66	52
Non-Labor		188	22	38	17	15
NSE		0	0	0	0	0
	Total	280	111	107	83	67
FTE		0.0	0.0	0.0	0.0	0.4

Detail of Adjustments to Recorded:

<u>Year</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>
2017	92	188	0	0.8	CCTR Transf From 2200-2475.003
Explanation:	Moving SUBPART W costs out of AB 32 Administrative Fees and into sub-workpaper 2EV001.001 where these costs are being forecasted.				
2017	0	0	0	-0.8	1-Sided Adj
Explanation:	One-sided adjustment to remove FTE from SUBPART W				
2017 Total	92	188	0	0.0	
2018	90	22	0	0.8	CCTR Transf From 2200-2475.003
Explanation:	Moving SUBPART W costs out of AB 32 Administrative Fees and into sub-workpaper 2EV001.001 where these costs are being forecasted.				
2018	0	0	0	-0.8	1-Sided Adj
Explanation:	One-sided adjustment to remove FTE from SUBPART W				
2018 Total	90	22	0	0.0	
2019	69	38	0	0.6	CCTR Transf From 2200-2475.003
Explanation:	Moving SUBPART W costs out of AB 32 Administrative Fees and into sub-workpaper 2EV001.001 where these costs are being forecasted.				
2019	0	0	0	-0.6	1-Sided Adj
Explanation:	One-sided adjustment to remove FTE from SUBPART W				
2019 Total	69	38	0	0.0	
2020	66	17	0	0.6	CCTR Transf From 2200-2475.003
Explanation:	Moving SUBPART W costs out of AB 32 Administrative Fees and into sub-workpaper 2EV001.001 where these costs are being forecasted.				
2020	0	0	0	-0.6	1-Sided Adj
Explanation:	One-sided adjustment to remove FTE from SUBPART W				

Note: Totals may include rounding differences.

Southern California Gas Company
 2024 GRC - REVISED
 Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
 Witness: Albert J. Garcia
 Category: B. New Environmental Reg Balancing Account (NERBA)
 Category-Sub: 1. New Environmental Reg Balancing Account (NERBA)
 Workpaper: 2EV001.001 - RNERBA-Subpart W

<u>Year</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>
2020 Total	66	17	0	0.0	
2021	52	15	0	0.4	CCTR Transf From 2200-2475.003
Explanation:	Moving SUBPART W costs out of AB 32 Administrative Fees and into sub-workpaper 2EV001.001 where these costs are being forecasted.				
2021 Total	52	15	0	0.4	

Note: Totals may include rounding differences.

Beginning of Workpaper
2EV001.002 - RNERBA-AB32 Fees

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
 Witness: Albert J. Garcia
 Category: B. New Environmental Reg Balancing Account (NERBA)
 Category-Sub: 1. New Environmental Reg Balancing Account (NERBA)
 Workpaper: 2EV001.002 - RNERBA-AB32 Fees

Activity Description:

Since 2010, SoCalGas has paid administrative fees as required by the California’s Global Warming Solutions Act of 2006 (colloquially referred to as “AB32”) which are intended for CARB to recover its costs to implement AB32. AB32 requires public utility gas corporations, such as SoCalGas, to pay annual administrative fees for each therm of natural gas they deliver to any end user in California, excluding natural gas delivered to electric generating facilities and to wholesale providers. SoCalGas cannot determine either the fuel delivered to customers or the exact common carbon cost to provide very detailed projections.

Forecast Explanations:

Labor - Zero-Based

A zero-based forecasting methodology was used to determine the cost requirements for this category. The cost category for AB32 incorporates the cost history over a longer period of time than the traditional forecasting methodologies. AB32 Administrative Fees, which comprise the largest portion of NERBA, began in 2010, and have experienced year-over-year changes that range between a low of -17.6% in 2013 and high of 35.5% in 2017. Consequently, the forecast is based on a ten-year average (2011-2021) of these year-over-year fluctuations. The 10-year change average is more appropriate than a three or five-year change average because a three- or five-year average would yield an unreasonably low and high forecast, respectively. Refer to Ex. SCG-20 -WP - AGarcia – 1EV001, Supplemental Workpaper 1, for detailed calculations.

Non-Labor - Zero-Based

A zero-based forecasting methodology was used to determine the cost requirements for this category. The cost category for AB32 incorporates the cost history over a longer period of time than the traditional forecasting methodologies. AB32 Administrative Fees, which comprise the largest portion of NERBA, began in 2010, and have experienced year-over-year changes that range between a low of -17.6% in 2013 and high of 35.5% in 2017. Consequently, the forecast is based on a ten-year average (2011-2021) of these year-over-year fluctuations. The 10-year change average is more appropriate than a three or five-year change average because a three- or five-year average would yield an unreasonably low and high forecast, respectively. Refer to Ex. SCG-20 -WP - AGarcia – 1EV001, Supplemental Workpaper 1, for detailed calculations.

NSE - Zero-Based

N/A

Summary of Results:

		In 2021\$ (000) Incurred Costs								
		Adjusted-Recorded					Adjusted-Forecast			
		2017	2018	2019	2020	2021	2022	2023	2024	
Years										
	Labor	0	0	0	0	0	0	0	0	
	Non-Labor	7,369	9,326	9,438	10,572	9,167	9,681	10,223	10,795	
	NSE	0	0	0	0	0	0	0	0	
	Total	7,369	9,326	9,438	10,572	9,167	9,681	10,223	10,795	
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	

Note: Totals may include rounding differences.

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
 Witness: Albert J. Garcia
 Category: B. New Environmental Reg Balancing Account (NERBA)
 Category-Sub: 1. New Environmental Reg Balancing Account (NERBA)
 Workpaper: 2EV001.002 - RNERBA-AB32 Fees

Summary of Adjustments to Forecast:

In 2021 \$(000) Incurred Costs										
Forecast Method		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
Years		2022	2023	2024	2022	2023	2024	2022	2023	2024
Labor	Zero-Based	0	0	0	0	0	0	0	0	0
Non-Labor	Zero-Based	0	0	0	9,681	10,223	10,795	9,681	10,223	10,795
NSE	Zero-Based	0	0	0	0	0	0	0	0	0
Total		0	0	0	9,681	10,223	10,795	9,681	10,223	10,795
FTE	Zero-Based	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Forecast Adjustment Details:

Year	Labor	NLbr	NSE	Total	FTE	Adj Type
2022	0	9,681	0	9,681	0.0	1-Sided Adj
Explanation:	Added AB32 fees based on historical costs and compliance requirements associated with new, proposed or evolving environmental rules or regulations.					
2022 Total	0	9,681	0	9,681	0.0	
2023	0	10,223	0	10,223	0.0	1-Sided Adj
Explanation:	Added AB32 fees based on historical costs and compliance requirements associated with new, proposed or evolving environmental rules or regulations.					
2023 Total	0	10,223	0	10,223	0.0	
2024	0	10,795	0	10,795	0.0	1-Sided Adj
Explanation:	Added AB32 fees based on historical costs and compliance requirements associated with new, proposed or evolving environmental rules or regulations.					
2024 Total	0	10,795	0	10,795	0.0	

Note: Totals may include rounding differences.

SCG/SCG ENVIRONMENTAL/Exh No:SCG-20-WP-R/Witness: A. Garcia

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
Witness: Albert J. Garcia
Category: B. New Environmental Reg Balancing Account (NERBA)
Category-Sub: 1. New Environmental Reg Balancing Account (NERBA)
Workpaper: 2EV001.002 - RNERBA-AB32 Fees

Determination of Adjusted-Recorded (Incurred Costs):

	2017 (\$000)	2018 (\$000)	2019 (\$000)	2020 (\$000)	2021 (\$000)
Recorded (Nominal \$)*					
Labor	273	1,168	2,210	1,733	1,380
Non-Labor	6,775	12,310	20,355	7,736	14,814
NSE	0	0	0	0	0
Total	7,048	13,477	22,565	9,469	16,195
FTE	2.7	10.9	20.1	15.8	12.1
Adjustments (Nominal \$) **					
Labor	-273	-1,168	-2,210	-1,733	-1,380
Non-Labor	-226	-3,759	-11,551	2,084	-5,647
NSE	0	0	0	0	0
Total	-500	-4,927	-13,761	352	-7,027
FTE	-2.9	-10.9	-20.1	-15.8	-12.2
Recorded-Adjusted (Nominal \$)					
Labor	0	0	0	0	0
Non-Labor	6,548	8,550	8,804	9,821	9,167
NSE	0	0	0	0	0
Total	6,548	8,550	8,804	9,821	9,167
FTE	-0.2	0.0	0.0	0.0	-0.1
Vacation & Sick (Nominal \$)					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.1	0.0
Escalation to 2021\$					
Labor	0	0	0	0	0
Non-Labor	821	776	634	751	0
NSE	0	0	0	0	0
Total	821	776	634	751	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2021\$)					
Labor	0	0	0	0	0
Non-Labor	7,369	9,326	9,438	10,572	9,167
NSE	0	0	0	0	0
Total	7,369	9,326	9,438	10,572	9,167
FTE	-0.2	0.0	0.0	0.1	-0.1

* After company-wide exclusions of Non-GRC costs

** Refer to "Detail of Adjustments to Recorded" page for line item adjustments

Note: Totals may include rounding differences.

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
 Witness: Albert J. Garcia
 Category: B. New Environmental Reg Balancing Account (NERBA)
 Category-Sub: 1. New Environmental Reg Balancing Account (NERBA)
 Workpaper: 2EV001.002 - RNERBA-AB32 Fees

Summary of Adjustments to Recorded:

		In Nominal \$ (000) Incurred Costs				
Years		2017	2018	2019	2020	2021
Labor		-273	-1,168	-2,210	-1,733	-1,380
Non-Labor		-226	-3,759	-11,551	2,084	-5,647
NSE		0	0	0	0	0
	Total	-500	-4,927	-13,761	352	-7,027
FTE		-2.9	-10.9	-20.1	-15.8	-12.2

Detail of Adjustments to Recorded:

Year	Labor	NLbr	NSE	FTE	Adj Type
2017	-92	-188	0	-0.8	CCTR Transf To 2200-2475.002
Explanation:	Moving SUBPART W costs out of AB 32 Administrative Fees and into sub-workpaper 2EV001.001 where these costs are being forecasted.				
2017	-181	-38	0	-2.0	CCTR Transf To 2200-2475.004
Explanation:	Moving LDAR costs out of AB 32 Administrative Fees and into sub-workpaper 2EV001.003 where these costs are being forecasted.				
2017	0	0	0	-0.1	1-Sided Adj
Explanation:	One-sided adjustment to remove FTE from AB32				
2017 Total	-273	-226	0	-2.9	
2018	-90	-22	0	-0.8	CCTR Transf To 2200-2475.002
Explanation:	Moving SUBPART W costs out of AB 32 Administrative Fees and into sub-workpaper 2EV001.001 where these costs are being forecasted.				
2018	-1,164	-4,836	0	-10.0	CCTR Transf To 2200-2475.004
Explanation:	Moving LDAR costs out of AB 32 Administrative Fees and into sub-workpaper 2EV001.003 where these costs are being forecasted.				
2018	86	1,098	0	-0.1	1-Sided Adj
Explanation:	One-way adjustment to remove FTE and add AB32 fees.				
2018 Total	-1,168	-3,759	0	-10.9	
2019	-69	-38	0	-0.6	CCTR Transf To 2200-2475.002
Explanation:	Moving SUBPART W costs out of AB 32 Administrative Fees and into sub-workpaper 2EV001.001 where these costs are being forecasted.				
2019	-2,155	-11,754	0	-19.0	CCTR Transf To 2200-2475.004
Explanation:	Moving LDAR costs as of Dec 20, 2021 to correct workpaper sub				
2019	13	242	0	-0.5	1-Sided Adj

Note: Totals may include rounding differences.

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
 Witness: Albert J. Garcia
 Category: B. New Environmental Reg Balancing Account (NERBA)
 Category-Sub: 1. New Environmental Reg Balancing Account (NERBA)
 Workpaper: 2EV001.002 - RNERBA-AB32 Fees

<u>Year</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>
Explanation:	One-way adjustment to remove FTE and add AB32 fees.				
2019 Total	-2,210	-11,551	0	-20.1	
2020	-66	-17	0	-0.6	CCTR Transf To 2200-2475.002
Explanation:	Moving SUBPART W costs out of AB 32 Administrative Fees and into sub-workpaper 2EV001.001 where these costs are being forecasted.				
2020	-1,681	-5,028	0	-15.0	CCTR Transf To 2200-2475.004
Explanation:	Moving LDAR costs out of AB 32 Administrative Fees and into sub-workpaper 2EV001.003 where these costs are being forecasted.				
2020	14	7,130	0	-0.2	1-Sided Adj
Explanation:	One-way adjustment to remove FTE and add AB32 fees.				
2020 Total	-1,733	2,084	0	-15.8	
2021	-1,332	-5,629	0	-11.7	CCTR Transf To 2200-2475.004
Explanation:	Moving LDAR costs out of AB 32 Administrative Fees and into sub-workpaper 2EV001.003 where these costs are being forecasted.				
2021	-52	-15	0	-0.4	CCTR Transf To 2200-2475.002
Explanation:	Moving SUBPART W costs out of AB 32 Administrative Fees and into sub-workpaper 2EV001.001 where these costs are being forecasted.				
2021	3	-4	0	-0.1	1-Sided Adj
Explanation:	One-way adjustment to remove FTE and add AB32 fees.				
2021 Total	-1,380	-5,647	0	-12.2	

Note: Totals may include rounding differences.

Supplemental Workpapers for Workpaper 2EV001.002

SoCalGas AB 32 COI Fees - CARB Billing Summary						
Emissions Year	Invoice Year	MMTherms Delivered	Common Carbon Cost (\$/MMTh) ¹	Amount ²	Year-over-year Change	Status
2008	Billed in 2010	5230	906.64	\$5,865,558		Recorded
2010	Billed in 2012	6280	954.26	\$5,993,711	5.7%	Recorded
2011	Billed in 2013	6424	768.79	\$4,938,344	-17.6%	Recorded
2012	Billed in 2014	6362	643.34	\$4,092,839	-17.1%	Recorded
2013	Billed in 2015	6524	801.57	\$5,229,192	27.8%	Recorded
2014	Billed in 2016	6142	787.04	\$4,833,768	-7.6%	Recorded
2015	Billed in 2017	6227	1051.62	\$6,548,313	35.5%	Recorded
2016	Billed in 2018	6388	1338.41	\$8,550,096	30.6%	Recorded
2017	Billed in 2019	6405.4	1374.46	\$8,804,028	3.0%	Recorded
2018	Billed in 2020	6214	1580.39	\$9,820,942	11.6%	Recorded
2019	Billed in 2021	6437.5	1424.06	\$9,167,429	-6.7%	Recorded
2020	Billed in 2022			\$9,680,805	5.6% ³	Forecast
2021	Billed in 2023			\$10,222,930	5.6%	Forecast
2022	Billed in 2024			\$10,795,414	5.6%	Forecast

¹ Common Carbon Cost is calculated by CARB based on total required revenue to administer the program divided by the total statewide emissions covered by the AB32 Regulation. The CCC fluctuates from year to year based on revenue requirements and statewide emissions for a particular year.

² MMTherms Delivered x Common Carbon Cost (\$/MMTh) = AB32 Fee

³ This forecast is based on a longer-termed average (2011-2021). The 10-year change average is more reliable to levelize the historical changes.

Beginning of Workpaper
2EV001.003 - RAMP RNERBA-LDAR

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
 Witness: Albert J. Garcia
 Category: B. New Environmental Reg Balancing Account (NERBA)
 Category-Sub: 1. New Environmental Reg Balancing Account (NERBA)
 Workpaper: 2EV001.003 - RAMP RNERBA-LDAR

Activity Description:

Beginning in 2017, SoCalGas has incurred labor and non-labor costs associated with the implementation of the Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities (CARB Oil and Gas Rule). The rule requires the annual reporting of quarterly Leak Detection and Repair (colloquially referred to as "LDAR") activities for both storage fields and compressor stations as well as extensive ambient and well monitoring at underground natural gas storage facilities. Finally, the rule requires storage facilities to incorporate procedures to notify the public about well blowouts.

Forecast Explanations:

Labor - Base YR Rec

The forecast method developed for this cost category is base year. This method is most appropriate because starting with the most recent base year represents a conservative base upon which to apply forecasted incremental cost pressures for LDAR. The proposed LDAR costs are treated as incremental costs to the base year amount. The base year forecast includes several years of operation and capital investments that have been implemented and normalized in advance of the base year. Because the range of activities is more focused on operations and maintenance, future projections do not include the same level of capital investment. However, some operational costs and capital investments are anticipated to maintain and accomplish continuous process improvements. As NERBA items are not readily predictable, traditional averaging of historical costs would not be a representative forecast method.

Non-Labor - Base YR Rec

The forecast method developed for this cost category is base year. This method is most appropriate because starting with the most recent base year represents a conservative base upon which to apply forecasted incremental cost pressures for LDAR. The proposed LDAR costs are treated as incremental costs to the base year amount. The base year forecast includes several years of operation and capital investments that have been implemented and normalized in advance of the base year. Because the range of activities is more focused on operations and maintenance, future projections do not include the same level of capital investment. However, some operational costs and capital investments are anticipated to maintain and accomplish continuous process improvements. As NERBA items are not readily predictable, traditional averaging of historical costs would not be a representative forecast method.

NSE - Base YR Rec

N/A

Summary of Results:

		In 2021\$ (000) Incurred Costs								
		Adjusted-Recorded					Adjusted-Forecast			
Years		2017	2018	2019	2020	2021	2022	2023	2024	
Labor		236	1,481	2,707	2,038	1,567	1,722	1,339	1,226	
Non-Labor		43	5,274	12,601	5,413	5,629	7,278	5,661	4,574	
NSE		0	0	0	0	0	0	0	0	
Total		279	6,755	15,308	7,451	7,195	9,000	7,000	5,800	
FTE		2.4	11.8	22.7	17.9	13.9	15.2	11.8	10.8	

Note: Totals may include rounding differences.

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
 Witness: Albert J. Garcia
 Category: B. New Environmental Reg Balancing Account (NERBA)
 Category-Sub: 1. New Environmental Reg Balancing Account (NERBA)
 Workpaper: 2EV001.003 - RAMP RNERBA-LDAR

Summary of Adjustments to Forecast:

In 2021 \$(000) Incurred Costs										
Forecast Method		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
Years		2022	2023	2024	2022	2023	2024	2022	2023	2024
Labor	Base YR Rec	1,567	1,567	1,567	155	-228	-341	1,722	1,339	1,226
Non-Labor	Base YR Rec	5,629	5,629	5,629	1,649	32	-1,055	7,278	5,661	4,574
NSE	Base YR Rec	0	0	0	0	0	0	0	0	0
Total		7,195	7,195	7,195	1,804	-196	-1,396	8,999	6,999	5,799
FTE	Base YR Rec	13.9	13.9	13.9	1.3	-2.1	-3.1	15.2	11.8	10.8

Forecast Adjustment Details:

Year	Labor	NLbr	NSE	Total	FTE	Adj Type
2022	155	1,649	0	1,804	1.3	1-Sided Adj
Explanation:	Added LDAR fees based on historical costs and compliance requirements associated with new proposed or evolving environmental rules or regulations.					
2022 Total	155	1,649	0	1,804	1.3	
2023	-228	32	0	-196	-2.1	1-Sided Adj
Explanation:	Added LDAR fees based on historical costs and compliance requirements associated with new proposed or evolving environmental rules or regulations.					
2023 Total	-228	32	0	-196	-2.1	
2024	-341	-1,055	0	-1,396	-3.1	1-Sided Adj
Explanation:	Added LDAR fees based on historical costs and compliance requirements associated with new proposed or evolving environmental rules or regulations.					
2024 Total	-341	-1,055	0	-1,396	-3.1	

Note: Totals may include rounding differences.

SCG/SCG ENVIRONMENTAL/Exh No:SCG-20-WP-R/Witness: A. Garcia

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
 Witness: Albert J. Garcia
 Category: B. New Environmental Reg Balancing Account (NERBA)
 Category-Sub: 1. New Environmental Reg Balancing Account (NERBA)
 Workpaper: 2EV001.003 - RAMP RNERBA-LDAR

Determination of Adjusted-Recorded (Incurred Costs):

	2017 (\$000)	2018 (\$000)	2019 (\$000)	2020 (\$000)	2021 (\$000)
Recorded (Nominal \$)*					
Labor	0	0	0	2	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	2	0
FTE	0.0	0.0	0.0	0.0	0.0
Adjustments (Nominal \$) **					
Labor	181	1,164	2,155	1,681	1,332
Non-Labor	38	4,836	11,754	5,028	5,629
NSE	0	0	0	0	0
Total	219	6,000	13,909	6,709	6,960
FTE	2.0	10.0	19.0	15.0	11.7
Recorded-Adjusted (Nominal \$)					
Labor	181	1,164	2,155	1,683	1,332
Non-Labor	38	4,836	11,754	5,028	5,629
NSE	0	0	0	0	0
Total	219	6,000	13,909	6,711	6,960
FTE	2.0	10.0	19.0	15.0	11.7
Vacation & Sick (Nominal \$)					
Labor	31	200	408	296	235
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	31	200	408	296	235
FTE	0.4	1.8	3.7	2.9	2.2
Escalation to 2021\$					
Labor	24	116	144	59	0
Non-Labor	5	439	847	384	0
NSE	0	0	0	0	0
Total	29	555	991	443	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2021\$)					
Labor	236	1,481	2,707	2,038	1,567
Non-Labor	43	5,274	12,601	5,413	5,629
NSE	0	0	0	0	0
Total	279	6,755	15,308	7,451	7,195
FTE	2.4	11.8	22.7	17.9	13.9

* After company-wide exclusions of Non-GRC costs

** Refer to "Detail of Adjustments to Recorded" page for line item adjustments

Note: Totals may include rounding differences.

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
 Witness: Albert J. Garcia
 Category: B. New Environmental Reg Balancing Account (NERBA)
 Category-Sub: 1. New Environmental Reg Balancing Account (NERBA)
 Workpaper: 2EV001.003 - RAMP RNERBA-LDAR

Summary of Adjustments to Recorded:

In Nominal \$ (000) Incurred Costs					
Years	2017	2018	2019	2020	2021
Labor	181	1,164	2,155	1,681	1,332
Non-Labor	38	4,836	11,754	5,028	5,629
NSE	0	0	0	0	0
Total	219	6,000	13,909	6,709	6,960
FTE	2.0	10.0	19.0	15.0	11.7

Detail of Adjustments to Recorded:

Year	Labor	NLbr	NSE	FTE	Adj Type
2017	181	38	0	2.0	CCTR Transf From 2200-2475.003
Explanation:	Moving LDAR costs out of AB 32 Administrative Fees and into sub-workpaper 2EV001.003 where these costs are being forecasted.				
2017 Total	181	38	0	2.0	
2018	1,164	4,836	0	10.0	CCTR Transf From 2200-2475.003
Explanation:	Moving LDAR costs out of AB 32 Administrative Fees and into sub-workpaper 2EV001.003 where these costs are being forecasted.				
2018 Total	1,164	4,836	0	10.0	
2019	2,155	11,754	0	19.0	CCTR Transf From 2200-2475.003
Explanation:	Moving LDAR costs out of AB 32 Administrative Fees and into sub-workpaper 2EV001.003 where these costs are being forecasted.				
2019 Total	2,155	11,754	0	19.0	
2020	1,681	5,028	0	15.0	CCTR Transf From 2200-2475.003
Explanation:	Moving LDAR costs out of AB 32 Administrative Fees and into sub-workpaper 2EV001.003 where these costs are being forecasted.				
2020 Total	1,681	5,028	0	15.0	
2021	1,332	5,629	0	11.7	CCTR Transf From 2200-2475.003
Explanation:	Moving LDAR costs out of AB 32 Administrative Fees and into sub-workpaper 2EV001.003 where these costs are being forecasted.				
2021 Total	1,332	5,629	0	11.7	

Note: Totals may include rounding differences.

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
 Witness: Albert J. Garcia
 Category: B. New Environmental Reg Balancing Account (NERBA)
 Category-Sub: 1. New Environmental Reg Balancing Account (NERBA)
 Workpaper: 2EV001.003 - RAMP RNERBA-LDAR

RAMP Item # 1

RAMP Activity

RAMP Chapter: SCG-Risk-4 Incident Related to the Storage System (Excluding Dig-in)

RAMP Line Item ID: C04

RAMP Line Item Name: Wellhead Leak Detection and Repair

Tranche(/s): Tranche1: N/A

GRC Forecast Cost Estimates (\$000)

	2021 Historical Embedded Cost (2021 \$)	2022 Forecast (2021 \$)	2023 Forecast (2021 \$)	2024 Forecast (2021 \$)	2024 RAMP Range (2020 Incurred \$)	
					Low	High
Tranche 1 Cost Estimate	7,196	9,000	7,000	5,800	7,490	9,066

Cost Estimate Changes from RAMP:

The GRC forecast for this mitigation is outside the RAMP range due to forecast updates. Additionally, the GRC forecast for this mitigation is split with another witness area (Gas Transmission Operations and Construction: Exhibit 06)

GRC Work Unit/Activity Level Estimates

Unit of Measure	2021 Historical Embedded Activities	2022 Forecast Activities	2023 Forecast Activities	2024 Forecast Activities	2024 RAMP Range Activities	
					Low	High
Tranche 1 # Storage Wellheads	118.00	118.00	118.00	118.00	108.00	112.00

Work Unit Changes from RAMP:

The GRC forecast is outside the RAMP range due to forecast updates.

Risk Spend Efficiency (RSE)

	GRC RSE	RAMP RSE
Tranche 1	0.000	0.000

RSE Changes from RAMP:

General changes to risks scores or RSE values are primarily due to changes in the MAVF and RSE methodology, as discussed in the RAMP to GRC Integration testimony of R. Scott Pearson and Gregory S. Flores (Ex. SCG-03/SDG&E-03, Chapter 2)

Southern California Gas Company
2024 GRC - REVISED
Non-Shared Service Workpapers

Area: SCG ENVIRONMENTAL
Witness: Albert J. Garcia

Appendix A: List of Non-Shared Cost Centers

Cost Center	Sub	Description
2200-0733	000	SCG HAZMAT OPERATIONS
2200-1181	000	SCG SITE ASSESSMENT & MITIGATION
2200-2012	000	SCG ENVIRONMENTAL SERVICE DIRECTOR
2200-2013	000	SCG ENVIRONMENTAL FEES
2200-2176	000	SCG ENVIRONMENTAL PROGRAMS
2200-2370	000	SCG ENVIRONMENTAL SERVICES RESEARCH
2200-2403	000	SCG ENVIRONMENTAL UST COMPLIANCE
2200-2440	000	SCG ENV MJR PRJ-PSEP&PIP
2200-2443	000	SCG ENVIRONMENTAL SUSTAINABILITY & REPORTING
2200-2475	000	FIELD ENVIRONMENTAL SERVICES
2200-2554	000	TECH SUPP-AIR QUAL
2200-2555	000	PROJECT SUPPORT
2200-2556	000	CULTRL AND NTRL RES
2200-2557	000	TECH SUPP-WATER QUAL
2200-2558	000	GHG PROGRAM
2200-2579	000	MAJOR PROJECTS ENVIRONMENTAL - SUPPORT
2200-2581	000	MAJOR PROJECTS ENVIRONMENTAL - RESOURCES
2200-2586	000	FIELD ENVIRONMENTAL SERVICES - DISTRIBUT
2200-2587	000	FIELD ENVIRONMENTAL SERVICES - STORAGE
2200-2588	000	FIELD ENVIRONMENTAL SERVICES - TRANSMISS