

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



**FILED**

06/13/25

10:17 AM

**A2506012**

In the Matter of the Application of Southern California Gas Company (U 904 G) Regarding Year 31 (2024-2025) of Its Gas Cost Incentive Mechanism.

A.25-06-\_\_\_\_\_  
(Filed June 13, 2025)

**APPLICATION OF SOUTHERN CALIFORNIA GAS  
COMPANY (U 904 G) REGARDING YEAR 31 (2024-2025)  
OF ITS GAS COST INCENTIVE MECHANISM**

JEFFREY B. FOHRER

*Attorney for:*

**SOUTHERN CALIFORNIA GAS COMPANY**

555 West Fifth Street, 14<sup>TH</sup> Floor

Los Angeles, California 90013-1011

Telephone: (213) 244-3061

Facsimile: (213) 629-9620

E-mail: [jfohrer@socalgas.com](mailto:jfohrer@socalgas.com)

**Dated:** June 13, 2025

## **TABLE OF CONTENTS**

I.	INTRODUCTION .....	1
II.	BACKGROUND .....	2
III.	PURPOSE OF APPLICATION AND RELIEF SOUGHT .....	6
IV.	STATUTORY AND PROCEDURAL REQUIREMENTS .....	7
V.	CONCLUSION .....	11

VERIFICATION - Officer of Southern California Gas Company

ATTACHMENT A - Southern California Gas Company Annual Report on the Gas Cost Incentive Mechanism

ATTACHMENT B - Southern California Gas Company Balance Sheet and Income Statement

ATTACHMENT C - Southern California Gas Company Statement of Proposed Rates

ATTACHMENT D - Southern California Gas Company Statement of Original Cost and Depreciation Reserve

ATTACHMENT E - Southern California Gas Company Summary of Earnings

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

In the Matter of the Application of Southern California Gas Company (U 904 G) Regarding Year 31 (2024-2025) of Its Gas Cost Incentive Mechanism.

A.25-06-\_\_\_\_\_  
(Filed June 13, 2025)

**APPLICATION OF SOUTHERN CALIFORNIA GAS  
COMPANY (U 904 G) REGARDING YEAR 31 (2024-2025)  
OF ITS GAS COST INCENTIVE MECHANISM**

**I. INTRODUCTION**

Southern California Gas Company (SoCalGas) hereby submits its thirty-first annual application (Application) under the Gas Cost Incentive Mechanism (GCIM). The California Public Utilities Commission (CPUC or Commission) established the GCIM in Decision (D.) 94-03-076, which was modified and extended in D.97-06-061, extended on an annual basis beginning with Year 6 in D.98-12-057, and then further modified and extended on an annual basis beginning in Year 8 in D.02-06-023.<sup>1</sup> Pursuant to these decisions and SoCalGas's Tariff Preliminary Statement Part VIII, "Gas Cost Incentive Mechanism," SoCalGas is to file an application and report in June of each year to address its performance under the GCIM for the previous April 1 - March 31 period (GCIM Year).

Included as Attachment A to this Application, SoCalGas provides its report on gas supply and storage activity for the 12-month GCIM Year ended March 31, 2025 (Year 31). This report documents the market conditions experienced during Year 31 as well as the ongoing monitoring and evaluation of SoCalGas's procurement and hedging activities. The monitoring and evaluation

---

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

included bi-weekly meetings with the Public Advocates Office at the California Public Utilities Commission (Cal PA) and the CPUC's Energy Division,<sup>2</sup> as well as providing monthly monitoring reports to the CPUC, which included a calculation of year-to-date GCIM benefit to core customers,<sup>3</sup> total monthly actual costs and benchmark dollars, benchmark prices, current year capacity holdings and capacity utilization by pipeline. The GCIM continued to provide significant value to core customers during Year 31, as SoCalGas was able to purchase gas at \$42,142,370 below the GCIM benchmark for the year, resulting in a core customer benefit of \$33,768,315 in lower gas costs. As a result of this performance below benchmark, SoCalGas's Year 31 shareholder reward is calculated pursuant to the GCIM formula to be \$8,374,056.

## **II. BACKGROUND**

### **A. Establishment of the GCIM**

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

The original GCIM established a benchmark against which to measure the price SoCalGas pays for core and core subscription gas supply. The benchmark was based on a combination of monthly gas price indices published in Natural Gas Intelligence, Inside FERC

---

<sup>2</sup> The Utility Reform Network (TURN), is also invited to the biweekly meetings.

<sup>3</sup> Core Customers are generally residential customers and small businesses.

Gas Market Report, and a New York Mercantile Exchange (NYMEX) component for gas futures. The GCIM proposal included a “tolerance band” to allow SoCalGas to meet objectives related to service reliability and supply security. The approved tolerance band was initially established at four and one-half percent during the first year of the GCIM and four percent for the subsequent two years.

In establishing the GCIM in D.94-03-076, the Commission ordered the Commission Advisory and Compliance Division (CACD) to conduct an evaluation of the GCIM by August 1, 1996, to provide the Commission with guidance regarding the success or failure of the program prior to its three-year completion. The Public Advocates Office of the California Public Utilities Commission (Cal PA), formerly the Office of Ratepayer Advocates (ORA) was tasked with auditing SoCalGas’s annual GCIM reports.<sup>4</sup>

### **B. Modifications to the GCIM Process**

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

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

<b><u>Sharing Band</u></b>	<b><u>Ratepayer%</u></b>	<b><u>Shareholder%</u></b>
0.0%-1.00%	100%	0%
1.00%-5.00%	75%	25%
5.00% & Above	90%	10%

---

<sup>4</sup> At the time of the original GCIM decision, Cal PA was known as the Division of Ratepayer Advocates (DRA). Over the ensuing GCIM years, the name of this organization changed from DRA to ORA, back to DRA, back to ORA, and then changed to Cal PA. To avoid confusion, this Application will simply refer to Cal PA throughout because that is the current name of this organization.

Pursuant to D.02-06-023, SoCalGas's GCIM will continue on an annual basis until further modified or terminated upon Commission order.<sup>5</sup>

In the GCIM Year 11 Proceeding (A.05-06-030), further modifications were made. On November 30, 2005, Cal PA issued its GCIM Year 11 Monitoring and Evaluation Report which concurred with SoCalGas's proposed shareholder reward of \$2.5 million, but also recommended two modifications to the GCIM mechanism.<sup>6</sup>

1. SoCalGas should inject gas into storage on a uniform ratable basis during the injection months.
2. SoCalGas should meet a strict minimum of 70 Bcf inventory level in storage by November 1.

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

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

---

<sup>5</sup> D.02-06-023, mimeo, at 25-26 and p. 1 of Attachment A (the Settlement Agreement).

<sup>6</sup> Cal PA GCIM Year 11 Monitoring and Evaluation Report, pp. 1-2.

The Joint Recommendation of Cal PA, TURN and SoCalGas was adopted by the Commission in D.06-10-029 along with SoCalGas's requested shareholder reward for Year 11 of \$2.5 million.<sup>7</sup>

In January 2018, the Commission issued D.18-01-005, approving A.17-06-016 and SoCalGas's requested shareholder reward of \$4.235 million. The decision also directs SoCalGas to meet with Cal PA in the event that SoCalGas anticipates that it will have less than 47.0 Bcf of mid-season core storage inventory on July 31 of each year, starting on July 31, 2018. The decision also requires SoCalGas to provide written notification of its mid-season (July 31) and annual (November 1) core purchased storage inventory targets to the Commission's Energy Division, also beginning in 2018.

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

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

---

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

net revenues; and (iii) the net hedging gain or loss broken down by winter hedges and other hedges.<sup>8</sup>

### **C. GCIM Year 30**

SoCalGas filed A.24-06-005 on June 17, 2024, requesting a GCIM shareholder reward of \$13,865,089 in its most recent GCIM application for Year 30. During Year 30, SoCalGas continued to provide its core customers with reliable gas supplies, at \$74,267,029 below the GCIM benchmark for the year, resulting in a core customer benefit of \$60,401,940 in lower gas costs. On January 17, 2025, Cal PA served its Monitoring and Evaluation Report for GCIM Year 30 and recommended approval of SoCalGas's requested shareholder reward.

On May 23, 2025, the Commission issued a proposed decision, which would approve SoCalGas's application request in A.24-06-005 and grant SoCalGas a shareholder reward of \$13,865,089. As of June 13, 2025, the earliest Commission meeting where the proposed decision can be heard is June 26, 2025.

### **III. PURPOSE OF APPLICATION AND RELIEF SOUGHT**

The purpose of this Application is to request a GCIM shareholder reward of \$8,374,056 for SoCalGas's performance in Year 31 pursuant to the revised GCIM established by D.02-06-023. As documented in Attachment A, in GCIM Year 31 SoCalGas purchased gas at \$42,142,370 below the GCIM benchmark, providing a benefit of \$33,768,315 in lower gas costs. The actual cost of all purchases by SoCalGas subject to the GCIM was \$1,159,939,848, while the benchmark cost was \$1,202,082,218. Pursuant to the revisions to the GCIM adopted in D.02-06-023, if the Commission determines that these figures are accurate, SoCalGas will be entitled to a shareholder reward of \$8,374,056. SoCalGas has further included in Attachment A the additional information required by D.20-02-007.

---

<sup>8</sup> D.20-02-007 at p. 13 (Ordering Paragraph 2).



The relief sought by SoCalGas in this Application is therefore a GCIM Year 31 shareholder reward of \$8,374,056.

#### **IV. STATUTORY AND PROCEDURAL REQUIREMENTS**

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

SoCalGas proposes that this proceeding be categorized as “ratesetting” because SoCalGas’s proposals will have a future effect on rates. SoCalGas does not believe that evidentiary hearings are necessary. Given the record that has already been developed in other Commission proceedings and given the GCIM settlement adopted by the Commission in D.02-06-023, SoCalGas does not believe that its proposals in this proceeding will raise any issues of fact that will require a hearing.

The issue to be considered in this proceeding is whether SoCalGas should be rewarded the GCIM Year 31 shareholder reward of \$8,374,056 it has requested. This application does not identify any safety consideration associated with its requested relief.

SoCalGas proposes the following schedule for this Application:

<b><u>EVENT</u></b>	<b><u>DATE</u></b>
SoCalGas files Application	June 13, 2025
Deadline for responses to Application	within 30 days Daily Calendar notice
Prehearing Conference	August 14, 2025
Cal PA Monitoring Report	October 15, 2025
Comments on Cal PA Report	October 30, 2025
Reply Comments (if any) on Report	November 6, 2025
Proposed Decision	December 2025
Commission Decision	January 2026

##### **B. Authority – Rule 2.1**

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

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

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

Nenette A. Paulson  
*Regulatory Case Manager for:*  
**Southern California Gas Company**  
555 West Fifth Street, GT14D6  
Los Angeles, California 90013-1011  
Tel: (213) 231-5979  
Fax: (213) 244-4957  
E-mail: [npaulson@socalgas.com](mailto:npaulson@socalgas.com)

A copy should also be sent to:

Jeffrey B. Fohrer  
*Attorney (and Party) for:*  
**Southern California Gas Company**  
555 West Fifth Street, GT14E7  
Los Angeles, California 90013-1011  
Tel: (213) 244-3061  
Fax: (213) 629-9620  
E-mail: [jfohrer@socalgas.com](mailto:jfohrer@socalgas.com)

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

The Commission is familiar with SoCalGas's GCIM and the limited issues presented by this Application. SoCalGas believes that the information provided by this Application and accompanying Year 31 Report will be a sufficient basis for the Commission to reach a decision without hearings. Accordingly, SoCalGas respectfully requests that the Commission approve this Application expeditiously, and without evidentiary hearings.

**E. Articles of Incorporation – Rule 2.2**

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

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

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

**G. Rates – Rule 3.2(a)(2) and (3)**

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

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

A general description of SoCalGas’s property and equipment was previously filed with the Commission on May 3, 2004, in connection with SoCalGas’s Application 04-05-008, and is incorporated herein by reference. A statement of Original Cost and Depreciation Reserve as of December 31, 2024, is attached as Attachment D.

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

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

**J. Exhibits and Readiness – Rule 3.2**

SoCalGas’s GCIM Year 31 Annual Report accompanies this Application. SoCalGas is now ready to proceed with its showing.

**K. Depreciation – Rule 3.2(a)(7)**

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

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

**L. Proxy Statement – Rule 3.2(a)(8)**

A copy of the most recent proxy statement, dated April 28, 2025, was provided to the Commission by letter dated April 28, 2025, and is incorporated herein by reference.

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

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

**N. Service and Notice – Rule 3.2(b)**

SoCalGas is serving this Application on all parties to A.24-06-005. Within twenty days of filing, SoCalGas will mail notice of this Application to the State of California and to cities and counties served by SoCalGas, and SoCalGas will post the notice in its offices and publish the notice in newspapers of general circulation in each county in its service territory. In addition, SoCalGas will include notices with the regular bills mailed to all customers affected by the proposed rate change.

## V. CONCLUSION

For the reasons set forth above and in Attachment A, SoCalGas respectfully requests that the Commission approve a Year 31 GCIM shareholder reward of \$8,374,056.

Respectfully submitted,

**SOUTHERN CALIFORNIA GAS COMPANY**

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

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

JEFFREY B. FOHRER

*Attorney for:*

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

**Dated:** June 13, 2025

## VERIFICATION

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

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

Executed on June 13, 2025, at Los Angeles, California.

/s/ Elsa Valay Paz  
Elsa Valay-Paz  
Vice President Gas Acquisition

## **ATTESTATION**

1. I am Senior Vice President (SVP) and Chief Financial Officer 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. I reviewed the costs requested in this Application and the most recent Directive

Report. Based on my review of the costs, the Directive Report, 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 June 13, 2025.

Executed on June 13, 2025, at Los Angeles, California.

A handwritten signature in black ink that reads "mia l. demontigny". The signature is written in a cursive, lowercase style.

---

Mia L. DeMontigny  
Southern California Gas Company  
SVP & Chief Financial Officer



**ATTACHMENT A**

Southern California Gas Company

Annual Report on the Gas Cost Incentive Mechanism

**Southern California Gas Company**  
**Annual Report on the Gas Cost Incentive Mechanism**  
**April 1, 2024, through March 31, 2025**

**I. Introduction**

Since its inception, the Gas Cost Incentive Mechanism (GCIM) has increased the efficiency of regulation by reducing the burden of regulatory oversight and providing a structure that enables Southern California Gas Company (SoCalGas) to focus on securing reliable gas at a reasonable cost for its core customers. This report summarizes the results of the SoCalGas Gas Acquisition Department's (Gas Acquisition) activities on behalf of the core procurement customers of SoCalGas and San Diego Gas & Electric Company (SDG&E) under the GCIM during the period April 1, 2024, through March 31, 2025 (GCIM Year 31). This report also details the shareholder reward calculation under the GCIM for Year 31 as set forth in SoCalGas's GCIM Preliminary Statement Part VIII.

**II. GCIM Year 31 Market Conditions<sup>1</sup>**

Due to the mild 2023-2024 winter season, GCIM Year 31 began with surplus of a natural gas in storage across both the Western U.S. and the Lower 48. As a result, summer 2024 saw the lowest demand for storage refills in eight years. High inventory levels and low refill demand kept prices low throughout the April-October 2024 injection season, prompting producers to cut back on production. While overall demand remained soft, natural gas usage in the power generation sector continued to rise for a third consecutive year reinforcing the growing role of gas-fired generation in the national energy mix.

By the end of March 2024, historically the end of withdrawal season, natural gas storage in the

---

<sup>1</sup> Fundamental market condition information in this section is from the February 2025 issue of Energy Information Administration (EIA) Natural Gas Monthly unless otherwise noted.

Lower 48 reached 2,282 Bcf, up 25% from the prior year and 40% above the five-year average, marking the highest end-of-March storage since 2016. In the Pacific Region, inventory levels reached 227 Bcf, exceeding the five-year average by 78 Bcf (52.3%).

U.S. natural gas exports remained relatively flat with no significant increase in LNG liquefaction capacity. Despite elevated inventories, the lowest prices of the year did not emerge until later in the injection season. Forward prices began to decline in June and continued downward into July encouraging producers to further reduce output. Total marketed natural gas remained flat year-over-year.

Production averaged 105.9 Bcf/day in February 2024 falling to 101.5 Bcf/day in May exhibiting a decline of approximating 4.2% or 4.4 Bcf/day largely driven by high storage inventory levels and weak demand. However, natural gas consumption in the power sector during the summer rose approximately 4% (1.5 Bcf/day) from the prior year.

Lower 48 storage net injections totaled 1,640 Bcf which was 21% below the five-year average. Weekly injection volumes ranged from a high of 96 Bcf in late May to a low of 10 Bcf in mid-July. By the end of injection season, the Lower 48 held 3,922 Bcf, surpassing the five-year average by 215 Bcf, while the Pacific Region reached 310 Bcf which was 30 Bcf above its five-year benchmark.

Mild temperatures during the early part of the 2024-2025 winter kept demand soft through December averaging 0.2 Bcf/day less than the same period the prior year. However, weather conditions shifted in January 2025 with three notable cold events impacting the eastern U.S. toward the close of GCIM Year 31. The most significant of these occurred from January 18-21, when arctic air swept through the Midwest and into Texas, causing well freeze-offs and reducing Permian production by approximately 7 Bcf/day. Two less severe cold events followed in February

with limited pricing impact. Nevertheless, storage withdrawals totaled 1.7 Bcf during January and February which was 29% (374 Bcf) above the five-year average.

As inventories tightened, Henry Hub prompt-month forward prices surged by 48% from \$3.04 to \$4.49 per Dth. National storage levels, which were 5.8% above the five-year average at the start of winter, declined to 4.6% below average by the end of winter. However, due to the disparity in inventory levels between the Pacific Region and Lower 48, prompt-month prices in the west increased by only 9% during the same period.

Southern California experienced a milder winter compared to the rest of the country with the retail core's highest demand not occurring until March 14, 2025. Throughout the season, Pacific Region storage remained 10-25% above the five-year average.

By the close of the winter season, the national storage surplus had fully dissipated. Total inventory in the Lower 48 ended 4.6% below the five-year average. Compounding this shift, European storage fell to just 34% of capacity, placing an upward pressure on global demand. In response, U.S. producers increased output to 104.8 Bcf/day by February 2025, which was about 3.3% (3.3 Bcf/day) higher than the May 2024 low, signaling a measured return to production as the market rebalanced.

### **III. Overview of Year 31 GCIM Results**

Table 1 below summarizes overall performance under the GCIM during the last 31 years. Notably, SoCalGas retail core customers captured the vast majority of the benefits of reduced gas costs relative to the GCIM benchmark (Benchmark) and have realized \$2.0 billion out of the total \$2.3 billion in lower gas commodity costs. Additionally, a GCIM Summary for the past 31 years that provides details on the comparison to benchmark sharing band amounts is included in Appendix A.

**TABLE 1**  
**GCIM PERFORMANCE**  
**YEAR ENDED MARCH 31\***

Year	GCIM	Net Purchases (Citygate Volumes)		Net Gas Cost		Benchmark Gas Commodity Cost		Comparison to Benchmark (\$Millions)		
		Million MMBtu/d	Million MMBtu	Total (\$ Millions)	Unit Cost (\$/MMBtu)	Total (\$ Millions)	Unit Cost (\$/MMBtu)	Customer Savings	Shareholder Award	Total
1995	1	0.76	277	445	1.61	441	1.59	(1.1)	0.0	(1.1)
1996	2	0.66	243	322	1.33	326	1.35	3.2	3.2	6.4
1997	3	0.66	243	530	2.18	550	2.27	10.6	10.6	21.2
1998	4	0.66	241	542	2.25	549	2.28	4.8	2.0	6.8
1999	5	0.75	275	520	1.89	538	1.95	10.4	7.7	18.1
2000	6	1.06	385	902	2.34	926	2.40	14.4	9.8	24.2
2001	7	1.09	398	2,055	5.16	2,279	5.72	192.8	30.8	223.6
2002	8	1.01	370	1,159	3.13	1,349	3.64	172.4	17.4	189.8
2003	9	1.03	376	1,333	3.55	1,373	3.65	32.7	6.3	39.0
2004	10	1.02	374	1,730	4.63	1,757	4.70	24.6	2.4	27.0
2005	11	1.03	375	2,103	5.61	2,134	5.69	28.9	2.5	31.4
2006	12	1.06	387	2,923	7.54	2,992	7.72	59.3	9.8	69.1
2007	13	1.02	372	2,135	5.74	2,192	5.89	48.8	8.9	57.7
2008	14	1.03	376	2,349	6.25	2,399	6.38	43.6	6.5	50.1
2009	15	1.15	418	2,661	6.36	2,737	6.54	63.6	12.0	75.6
2010	16	1.11	406	1,548	3.82	1,588	3.91	33.9	6.0	39.9
2011	17	1.11	406	1,559	3.84	1,600	3.94	34.7	6.2	40.9
2012	18	1.18	432	1,547	3.58	1,585	3.67	32.1	5.4	37.5
2013	19	1.06	387	1,107	2.86	1,141	2.95	28.9	5.8	34.7
2014	20	1.05	382	1,485	3.88	1,556	4.07	56.7	13.7	70.4
2015	21	0.99	361	1,368	3.79	1,411	3.91	35.9	7.3	43.1
2016	22	0.92	337	772	2.29	800	2.38	23.1	5.0	28.1
2017	23	1.01	368	994	2.70	1,021	2.77	23.0	4.2	27.2
2018	24	1.02	371	974	2.63	1,036	2.80	50.4	11.4	61.8
2019	25	1.00	364	1,145	3.15	1,251	3.44	88.7	16.8	105.5
2020	26	1.11	404	854	2.12	936	2.32	69.2	12.8	82.0
2021	27	1.01	369	743	2.01	928	2.51	173.6	11.1	184.7
2022	28	1.09	398	1,896	4.77	2,018	5.07	99.9	22.3	122.2
2023	29	1.02	371	4,186	11.29	4,603	12.42	395.0	22.7	417.6
2024	30	0.99	362	1,213	3.36	1,288	3.56	60.4	13.9	74.3
2025	31	0.91	331	790	2.39	832	2.51	33.8	8.4	42.1
<b>Total GCIM Years</b>		0.99	11,158	43,890	3.93	46,136	4.13	1,948.0	302.9	2,251.0

Note 1: Numbers may not add up exactly due to rounding.

Note 2: GCIM Year 30 decision is pending.

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

As indicated in Table 1 for GCIM Year 31, Gas Acquisition acquired gas at \$42.1 million below the Benchmark, providing core customers with a benefit of \$33.8 million in lower gas commodity costs. The Benchmark consists of a volume-weighted average of published indices for the locations where Gas Acquisition purchases gas for its core customers. Gas Acquisition’s average

Net Unit Cost was \$2.39/MMBtu, which is \$0.12/MMBtu below the Benchmark Unit Cost of \$2.51/MMBtu.

During GCIM Year 31, Gas Acquisition purchased a net 331 million MMBtus of gas for its retail core load. Gas Acquisition's interstate capacity rights, which are primarily on the El Paso, Transwestern, Kern River and Gas Transmission Northwest pipeline systems, enabled the retail core procurement requirements to be met mostly through basin purchases including San Juan, Permian, Rockies and Western Canada, which were supplemented with purchases at the California border and SoCal Citygate.

Table 2 below provides details on the GCIM Year 31 under benchmark amount by showing (1) total benchmark costs broken down by transportation cost and commodity cost; (2) total actual costs broken down by transportation and commodity; (3) Secondary Market Services (SMS) net revenues; and (4) net hedging gains or losses broken down by winter hedges and other hedges.

**TABLE 2**  
**GCIM BENCHMARK AND ACTUAL COSTS**  
**YEAR ENDED MARCH 31, 2025**

	Benchmark	Actual	Over/(Under) Benchmark
Commodity	\$ 817,156,584	\$ 787,720,449	(29,436,135)
SMS Net Revenue		(20,079,592)	(20,079,592)
Off System Park and Loans		(837,500)	(837,500)
Hedging (25% WH + Other)*	14,807,146	23,018,003	8,210,857
Total Commodity	831,963,730	789,821,359	(42,142,370)
Transportation	370,118,488	370,118,488	-
Total	1,202,082,218	1,159,939,848	(42,142,370)

  

		Ratepayers' Share	Shareholders' Share
1% Tolerance Band - 100% Ratepayer	\$ 8,319,637	\$ 8,319,637	\$ -
Amount Subject to 75%/25% Sharing	33,278,549	24,958,912	8,319,637
Amount Subject to 90%/10% Sharing	544,184	489,765	54,418
Excess of 1.5% Shareholder Cap - 100% Ratepayer	-	-	-
Total	42,142,370	33,768,315	8,374,056
		80%	20%

  

Hedging Costs/(Revenue)	Total	* Included in GCIM
Other	\$ 1,006	\$ 1,006
Winter Financial Transactions	2,282,815	570,704
Winter Physical Transactions	89,785,172	22,446,293
Total Hedging	92,068,993	23,018,003

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

Total benchmark costs for GCIM Year 31 were \$1,202,082,218 and total actual costs were \$1,159,939,848 which resulted in the under-benchmark amount of \$42,142,370. Included in total actual costs are \$787,720,449 of commodity costs, \$370,118,488 of transportation costs, \$837,500 of off-system park and loan revenues, net SMS revenues of \$20,079,592 and net hedging costs of \$23,018,003. Hedging costs included in the GCIM calculation consist of 25% of winter hedge activity and 100% of all other hedging activity. Details on winter hedge activity are provided in

the “Winter Hedge Activity” section below. The ratepayers’ share of the under-benchmark amount is \$33,768,315 or 80% of the total, with the remaining 20% allocated to shareholders.

Table 3 below is a comparison of GCIM Year 31 costs with GCIM Year 30 costs broken down by (1) Commodity Costs; (2) Transportation Costs (3) SMS Net Revenues; (4) Off-System Park and Loan Costs and (5) Net Hedging Costs/Revenues including winter hedge transactions.

**TABLE 3**  
**COMPARISON OF GCIM YEAR 31 AND YEAR 30**  
**BENCHMARK AND ACTUAL COSTS**  
**YEAR ENDED MARCH 31**

	<u>Year 31</u>	<u>Year 30</u>	<u>Difference</u>
Commodity Benchmark	\$ 831,963,730	\$ 1,287,677,197	\$ (455,713,467)
Commodity Actual	787,720,449	1,113,360,461	(325,640,013)
SMS Net Revenue	(20,079,592)	(13,676,610)	(6,402,982)
Off System Park and Loans	(837,500)	(899,800)	62,300
Hedging (25% WH + Other)*	<u>23,018,003</u>	<u>114,626,117</u>	<u>(91,608,114)</u>
Total Commodity	789,821,359	1,213,410,168	(423,588,809)
Over/(Under) Benchmark	<u>(42,142,370)</u>	<u>(74,267,029)</u>	<u>32,124,659</u>
Ratepayers' Share	\$ 33,768,315	\$ 60,401,940	\$ (26,633,625)
Shareholders' Share	<u>8,374,056</u>	<u>13,865,089</u>	<u>(5,491,033)</u>
	42,142,370	74,267,029	(32,124,659)
Transportation	\$ 370,118,488	\$ 333,329,010	\$ 36,789,478
<u>Hedging Costs/(Revenue)</u>			
Other	\$ 1,006	\$ 2,785	\$ (1,779)
Winter Financial Transactions	2,282,815	12,296,000	(10,013,185)
Winter Physical Transactions	<u>89,785,172</u>	<u>446,197,326</u>	<u>(356,412,154)</u>
Total Hedging	<u>92,068,993</u>	<u>458,496,111</u>	<u>(366,427,119)</u>
*Included in GCIM (25% WH + Other)	\$ 23,018,003	\$ 114,626,117	\$ (91,608,114)

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



The commodity benchmark for GCIM Year 31 was \$455,713,467 lower than the commodity benchmark for GCIM Year 30. This decrease was driven by lower published index prices used to calculate the benchmark for GCIM Year 31 compared to GCIM Year 30. Actual commodity costs for GCIM Year 31 were \$325,640,013 lower than GCIM Year 30 due to lower gas purchase prices. GCIM Year 31 net SMS revenue totaling \$20,079,592 was higher than GCIM Year 30 by \$6,402,982. Hedging costs included in GCIM Year 31 were \$23,018,003 compared to \$114,626,117 in GCIM Year 30. Off-system park and loan activities in GCIM Year 31 resulted in revenue of \$837,500 as opposed to GCIM Year 30 revenue of \$899,800. Each of these factors contributed to an under-benchmark amount for GCIM Year 31 that was \$32,124,659 lower than in GCIM Year 30. Transportation costs for GCIM Year 31 were approximately \$37 million higher than in GCIM Year 30. Actual transportation costs are included in both the benchmark and actual costs and do not impact the over/(under) benchmark amount, or the ratepayer and shareholder share of the under-benchmark cost savings.

#### **IV. Description of Gas Procurement Activities**

The GCIM encourages SoCalGas's Gas Acquisition Department, on behalf of its retail core customers, to manage gas costs and mitigate price volatility proactively using physical and financial trades, storage, and interstate pipeline capacity. The Gas Acquisition Department operates under a robust governance framework subject to oversight and participation by other Company groups including, but not limited to, Enterprise Market and Credit Risk Management, Legal, and Accounting & Finance. Additionally, SoCalGas's Market Activity Policy establishes the governance framework for energy procurement activities conducted by Gas Acquisition. SoCalGas's Gas Acquisition Department has expertise in fundamental market analysis, gas trading, gas transportation, risk management, and back-office operations. This expertise has

continually developed over the last thirty years of operation under the GCIM. As a result, and consistent with prior GCIM years, Gas Acquisition effectively managed its gas procurement activities during GCIM Year 31 and provided reliable gas supplies at reasonable gas commodity costs for retail core customers given existing market conditions.

GCIM Year 31 results continue to show that the GCIM program is successful in meeting the objectives established in D.90-07-065 and R.90-02-008:

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

SoCalGas's Gas Acquisition procurement activities were conducted to achieve the primary objectives of supply reliability at a reasonable cost within the context of the market conditions previously described. Gas Acquisition accomplished these objectives in GCIM Year 31 by:

- Meeting retail core requirements during the peak demand season (November to March) with firm long-term contracts,<sup>2</sup> monthly baseload, and after-market purchases. In GCIM Year 31, Gas Acquisition maintained a gas supply portfolio comprised of long-term supply transactions (75%) and month-to-month baseload

---

<sup>2</sup> Contracts with terms greater than one month.

transactions (23%). Daily purchase and sale transactions, while significant in absolute volumes, contributed 2% on a net basis.<sup>3</sup>

- Meeting its share of the January, February, March 2025 month-end minimum storage targets.<sup>4</sup>
- Reaching a core purchased inventory level of 71.16 Bcf on July 31<sup>st</sup>, 2024, which met Gas Acquisition's 47 Bcf mid-season target.
- Reaching a core physical storage inventory on October 31<sup>st</sup>, 2024, of 78.73 Bcf (reflects a negative net SMS position and includes 3.62 Bcf of Core Transportation Aggregation (CTA) volumes) which falls within the November 1 GCIM target of 80.025 Bcf +0/-2 Bcf.
- Managing the use of the rights and assets assigned to the retail core including storage inventory, injection and withdrawal rights, and flowing supply through execution of SMS transactions with fees based on existing market conditions and completed on a non-discriminatory basis. SMS transactions continued to contribute to lowering overall gas costs by using retail core assets when not directly needed for reliability.
- Performing physical and financial trades on behalf of retail core customers to reduce retail core gas costs.
- Utilizing Gas Acquisition's interstate and Backbone Transportation Service (BTS) capacity rights to provide portfolio supply diversification and to lower the cost of gas by accessing lower-cost basin supplies.

---

<sup>3</sup> Excluding 75% volumes associated with Winter Hedge Physical Purchases and Sales.

<sup>4</sup> Provided in the Southern California Gas Company Winter 2024-2025 Technical Assessment dated October 28, 2024.

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

### **Interstate Capacity**

Pursuant to D.04-09-022 and Advice Letters (AL) 3969 and 5254, SoCalGas submitted AL 6033 on September 21, 2022, to update the capacity planning range for the combined portfolio of SoCalGas and SDG&E for GCIM Years 30 and 31 based on the 2022 California Gas Report core procurement load forecasts for SoCalGas and SDG&E.<sup>5</sup> The minimum firm capacity required for the period April to October 2024 was established at 865 MDth/day, while the minimum required for November 2024 to March 2025 was 961 MDth/day. Appendix C to this report shows that SoCalGas's interstate capacity holdings during each month of GCIM Year 31 met these minimum capacity requirements and did not exceed the maximum requirements.

### **Winter Hedging Activity**

In compliance with D.10-01-023 issued on January 25, 2010, which adopted an incentive framework to motivate optimal use of natural gas hedging for California utilities and modified the

---

<sup>5</sup> Details on the calculation of the capacity planning range are in AL 6033 Attachment A "SoCalGas's Combined Portfolio Calculations and Workpapers based on the 2022 California Gas Report".

treatment of hedging costs and revenue for SoCalGas and SDG&E, SoCalGas continued to include 25% of costs and revenue from Gas Acquisition's winter hedging activities in the calculation of GCIM total actual costs. In GCIM Year 31, SoCalGas's winter hedge activities resulted in a \$32,839,403 total cost above benchmark prices of which 25% or \$8,209,851 was included in the GCIM under benchmark amount. The remaining 75% or \$24,629,552 of the cost above benchmark was allocated to ratepayers outside of the GCIM. For GCIM Year 31, the winter hedge transactions were mostly physical gas purchases and sales that were received/delivered; thus, the winter hedge costs/revenues were subject to the same benchmark as other physical transactions. The total net cost for winter hedge physical gas transactions was \$89,785,172 of which 25% or \$22,446,293 was included in the GCIM calculation subject to a benchmark amount of \$14,807,146 which resulted in the over-benchmark amount of \$7,639,147. Winter hedge financial transactions for GCIM Year 31 resulted in a net cost of \$2,282,815 of which 25% or \$570,704 was included in the GCIM.

The Public Advocates Office (Cal PA) and Energy Division staff were kept informed of SoCalGas's winter hedge activity primarily via bi-weekly conference calls during GCIM Year 31.

## **V. GCIM Monitoring and Evaluation**

Throughout the GCIM program, SoCalGas works closely with Cal PA and Energy Division to establish an efficient monitoring and timely reporting system to keep Cal PA and Energy Division informed of Gas Acquisition's activities (e.g., bi-weekly meeting conference calls).<sup>6</sup> Pursuant to the provisions of General Order 66-D Revision 2 and D.21-09-020, SoCalGas provides a monthly report, 60 days after the end of each month, to Cal PA and Energy Division on a confidential basis. These reports include a calculation of year-to-date GCIM benefit to retail core customers, total

---

<sup>6</sup> The Utility Reform Network, or TURN, is also invited to these meetings.

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

SoCalGas also communicates frequently with Cal PA and the Energy Division on all important Gas Acquisition issues during Year 31, including market conditions, system outages and winter hedging activities. Finally, SoCalGas's GCIM activities abide by the CPUC Affiliate Transaction Rules. Appendix B contains SoCalGas's Annual Report on Affiliate Transactions Section C: Utility Provision of Goods and Services to Its Affiliated Entities and Section D: Affiliated Entities Provision of Goods and Services to the Utility.

## **VI. Recommendations**

SoCalGas concludes from its GCIM Year 31 results that the GCIM continues to be a successful program that provides measurable and substantive benefits to SoCalGas's core customers. During Year 31, each of the CPUC established objectives for incentive regulation as summarized in Section IV were met, in addition to SoCalGas's primary objectives of supply security and reliability at a reasonable cost. SoCalGas was able to purchase gas at \$42.1 million below the GCIM benchmark, resulting in a core ratepayer benefit of \$33.8 million in lower gas costs. As a result of this performance below benchmark, SoCalGas's Year 31 shareholder reward is calculated pursuant to the GCIM formula in SoCalGas Preliminary Statement Part VIII to be \$8.4 million. Therefore, SoCalGas recommends that the Commission approve a GCIM Year 31 shareholder reward of \$8,374,056.

## **Appendix A**

### Summary of GCIM Results to Date

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

GCIM Year	Benchmark Dollars	Actual Dollars	(Over)/Under Benchmark	Upper Tolerance Band *	100% Ratepayer Lower Tolerance** 0.0% - 0.5%	100% Ratepayer Lower Tolerance** 0.0% - 1.0%	75% Ratepayer/ 25% Shareholder Sharing Band 1.0% - 5.0%	90% Ratepayer/ 10% Shareholder Sharing Band 5.0% - Cap	100% Ratepayer Excess of Cap > 1.5% Cap	Subject to Sharing**
1	\$ 567,448,362	\$ 568,566,020	\$ (1,117,658)	\$ 17,089,530	N/A	N/A	N/A	N/A	N/A	\$ -
2	\$ 448,713,459	\$ 442,313,459	\$ 6,400,000	\$ 13,058,694	N/A	N/A	N/A	N/A	N/A	\$ 6,400,000
3	\$ 680,061,509	\$ 658,875,670	\$ 21,185,839	\$ 22,014,554	N/A	N/A	N/A	N/A	N/A	\$ 21,185,839
4	\$ 672,131,591	\$ 665,307,357	\$ 6,824,234	\$ 10,977,634	\$ 2,744,409	N/A	N/A	N/A	N/A	\$ 4,079,825
5	\$ 649,294,620	\$ 631,138,278	\$ 18,156,342	\$ 10,761,348	\$ 2,690,337	N/A	N/A	N/A	N/A	\$ 15,466,005
6	\$ 1,061,264,614	\$ 1,037,113,228	\$ 24,151,386	\$ 18,527,592	\$ 4,631,898	N/A	N/A	N/A	N/A	\$ 19,519,488
7	\$ 2,411,105,910	\$ 2,187,533,957	\$ 223,571,953	\$ 45,580,915	N/A	\$ 22,790,458	\$ 91,161,830	\$ 80,361,297	\$ 29,258,368	\$ 171,523,127
8	\$ 1,480,091,362	\$ 1,290,296,698	\$ 189,794,664	\$ 26,979,670	N/A	\$ 13,489,835	\$ 53,959,340	\$ 38,983,224	\$ 83,362,266	\$ 92,942,563
9	\$ 1,506,037,786	\$ 1,467,033,460	\$ 39,004,326	\$ 27,458,164	N/A	\$ 13,729,082	\$ 25,275,244	N/A	N/A	\$ 25,275,244
10	\$ 1,892,688,526	\$ 1,865,659,816	\$ 27,028,710	\$ 35,140,805	N/A	\$ 17,570,403	\$ 9,458,308	N/A	N/A	\$ 9,458,308
11	\$ 2,277,899,575	\$ 2,246,521,573	\$ 31,378,002	\$ 42,689,291	N/A	\$ 21,344,646	\$ 10,033,356	N/A	N/A	\$ 10,033,356
12	\$ 3,126,842,590	\$ 3,057,709,957	\$ 69,132,633	\$ 59,836,552	N/A	\$ 29,918,276	\$ 39,214,357	N/A	N/A	\$ 39,214,357
13	\$ 2,308,210,816	\$ 2,250,470,333	\$ 57,740,483	\$ 43,849,020	N/A	\$ 21,924,510	\$ 35,815,973	N/A	N/A	\$ 35,815,973
14	\$ 2,513,802,467	\$ 2,463,728,945	\$ 50,073,522	\$ 47,972,531	N/A	\$ 23,986,266	\$ 26,087,256	N/A	N/A	\$ 26,087,256
15	\$ 2,894,131,587	\$ 2,818,571,496	\$ 75,560,091	\$ 54,736,539	N/A	\$ 27,368,269	\$ 48,191,822	N/A	N/A	\$ 48,191,822
16	\$ 1,753,539,090	\$ 1,713,612,056	\$ 39,927,034	\$ 31,756,473	N/A	\$ 15,878,237	\$ 24,048,797	N/A	N/A	\$ 24,048,797
17	\$ 1,750,392,490	\$ 1,709,500,858	\$ 40,891,632	\$ 32,006,773	N/A	\$ 16,003,387	\$ 24,888,245	N/A	N/A	\$ 24,888,245
18	\$ 1,742,334,582	\$ 1,704,835,267	\$ 37,499,315	\$ 31,696,187	N/A	\$ 15,848,094	\$ 21,651,221	N/A	N/A	\$ 21,651,221
19	\$ 1,308,126,351	\$ 1,273,387,819	\$ 34,738,531	\$ 22,829,340	N/A	\$ 11,414,670	\$ 23,323,861	N/A	N/A	\$ 23,323,861
20	\$ 1,737,216,795	\$ 1,666,818,834	\$ 70,397,961	\$ 31,115,453	N/A	\$ 15,557,726	\$ 54,840,235	N/A	N/A	\$ 54,840,235
21	\$ 1,598,485,093	\$ 1,555,377,080	\$ 43,108,013	\$ 28,217,182	N/A	\$ 14,108,591	\$ 28,999,422	N/A	N/A	\$ 28,999,422
22	\$ 996,287,032	\$ 968,124,520	\$ 28,162,512	\$ 16,006,729	N/A	\$ 8,003,365	\$ 20,159,148	N/A	N/A	\$ 20,159,148
23	\$ 1,237,875,858	\$ 1,210,673,619	\$ 27,202,239	\$ 20,429,693	N/A	\$ 10,214,847	\$ 16,987,393	N/A	N/A	\$ 16,987,393
24	\$ 1,282,690,267	\$ 1,220,968,072	\$ 61,722,195	\$ 20,723,318	N/A	\$ 10,361,659	\$ 41,446,636	\$ 9,913,900	N/A	\$ 51,360,536
25	\$ 1,474,431,952	\$ 1,368,973,255	\$ 105,458,697	\$ 25,011,300	N/A	\$ 12,505,650	\$ 50,022,600	\$ 42,930,447	N/A	\$ 92,953,047
26	\$ 1,192,981,598	\$ 1,111,009,145	\$ 81,972,454	\$ 18,714,713	N/A	\$ 9,357,356	\$ 37,429,426	\$ 34,490,914	\$ 694,757	\$ 71,920,340
27	\$ 1,200,571,089	\$ 1,015,826,118	\$ 184,744,972	\$ 18,553,200	N/A	\$ 9,276,600	\$ 37,106,400	\$ 18,671,254	\$ 119,690,717	\$ 55,777,654
28	\$ 2,298,535,046	\$ 2,176,318,313	\$ 122,216,733	\$ 40,366,715	N/A	\$ 20,183,358	\$ 80,733,430	\$ 21,299,946	N/A	\$ 102,033,376
29	\$ 4,896,806,733	\$ 4,479,165,500	\$ 417,641,233	\$ 92,064,767	N/A	\$ 46,032,384	\$ 184,129,534	\$ 167,515,733	\$ 19,963,582	\$ 351,645,267
30	\$ 1,621,006,207	\$ 1,546,739,178	\$ 74,267,029	\$ 25,753,544	N/A	\$ 12,876,772	\$ 51,507,088	\$ 9,883,169	\$ -	\$ 61,390,257
31	\$ 1,202,082,218	\$ 1,159,939,848	\$ 42,142,370	\$ 16,639,275	N/A	\$ 8,319,637	\$ 33,278,549	\$ 544,184	\$ -	\$ 33,822,733
	<b>\$ 51,783,087,177</b>	<b>\$ 49,532,109,727</b>	<b>\$ 2,250,977,450</b>	<b>\$ 948,557,503</b>	<b>\$ 10,066,644</b>	<b>\$ 428,064,075</b>	<b>\$ 1,069,749,471</b>	<b>\$ 424,594,068</b>	<b>\$ 252,969,691</b>	<b>\$ 1,560,994,698</b>

\* Upper Tolerance band of 4.5% for GCIM Year 1, 4% for Years 2 - 3, and 2% for Years 4 - 31.

\*\* For Years 4-6, GCIM Gain/(Loss) subject to sharing is the Amount Under Benchmark less the 0.5% Lower Tolerance Band. For Years 7-31, the Gain/(Loss) subject to sharing is the Amount Under Benchmark less the 1% Lower Tolerance Band, pursuant to D.02-06-023

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



## **Appendix B**

### **Annual Report on Affiliate Transactions**



# Southern California Gas Company

## Annual Report on Affiliate Transactions

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

**SOUTHERN CALIFORNIA GAS COMPANY**  
**2024 Affiliate Transaction Annual Report**  
**Section C: Utility Provision of Goods and Services to Its Affiliated Entities**

Response to Affiliate Transaction Reporting Requirements Section:

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

**Request Nos. 1-7:**

1. Using the format of Table II-C, each utility shall report any goods and/or services that the utility provided to any of its affiliated entities during the period covered by the annual report. All goods and/or services shall be reported regardless of whether or not the utility was reimbursed.
2. For purposes of this section, and section II-D, "Goods" are defined as any tangible item having economic value. Examples of "goods" include office supplies, office computers, and personal automobiles. No item shall qualify as a good if it has:
  - a) A depreciable life, for federal tax purposes, of more than 3 years, except for cars, personal computers, and office machinery<sup>1</sup>; and
  - b) A value of greater than \$20,000.

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

3. For purposes of this section, "Services" includes any activity of economic value provided by the utility, or a company under contract to the utility, to any affiliated entity. Examples of "services" include, but are not limited to the provision of professional expertise (e.g., legal, consulting, engineering), administrative support, (e.g., data and payroll processing, arranging travel, transportation services, etc.) and general corporate management and support activities (e.g., time spent by corporate executives and employees on affiliated entity issues, investor relations, shareholder services, etc.).
4. The cost of each good and/or service that the utility provided to any of its affiliated entities shall be assigned to an appropriate Uniform System of Accounts (USOA).
5. Using the format shown, each utility shall create a table entitled (Table II-C), containing:
  - A set of columns by listing horizontally across the top each affiliated entity of the utility excluding, however, any affiliated entities to which the utility provided no goods and/or services during the calendar year;

---

<sup>1</sup> See Section 1240, "Classes of Depreciable Property", 1992 U.S. Master Tax Guide (Commerce Clearing House) discussing Internal Revenue Code sections 1245 and\*1250.

**SOUTHERN CALIFORNIA GAS COMPANY**  
**2024 Affiliate Transaction Annual Report**  
**Section C: Utility Provision of Goods and Services to Its Affiliated Entities**

Response to Affiliate Transaction Reporting Requirements Section:

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

**Request Nos. 1-7 (Cont'd):**

- A set of rows by listing vertically down the left side of Table II-C each USOA account (listed in ascending order) for which the utility had incurred a cost (whether or not reimbursed) for providing any good or service to an affiliated entity.
  - The middle portions of Table II-C corresponding to each horizontal column and vertical row will be called cells.
6. For each cell in Table II-C the utility shall aggregate all transactions for goods and/or services it provided to each affiliated entity under:
- a) The appropriate column heading for that affiliated entity; and,
  - b) The row corresponding to the appropriate USOA account category.
7. The following information shall be reported in the corresponding cells of Table II-C:
- The total transfer price assigned to this USOA account for any goods or services provided by the utility to the affiliated entity;
  - The allocated cost, if different from the transfer price, for any goods or services provided by the utility to the affiliated entity;
  - Allocated costs as a percentage of total recorded costs for the USOA account;
  - The ratio for each USOA account of the actual total recorded expenses versus total expenses authorized in the utility's most recent General Rate Case (expressed as a percentage).

**Response Nos. 1-7:**

See attached Table II-C for charges to affiliates.

**SOUTHERN CALIFORNIA GAS COMPANY**  
**2024 Affiliate Transaction Annual Report**  
**Section C: Utility Provision of Goods and Services to Its Affiliated Entities**

Response to Affiliate Transaction Reporting Requirements Section:

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

**Request No. 8:**

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

**Response No. 8:**

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

- (A) All services provided by SoCalGas are billed at fully loaded cost. In the case of labor charges, “fully loaded” costs include associated labor, indirect overheads and, where applicable, a labor premium. For the shared service labor billed to the unregulated affiliates, a 5% premium is applied to fully loaded labor costs. For non-shared services to unregulated, energy-related affiliates, a 10% premium is applied to direct non-executive labor and a 15% premium is applied to direct executive labor. The Enova/Pacific Enterprises Merger Decision (D.98-03-073) requires these additional labor premiums.
- (B) In most circumstances where a SoCalGas employee transfers to an affiliate company, the Enova/Pacific Enterprises Merger Decision (D.98-03-073) requires that Employee Transfer fees be charged to the affiliate. These costs are included under Human Resources and do not require overhead loading or add-on costs.
- (C) SoCalGas sold natural gas supplies to Sempra Generation during the reporting period:

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

**SOUTHERN CALIFORNIA GAS COMPANY**  
**2024 Affiliate Transaction Annual Report**  
**Section C: Utility Provision of Goods and Services to Its Affiliated Entities**

Response to Affiliate Transaction Reporting Requirements Section:

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

**Request No. 9:**

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

**Response No. 9:**

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

**USOA Account 146**

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

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

**Accounting & Finance**

This category includes services from the management accounting rotation program.

**Human Resources**

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

**Information Technology**

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

**Oil/Gas Assessment & Extraction**

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

**SOUTHERN CALIFORNIA GAS COMPANY**  
**2024 Affiliate Transaction Annual Report**  
**Section C: Utility Provision of Goods and Services to Its Affiliated Entities**

Response to Affiliate Transaction Reporting Requirements Section:

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

**Response No. 9 (Cont'd):**

**Depreciation**

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

**Real Estate & Facilities**

This category includes services such as real estate management, rent management, capital facilities, and operational/maintenance programs.

**USOA Account 803**

**Gas Sales**

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

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

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

**SOUTHERN CALIFORNIA GAS COMPANY**  
**2024 Affiliate Transaction Annual Report**  
**Section C: Utility Provision of Goods and Services to Its Affiliated Entities**  
**Attachment C-1: Table II-C Utility to Affiliate Entities for Year End 12/31/24**

USOA Acct	Item/Services Description	Cost Allocation Methodology	Sempra	Pacific Enterprise Oil Company	Sempra Infrastructure Services	Sempra Gas & Power Marketing, LLC	Total
146	Accounting & Finance	A	\$ 256,700	\$ -	\$ -	\$ -	256,700
	Corporate Budgets	A	\$ 1,424	\$ -	\$ -	\$ -	1,424
	Human Resources	A & B	\$ 9,664,149	\$ -	\$ 32,805	\$ -	9,696,954
	Information Technology	A	\$ 1,646,089	\$ -	\$ -	\$ -	1,646,089
	Oil/Gas Assessment & Extraction	A	\$ -	\$ 25,941	\$ -	\$ -	25,941
	Depreciation	A	\$ 4,704,335	\$ -	\$ 101,143	\$ -	4,805,478
	Real Estate & Facilities	A	\$ 951,905	\$ -	\$ -	\$ -	951,905
803	Gas Sales	C	\$ -	\$ -	\$ -	\$ 5,053,200	5,053,200
	Total		<b>\$ 17,224,602</b>	<b>\$ 25,941</b>	<b>\$ 133,947</b>	<b>\$ 5,053,200</b>	<b>22,437,690</b>





# Southern California Gas Company

## Annual Report on Affiliate Transactions

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

**SOUTHERN CALIFORNIA GAS COMPANY**  
**2024 Affiliate Transaction Annual Report**  
**Section D: Affiliated Entities Provision of Goods and Services To the Utility**

Response to Affiliate Transaction Reporting Requirements Section:

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

**Request Nos. 1-9:**

1. Section C required each utility to report goods and/or services that it provided to its affiliated entities. This section (Section D), requires the reporting of all goods and/or services that the affiliated entities provided to the utility.
2. Each utility shall report any goods and/or services that were provided to it by any of its affiliated entities during the period covered by the annual report. All goods and/or services shall be reported regardless of whether or not the affiliated entity was reimbursed.
3. For purposes of this section, "Goods" has the same meaning as used in Section C above.
4. For purposes of this section, "Services" includes any activity of economic value provided by the affiliated entity, or any company under contract to the affiliated entity, to the utility. The examples of the types of services listed in #3 of Section II-C above are applicable to this section as well. Purchases of natural gas or electric energy from any affiliated entity should be reported in this section.
5. The cost of each good and/or service that the affiliated entity provided to the utility shall be assigned by the utility to an appropriate USOA Account of the utility.
6. Using the format shown, each utility shall create a table (entitled Table II-D-1), containing:
  - A set of columns by listing horizontally across the top of Table II-D-1 each affiliated entity listed in Table II-A-1, excluding, however, any affiliated entities which provided no goods and/or services to the utility during the calendar year.
  - A set of rows by listing vertically down the left side of Table II-D-1 each USOA account (listed in ascending order) for which the utility had incurred a cost for goods and/or services provided by the affiliated entity.
  - The middle portions of Table II-D-1, corresponding to each horizontal column and vertical row, will be called cells.

**SOUTHERN CALIFORNIA GAS COMPANY**  
**2024 Affiliate Transaction Annual Report**  
**Section D: Affiliated Entities Provision of Goods and Services To the Utility**

Response to Affiliate Transaction Reporting Requirements Section:

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

**Request Nos. 1-9 (Cont'd):**

7. For each cell in Table II-D-1, the utility shall aggregate all transactions for goods and/or services provided by the affiliated entity under:
  - 1) The-appropriate column heading for that affiliated entity; and,
  - 2) The row corresponding to the appropriate USOA account category.
8. The following information shall be reported in the corresponding cells of Table II-D-1;
  - The total transfer price assigned to this USOA account for any goods or services provided by the affiliated entity to the utility;
  - The allocated cost, if different from the transfer price, as calculated by the affiliated entity as the cost for any goods or services provided to the utility;
  - The fair market value of the goods and service provided, if determined;
  - Allocated costs as a percentage of total recorded costs for the USOA account.
9. At the end of each row, each utility shall briefly list the applicable methodology used to determine allocated cost and transfer price as well as any calculations and reviews utilized to determine fair market value.

**Response Nos. 1-9:**

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

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

**SOUTHERN CALIFORNIA GAS COMPANY**  
**2024 Affiliate Transaction Annual Report**  
**Section D: Affiliated Entities Provision of Goods and Services To the Utility**

Response to Affiliate Transaction Reporting Requirements Section:

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

**Request No. 10:**

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

**Response No. 10:**

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

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

**USOA Account 107: Construction Work in Progress (CWIP)**

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

**USOA Account 165: Prepayments**

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

**USOA Account 184: Clearing Accounts**

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

**SOUTHERN CALIFORNIA GAS COMPANY**  
**2024 Affiliate Transaction Annual Report**  
**Section D: Affiliated Entities Provision of Goods and Services To the Utility**

Response to Affiliate Transaction Reporting Requirements Section:

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

**Response No. 10 (Cont'd):**

**USOA Account 417: Expenses of Nonutility Operations**

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

**USOA Account 426: Expenditures for certain civic, political and related activities.**

This account shall include miscellaneous expense items which are nonoperating in nature but which are properly deductible before determining total income before interest charges.

**USOA Account 803: Natural Gas Transmission Line Purchases**

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

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

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

**USOA Account 832: Maintenance of Reservoirs and Wells**

This account includes the cost of labor, materials used and expenses incurred in the maintenance of reservoirs and wells.

**USOA Account 859: Other expenses**

This account shall include the cost of labor, material used and expenses incurred in operating transmission system equipment and other transmission system expenses not includible in any of the foregoing accounts, including research, development, and demonstration expenses.

**SOUTHERN CALIFORNIA GAS COMPANY**  
**2024 Affiliate Transaction Annual Report**  
**Section D: Affiliated Entities Provision of Goods and Services To the Utility**

Response to Affiliate Transaction Reporting Requirements Section:

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

**Response No. 10 (Cont'd):**

**USOA Account 910: Miscellaneous Customer Service and Informational Expenses**

This account includes the cost of labor, materials utilized, and expenses incurred in providing customer service and informational activities, which are not includible in other customer information expense accounts.

**USOA Account 923: Outside Services Employed**

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

**USOA Account 924: Property Insurance**

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

**USOA Account 925: Injuries and Damages**

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

**USOA Account 926: Employee Pensions and Benefits**

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

**USOA Account 928: Regulatory Commission Expenses**

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

**SOUTHERN CALIFORNIA GAS COMPANY**  
**2024 Affiliate Transaction Annual Report**  
**Section D: Affiliated Entities Provision of Goods and Services To the Utility**

Response to Affiliate Transaction Reporting Requirements Section:

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

**Response No. 10 (Cont'd):**

**USOA Account 930: Miscellaneous General Expenses**

This account includes the cost of labor and expenses incurred in connection with the general management of the Southern California Gas Company not provided for elsewhere.

**Request No. 11 :**

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

**Response No. 11:**

During 2024, the utility did not conduct any studies for the purpose of comparing the cost of goods or services provided during the year by affiliated entities with the costs provided by unaffiliated providers.

**SOUTHERN CALIFORNIA GAS COMPANY**  
**2024 Affiliate Transaction Annual Report**  
**Section D: Affiliated Entities Provision of Goods and Services To the Utility**  
**Attachment D-1: Table II-D-1 Affiliate Entities to Utility for Year End 12/31/24**

USOA Account	Account Description	Sempra Gas & Power		Total	% of USOA Account
		Sempra	Marketing, LLC		
107	Construction Work In Progress	5,178,866	-	5,178,866	<1.00%
165	Prepayments	15,360,477	-	15,360,477	20.12%
184	Clearing Accounts	2,461,284	-	2,461,284	46.69%
417	Expenses of nonutility operations	5,631,113	-	5,631,113	42.85%
426	Expenditures for certain civic, political and related activities.	1,704,866	-	1,704,866	3.66%
803	Natural Gas Transmission Line Purchases	-	747,120	747,120	<1.00%
832	Maintenance of Reservoirs and Wells	5,002,117	-	5,002,117	49.11%
859	Other Expenses	2,063,194	-	2,063,194	12.69%
910	Miscellaneous Customer Serv And Informational Expe	725,080	-	725,080	33.49%
923	Outside Services Employed	82,646,776	-	82,646,776	39.85%
924	Property Insurance	601,457	-	601,457	8.05%
925	Injuries And Damages	57,435,165	-	57,435,165	74.90%
926	Employee Pensions And Benefits	13,761,754	-	13,761,754	5.16%
928	Regulatory Commission Expenses	139,118	-	139,118	1.81%
930	Miscellaneous General Expenses	209,901	-	209,901	5.86%
<b>Total:</b>		192,921,168	747,120	193,668,288	



## **Appendix C**

### **Southern California Gas Company Core Firm Transportation Capacity Holdings**

Appendix C													
Current Core Firm Transportation Capacity Holdings													
April 2024 - March 2025													
(In MDth/d)													
Pipeline	Region	April 2024	May 2024	June 2024	July 2024	August 2024	September 2024	October 2024	November 2024	December 2024	January 2025	February 2025	March 2025
EPNG	Permian	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0
	San Juan	260.0	271.3	285.0	285.0	285.0	285.0	260.0	409.8	383.9	383.9	383.9	387.6
	Dagmoj	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
	Total	425.0	436.3	450.0	450.0	450.0	450.0	425.0	574.8	548.9	548.9	548.9	552.6
TWPL	Permian	100.0	100.0	100.0	100.0	100.0	100.0	100.0	13.2	13.2	13.2	13.2	13.2
	San Juan	125.0	125.0	79.3	54.3	54.3	84.3	125.0	263.2	263.2	263.2	263.2	263.2
	Total	225.0	225.0	179.3	154.3	154.3	184.3	225.0	276.3	276.3	276.3	276.3	276.3
KERN	Rockies	209.4	209.4	239.0	212.2	212.2	242.2	266.8	222.3	276.7	276.7	276.7	258.5
	Total	209.4	209.4	239.0	212.2	212.2	242.2	266.8	222.3	276.7	276.7	276.7	258.5
MWOPL	Rockies	15.0	15.0	15.0	15.0	15.0	15.0	15.0	0.0	0.0	0.0	0.0	0.0
	Total	15.0	15.0	15.0	15.0	15.0	15.0	15.0	0.0	0.0	0.0	0.0	0.0
NOVA	Canadian Path	54.3	54.3	54.3	54.3	54.3	54.3	54.3	54.3	54.3	54.3	54.3	54.3
	Total	54.3	54.3	54.3	54.3	54.3	54.3	54.3	54.3	54.3	54.3	54.3	54.3
FTHLS	Canadian Path	53.8	53.8	53.8	53.8	53.8	53.8	53.8	53.8	53.8	53.8	53.8	53.8
	Total	53.8	53.8	53.8	53.8	53.8	53.8	53.8	53.8	53.8	53.8	53.8	53.8
GTN	Canadian Path	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5
	Total	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5
PG&E	Canadian Path	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9
	Total	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9
Summary of Capacity by Region													
		April 2024	May 2024	June 2024	July 2024	August 2024	September 2024	October 2024	November 2024	December 2024	January 2025	February 2025	March 2025
Permian		215.0	215.0	215.0	215.0	215.0	215.0	215.0	128.2	128.2	128.2	128.2	128.2
San Juan		385.0	396.3	364.3	339.3	339.3	369.3	385.0	672.9	647.1	647.1	647.1	650.7
Rockies		259.4	259.4	289.0	262.2	262.2	292.2	316.8	272.3	326.7	326.7	326.7	308.5
Canadian Path		51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9	51.9
Grand Total		911.4	922.7	920.3	868.5	868.5	928.5	968.7	1,125.3	1,153.9	1,153.9	1,153.9	1,139.4
Notes:													
The capacity data in this table is grouped by source of supply (i.e. receipt locations), and not displayed for each receipt/delivery point combination.													
For the purpose of calculating the capacity planning range pursuant to D.04-09-022, 1) only the PG&E capacity is included in the Canadian Path, 2) MWOPL is excluded from the Rockies capacity as it is upstream.													
EPNG/Dagmoj gas is sourced from the Rockies region.													

Advice No. 6033 Capacity Range:

Minimum	865.0	865.0	865.0	865.0	865.0	865.0	865.0	865.0	961.0	961.0	961.0	961.0	961.0
Maximum	1,154.0	1,154.0	1,154.0	1,154.0	1,154.0	1,154.0	1,154.0	1,154.0	1,154.0	1,154.0	1,154.0	1,154.0	1,154.0

## **Attachment B**

Southern California Gas Company  
Balance Sheet and Income Statement

**SOUTHERN CALIFORNIA GAS COMPANY**  
**BALANCE SHEET**  
**ASSETS AND OTHER DEBITS**  
**DECEMBER 31, 2024**

<b>1. UTILITY PLANT</b>		<u>2024</u>
101	UTILITY PLANT IN SERVICE	\$27,322,708,031
102	UTILITY PLANT PURCHASED OR SOLD	-
105	PLANT HELD FOR FUTURE USE	-
106	COMPLETED CONSTRUCTION NOT CLASSIFIED	-
107	CONSTRUCTION WORK IN PROGRESS	1,860,874,977
108	ACCUMULATED PROVISION FOR DEPRECIATION OF UTILITY PLANT	(8,339,794,779)
111	ACCUMULATED PROVISION FOR AMORTIZATION OF UTILITY PLANT	(239,879,537)
117	GAS STORED-UNDERGROUND	<u>61,422,045</u>
TOTAL NET UTILITY PLANT		<u><b>20,665,330,737</b></u>

<b>2. OTHER PROPERTY AND INVESTMENTS</b>		
121	NONUTILITY PROPERTY	31,236,718
122	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF NONUTILITY PROPERTY	(14,492,651)
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><b>16,744,068</b></u>

**SOUTHERN CALIFORNIA GAS COMPANY**  
**BALANCE SHEET**  
**ASSETS AND OTHER DEBITS**  
**DECEMBER 31, 2024**

<b>3. CURRENT AND ACCRUED ASSETS</b>		<u>2024</u>
131	CASH	11,421,869
132	INTEREST SPECIAL DEPOSITS	-
134	OTHER SPECIAL DEPOSITS	-
135	WORKING FUNDS	120,773
136	TEMPORARY CASH INVESTMENTS	-
141	NOTES RECEIVABLE	-
142	CUSTOMER ACCOUNTS RECEIVABLE	1,216,653,660
143	OTHER ACCOUNTS RECEIVABLE	51,857,186
144	ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS	(255,015,839)
145	NOTES RECEIVABLE FROM ASSOCIATED COMPANIES	-
146	ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES	15,994,207
151	FUEL STOCK	-
152	FUEL STOCK EXPENSE UNDISTRIBUTED	-
154	PLANT MATERIALS AND OPERATING SUPPLIES	141,545,646
155	MERCHANDISE	-
156	OTHER MATERIALS AND SUPPLIES	-
158	GHG ALLOWANCE	702,103,420
	(LESS) NONCURRENT PORTION OF ALLOWANCES	-
163	STORES EXPENSE UNDISTRIBUTED	(4,980,986)
164	GAS STORED	148,336,943
165	PREPAYMENTS	76,325,719
171	INTEREST AND DIVIDENDS RECEIVABLE	818,090
173	ACCRUED UTILITY REVENUES	-
174	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	3,394,350
175	DERIVATIVE INSTRUMENT ASSETS	3,697,168
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b><u>2,112,272,206</u></b>
<b>4. DEFERRED DEBITS</b>		
181	UNAMORTIZED DEBT EXPENSE	47,859,722
182	UNRECOVERED PLANT AND OTHER REGULATORY ASSETS	5,165,763,896
183	PRELIMINARY SURVEY & INVESTIGATION CHARGES	1,397,667
184	CLEARING ACCOUNTS	5,272,775
185	TEMPORARY FACILITIES	-
186	MISCELLANEOUS DEFERRED DEBITS	537,246,609
188	RESEARCH AND DEVELOPMENT	-
189	UNAMORTIZED LOSS ON REACQUIRED DEBT	-
190	ACCUMULATED DEFERRED INCOME TAXES	1,203,376,311
191	UNRECOVERED PURCHASED GAS COSTS	-
	<b>TOTAL DEFERRED DEBITS</b>	<b><u>6,960,916,980</u></b>
	<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b><u>\$ 29,755,263,991</u></b>

**SOUTHERN CALIFORNIA GAS COMPANY**  
**BALANCE SHEET**  
**LIABILITIES AND OTHER CREDITS**  
**DECEMBER 31, 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	(5,849,142,471)
219	ACCUMULATED OTHER COMPREHENSIVE INCOME	26,905,227
	<b>TOTAL PROPRIETARY CAPITAL</b>	<b>(8,159,850,367)</b>

**6. LONG-TERM DEBT**

221	BONDS	(6,650,000,000)
224	OTHER LONG-TERM DEBT	(709,338,770)
225	UNAMORTIZED PREMIUM ON LONG-TERM DEBT	-
226	UNAMORTIZED DISCOUNT ON LONG-TERM DEBT	17,743,363
	<b>TOTAL LONG-TERM DEBT</b>	<b>(7,341,595,407)</b>

**7. OTHER NONCURRENT LIABILITIES**

227	OBLIGATIONS UNDER CAPITAL LEASES - NONCURRENT	(96,473,272)
228.2	ACCUMULATED PROVISION FOR INJURIES AND DAMAGES	(88,352,468)
228.3	ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS	(60,911,737)
228.4	ACCUMULATED MISCELLANEOUS OPERATING PROVISIONS	-
245	NONCURRENT DERIVATIVE INSTRUMENT LIABILITIES	-
230	ASSET RETIREMENT OBLIGATIONS	(2,929,729,947)
	<b>TOTAL OTHER NONCURRENT LIABILITIES</b>	<b>(3,175,467,424)</b>

**SOUTHERN CALIFORNIA GAS COMPANY**  
**BALANCE SHEET**  
**LIABILITIES AND OTHER CREDITS**  
**DECEMBER 31, 2024**

<b>8. CURRENT AND ACCRUED LIABILITIES</b>		<u>2024</u>
231	NOTES PAYABLE	(1,037,164,589)
232	ACCOUNTS PAYABLE	(848,362,500)
233	NOTES PAYABLE TO ASSOCIATED COMPANIES	-
234	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	(37,544,168)
235	CUSTOMER DEPOSITS	(69,407,484)
236	TAXES ACCRUED	(7,442,517)
237	INTEREST ACCRUED	(73,268,636)
238	DIVIDENDS DECLARED	(323,266)
241	TAX COLLECTIONS PAYABLE	(34,239,543)
242	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	(558,556,156)
243	OBLIGATIONS UNDER CAPITAL LEASES - CURRENT	(30,399,104)
244	DERIVATIVE INSTRUMENT LIABILITIES	(42,974,956)
245	DERIVATIVE INSTRUMENT LIABILITIES - HEDGES	
TOTAL CURRENT AND ACCRUED LIABILITIES		<u><b>(2,739,682,919)</b></u>
 <b>9. DEFERRED CREDITS</b>		
252	CUSTOMER ADVANCES FOR CONSTRUCTION	(128,593,850)
253	OTHER DEFERRED CREDITS	(661,996,370)
254	OTHER REGULATORY LIABILITIES	(4,332,126,081)
255	ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	(5,648,757)
257	UNAMORTIZED GAIN ON REACQUIRED DEBT	-
281	ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED	-
282	ACCUMULATED DEFERRED INCOME TAXES - PROPERTY	(2,425,452,903)
283	ACCUMULATED DEFERRED INCOME TAXES - OTHER	(784,849,913)
TOTAL DEFERRED CREDITS		<u><b>(8,338,667,874)</b></u>
TOTAL LIABILITIES AND OTHER CREDITS		<u><u><b>\$ (29,755,263,991)</b></u></u>

**SOUTHERN CALIFORNIA GAS COMPANY**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**TWELVE MONTHS ENDED DECEMBER 31, 2024**

**1. UTILITY OPERATING INCOME**

400	OPERATING REVENUES		6,201,502,193
401	OPERATING EXPENSES	3,376,041,545	
402	MAINTENANCE EXPENSES	449,373,700	
403-7	DEPRECIATION AND AMORTIZATION EXPENSES	922,237,734	
408.1	TAXES OTHER THAN INCOME TAXES	214,985,343	
409.1	INCOME TAXES	471,740	
410.1	PROVISION FOR DEFERRED INCOME TAXES	322,874,749	
411.1	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	(312,382,385)	
411.4	INVESTMENT TAX CREDIT ADJUSTMENTS	(1,163,285)	
411.6	GAIN FROM DISPOSITION OF UTILITY PLANT	-	
411.7	LOSS FROM DISPOSITION OF UTILITY PLANT	-	
	TOTAL OPERATING REVENUE DEDUCTIONS		<u>4,972,439,141</u>
	NET OPERATING INCOME		<u>1,229,063,052</u>

**2. OTHER INCOME AND DEDUCTIONS**

415	REVENUE FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	
417	REVENUES FROM NONUTILITY OPERATIONS	-	
417.1	EXPENSES OF NONUTILITY OPERATIONS	(13,142,017)	
418	NONOPERATING RENTAL INCOME	615,283	
418.1	EQUITY IN EARNINGS OF SUBSIDIARIES	-	
419	INTEREST AND DIVIDEND INCOME	95,296,507	
419.1	ALLOWANCE FOR OTHER FUNDS USED DURING CONSTRUCTION	73,269,074	
421	MISCELLANEOUS NONOPERATING INCOME	(2,589,992)	
421.1	GAIN ON DISPOSITION OF PROPERTY	-	
	TOTAL OTHER INCOME	<u>153,448,855</u>	
421.2	LOSS ON DISPOSITION OF PROPERTY	(328,541)	
425	MISCELLANEOUS AMORTIZATION	-	
426	MISCELLANEOUS OTHER INCOME DEDUCTIONS	(46,540,930)	
	TOTAL OTHER DEDUCTIONS	<u>(46,869,471)</u>	
408.2	TAXES OTHER THAN INCOME TAXES	(520,708)	
409.2	INCOME TAXES	(2,854,787)	
410.2	PROVISION FOR DEFERRED INCOME TAXES	(123,602,991)	
411.2	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	104,830,806	
420	INVESTMENT TAX CREDITS	-	
	TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS	<u>(22,147,680)</u>	
	TOTAL OTHER INCOME, DEDUCTIONS AND TAXES		<u>84,431,704</u>
	INCOME BEFORE INTEREST CHARGES		1,313,494,756
	NET INTEREST CHARGES*		<u>356,793,511</u>
	NET INCOME		<u><u>\$956,701,245</u></u>

\*NET OF ALLOWANCE FOR BORROWED FUNDS USED DURING CONSTRUCTION. (\$28,530,065)



**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**TWELVE MONTHS ENDED DECEMBER 31, 2024**

---

**3. RETAINED EARNINGS**

RETAINED EARNINGS AT BEGINNING OF PERIOD, AS PREVIOUSLY REPORTED	5,093,734,289
NET INCOME (FROM PRECEDING PAGE)	\$956,701,245
DIVIDEND TO PARENT COMPANY	-
DIVIDENDS DECLARED - PREFERRED STOCK	(1,293,065)
DIVIDENDS DECLARED - COMMON STOCK	(200,000,000)
OTHER RETAINED EARNINGS ADJUSTMENT	<u>-</u>
RETAINED EARNINGS AT END OF PERIOD	<u><u>5,849,142,471</u></u>

## **Attachment C**

Southern California Gas Company

Statement of Proposed Rates

## Rate Tables

### Impact of GCIM Award on Gas Rate over Last 12 Months

v.5-22-2025

#### Calculation of GCIM Award \$/therm:

GCIM Award \$000	\$8,374
Core Sales per 2024TCAP Mth/yr	3,446,393
<b>GCIM Award \$/th</b>	<b>\$0.00243</b>

## **Attachment D**

### **Southern California Gas Company Statement of Original Cost and Depreciation Reserve**

**SoCalGas**  
Plant Investment and Accumulated Depreciation  
As of December 31, 2024

ACCOUNT NUMBER	DESCRIPTION	ORIGINAL COSTS	ACCUMULATED RESERVE	NET BOOK VALUE
<b>INTANGIBLE ASSETS</b>				
301	Organization	76,457	-	76,457
302	Franchise and Consents	592,060	-	592,060
303	Cloud Compute	136,910,604	(23,047,184)	113,863,420
	Total Intangible Assets	137,579,122	(23,047,184)	114,531,937
<b>PRODUCTION:</b>				
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	-	-	-
<b>UNDERGROUND STORAGE:</b>				
350	Land	4,539,484	-	4,539,484
350SR	Storage Rights	19,069,515	(17,709,097)	1,360,417
350RW	Rights-of-Way	25,354	(20,132)	5,222
351	Structures and Improvements	204,252,740	(44,329,631)	159,923,109
352	Wells	771,162,589	255,556,896	1,026,719,485
353	Lines	250,431,238	(32,523,029)	217,908,209
354	Compressor Station and Equipment	516,166,648	(105,838,021)	410,328,627
355	Measuring And Regulator Equipment	19,544,069	(5,885,942)	13,658,126
356	Purification Equipment	181,710,173	(100,730,261)	80,979,911
357	Other Equipment	158,019,172	(40,874,947)	117,144,226
	Total Underground Storage	2,124,920,981	(92,354,164)	2,032,566,816
<b>TRANSMISSION PLANT- OTHER:</b>				
365	Land	9,599,020	-	9,599,020
365RW	Rights-of-Way	129,775,363	(30,397,613)	99,377,750
366	Structures and Improvements	306,162,895	(33,942,055)	272,220,840
367	Mains	3,883,426,073	(943,737,864)	2,939,688,210
368	Compressor Station and Equipment	683,562,650	(133,910,095)	549,652,555
369	Measuring And Regulator Equipment	462,186,850	(68,679,159)	393,507,691
370	Communication Equipment	120,534,446	(36,204,050)	84,330,396
371	Other Equipment	34,817,193	(7,918,468)	26,898,725
	Total Transmission Plant	5,630,064,491	(1,254,789,304)	4,375,275,187
<b>DISTRIBUTION PLANT:</b>				
374	Land	29,737,007	-	29,737,007
374LRTS	Land Rights	3,789,180	(2,426,124)	1,363,057
375	Structures and Improvements	456,731,760	(101,887,586)	354,844,175
376	Mains	7,257,053,467	(3,276,049,878)	3,981,003,589
378	Measuring And Regulator Equipment	240,644,606	(107,437,534)	133,207,072
380	Services	4,373,523,391	(2,523,958,670)	1,849,564,722
381	Meters	1,067,324,519	(427,833,040)	639,491,478

**SoCalGas**  
Plant Investment and Accumulated Depreciation  
As of December 31, 2024

ACCOUNT NUMBER	DESCRIPTION	ORIGINAL COSTS	ACCUMULATED RESERVE	NET BOOK VALUE
382	Meter Installation	740,022,591	(297,053,131)	442,969,459
383	House Regulators	210,515,080	(99,290,643)	111,224,438
387	Other Equipment	80,487,390	(37,628,568)	42,858,821
	Total Distribution Plant	14,459,828,991	(6,873,565,173)	7,586,263,818
<b>GENERAL PLANT:</b>				
389	Land	1,342,839	-	1,342,839
389LRTS	Land Rights	74,300	(49,486)	24,814
390	Structures and Improvements	251,161,402	(2,056,867,910)	(1,805,706,509)
391	Office Furniture and Equipment	2,390,367,855	-	2,390,367,855
392	Transportation Equipment	1,945,297	-	1,945,297
393	Stores Equipment	310,753	-	310,753
394	Shop and Garage Equipment	165,890,148	-	165,890,148
395	Laboratory Equipment	10,455,872	-	10,455,872
396	Construction Equipment	-	-	-
397	Communication Equipments	312,704,694	-	312,704,694
398	Miscellaneous Equipment	1,602,903	(916,759)	686,144
	Total General Plant	3,135,856,062	(2,057,834,155)	1,078,021,907
	Subtotal	25,488,249,647	(10,301,589,980)	15,186,659,666
121	Non-Utility Plant	32,335,315	(14,541,971)	17,793,344
117GSUNC	Gas Stored Underground - NonCurrent	61,422,045	-	61,422,045
GCL	GCT - Capital Lease	-	-	-
	Total Other - Non-Utility Plant	93,757,360	(14,541,971)	79,215,389
	Total-Reconciliation to Asset History Totals	25,582,007,007	(10,316,131,952)	15,265,875,055
	Dec 2024 Asset 1020 Report	25,582,007,007	(10,316,131,952)	15,265,875,055
	Difference	(0)	-	(0)

## **Attachment E**

Southern California Gas Company

Summary of Earnings

**SOUTHERN CALIFORNIA GAS COMPANY  
SUMMARY OF EARNINGS  
TWELVE MONTHS ENDED DECEMBER 31, 2024  
(DOLLARS IN MILLIONS)**

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Operating Revenue	\$6,202
2	Operating Expenses	<u>4,972</u>
3	Net Operating Income	<u><u>\$1,230</u></u>
4	Weighted Average Rate Base	\$12,446
5	Rate of Return*	7.67%
	*Authorized Cost of Capital	