

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

Application of Southern California Gas
Company (U 904 G), on Behalf of its
Customers, for Approval of Gas Line
Extension Allowances

Application 25-07-XXX
(Filed July 1, 2025)

**APPLICATION OF SOUTHERN CALIFORNIA GAS COMPANY (U 904 G), ON
BEHALF OF ITS CUSTOMERS, FOR APPROVAL OF GAS LINE EXTENSION
ALLOWANCES**

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July 1, 2025

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ALLOWANCES**

I. INTRODUCTION

Pursuant to Ordering Paragraph (OP) 2 of Decision (D.) 22-09-026, Southern California Gas Company (SoCalGas) files this application requesting approval from the California Public Utilities Commission (Commission or CPUC), on behalf of its customers, for a gas line extension allowance for projects meeting the minimum requirements set out in D.22-09-026.¹ This is SoCalGas's first application seeking approval of line extension allowances for nine (9) customer projects consisting exclusively of compressed natural gas (CNG) refueling stations that dispense 100 percent renewable natural gas (RNG) under D.22-09-026. The estimated total allowance value for the proposed projects is \$6,656,000.²

II. POLICY BACKGROUND

On September 15, 2022, the Commission issued D.22-09-026 adopting Energy Division's staff proposal to eliminate gas line extension allowances, the 10-year refundable payment option, and the 50 percent discount payment option for all customer classes effective July 1, 2023.³ D.22-09-026 established an exception process and directs the gas utilities to file an annual application by July 1st of every year, on behalf of its customers, with the Commission to seek

¹ D.22-09-026 at 81-82 (OP 2).

² Allowance values are rounded to the nearest thousandth. Allowance values are illustrative estimates and are subject to change.

³ D.22-09-026 at 81 (OP 1).

approval for gas line extension allowances for specific, unique non-residential projects that meet the three criteria provided for in the Decision.⁴ The three criteria are:

- a) The project shows a demonstrable reduction in greenhouse gas (GHG) emissions;
- b) The project's gas line extension is consistent with California's climate goals, including those articulated in Senate Bill 32 (Pavley, 2016); and
- c) The project demonstrates that it has no feasible alternatives to the use of natural gas, including electrification.⁵

The Decision also requires each investor-owned gas utility to include an update to the non-residential gas line extension allowance calculations based on the then current methodology (including all inputs used) in its annual filing.⁶ Prior to D.22-09-026, any non-residential customers seeking gas connection to the SoCalGas system were eligible to receive allowances intended to offset the upfront costs associated with installing gas mains, services, and meters. The allowances for non-residential projects were structured to reflect the anticipated future revenue that such customers would contribute toward meeting the gas system's overall revenue requirement, thereby providing a financially neutral or beneficial outcome for existing gas ratepayers.

III. APPROVALS REQUESTED IN THIS APPLICATION

SoCalGas is seeking Commission approval for nine customer projects, the update to the non-residential gas line extension allowance multiplier of 3.1, and updates to SoCalGas's Tariff Rule Nos. 20 and 21 to clarify advanced payments.

SoCalGas is committed to support the Commission's efforts to help achieve California's goals to reduce GHG emissions.⁷ As the State of California has ambitious goals for economy-wide decarbonization,⁸ RNG as a direct replacement for fossil natural gas is an important

⁴ *Id.* at 81-82 (OP 2).

⁵ *Id.*

⁶ *Id.*

⁷ *Id.* at 2.

⁸ CARB, *2022 Scoping Plan for Achieving Carbon Neutrality* (December 2022), available at: <https://ww2.arb.ca.gov/sites/default/files/2023-04/2022-sp-es.pdf>.

strategy in reducing statewide GHG emissions.⁹ This is consistent with D.22-09-026's acknowledgement of the environmental benefits of RNG stating that "RNG plays an important role in reducing GHG emissions."¹⁰ All nine customer projects included in the Application are RNG refueling stations. The estimated total allowance value for all nine customer projects is \$6,656,000.¹¹ The Prepared Direct Testimony of Jason Legner (Chapter 2) provides further details on how each RNG refueling project satisfies the three eligibility criteria and "demonstrates the factual basis for the project applicants' assertions, and confirm[s] that the minimum requirements have been met," as required by D.22-09-026.¹²

D.22-09-026 also directs each investor-owned gas utility in its annual filing to include an update to the non-residential gas line extension allowance calculations based on the then current methodology (including all inputs used).¹³ The Prepared Direct Testimony of Jennifer Morris (Chapter 1) discusses the allowance implementation including the factors used to determine the updated multiplier of 3.1 in accordance with the methodology authorized by the Commission in D.07-07-019¹⁴ and SoCalGas Rule No. 20, Section H.2.

SoCalGas also proposes to revise its tariff rules to align with the intent of D.22-09-026 and Resolution G-3598 to require advance payment of actual project costs for all customers.

IV. ILLUSTRATIVE REVENUE REQUIREMENT

The estimated gas line extension allowances for the nine customer projects total approximately \$6.656 million.¹⁵ Following the three-year true-up period for each approved customer project and once the allowance is paid to the customer, SoCalGas will record the actual revenue requirement in a new Gas Line Extension Allowance Balancing Account (GLEABA) for recovery in rates using the Equal Percentage of Authorized Margin (EPAM) cost allocation

⁹ CPUC, *Renewable Gas*, available at: <https://www.cpuc.ca.gov/industries-and-topics/natural-gas/renewable-gas>.

¹⁰ D.22-09-026 at 55, n.108.

¹¹ Allowance values are rounded to the nearest thousandth. Allowance values are illustrative estimates and are subject to change.

¹² D.22-09-026 at 82 (OP 3).

¹³ The cost-of-service factor is pending approval in SoCalGas Advice Letter 6483-G.

¹⁴ D.07-07-019 at 4.

¹⁵ Allowance values are rounded to the nearest thousandth. Allowance values are illustrative estimates and are subject to change.

methodology, which is consistent with the allocation of current base margin pursuant to D.24-07-009. For the purposes of illustrating the potential rate impact of these nine customer projects, SoCalGas used the forecasted revenue requirement. The total illustrative revenue requirement associated with the nine projects is \$14.9 million over the useful life of the assets, with a peak year revenue requirement of \$913 thousand in 2031. The revenue requirement accounts for the incremental capital expenditures for these nine customer projects up to the estimated gas line extension allowance for each project. In addition to the incremental capital expenditures, the revenue requirement also includes other costs required to support the investment, including taxes and franchise fees & uncollectibles (FF&U). Prepared Joint Direct Testimony of Rae Marie Yu, Maria E. Becerra, and Julia L. Cortez (Chapter 3) covers these revenue requirement components in detail.

V. RATE AND BILL IMPACTS

Table 1 below illustrates current and proposed gas transportation rates by major customer class upon recovery of costs associated with the GLEABA. These rates are derived from the forecasted revenue requirement,¹⁶ which outlines the total peak incremental revenue requirement to be included in rates in 2031. Over the 12-month recovery period, the typical residential bill using an average of 36 therms per month is projected to increase by \$0.01 per month from \$74.52 to \$74.53.

Table 1. Illustrative Transportation Rates
(\$/therm, except as noted)

Transportation		Current Rates	Proposed Rates	Increase (decrease)	% change
<u><i>SoCalGas Summary</i></u>					
<u>Core Rates</u>					
Residential	\$/therm	\$1.479	\$1.479	\$0.000	0.0%
Core Commercial & Industrial (C&I)	\$/therm	\$0.971	\$0.972	\$0.001	0.1%
Natural Gas Vehicle (NGV) (uncompressed)	\$/therm	\$0.408	\$0.408	\$0.000	0.0%
<u>NonCore Distribution Level Service Rates</u>					
NonCore C&I Distribution Tier 1*	\$/therm	\$0.634	\$0.634	\$0.000	0.0%
NonCore C&I Distribution Tier 2*	\$/therm	\$0.464	\$0.464	\$0.000	0.0%

¹⁶ Prepared Joint Direct Testimony of R. Yu, M. Becerra, and J. Cortez (Chapter 3), Section III.D.

Transportation		Current Rates	Proposed Rates	Increase (decrease)	% change
NonCore C&I Distribution Tier 3*	\$/therm	\$0.355	\$0.355	\$0.000	0.0%
NonCore C&I Distribution Tier 4*	\$/therm	\$0.278	\$0.278	\$0.000	0.0%
NCCI-D Class Average	\$/therm	\$0.283	\$0.283	\$0.000	0.0%
Electric Generation Distribution Tier 1*	\$/therm	\$0.447	\$0.447	\$0.000	0.0%
Electric Generation Distribution Tier 2*	\$/therm	\$0.336	\$0.336	\$0.000	0.0%
EG-D Class Average	\$/therm	\$0.113	\$0.113	\$0.000	0.0%
NonCore Transmission Level Service (TLS) Rates					
TLS-C&I Class Average Rate^	\$/therm	\$0.255	\$0.255	\$0.000	0.0%
TLS-Electric Generation Class Average Rate*	\$/therm	\$0.255	\$0.255	\$0.000	0.0%
Backbone Transmission Service (BTS)	\$/dth/day	\$0.733	\$0.733	\$0.000	0.0%
System Average Rate w/BTS	\$/therm	\$0.662	\$0.662	\$0.000	0.0%
Rates Revenue Requirement w/BTS	\$ millions	\$5,499	\$5,500	\$1	0.0%
Residential Non-CARE class average bill	\$/month	\$74.52	\$74.53	\$0.01	0.01%
Residential CARE class average bill	\$/month	\$41.68	\$41.69	\$0.01	0.02%

*w/California Air Resources Board (carb), Greenhouse Gas (GHG) adders

^w/California Solar Initiative Thermal Program Memo Account (CSITMA), CARB and GHG adders

VI. DESCRIPTION OF TESTIMONY

Support for the Application is provided in the accompanying prepared direct testimony and workpapers. The direct testimony describes SoCalGas's processes, analyses, and provides detail on efforts to comply with requirements D.22-09-026 and request approval of gas line extension allowances on behalf of its customers. It also demonstrates that the revenue requirements correlated to SoCalGas's efforts are just and reasonable and should be recovered in rates. Table 2 lists each prepared direct testimony chapter number, identifies each sponsoring witness, and provides a brief description of the testimony.

Table 2. Description of Testimony

Chapter	Witness	Description and Purpose
I	Morris	<u>Policy</u> : Describes the procedure for requesting gas line extension allowances, gas line extension allowance amount for the nine customer projects, update to the non-residential allowance multiplier, and proposes modifications to SoCalGas's Tariff Rule Nos. 20 and 21 to effectuate the allowance.
II	Legner	<u>Eligible Projects</u> : Describes each of the nine customer projects and how each project met all three criteria for obtaining gas line extension allowances pursuant to D.22-09-026.
III	Yu, Becerra, & Cortez	<u>Balancing Account, Revenue Requirement, & Rates</u> : Presents the illustrative revenue requirement associated with the gas line extension allowances in this Application that are proposed to be recorded in the proposed Gas Line Extension Allowance Balancing Account (GLEABA). Provides the cost allocation method for the GLEABA and presents the gas transportation rates and bill impacts that would result from the amortization of the balance in the GLEABA.

VII. STATUTORY AND PROCEDURAL REQUIREMENTS

A. Rule 2.1(a)-(c)

1. Rule 2.1(a) – Legal Name

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

2. Rule 2.1(b) - Correspondence

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

Karen Mar
Regulatory Case Manager for:
SOUTHERN CALIFORNIA GAS COMPANY
555 West Fifth Street, GT14D6
Los Angeles, California 90013
Telephone: (213) 244-5840
Email: KMar@SoCalGas.com

A copy should also be sent to:

JOHNNY Q. TRAN
Attorney for:
SOUTHERN CALIFORNIA GAS COMPANY
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3. Rule 2.1(c)

a. Proposed Category of Proceeding

SoCalGas proposes that this proceeding be categorized as “Ratesetting” under Rule 1.3(g) because the Application will have a potential future effect on rates.

b. Need for Hearings

While SoCalGas does not believe hearings are necessary, SoCalGas anticipates that the Commission may set this matter for hearing. SoCalGas has provided a proposed schedule below.

c. Issues to be Considered, Including Relevant Safety Considerations

The principal issues to be considered in this proceeding are (1) whether SoCalGas, on behalf of the customers, demonstrated that the nine customer projects met the three criteria pursuant to D.22.09-026 for gas line extension allowances; (2) whether SoCalGas updated non-residential gas line extension allowance multiplier of 3.1 is appropriate; (3) whether SoCalGas’s clarifications to Tariff Rule Nos. 20 and 21 are appropriate; and (4) whether SoCalGas’s revenue

requirement associated with the gas line extension allowances in this Application are justified for rate recovery.

d. Proposed Schedule

SoCalGas proposes the following schedule for this Application:

Event	Date
SoCalGas files Application	July 1, 2025
Responses/Protests	within 30 days Daily Calendar notice
SoCalGas Reply to Protests	within 10 days (see Rule 2.6)
Prehearing Conference	August 19, 2025
Intervenor Testimony	September 19, 2025
Rebuttal Testimony	October 17, 2025
Evidentiary Hearings	November 2025
Opening Briefs	January 2026
Reply Briefs	February 2026
Proposed Decision	May 2026
Commission Decision	Q3 2026

B. Rule 2.2 – Articles of Incorporation

A copy of SoCalGas’s Restated Articles of Incorporation, as last amended, presently in effect and certified by the California Secretary of State, was previously filed with the Commission on October 1, 1998, in connection with SoCalGas’s Application (A.) 98-10-012, and is incorporated herein by reference.

C. Rule 3.2 (a) – (b) – Authority to Change Rates

In accordance with Rule 3.2 (a) - (d) of the Commission’s Rules of Practice and Procedure, SoCalGas provides the following information:

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

The most recent updated Balance Sheet and Income Statements for SoCalGas as of December 31, 2024, is attached to this Application as Attachment A.

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

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

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

A general description of SoCalGas’s property and equipment was previously filed with the Commission on May 3, 2004, in connection with A.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 C.

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

The summary of earnings for SoCalGas as of December 31, 2024, are included herein as Attachment D.

5. Rule 3.2(a)(7) – Depreciation

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.

6. Rule 3.2(a)(8) – Proxy Statement

A copy of SoCalGas’s most recent proxy statement, dated April 25, 2025, was mailed to the Commission on April 28, 2025, and is incorporated herein by reference.

7. Rule 3.2(a)(10) – Statement Pass Through to Customers

This Application will seek the Commission’s authorization to revise current base rate revenue requirement to recover costs of its operations, as well as owning and operating its natural gas facilities and infrastructure, for the purposes of serving its customers. It is not only a pass through of costs.

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

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

9. Rule 3.2 (c) – Newspaper Publication

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

10. Rule 3.2 (d) – Bill Insert Notice

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

D. Rule 1.9 – Service

This is a new application. No service list has been established. Accordingly, SoCalGas will electronically serve this application on parties to the service list for the following proceedings: R.19-01-011.

VIII. CONCLUSION

SoCalGas appreciates the Commission allowing exceptions regarding elimination of gas line extension allowances. Resulting from the exceptions set forth in OP 2 of D.22-09-026, SoCalGas, on behalf of its RNG fueling station customers, submits this Application with supporting testimony and workpapers and respectfully request that the Commission:

- Find SoCalGas, on behalf of the customers, met their burden of demonstrating that the nine customer projects meet the three criteria under D.22-09-026 for gas line extension allowance and gas line extension allowances should be granted for these nine customer projects;

- Find SoCalGas has appropriately updated multiplier value of 3.1 for gas line extension allowance calculations;
- Authorize SoCalGas to file a Tier 1 Advice Letter within 30 days to establish the Gas Line Extension Allowance Balancing Account (GLEABA) for recovery in rates using the Equal Percentage of Authorized Margin (EPAM) cost allocation methodology, consistent with the allocation of current base margin pursuant to D.24-07-009;
- Authorize SoCalGas to file a Tier 2 Advice Letter within 30 days to revise SoCalGas's Tariff Rule Nos. 20 and 21 to require advance payment of actual project costs for all customers, including those granted allowance exceptions; and
- Authorize SoCalGas to recover in rates the revenue requirement associated with the gas line extension allowances costs submitted for review in this Application following the three-year true-up period for each approved customer project.

Respectfully submitted on behalf of SoCalGas,

By: /s/ Johnny Q. Tran
Johnny Q. Tran

Attorney for:
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Los Angeles, California 90013
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July 1, 2025

OFFICER VERIFICATION

I am an officer of the applicant corporation here in Southern California Gas Company, and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters I believe them to be true.

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

Executed this 1st day of July, 2025 at Los Angeles, California.

By: /s/Don Widjaja
Don Widjaja
Vice President, Customer Services for
SOUTHERN CALIFORNIA GAS COMPANY

ALISO CANYON ATTESTATION

1. I am Vice President of Customer Services for 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.) 23-09-022.
2. On December 23, 2015, the CPUC-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 Field 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 Report).
4. On October 28, 2022, SoCalGas, the California Public Utilities Commission's Safety and Enforcement Division ("SED") and the Public Advocates Office at the California Public Utilities Commission ("Cal Advocates") filed a Joint Motion for Adoption of Settlement Agreement in Investigation (I.) 19-06-016 seeking approval of the Settlement Agreement entered into by SoCalGas, SED, and Cal Advocates (Settlement Agreement).
5. On September 12, 2023, the Commission issued Decision (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 July 1, 2025.

Executed on July 1, 2025, at Los Angeles, California.

By: /s/Don Widjaja
Don Widjaja
Vice President, Customer Services for
SOUTHERN CALIFORNIA GAS COMPANY

Attachment A

Southern California Gas Company
Balance Sheet and Income Statement

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

1. UTILITY PLANT		<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>20,665,330,737</u>

2. OTHER PROPERTY AND INVESTMENTS		
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>16,744,068</u>

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

3. CURRENT AND ACCRUED ASSETS		<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
	TOTAL CURRENT AND ACCRUED ASSETS	<u>2,112,272,206</u>
4. DEFERRED DEBITS		
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	-
	TOTAL DEFERRED DEBITS	<u>6,960,916,980</u>
	TOTAL ASSETS AND OTHER DEBITS	<u>\$ 29,755,263,991</u>

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
TOTAL PROPRIETARY CAPITAL		<u>(8,159,850,367)</u>

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
TOTAL LONG-TERM DEBT		<u>(7,341,595,407)</u>

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)
TOTAL OTHER NONCURRENT LIABILITIES		<u>(3,175,467,424)</u>

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

8. CURRENT AND ACCRUED LIABILITIES

	<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	
	<hr/>
TOTAL CURRENT AND ACCRUED LIABILITIES	<u>(2,739,682,919)</u>

9. DEFERRED CREDITS

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)
	<hr/>
TOTAL DEFERRED CREDITS	<u>(8,338,667,874)</u>

TOTAL LIABILITIES AND OTHER CREDITS	<u><u>\$ (29,755,263,991)</u></u>
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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	-
RETAINED EARNINGS AT END OF PERIOD	<u><u>5,849,142,471</u></u>

Attachment B

Southern California Gas Company

Statement of Proposed Rates

TABLE 1
Natural Gas Transportation Rates
Southern California Gas Company

Gas Line Allowance Exception										
		Feb-2025		Proposed Rates			Changes			
		Volumes	Rate	Revenues	Volumes	Rate	Revenues	Revenue	Rate	% Rate
		Mth	\$/therm	\$000's	Mth	\$/therm	\$000's	Change	Change	change
		A	B	C	D	E	F	\$000's	\$/therm	%
								G	H	I
1	CORE									
2	Residential	2,185,983	\$1.47901	\$3,233,097	2,185,983	\$1.47931	\$3,233,756	\$658	\$0.00030	0.0%
3	Commercial & Industrial	880,320	\$0.97142	\$855,161	880,320	\$0.97160	\$855,316	\$156	\$0.00018	0.0%
4										
5	NGV - Pre Sempra-Wide	195,899	\$0.39981	\$78,323	195,899	\$0.39987	\$78,335	\$12	\$0.00006	0.0%
6	Sempra-Wide Adjustment	195,899	\$0.00804	\$1,576	195,899	\$0.00804	\$1,575	(\$1)	\$0.00000	0.0%
7	NGV - Post Sempra-Wide	195,899	\$0.40786	\$79,899	195,899	\$0.40791	\$79,909	\$11	\$0.00005	0.0%
8										
9	Gas A/C	140	\$0.75957	\$107	140	\$0.75969	\$107	\$0	\$0.00012	0.0%
10	Gas Engine	19,830	\$0.29627	\$5,875	19,830	\$0.29627	\$5,875	\$0	\$0.00000	0.0%
11	Total Core	3,282,172	\$1.27176	\$4,174,139	3,282,172	\$1.27201	\$4,174,964	\$825	\$0.00025	0.0%
12										
13	NONCORE COMMERCIAL & INDUSTRIAL									
14	Distribution Level Service	894,285	\$0.28251	\$252,640	894,285	\$0.28254	\$252,674	\$34	\$0.00003	0.0%
15	Transmission Level Service (2)	750,680	\$0.09107	\$68,366	750,680	\$0.09108	\$68,374	\$8	\$0.00001	0.0%
16	Total Noncore C&I	1,644,965	\$0.19514	\$321,006	1,644,965	\$0.19517	\$321,048	\$42	\$0.00003	0.0%
17										
18	NONCORE ELECTRIC GENERATION									
19	Distribution Level Service									
20	Pre Sempra-Wide	335,280	\$0.27285	\$91,481	335,280	\$0.27289	\$91,493	\$12	\$0.00004	0.0%
21	Sempra-Wide Adjustment	335,280	(\$0.00326)	(\$1,093)	335,280	(\$0.00326)	(\$1,094)	(\$2)	\$0.00000	0.0%
22	Distribution Post Sempra Wide	335,280	\$0.26959	\$90,388	335,280	\$0.26962	\$90,399	\$11	\$0.00003	0.0%
23	Transmission Level Service (2)	1,800,969	\$0.08354	\$150,453	1,800,969	\$0.08355	\$150,472	\$19	\$0.00001	0.0%
24	Total Electric Generation	2,136,249	\$0.11274	\$240,841	2,136,249	\$0.11275	\$240,871	\$30	\$0.00001	0.0%
25										
26	TOTAL RETAIL NONCORE	3,781,214	\$0.14859	\$561,847	3,781,214	\$0.14861	\$561,919	\$71	\$0.00002	0.0%
27										
28	WHOLESALE									
29	Wholesale Long Beach (2)	91,703	\$0.07092	\$6,504	91,703	\$0.07093	\$6,505	\$1	\$0.00001	0.0%
30	Wholesale SWG (2)	74,685	\$0.07092	\$5,297	74,685	\$0.07093	\$5,297	\$1	\$0.00001	0.0%
31	Wholesale Vernon (2)	97,040	\$0.07092	\$6,882	97,040	\$0.07093	\$6,883	\$1	\$0.00001	0.0%
32	International (2)	139,490	\$0.07092	\$9,893	139,490	\$0.07093	\$9,894	\$1	\$0.00001	0.0%
33	Total Wholesale & International	402,918	\$0.07092	\$28,575	402,918	\$0.07093	\$28,579	\$4	\$0.00001	0.0%
34	SDG&E Wholesale	841,578	\$0.07022	\$59,093	841,578	\$0.07023	\$59,104	\$11	\$0.00001	0.0%
35	Total Wholesale Incl SDG&E	1,244,496	\$0.07044	\$87,668	1,244,496	\$0.07046	\$87,683	\$15	\$0.00002	0.0%
36										
37	TOTAL NONCORE	5,025,711	\$0.12924	\$649,515	5,025,711	\$0.12926	\$649,602	\$87	\$0.00002	0.0%
38										
39	Unbundled Storage (4)			\$31,952			\$31,952	\$0		
40	System Total (w/o BTS)	8,307,883	\$0.58446	\$4,855,606	8,307,883	\$0.58457	\$4,856,518	\$911	\$0.00011	0.0%
41	Backbone Transportation Service BTS (3)	2,406	\$0.73303	\$643,832	2,406	\$0.73303	\$643,832	\$0	\$0.00000	0.0%
42	SYSTEM TOTAL w/BTS	8,307,883	\$0.66195	\$5,499,438	8,307,883	\$0.66206	\$5,500,349	\$911	\$0.00011	0.0%
43										
44	EOR Revenues	154,067	\$0.15715	\$24,211	154,067	\$0.15717	\$24,215	\$4	\$0.00002	0.0%
45	Total Throughput w/EOR Mth/yr	8,461,949			8,461,949					

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

Attachment C

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
INTANGIBLE ASSETS				
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
PRODUCTION:				
325	Other Land Rights	-	-	-
330	Prd Gas Wells Const	-	-	-
331	Prd Gas Wells Eqp	-	-	-
332	Field Lines	-	-	-
334	FldMeas&RegStnEquip	-	-	-
336	Prf Eqpt	-	-	-
	Total Production	-	-	-
UNDERGROUND STORAGE:				
350	Land	4,539,484	-	4,539,484
350SR	Storage Rights	19,069,515	(17,709,097)	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
TRANSMISSION PLANT- OTHER:				
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
DISTRIBUTION PLANT:				
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
GENERAL PLANT:				
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 D

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