

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



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Application of SOUTHERN CALIFORNIA  
GAS COMPANY (U 904 G) for Approval of  
2024-2031 Energy Efficiency Business Plan  
and 2024-2027 Portfolio Plan

Application No. 22-03-

**APPLICATION OF SOUTHERN CALIFORNIA GAS COMPANY (U 904 G)  
FOR APPROVAL OF 2024-2031 ENERGY EFFICIENCY STRATEGIC  
BUSINESS PLAN AND 2024-2027 PORTFOLIO PLAN**

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March 4, 2022

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
I. INTRODUCTION.....	1
II. BACKGROUND.....	2
III. SUMMARY OF APPLICATION.....	3
A. Exhibit 1: SoCalGas’s 2024-2031 Energy Efficiency Strategic Business Plan .....	3
1. SoCalGas’s Vision for Energy Efficiency in California .....	3
2. Annual Portfolio Budgets for 2024-2031.....	4
3. Recommendations for New or Modified Energy Efficiency Policy .....	4
B. Exhibit 2: SoCalGas’s 2024-2027 Portfolio Plan.....	5
1. Portfolio Summary .....	5
2. Forecast Methodology.....	6
3. Segmentation Strategy .....	6
4. Sector Strategy .....	7
5. Portfolio Management.....	7
6. Evaluation, Measurement, and Verification.....	7
7. Cost and Cost Recovery .....	8
C. Exhibit 3: SoCalGas’s Responses, Pursuant to Energy Division Template .....	8
IV. STATUTORY AND PROCEDURAL REQUIREMENTS .....	8
A. Rule 2.1 (a) – (c).....	8
1. Rule 2.1(a) – Legal Name .....	9
2. Rule 2.1(b) – Correspondence.....	9
3. Rule 2.1(c).....	9
B. Rule 2.2 – Articles of Incorporation .....	11

C.	Rule 3.2(a)-(d) .....	11
1.	Rule 3.2(a)(1) – Balance Sheet and Income Statement.....	11
2.	Rule 3.2(a)(2) and (3) – Statement of Present and Proposed Rates.....	11
3.	Rule 3.2(a)(4) – Description of Applicant’s Property and Equipment .....	11
4.	Rules 3.2(a)(5) and (6) – Summary of Earnings .....	11
5.	Rule 3.2(a)(7) – Depreciation .....	11
6.	Rule 3.2(a)(8) – Proxy Statement .....	12
7.	Rule 3.2(a)(1) – Pass Through of Costs.....	12
8.	Rule 3.2(b) – Notice to State, Cities and Counties .....	12
9.	Rule 3.2(c) – Newspaper Publication .....	12
10.	Rule 3.2(d) – Bill Insert Notice.....	12
D.	Rule 1.9 Service.....	12
V.	CONCLUSION .....	13

Officer Verification

Attachment A: SoCalGas Balance Sheet and Income Statement

Attachment B: SoCalGas Statement of Present and Proposed Rates

Attachment C: Original Cost of Depreciation Q3 2021

Attachment D: SoCalGas Summary of Earnings Q3 2021

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**I. INTRODUCTION**

Pursuant to Article 2 of the Rules of Practice and Procedure of the California Public Utilities Commission (“CPUC” or “Commission”), Decision (“D.”) 21-05-031,<sup>1</sup> and the Administrative Law Judge’s (“ALJ”) Procedural Email Providing Guidance on Spreadsheets to be Included in Portfolio Applications,<sup>2</sup> Southern California Gas Company (“SoCalGas”) respectfully submits this application for approval of its 2024-2031 Energy Efficiency Strategic Business Plan (“Business Plan”) and 2024-2027 Portfolio Plan.

SoCalGas requests the Commission approve a budget cap for 2024 to 2031<sup>3</sup> of approximately \$1.45 billion, which includes two four-year portfolio cycles: 2024-2027 and 2028-2031. The proposed budget includes approximately \$124 million requested on behalf of regional energy networks (RENs) within SoCalGas’s service territory.<sup>4</sup> The first four-year

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<sup>1</sup> D.21-05-031, p. 81, Ordering Paragraph (OP) 5. On January 18, 2022, SoCalGas, on behalf of itself and other program administrators submitted a letter to the Executive Director of the CPUC requesting an extension to file to March 4, 2022. This request was approved on January 27, 2022 permitting all program administrators who are going to file energy efficiency applications to file by March 4, 1022.

<sup>2</sup> Administrative Law Judge’s R.13-11-005 Procedural Email Providing Guidance on Spreadsheets to be Included in Portfolio Applications (February 14, 2022).

<sup>3</sup> See D.21-05-031, pp. 29-30.

<sup>4</sup> This includes Southern California Regional Energy Network, Tri-County Regional Energy Network, and Inland Regional Energy Network.

portfolio cycle, as addressed further in SoCalGas’s Business Plan, covers 2024 to 2027 and includes a revenue requirement of approximately \$669 million, inclusive of approximately \$57 million requested on behalf of RENs in SoCalGas’s service territory.<sup>5</sup>

As outlined in SoCalGas’s Business Plan, SoCalGas will work hand-in-hand with its customers, stakeholders, and the Commission to achieve an energy future that is safe, affordable, reliable, and resilient. SoCalGas intends to lead the transition to resilient and affordable, decarbonized energy, and energy efficiency will be a critical tool for success.

## II. BACKGROUND

In D.21-05-031, the Commission altered the process for the submission and approval of Program Administrators’ (“PA”) Energy Efficiency (“EE”) Business Plans. Ordering Paragraph 5 of D.21-05-031 orders all current energy efficiency PAs to file applications on February 15, 2022 for program year 2024, and every four years after that, containing the following elements:

- (a) A business plan to cover an eight-year period. The business plan shall serve as a strategic plan for the energy efficiency efforts of the program administrator, and shall contain sector-level strategies, metrics, and an eight-year budget;
- (b) A four-year program portfolio, beginning with program year 2024. This portion of the application shall contain: detailed sector and program strategies; annual budgets, totaling to a four-year revenue requirement; cost-effectiveness showings over the four-year period; and implementation plans, or links to them, for all programs that are currently operating or planned to operate during the four-year portfolio period, with the exception of third-party programs where the contract has not yet been awarded; and
- (c) The technical inputs given in Table 2 of the decision.<sup>6</sup>

In addition, the Commission adopted major policy changes related to energy efficiency goals, metrics, portfolio segmentation, and cost-effectiveness requirements.<sup>7</sup> The Commission also stated: “Energy efficiency budgets, goals, and cost-effectiveness forecasts should be cumulative during each four-year portfolio period.”<sup>8</sup>

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<sup>5</sup> A detailed forecast for PY 2028-2031 will be included in the 2026 Application and Business Plan filing.

<sup>6</sup> D.21-05-031, OP 5.

<sup>7</sup> *Id.* at 3.

<sup>8</sup> *Id.* at 77, Conclusion of Law (COL) 24.

In D.21-05-031, OP 6, the Commission required portfolio administrators to use a template developed and maintained by Commission staff for the eight-year portfolio plan and the four-year strategic business plan applications.<sup>9</sup> On October 20, 2021, Energy Division distributed its Energy Division 2024-2032 Business Plan Templates that include an outline for the narrative portions, attachment tables, and supplemental budget information.<sup>10</sup>

SoCalGas prepared its Business Plan and Portfolio Plan in compliance with the direction provided in D.21-05-031 and the templates provided by Energy Division. SoCalGas looks forward to continuing to engage with the Commission and stakeholders and serving its customers through strengthening its longstanding commitment to energy efficiency.

### **III. SUMMARY OF APPLICATION**

This Application consists of three exhibits that contain SoCalGas's proposal for its Business Plan and Program Portfolio. The testimony and supporting materials filed concurrently with this application generally align to and respond to the prompts from the Energy Division template.<sup>11</sup> Exhibit 1 covers SoCalGas's 2024-2031 strategic business plan. Exhibit 2 covers SoCalGas's 2024-2027 portfolio plan. Exhibit 3 covers SoCalGas's application data tables and responses, pursuant to the Energy Division template. Each exhibit is summarized further below.

#### **A. Exhibit 1: SoCalGas's 2024-2031 Energy Efficiency Strategic Business Plan**

The Business Plan consists of three sections that outline SoCalGas's vision for energy efficiency program delivery for the 2024–2031 cycle, annual portfolio budgets, and recommendations for new or modified energy efficiency policy. Exhibit 1 is the foundation for SoCalGas's Portfolio Plan for 2024-2027, as presented in Exhibit 2. Each section of the Business Plan is summarized below.

##### **1. SoCalGas's Vision for Energy Efficiency in California**

This section of Exhibit 1 presents SoCalGas's energy efficiency vision for the state of California for 2024-2031 and describes SoCalGas's goals, objectives, and strategies to achieve that vision. SoCalGas's vision is that SoCalGas's energy efficiency portfolio will accelerate

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<sup>9</sup> *Id.* at 82, OP 6.

<sup>10</sup> R.13-11-005, Energy Division's Notice of Energy Efficiency 2024-2031 Business Plan templates (October 20, 2021).

<sup>11</sup> D.21-05-031, p. 82, OP 6. Where necessary, SoCalGas includes additional information and/or integrates similar sections.

California toward achieving its clean energy goals through innovative and comprehensive customer-centric decarbonization solutions. To achieve SoCalGas’s vision, SoCalGas created guiding principles, goals, and strategies. SoCalGas’s vision integrates the ideals of innovation, partnership, and customer-centric approaches to influence customers’ energy efficiency decisions. SoCalGas will continue to be a leader in delivering innovative energy efficiency programs that are valued by customers, sensitive to the environment, stimulate the economy, and make a difference in the communities served.

## **2. Annual Portfolio Budgets for 2024-2031**

This section of Exhibit 1 presents SoCalGas’s annual projected portfolio forecast budgets that sum to its eight-year budget cap request and its forecasts for savings, cost-effectiveness, and Total System Benefit (“TSB”) through 2031. Annual budgets for 2024-2027 program years were developed using a zero-based or “bottoms up” approach which is a budget breakdown by expenditures category. Budget projections for 2028-2031 were projected using a high-level escalation factor and SoCalGas plans to update 2028-2031 budgets in its next Energy Efficiency application. SoCalGas forecasts budget cap for 2024-2031 to be approximately \$1.45 billion, which includes approximately \$124 million requested on behalf of the RENs. For 2024-2027, SoCalGas requests a revenue requirement of approximately \$669 million for its EE portfolio, which includes \$57 million requested on behalf of RENs in SoCalGas’s territory. For 2024-2031, SoCalGas forecasts to achieve a Total Resource Cost (“TRC”) ratio for its resource acquisition segment of 1.23 and a total cumulative TSB of approximately \$1.3 billion. Both a 2023 Portfolio True-Up advice letter and a 2025 Mid-Cycle advice letter will be filed to re-align forecasted budget expenditures with bi-annual Potential and Goals studies.

## **3. Recommendations for New or Modified Energy Efficiency Policy**

This section of Exhibit 1 presents SoCalGas’s proposals for policy modifications to support SoCalGas’s EE vision. Policy considerations have been grouped into two overarching themes: (1) modernizing/expanding the scope of energy efficiency to advance State policies; and (2) recalibrating policies for the current Investor Owned Utility (“IOU”) PA role in energy efficiency.

SoCalGas proposes three policy changes to modernize and expand the scope of energy efficiency to advance State policies. Among other things, these changes are meant to further save natural gas and decarbonize the energy system. These include policy changes to: (1)

incorporate methane reductions into energy efficiency savings, (2) exempt energy efficiency program delivery using utility represented employees from the third-party outsourcing requirement, and (3) update avoided cost benefits to reflect upstream water energy savings for water efficiency measures.

SoCalGas proposes eight policy changes to recalibrate and/or streamline policies for the current IOU PA role in energy efficiency. These include policy changes to: (1) modify the fuel-substitution test to encourage cleaner fuel switching, (2) increase equity and market support funding limits, (3) change the statewide program funding minimum to a target and reassess the value, (4) allow for greater flexibility in third-party program solicitations, (5) improve the current advice letter process for third-party contracts, (6) revisit the current *ex ante* review process, (7) expansion of strategic energy management strategy to all non-residential sectors, and (8) introduce real-time evaluation, measurement, and verification (“EM&V”) to estimate program attribution.

**B. Exhibit 2: SoCalGas’s 2024-2027 Portfolio Plan**

Exhibit 2 presents SoCalGas’s four-year portfolio plan (2024-2027) for its energy efficiency programs. SoCalGas’s Business Plan, as described in Exhibit 1, serves as the foundation for SoCalGas’s first four-year portfolio plan cycle. The Portfolio Plan consists of seven sections that outline SoCalGas’s segment and sector strategies for energy efficiency program delivery for the 2024–2031 cycle. Each section of the Portfolio Plan is summarized below.

**1. Portfolio Summary**

This section of SoCalGas’s Portfolio Plan presents an overall summary of SoCalGas’s 2024-2027 portfolio plan, which is the first four-year period of the eight-year cycle. This section discusses how SoCalGas plans to reach its goals during the first four-year portfolio period. Pursuant to the Energy Division template, this section also includes SoCalGas’s application summary budget tables, including SoCalGas’s 2024-2027 total system benefit forecast compared to goal:

PY	Total System Benefit (TSB) CPUC Goal*	SoCalGas TSB Forecast*	Forecast compared to Goal
2024	\$94,305,917	\$145,057,071	154%

2025	\$105,511,595	\$153,587,745	146%
2026	\$115,302,575	\$159,287,464	138%
2027	\$131,937,530	\$170,538,806	129%
Total	\$447,057,617	\$628,471,086	141%

\*Goal and forecast values do not include contributions from RENs or Codes and Standards.

**2. Forecast Methodology**

This section of SoCalGas’s Portfolio Plan includes SoCalGas’s EE portfolio budget and forecast methodology for 2024-2027. In compliance with D.21-05-031, SoCalGas discusses its zero-based budgeting approach.<sup>12</sup> SoCalGas provides a breakdown of forecast expenditures by cost category and associated forecast benefits via performance metrics and quantitative contributions toward portfolio goals.

SoCalGas requests approximately \$612 million for its total 2024-2027 budget specific to SoCalGas’s EE portfolio.

**3. Segmentation Strategy**

This section of SoCalGas’s Portfolio Plan includes SoCalGas’s strategy for portfolio segmentation for 2024-2027, as directed by D.21-05-031 and the ED template. The Commission in D.21-05-031 changed the prior energy efficiency portfolio structure and created three portfolio segment types: resource acquisition, market support, and equity.<sup>13</sup> This section discusses how SoCalGas categorizes its EE programs into these segments.

SoCalGas’s 2024-2027 portfolio budget, excluding RENs, for these segments is allocated as follows:

Resource Acquisition: 66.2% or approximately \$404.9 million.

Equity: 14.0% or approximately \$85.9 million.

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<sup>12</sup> D.21-05-031, p. 34 (zero-based means that “all expenses must be justified for each year of the new four-year period, after analyzing each function within the budget for its needs and costs.”)

<sup>13</sup> *Id.* at 81, OP 2.

Market Support: 14.8% or approximately \$90.6 million.

Codes and Standards remains a separate and fourth segment.<sup>14</sup> As directed by the Commission, SoCalGas will limit its codes and standards role to only “transfer ratepayer funds to the statewide lead for codes and standards[.]”<sup>15</sup>

#### **4. Sector Strategy**

This section of SoCalGas’s Portfolio Plan includes SoCalGas’s detailed description of programs within SoCalGas’s sectors in its 2024-2027 portfolio, including programs that SoCalGas plans to continue through 2024-2027. The sectors includes residential, commercial, industrial agricultural, and public, as well as the cross-cutting sectors emerging technologies, workforce education and training outreach, and finance. SoCalGas discusses specific sectors in detail, with all sectors including discussion regarding: goals, objectives, and strategies; sector specific coordination; program details; and new programs proposed (if any).

#### **5. Portfolio Management**

This section of SoCalGas’s Portfolio Plan includes SoCalGas’s EE portfolio management for 2024-2027, including SoCalGas’s strategies to optimize and manage its EE portfolio. SoCalGas will look for new, innovative ways to meet is portfolio objectives, from leveraging the creative programs designed by the third-party implementer community to creating synergistic strategies through partnership with other entities. A significant part of this chapter discusses SoCalGas’s third-party programs and SoCalGas’s proposals for improving the solicitation process.

#### **6. Evaluation, Measurement, and Verification**

This section of SoCalGas’s Portfolio Plan summarizes SoCalGas’s planned EE evaluation, measurement, and verification (“EM&V”) activities for 2024-2027. SoCalGas plans to maintain the core objective to evaluate, measure, and verify the performance and savings of its energy efficiency programs, while aiming to support the achievement of the CPUC’s savings goals, portfolio segmentation, and other policy objectives. SoCalGas proposes four areas of focus to provide support for program segments and portfolio achievement:

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<sup>14</sup> D.21-05-031, p. 16.

<sup>15</sup> D.18-05-041, OP 53.

- Portfolio *Ex Ante* Savings
- Portfolio Optimization and Evolution
- Support Program Impacts (*Ex Post*)
- General Portfolio and Program EM&V Support

## 7. Cost and Cost Recovery

This section of SoCalGas’s Portfolio Plan includes SoCalGas’s proposed costs and cost recovery for its 2024-2027 portfolio. SoCalGas does not propose any changes to the existing EE balancing accounts or treatment of any unspent, uncommitted funds for 2024-2027. SoCalGas’s energy efficiency portfolio costs are recovered through its Demand Side Management Balancing Account (DSMBA).<sup>16</sup> For statewide programs, SoCalGas utilizes its Statewide Energy Efficiency Balancing Account (SWEEBA)<sup>17</sup> for state-wide programs led by SoCalGas. Funds in SWEEBA are sourced from other IOUs’ contributions and SoCalGas’s DSMBA. SoCalGas’s current budget commitment process is developed in accordance with D.12-11-015 and remains applicable for the four-year portfolio budget cycle. Approved funds that have neither been spent or committed at the end of the budget cycle are generally returned to ratepayers, either by offsetting future revenue requirements or as directed by the Commission.

### C. Exhibit 3: SoCalGas’s Responses, Pursuant to Energy Division Template

SoCalGas includes data tables and supplemental budget information pursuant to the Energy Division template and further direction. Specifically, Exhibit 3 includes budget tables (Appendix A), a supplementary budget narrative (Appendix B), Program Cards (Appendix C), the EE organizational chart (Appendix D), and confirmation of the CEDARS upload (Appendix E).

## IV. STATUTORY AND PROCEDURAL REQUIREMENTS

### A. Rule 2.1 (a) – (c)

This Application is made pursuant to Sections 451, 454, 454.56, 489, 491, 701, 701.1, 728, 729, and 1701 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

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<sup>16</sup> SoCalGas Preliminary Statement, Part V, Balancing Accounts, Demand Side Management Balancing Account, available at <https://tariff.socalgas.com/regulatory/tariffs/tm2/pdf/DSMBA.pdf>.

<sup>17</sup> SoCalGas Preliminary Statement, Part V, Balancing Accounts, Statewide Energy Efficiency Balancing Account, available at <https://tariff.socalgas.com/regulatory/tariffs/tm2/pdf/SWEEBA.pdf>

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

**1. Rule 2.1(a) – Legal Name**

SoCalGas is a 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**

Correspondence and communications regarding this Application should be addressed to:

Kristine Huliganga  
Regulatory Case Manager  
SOUTHERN CALIFORNIA GAS COMPANY  
555 West Fifth Street, Ste. 1400  
Los Angeles, CA 90013  
Telephone: (213) 231-6987  
Facsimile: (213) 244-4957  
Email: [khuliganga@socalgas.com](mailto:khuliganga@socalgas.com)

A copy should also be sent to:

Holly A. Jones  
Senior Counsel  
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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(e) as the most appropriate of the available categories.

**b) Need for Hearings**

SoCalGas does not anticipate the need for evidentiary or public hearings, given this Application is being filed for the primary purpose of submitting its Business Plan, as ordered by the Commission, which provides a high-level view of SoCalGas’s plan to meet the Commission’s energy efficiency related goals and strategies. As it has done in R.13-11-005, the Commission can receive stakeholder input through the commenting process. However, in the

event hearings are necessary, SoCalGas’s proposed schedule (below) incorporates hearing/workshop dates.

**c) Issues to be Considered**

The principal issues to be considered in this proceeding are: (1) whether SoCalGas’s Business Plan should be adopted as filed, and (2) whether the policy considerations tendered in conjunction with the Business Plan should be adopted in this proceeding. This Application does not identify any safety considerations associated with the requested relief.

**d) Proposed Schedule**

SoCalGas proposes the following schedule for this Application:

<b>Date</b>	<b>Activity</b>
March 4, 2022	SoCalGas Application Filed
March 10, 2022	CAEECC Workshop
30 days from the Application’s Appearance on the Daily Calendar	Protests to SoCalGas Application
10 days from Response/Protest Deadline	SoCalGas Reply to Protests
April 18-May 3, 2022 <sup>18</sup>	Prehearing Conference (PHC), PHC Statements, and Scoping Memo
Summer 2022	Workshops, if needed
December 1, 2022	Intervenor Testimony / Deadline to file motion for evidentiary hearings
January 30, 2023	Rebuttal Testimony Due
February 9, 2023	Meet and Confer Pursuant to Rule 13.9
March 15-24, 2023	Evidentiary Hearings (if needed)
March 24, 2023	Discovery Cutoff
May 9, 2023	Concurrent Opening Briefs (if needed)
June 8, 2023	Concurrent Reply Briefs (if needed)

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<sup>18</sup> Rule 7.2(a) sets a date range for a pre-hearing conference to be set 45-60 days after the initiation of the proceeding or as soon as practicable after the Commission makes the assignment. The proposed date for a PHC is based upon Commission consolidation of all PA applications prior to a PHC.

August 2023	Proposed Decision
September 1, 2023	True-Up Advice Letter
September 2023	Final Decision

SoCalGas is amenable to working with parties to come up with a mutually agreeable proposed schedule.

**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 application (“A.”) 98-10-012, and is incorporated herein by reference.

**C. Rule 3.2(a)-(d)**

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

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

Attachment A of this Application presents SoCalGas’s most current balance sheet and an income statement for the period ending September 30, 2021.

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

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

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

A general description of SoCalGas’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 September 30, 2021, is attached as Attachment C.

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

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

**5. Rule 3.2(a)(7) – Depreciation**

For financial statement purposes, depreciation of utility plant has been computed on a straight-line remaining life basis at rates based on the estimated useful lives of plant properties.

For federal income tax accrual purposes, SoCalGas has generally computed depreciation using the straight-line method for tax property additions prior to 1954, and liberalized depreciation, which includes Class Life and Asset Depreciation Range Systems, on tax property additions after 1954 and prior to 1981. For financial reporting and rate-making purposes, “flow through accounting” has been adopted for such properties. For tax property additions in years 1981 through 1986, SoCalGas has computed its tax depreciation using the Accelerated Cost Recovery System. For years after 1986, SoCalGas has computed its tax depreciation using the Modified Accelerated Cost Recovery Systems and, since 1982, has normalized the effects of the accelerated depreciation differences in accordance with the Economic Recovery Tax Act of 1981, the Tax Reform Act of 1986, and the Tax Cuts and Jobs Act of 2017.

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

A copy of SoCalGas’s most recent proxy statement, dated April 27, 2021, was mailed to the Commission on April 27, 2021, and is incorporated herein by reference.

**7. Rule 3.2(a)(1) – Pass Through of Costs**

The changes that SoCalGas seeks in this Application reflect estimated costs to SoCalGas and passes through to customers only costs that SoCalGas incurs for the services and commodities that it furnishes.

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

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

**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 its 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 its 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 and no service list has been established. Accordingly, SoCalGas will serve this application on the Chief Administrative Law Judge and the parties to the service

list for R.13-11-005 by electronic mail and by U.S. mail to those parties who have not provided an electronic address to the Commission.

## V. CONCLUSION

For the reasons set forth in this Application and accompanying testimony, SoCalGas respectfully requests the Commission to:

- 1) Approve SoCalGas's Strategic Business Plan for 2024-2031.
- 2) Approve SoCalGas's requested changes to Commission-adopted policies, as described further in Exhibit 1.
- 3) Grant such other relief as is necessary and proper.

Respectfully submitted,

SOUTHERN CALIFORNIA GAS COMPANY

By: /s/Don Widjaja  
Don Widjaja

Vice President  
Customer Solutions

Respectfully submitted,

By: /s/Holly A. Jones  
Holly A. Jones

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March 4, 2022

**OFFICER VERIFICATION**

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

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

Executed this 4th day of March 2022, at Los Angeles, California.

By:     /s/Don Widjaja      
Don Widjaja

Vice President  
Customer Solutions  
SOUTHERN CALIFORNIA GAS COMPANY

# ATTACHMENT A

**SOUTHERN CALIFORNIA GAS COMPANY  
BALANCE SHEET  
ASSETS AND OTHER DEBITS  
SEPTEMBER 30, 2021**

	<b>1. UTILITY PLANT</b>	2021
101	UTILITY PLANT IN SERVICE	\$21,157,681,282
102	UTILITY PLANT PURCHASED OR SOLD	-
105	PLANT HELD FOR FUTURE USE	-
106	COMPLETED CONSTRUCTION NOT CLASSIFIED	-
107	CONSTRUCTION WORK IN PROGRESS	1,323,271,593
108	ACCUMULATED PROVISION FOR DEPRECIATION OF UTILITY PLANT	(6,908,067,192)
111	ACCUMULATED PROVISION FOR AMORTIZATION OF UTILITY PLANT	(119,316,903)
117	GAS STORED-UNDERGROUND	61,422,045
	TOTAL NET UTILITY PLANT	15,514,990,825
<b>2. OTHER PROPERTY AND INVESTMENTS</b>		
121	NONUTILITY PROPERTY	44,743,497
122	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF NONUTILITY PROPERTY	(15,608,887)
123	INVESTMENTS IN SUBSIDIARY COMPANIES NONCURRENT PORTION OF ALLOWANCES	-
124	OTHER INVESTMENTS	13,979
125	SINKING FUNDS	-
128	OTHER SPECIAL FUNDS	250,000
175	LONG TERM PORTION OF DERIVATIVE ASSETS	132,980
	TOTAL OTHER PROPERTY AND INVESTMENTS	29,531,569

Data from SPL as of February 9, 2022.

**SOUTHERN CALIFORNIA GAS COMPANY  
BALANCE SHEET  
ASSETS AND OTHER DEBITS  
SEPTEMBER 30, 2021**

<b>3. CURRENT AND ACCRUED ASSETS</b>		2021
131	CASH	226,263,744
132	INTEREST SPECIAL DEPOSITS	-
134	OTHER SPECIAL DEPOSITS	-
135	WORKING FUNDS	124,064
136	TEMPORARY CASH INVESTMENTS	-
141	NOTES RECEIVABLE	-
142	CUSTOMER ACCOUNTS RECEIVABLE	586,248,247
143	OTHER ACCOUNTS RECEIVABLE	37,891,527
144	ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS	(85,081,176)
145	NOTES RECEIVABLE FROM ASSOCIATED COMPANIES	-
146	ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES	(3,143,341)
151	FUEL STOCK	-
152	FUEL STOCK EXPENSE UNDISTRIBUTED	-
154	PLANT MATERIALS AND OPERATING SUPPLIES	64,914,198
155	MERCHANDISE	-
156	OTHER MATERIALS AND SUPPLIES	-
158	GHG ALLOWANCE	646,393,192
	(LESS) NONCURRENT PORTION OF ALLOWANCES	-
163	STORES EXPENSE UNDISTRIBUTED	(1,509,301)
164	GAS STORED	109,820,195
165	PREPAYMENTS	80,868,372
171	INTEREST AND DIVIDENDS RECEIVABLE	808,230
173	ACCRUED UTILITY REVENUES	-
174	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	15,830,833
175	DERIVATIVE INSTRUMENT ASSETS	4,069,977
176	LONG TERM PORTION OF DERIVATIVE ASSETS	(132,980)
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>1,683,365,781</b>
<b>4. DEFERRED DEBITS</b>		
181	UNAMORTIZED DEBT EXPENSE	29,783,363
182	UNRECOVERED PLANT AND OTHER REGULATORY ASSETS	3,783,406,539
183	PRELIMINARY SURVEY & INVESTIGATION CHARGES	1,739,264
184	CLEARING ACCOUNTS	1,858,699
185	TEMPORARY FACILITIES	-
186	MISCELLANEOUS DEFERRED DEBITS	962,968,419
188	RESEARCH AND DEVELOPMENT	-
189	UNAMORTIZED LOSS ON REACQUIRED DEBT	587,614
190	ACCUMULATED DEFERRED INCOME TAXES	970,372,792
191	UNRECOVERED PURCHASED GAS COSTS	-
	<b>TOTAL DEFERRED DEBITS</b>	<b>5,750,716,690</b>
	<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 22,978,604,865</b>

Data from SPL as of February 9, 2022.

**SOUTHERN CALIFORNIA GAS COMPANY  
BALANCE SHEET  
LIABILITIES AND OTHER CREDITS  
SEPTEMBER 30, 2021**

**5. PROPRIETARY CAPITAL**

	2021
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	(831,306,680)
214 CAPITAL STOCK EXPENSE	143,261
216 UNAPPROPRIATED RETAINED EARNINGS	(3,586,664,230)
219 ACCUMULATED OTHER COMPREHENSIVE INCOME	29,208,723
TOTAL PROPRIETARY CAPITAL	(5,245,068,630)

**6. LONG-TERM DEBT**

221 BONDS	(4,450,000,000)
224 OTHER LONG-TERM DEBT	(309,338,770)
225 UNAMORTIZED PREMIUM ON LONG-TERM DEBT	-
226 UNAMORTIZED DISCOUNT ON LONG-TERM DEBT	7,455,469
TOTAL LONG-TERM DEBT	(4,751,883,301)

**7. OTHER NONCURRENT LIABILITIES**

227 OBLIGATIONS UNDER CAPITAL LEASES - NONCURRENT	(90,943,710)
228.2 ACCUMULATED PROVISION FOR INJURIES AND DAMAGES	(115,611,384)
228.3 ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS	(821,171,423)
228.4 ACCUMULATED MISCELLANEOUS OPERATING PROVISIONS	-
245 NONCURRENT DERIVATIVE INSTRUMENT LIABILITIES	-
230 ASSET RETIREMENT OBLIGATIONS	(2,434,557,127)
TOTAL OTHER NONCURRENT LIABILITIES	(3,462,283,644)

Data from SPL as of February 9, 2022.

**SOUTHERN CALIFORNIA GAS COMPANY  
BALANCE SHEET  
LIABILITIES AND OTHER CREDITS  
SEPTEMBER 30, 2021**

<b>8. CURRENT AND ACCRUED LIABILITES</b>		<b>2021</b>
231	NOTES PAYABLE	-
232	ACCOUNTS PAYABLE	(2,539,328,818)
233	NOTES PAYABLE TO ASSOCIATED COMPANIES	-
234	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	(30,996,307)
235	CUSTOMER DEPOSITS	(14,904,698)
236	TAXES ACCRUED	(36,136,924)
237	INTEREST ACCRUED	(35,416,195)
238	DIVIDENDS DECLARED	(323,265)
241	TAX COLLECTIONS PAYABLE	(14,461,602)
242	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	(665,451,923)
243	OBLIGATIONS UNDER CAPITAL LEASES - CURRENT	(26,690,357)
244	DERIVATIVE INSTRUMENT LIABILITIES	(34,354,404)
245	DERIVATIVE INSTRUMENT LIABILITIES - HEDGES	-
	<b>TOTAL CURRENT AND ACCRUED LIABILITIES</b>	<b>(3,398,064,493)</b>
<b>9. DEFERRED CREDITS</b>		
252	CUSTOMER ADVANCES FOR CONSTRUCTION	(121,737,483)
	OTHER DEFERRED CREDITS	(350,160,156)
254	OTHER REGULATORY LIABILITIES	(3,608,639,756)
255	ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	(7,125,787)
257	UNAMORTIZED GAIN ON REACQUIRED DEBT	-
281	ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED	-
282	ACCUMULATED DEFERRED INCOME TAXES - PROPERTY	(1,447,456,278)
283	ACCUMULATED DEFERRED INCOME TAXES - OTHER	(586,185,337)
	<b>TOTAL DEFERRED CREDITS</b>	<b>(6,121,304,797)</b>
	<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>\$ (22,978,604,865)</b>

Data from SPL as of February 9, 2022.

**SOUTHERN CALIFORNIA GAS COMPANY**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2021**

**1. UTILITY OPERATING INCOME**

400	OPERATING REVENUES		3,721,827,028
401	OPERATING EXPENSES	3,619,388,469	
402	MAINTENANCE EXPENSES	307,830,644	
403-7	DEPRECIATION AND AMORTIZATION EXPENSES	532,543,194	
408.1	TAXES OTHER THAN INCOME TAXES	120,039,180	
409.1	INCOME TAXES	557,281,267	
410.1	PROVISION FOR DEFERRED INCOME TAXES	126,396,711	
411.1	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	(578,967,595)	
411.4	INVESTMENT TAX CREDIT ADJUSTMENTS	(734,913)	
411.6	GAIN FROM DISPOSITION OF UTILITY PLANT	-	
411.7	LOSS FROM DISPOSITION OF UTILITY PLANT	-	
	TOTAL OPERATING REVENUE DEDUCTIONS		4,683,776,957
	NET OPERATING INCOME		(961,949,929)

**2. OTHER INCOME AND DEDUCTIONS**

415	REVENUE FROM MERCHANDISING, JOBBING AND CONTRACT WORK		-
417	REVENUES FROM NONUTILITY OPERATIONS	-	
417.1	EXPENSES OF NONUTILITY OPERATIONS	(8,905,101)	
418	NONOPERATING RENTAL INCOME	573,867	
418.1	EQUITY IN EARNINGS OF SUBSIDIARIES	-	
419	INTEREST AND DIVIDEND INCOME	509,948	
419.1	ALLOWANCE FOR OTHER FUNDS USED DURING CONSTRUCTION	36,634,862	
421	MISCELLANEOUS NONOPERATING INCOME	(966,776)	
421.1	GAIN ON DISPOSITION OF PROPERTY	0	
	TOTAL OTHER INCOME	27,846,800	
421.2	LOSS ON DISPOSITION OF PROPERTY	(5,641)	
425	MISCELLANEOUS AMORTIZATION	-	
426	MISCELLANEOUS OTHER INCOME DEDUCTIONS	(11,378,322)	
		(11,383,964)	
408.2	TAXES OTHER THAN INCOME TAXES	(145,623)	
409.2	INCOME TAXES	441,954,327	
410.2	PROVISION FOR DEFERRED INCOME TAXES	(52,410,717)	
411.2	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	49,472,204	
420	INVESTMENT TAX CREDITS	-	
		-	
	TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS		438,870,191
	TOTAL OTHER INCOME AND DEDUCTIONS		455,333,027
	INCOME BEFORE INTEREST CHARGES		(506,616,902)
	NET INTEREST CHARGES*		117,816,055
	NET INCOME		(\$624,432,957)

\*NET OF ALLOWANCE FOR BORROWED FUNDS USED DURING CONSTRUCTION. (\$36,634,861.36)

Data from SPL as of February 9, 2022.

**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2021**

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**3. RETAINED EARNINGS**

RETAINED EARNINGS AT BEGINNING OF PERIOD, AS PREVIOUSLY REPORTED	\$4,212,066,985
NET INCOME (FROM PRECEDING PAGE)	(624,432,957)
DIVIDEND TO PARENT COMPANY	-
DIVIDENDS DECLARED - PREFERRED STOCK	(969,798)
OTHER RETAINED EARNINGS ADJUSTMENT	<u>-</u>
RETAINED EARNINGS AT END OF PERIOD	<u><u>\$3,586,664,230</u></u>

# ATTACHMENT B

**SOUTHERN CALIFORNIA GAS COMPANY**  
**Statement of Present and Proposed Rates**

Customer Class	Current Rates (2021) \$/th	2024			2025			2026			2027			
		\$/th	increase in \$	% increase										
<b>Core-CARE</b>														
Residential	1.3049	1.3141	\$ 0.009	0.7%	\$ 0.010	0.7%	\$ 0.010	0.8%	\$ 0.010	0.8%	\$ 0.010	0.8%	\$ 0.010	0.8%
Commercial/Industrial	0.9612	0.9897	\$ 0.028	3.0%	\$ 0.030	3.1%	\$ 0.030	3.2%	\$ 0.031	3.2%	\$ 0.032	3.3%	\$ 0.032	3.3%
Gas AC	0.8239	0.9211	\$ 0.097	11.8%	\$ 0.101	12.3%	\$ 0.101	12.6%	\$ 0.104	12.6%	\$ 0.109	13.2%	\$ 0.109	13.2%
<b>Core-Non CARE</b>														
Residential	1.6731	1.6822	\$ 0.009	0.5%	\$ 0.010	0.6%	\$ 0.010	0.6%	\$ 0.010	0.6%	\$ 0.010	0.6%	\$ 0.010	0.6%
Commercial/Industrial	1.2343	1.2627	\$ 0.028	2.3%	\$ 0.030	2.4%	\$ 0.030	2.5%	\$ 0.031	2.5%	\$ 0.032	2.6%	\$ 0.032	2.6%
Gas AC	1.0282	1.1255	\$ 0.097	9.5%	\$ 0.101	9.8%	\$ 0.101	10.1%	\$ 0.104	10.1%	\$ 0.109	10.6%	\$ 0.109	10.6%
Gas Engine	0.8728	0.8971	\$ 0.024	2.8%	\$ 0.025	2.9%	\$ 0.025	3.0%	\$ 0.026	3.0%	\$ 0.027	3.1%	\$ 0.027	3.1%
Natural Gas Vehicle	0.8842	0.8842	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
<b>Noncore</b>														
Commercial/Industrial	0.1565	0.1592	\$ 0.003	1.7%	\$ 0.003	1.8%	\$ 0.003	1.8%	\$ 0.003	1.8%	\$ 0.003	1.8%	\$ 0.003	1.9%

# ATTACHMENT C

**SOUTHERN CALIFORNIA GAS COMPANY**  
Plant Investment and Accumulated Depreciation  
As of September 30, 2021

ACCOUNT NUMBER	DESCRIPTION	ORIGINAL COSTS	ACCUMULATED RESERVE	NET BOOK VALUE
<b>INTANGIBLE ASSETS</b>				
301	Organization	76,457	-	76,457
302	Franchise and Consents	587,060	-	587,060
303	Cloud Compute	-	-	-
	Total Intangible Assets	<u>663,517</u>	<u>-</u>	<u>663,517</u>
<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	<u>-</u>	<u>-</u>	<u>-</u>
<b>UNDERGROUND STORAGE:</b>				
350	Land	4,539,484	-	4,539,484
350SR	Storage Rights	19,069,515	(17,569,840)	1,499,675
350RW	Rights-of-Way	25,354	(18,677)	6,677
351	Structures and Improvements	123,983,603	(34,234,043)	89,749,560
352	Wells	573,805,983	99,733,912	673,539,895
353	Lines	189,486,023	(62,153,785)	127,332,238
354	Compressor Station and Equipment	466,651,101	(97,384,843)	369,266,258
355	Measuring And Regulator Equipment	18,390,763	(4,259,420)	14,131,343
356	Purification Equipment	164,922,327	(91,717,958)	73,204,369
357	Other Equipment	91,483,725	(27,531,850)	63,951,875
	Total Underground Storage	<u>1,652,357,879</u>	<u>(235,136,504)</u>	<u>1,417,221,375</u>
<b>TRANSMISSION PLANT- OTHER:</b>				
365	Land	7,466,461	-	7,466,461
365LRTS	Land Rights	129,194,889	(20,392,947)	108,801,943
366	Structures and Improvements	110,464,803	(21,700,222)	88,764,581
367	Mains	2,848,345,428	(770,162,746)	2,078,182,682
368	Compressor Station and Equipment	425,327,303	(104,831,301)	320,496,002
369	Measuring And Regulator Equipment	301,034,004	(48,497,795)	252,536,209
370	Communication Equipment	78,371,917	(15,539,440)	62,832,476
371	Other Equipment	9,947,237	(4,664,466)	5,282,771
	Total Transmission Plant	<u>3,910,152,041</u>	<u>(985,788,916)</u>	<u>2,924,363,125</u>

**SOUTHERN CALIFORNIA GAS COMPANY**  
Plant Investment and Accumulated Depreciation  
As of September 30, 2021

ACCOUNT NUMBER	DESCRIPTION	ORIGINAL COSTS	ACCUMULATED RESERVE	NET BOOK VALUE
<b>DISTRIBUTION PLANT:</b>				
374	Land	29,737,007	-	29,737,007
374LRTS	Land Rights	2,890,157	(2,224,824)	665,333
375	Structures and Improvements	350,103,515	(96,535,284)	253,568,231
376	Mains	6,021,129,647	(2,781,887,798)	3,239,241,849
378	Measuring And Regulator Equipment	150,464,369	(86,822,424)	63,641,945
380	Services	3,494,115,622	(2,250,215,370)	1,243,900,252
381	Meters	981,063,184	(307,360,914)	673,702,270
382	Meter Installation	633,410,842	(224,607,012)	408,803,830
383	House Regulators	186,925,150	(84,032,209)	102,892,941
387	Other Equipment	76,713,122	(29,773,339)	46,939,784
	Total Distribution Plant	<u>11,926,552,616</u>	<u>(5,863,459,174)</u>	<u>6,063,093,442</u>
<b>GENERAL PLANT:</b>				
389	Land	1,342,839	-	1,342,839
389LRTS	Land Rights	74,300	(43,462)	30,838
390	Structures and Improvements	256,402,038	(195,527,385)	60,874,653
391	Office Furniture and Equipment	1,651,611,629	(1,171,998,959)	479,612,670
392	Transportation Equipment	149,370	(73,280)	76,090
393	Stores Equipment	112,635	(80,143)	32,491
394	Shop and Garage Equipment	113,624,948	(32,570,721)	81,054,227
395	Laboratory Equipment	8,273,506	(1,870,209)	6,403,297
396	Construction Equipment	1,124	1,865	2,989
397	Communication Equipments	213,961,002	(85,344,307)	128,616,695
398	Miscellaneous Equipment	985,530	(260,534)	724,995
	Total General Plant	<u>2,246,538,920</u>	<u>(1,487,767,136)</u>	<u>758,771,784</u>
	Subtotal	<u><b>19,736,264,974</b></u>	<u><b>(8,572,151,730)</b></u>	<u><b>11,164,113,243</b></u>
121	Non-Utility Plant	32,518,285	(14,395,560)	18,122,725
117GSUNC	Gas Stored Underground - NonCurrent	61,422,045	-	61,422,045
GCL	GCT - Capital Lease	-	-	-
	Total Other - Non-Utility Plant	<u>93,940,330</u>	<u>(14,395,560)</u>	<u>79,544,770</u>
	Total-Reconciliation to Asset History Totals	<u>19,830,205,304</u>	<u>(8,586,547,290)</u>	<u>11,243,658,013</u>
	Sept 2021 Asset 1020 Report	<u>19,830,205,304</u>	<u>(8,586,547,290)</u>	<u>11,243,658,013</u>
	Difference	<u>(0)</u>	<u>0</u>	<u>(0)</u>

# ATTACHMENT D

**SOUTHERN CALIFORNIA GAS COMPANY  
SUMMARY OF EARNINGS  
NINE MONTHS ENDED SEPTEMBER 30, 2021  
(DOLLARS IN MILLIONS)**

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Operating Revenue	\$3,722
2	Operating Expenses	<u>4,684</u>
3	Net Operating Income	<u><u>(\$962)</u></u>
4	Weighted Average Rate Base	\$9,197
5	Rate of Return*	7.30%

\*Authorized Cost of Capital