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Commissioner : Karen Douglas
Admin Law Judge : Eric Fredericks
Witness : Michael Tan



PUBLIC ADVOCATES OFFICE
CALIFORNIA PUBLIC UTILITIES COMMISSION

MONITORING AND EVALUATION REPORT

**Southern California Gas Company's
Gas Cost Incentive Mechanism**

**GCIM Year 30
April 1, 2023, through March 31, 2024**

Application 24-06-005

San Francisco, California
January 17, 2025

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1 **CHAPTER 1 - SUMMARY AND RECOMMENDATIONS**

2 **1.1 Recommendations**

3 On June 17, 2024, Southern California Gas Company (SoCalGas) filed
4 Application (A.) 24-06-005 regarding the Year 30 Gas Cost Incentive Mechanism
5 (GCIM) for the period April 1, 2023, through March 31, 2024.¹ On July 18, 2024, the
6 Public Advocates Office at the California Public Utilities Commission (Cal Advocates)
7 filed a Protest. In the Protest, Cal Advocates proposed that it would submit its
8 monitoring report by January 17, 2025.²

9 Cal Advocates audited and evaluated the Application and SoCalGas' GCIM Year
10 30 Annual Report (Year 30 Report) and prepared this Monitoring and Evaluation Report
11 (Cal Advocates Report). Chapter 2 of Cal Advocates Report presents the details and
12 results of Cal Advocates' review. Appendix A to this report includes the workpapers and
13 other materials supporting Cal Advocates' findings.

14 Cal Advocates found that SoCalGas' recorded gas costs for GCIM Year 30 were
15 \$74,267,029 below the benchmark, which results in a calculated reward of \$13,865,089
16 to SoCalGas' shareholders and a ratepayer benefit of \$60,401,940.

17 Table 1-1 below summarizes SoCalGas' and Cal Advocates' calculated and
18 recommended shareholder reward and GCIM Year 30 performance³ based on the
19 detailed GCIM monthly reports of core commodity transaction activities.

20
¹ *Application of SoCalGas (U 904 G) Regarding Year 30 (2023-2024) of its GCIM* (June 17, 2024).

² *Cal Advocates' Protest* (July 18, 2024).

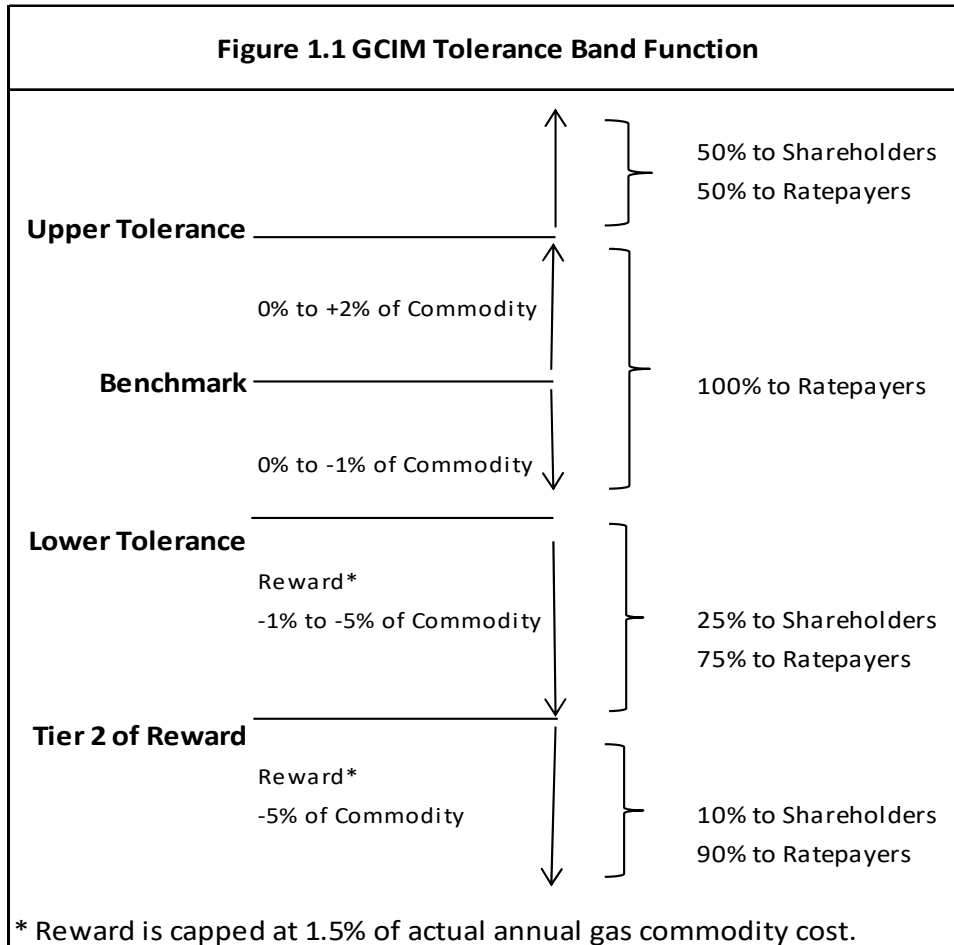
³ See Appendix A, Exhibit No. 1-1.

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TABLE 1-1		
Southern California Gas Company		
Performance Summary		
GCIM Year 30		
April 1, 2023 Through March 31, 2024		
Benchmark Costs	\$	1,621,006,207
Actual Costs	\$	1,546,739,178
GCIM Total Savings	\$	74,267,029
Calculated Ratepayer Savings	\$	60,401,940
Calculated Shareholder Reward	\$	13,865,089

10 **1.2 Background**

11 The objective of the GCIM is to provide an incentive for reducing natural gas
12 procurement costs and other related costs, such as: transportation, storage capacity,
13 financial hedging, and retail core gas sales. The GCIM is used as a ratemaking tool to
14 increase efficiency in administering regulatory controls. For SoCalGas, it provides a
15 framework in the form of a benchmark that indicates when actual purchase costs are
16 within a stated range referred to as a “tolerance band.” If SoCalGas' actual costs, as
17 measured by the GCIM benchmark, are between the upper and lower range limitations
18 of the tolerance band, there is no shareholder penalty or reward for the GCIM period. If
19 actual gas costs fall above or below the tolerance band, then both SoCalGas ratepayers
20 and shareholders share in the resulting gains or losses. Chapter 2 of this Cal Advocates
21 Report presents the results of the tolerance band calculations. The following graph,
22 Figure 1.1, illustrates how the tolerance band functions in determining the shared costs
23 for SoCalGas’ shareholders and ratepayers.



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The upper limit of the tolerance band is set at two percentage points above the benchmark commodity costs. The lower limit of the tolerance band is set at one percentage point below this benchmark. When SoCalGas' actual costs fall within this tolerance band, the accrued benefits or losses go to the ratepayers.⁴

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In cases where actual costs fall outside the tolerance band, the benefits or losses are shared between shareholders and ratepayers. The amounts of these benefits or losses are based on whether the actual costs are outside the upper or lower limits of the tolerance band. For example, if actual costs exceed the upper two percent (2%) tolerance limit, the excess costs are shared 50-50 between ratepayers and shareholders. If actual costs are below the benchmark commodity costs and between

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⁴ D.02-06-023, *Opinion: In the Matter of the Application of SoCalGas Company Regarding Year Six (1999-2000) Under Its Experimental GCIM and Related Gas Supply Matters*, OP No. 1 (June 6, 2002) at 27 (approving the Settlement Agreement).

1 the lower one percent (1%) tolerance limit and the five percent (5%) range, this will
2 generate savings that are shared at twenty-five percent (25%) for shareholders and
3 seventy-five percent (75%) for ratepayers. However, if actual costs are more than five
4 percentage points below the benchmark commodity costs, the savings are shared as
5 ninety percent (90%) savings for ratepayers and a ten percent (10%) reward for
6 shareholders. SoCalGas' reward is capped at 1.5 percent of actual commodity costs.

7 Commission Decision (D.) 94-03-076 originally approved the GCIM program, with
8 subsequent changes and extensions that modified the program incentives.⁵

9 D.10-01-023 changed the treatment of winter hedging costs by allowing twenty-five
10 percent (25%) of net hedging gains and losses related to winter gas purchases to flow
11 through to the GCIM calculation, and seventy-five percent (75%) of costs to be passed
12 through directly to core customers.⁶

13 1.3 GCIM Summary

14 Table 1-2 below summarizes the GCIM results over the past five years. Chapter
15 2 of this Cal Advocates Report presents supporting calculations for GCIM Year 30.

GCIM Year	Period	Total Cost Savings	Ratepayer Savings	Shareholder Rewards
26	2019-2020	81.97	69.17	12.80
27	2020-2021	184.74	173.60	11.14
28	2021-2022	122.21	99.90	22.31
29	2022-2023	417.64	354.86	62.78
30	2023-2024	74.27	60.40	13.87

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18 1.4 Natural Gas Storage

19 To ensure dedicated core storage capacity, the Commission in D.06-10-029
20 authorized SoCalGas to revise its Preliminary Statement, Part VIII, regarding the GCIM
21 to reflect changes to its mid-season minimum core inventory targets.⁷ These changes
22 require SoCalGas to seek agreement from Cal Advocates and The Utility Reform

⁵ D.94-03-076, *Opinion* (Mar. 17, 1994).

⁶ D.10-01-023, *Decision for an Incentive Framework to Motivate Optimal Use of Natural Gas Hedging* (Jan. 25, 2010).

⁷ D.06-10-029, *Opinion Regarding Year 11 of the GCIM* (Oct. 23, 2006).

1 Network (TURN) before making any revisions to its mid-season minimum core inventory
2 targets.⁸ In D.18-01-005, the Commission ordered SoCalGas to confer with Cal
3 Advocates if its mid-season core storage inventory will be less than 47 billion cubic feet
4 (Bcf) on July 31 of each calendar year.⁹ D.18-01-005 also requires SoCalGas to
5 provide notification of its mid-season and annual core storage inventory target to the
6 Commission's Energy Division.¹⁰ For GCIM Year 30, SoCalGas met the July 31
7 mid-season storage target. As of October 31, 2023, SoCalGas reported that the annual
8 storage inventory was within the November 1st annual storage target.¹¹

9 In D.08-12-020, the Commission adopted the Phase 1 Settlement Agreement,
10 which eliminated the upper tolerance band for core storage.¹² Combining San Diego
11 Gas & Electric Company's (SDG&E) and SoCalGas' balancing requirements ensures
12 sufficient storage for core customers in Southern California. As of April 1, 2009,
13 SoCalGas has implemented the core balancing requirements. For the current GCIM
14 reporting period, SoCalGas did not report any core imbalance charges and operational
15 flow order (OFO) daily non-compliance charges.¹³

16 **1.5 Financial Hedging in GCIM**

17 In accordance with D.10-01-023, effective April 2010, SoCalGas is not required
18 to file a Winter Hedging Plan Report.¹⁴ Instead, SoCalGas includes twenty-five percent
19 (25%) of all net gains and losses of its winter hedging transactions in the GCIM. The
20 remaining seventy-five percent (75%) is excluded, which results in costs being passed
21 through to core customers. Cal Advocates reviewed SoCalGas' financial derivative

⁸ D.06-10-029, OP No. 3 (Oct. 19, 2006) at 11.

⁹ D.18-01-005, *Decision Approving SoCalGas' Shareholder Reward for Year 23 (2016-2017) of the GCIM* (Jan. 12, 2018).

¹⁰ D.18-01-005 (Jan. 12, 2018).

¹¹ SoCalGas GCIM Yr. 30 Rept. (June 17, 2024) at A-10.

¹² D.08-12-020, *Decision Regarding the Phase One Issues and the Motion to Adopt the Settlement Agreement*, OP No. 1 (Dec. 5, 2008) at 34.

¹³ SoCalGas July 18, 2024, Response to Cal Advocates Data Request A.24-06-017_GCIM Year 30_MDR Q 11 (issued July 03, 2024).

¹⁴ D.10-01-023, OP No. 5 (Jan. 25, 2010) at 70.

1 gains and losses based on the adopted methodology and according to Commission
2 policies and practices, as described in Chapter 2, Sections 2.10 and 2.11 of this Report.

3 In addition to core winter hedges, SoCalGas transacted non-winter hedges and
4 its non-winter hedge results are also included in the GCIM.¹⁵ Table 1-3 below shows
5 the results of SoCalGas' hedging activities for the most recent five-year GCIM periods.
6

TABLE 1-3 Southern California Gas Company Financial Hedging (in \$Millions)			
GCIM Year	Losses/(Gains) Outside the GCIM	Losses/(Gains) Inside the GCIM	Total Hedging Losses/(Gains)
26	\$ (4.30)	\$ (0.86)	\$ (5.16)
27	\$ 1.71	\$ 0.43	\$ 1.28
28	\$ (0.01)	\$ (2.72)	\$ (2.73)
29	\$ 28.93	\$ 9.64	\$ 38.57
30	\$ 9.22	\$ 3.07	\$ 12.29

7
8 Source: See *infra*, Table 2-11 at 2-16.
9

10 1.6 Interstate Capacity

11 In D.04-09-022, the Commission established interstate pipeline contract approval
12 procedures for SoCalGas, SDG&E, and Pacific Gas and Electric Company (PG&E).¹⁶
13 These procedures included authorized capacity planning ranges to provide flexibility in
14 meeting the utilities' regional market demands and regulatory compliance requirements
15 regarding their Biennial Cost Allocation Proceedings (BCAP) or advice letter filings.¹⁷

16 In accordance with the capacity guideline procedures established by
17 D.04-09-022, SoCalGas, Cal Advocates, TURN, and the Commission's Energy Division
18 conduct ongoing discussions regarding interstate capacity requirements and SoCalGas'
19 acquisition of interstate capacity. Cal Advocates serves as a resource for addressing
20 compliance issues that impact the acquisition or reduction of interstate capacity.¹⁸

¹⁵ See *infra*, Section 2.10, "Financial Derivatives."

¹⁶ D.04-09-022, *Opinion on Phase I Issues*, OP No. 2 (Sept. 2, 2004) at 95.

¹⁷ D.04-09-022, *Concl. of Law No. 6* (Sept. 2, 2004) at 93.

¹⁸ D.04-09-022 (Sept. 2, 2004) at 13 (stating "SoCalGas' Gas Acquisition Department will consult with [Cal Advocates], the Energy Division and TURN on a monthly basis.").

1 Advice Letter 6033-G updated minimum capacity for GCIM Year 30: non-winter
2 requires 877 thousand dekatherms per day (MDth/d) and maximum capacity of 1,169
3 MDth/d. For winter, the combined portfolio minimum capacity is 974 MDth/d and
4 maximum capacity is 1,169 MDth/d.¹⁹

5 For GCIM Year 30, SoCalGas' report indicates that the minimum capacity
6 requirements set by D.04-09-022 were met for the actual monthly activities related to
7 core firm transportation capacity holdings.²⁰

8 **1.7 Secondary Market Services Transactions**

9 Secondary Market Services (SMS) generate revenues from core gas supplies
10 and resources not needed for reliability requirements. SoCalGas meets this regional
11 market demand while simultaneously applying these revenues to directly offset core
12 commodity costs. As a result, this reduces core gas costs, which achieves SoCalGas'
13 primary objectives of ensuring supply and service reliability at a low cost.²¹

14 For the GCIM Year 30 period, SoCalGas shows net SMS revenues of
15 (\$13,676,610).²² These revenues offset part of the gas costs and enable SoCalGas to
16 lower its core commodity costs.

17 **1.8 Conclusion**

18 Cal Advocates' review verified that for GCIM Year 30, SoCalGas' total savings
19 was \$74,267,029. Accordingly, Cal Advocates confirms that SoCalGas' shareholders
20 should receive a reward in the amount of \$13,865,089. Cal Advocates also confirms
21 that for the GCIM Year 30 reporting period, ratepayer benefits amounted to
22 \$60,401,940. In collaboration with SoCalGas and other interested parties, Cal
23 Advocates will continue to monitor and evaluate SoCalGas' GCIM to identify any
24 changes needed to improve the effectiveness of its GCIM. Furthermore, SoCalGas and

¹⁹ SoCalGas Advice Letter No. 6033, p. 2.

²⁰ SoCalGas GCIM Yr. 30 Rept., Appendix C, "Current Core Firm Transportation Capacity Holdings" (June 17, 2024).

²¹ SoCalGas GCIM Yr. 30 Rept. (June 17, 2024) at A-11.

²² SoCalGas GCIM Yr. 30 Rept. (June 17, 2024) at A-8, Table 2. See also *infra*, Section 2.12, "Review of Secondary Market Services Revenues."

- 1 Cal Advocates would submit any subsequent changes to the Commission for approval
- 2 and adoption.
- 3

1 **CHAPTER 2 MONITORING AND EVALUATION AUDIT**

2 **2.1 Cal Advocates' GCIM Reward Evaluation**

3 SoCalGas' GCIM Year 30 Application reports core gas procurement results for
4 April 1, 2023, through March 31, 2024. Pursuant to D.94-03-076, Cal Advocates
5 reviewed and evaluated SoCalGas' Year 30 GCIM report.²³ The results of Cal
6 Advocates' review and evaluation are presented in this here and the supporting
7 materials are included in Appendix A.

8 Cal Advocates' evaluation of SoCalGas' GCIM performance for the year ending
9 March 31, 2024, confirmed a total savings of \$74,267,029 in gas costs. These savings
10 are based on the difference between the actual gas costs of \$1,546,739,178 and the
11 GCIM benchmark costs of \$1,621,006,207. As part of its audit of SoCalGas' GCIM Year
12 30 report, Cal Advocates verified that the GCIM sharing mechanism resulted in a
13 ratepayer savings of \$60,401,940 and a shareholder reward of \$13,865,089. Table 2-1
14 below summarizes the SoCalGas GCIM Year 30 savings based on the calculated
15 tolerance band levels.

²³ D.94-03-076, *Opinion* (Mar. 17, 1994).

TABLE 2-1 Southern California Gas Company Reward Calculation GCIM Year 30 April 1, 2023 Through March 31, 2024		
		SCG Annual Report
Benchmark Costs		\$ 1,621,006,207
Actual Costs		\$ 1,546,739,178
GCIM Year 30 Annual Report: Total Savings Below Benchmark		\$ 74,267,029
Amount of Lower Tolerance Band Not Subject to Sharing (0%-1%)		\$ 12,876,772
Ratepayers' share:		\$ 12,876,772
Amount Subject to 75%-25% Sharing (1%-5%)		\$ 51,507,088
Ratepayers' share: 75%	75%	\$ 38,630,316
Shareholders' share: 25%	25%	\$ 12,876,772
Amount Subject to 90%/10% Sharing (> 5%)		\$ 9,883,169
Ratepayers' share: 90%	90%	\$ 8,894,852
Shareholders' share: 10%	10%	\$ 988,317
Cap on Shareholder Rewards = 1.5% of commodity costs:		
Total Commodity costs:		\$ 1,213,410,168
Shareholder Reward Cap:	1.50%	\$ 18,201,153
Total Ratepayers' Share:		\$ 60,401,940
Total Shareholders' Share:		\$ 13,865,089
Total Savings:		\$ 74,267,029
Total Ratepayers' Share after 1.5% Cap:		\$ 56,065,876
Total Shareholders' Share after 1.5% Cap:		\$ 18,201,153
		\$ 74,267,029

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3 2.2 Summary of Benchmark and Actual Costs

4 Table 2-2 below shows an annual summary of the monthly gas commodity costs
5 shown in Table 2-1. The calculated tolerance bands and the related actual commodity
6 cost of gas are measured annually against a benchmark. The benchmark is based on
7 the prevailing published natural gas price indices for gas delivered from the mainline to
8 the California border.

TABLE 2 - 2
Southern California Gas Company
Tolerance Band Review
GCIM Year 30
April 1, 2023 Through March 31, 2024

Month	Benchmark Dollars*	Actual Dollars*	(Over)/Under Benchmark	Upper Tolerance 2%	Lower Tolerance 1%	Lower Tolerance 5%
Apr-23	\$ 185,704,785	\$ 182,166,985	\$ 3,537,800	\$ 162,198,980	\$ 157,428,421	\$ 151,067,677
May-23	\$ 113,007,664	\$ 106,734,200	\$ 6,273,464	\$ 88,071,798	\$ 85,481,451	\$ 82,027,655
Jun-23	\$ 115,624,962	\$ 109,843,692	\$ 5,781,270	\$ 90,630,925	\$ 87,965,310	\$ 84,411,156
Jul-23	\$ 128,833,922	\$ 119,944,800	\$ 8,889,122	\$ 105,464,527	\$ 102,362,629	\$ 98,226,766
Aug-23	\$ 136,592,593	\$ 131,099,518	\$ 5,493,075	\$ 113,802,103	\$ 110,454,982	\$ 105,992,154
Sep-23	\$ 129,403,937	\$ 122,777,422	\$ 6,626,515	\$ 106,449,970	\$ 103,319,088	\$ 99,144,580
Oct-23	\$ 84,023,770	\$ 64,780,059	\$ 19,243,710	\$ 57,880,113	\$ 56,177,757	\$ 53,907,949
Nov-23	\$ 145,371,955	\$ 148,177,111	\$ (2,805,156)	\$ 118,571,180	\$ 115,083,792	\$ 110,433,942
Dec-23	\$ 170,655,480	\$ 180,802,777	\$ (10,147,296)	\$ 142,049,570	\$ 137,871,642	\$ 132,301,071
Jan-24	\$ 104,499,460	\$ 80,208,820	\$ 24,290,640	\$ 76,069,187	\$ 73,831,858	\$ 70,848,753
Feb-24	\$ 210,038,740	\$ 190,621,649	\$ 19,417,090	\$ 184,596,746	\$ 179,167,430	\$ 171,928,342
Mar-24	\$ 97,248,939	\$ 109,582,145	\$ (12,333,206)	\$ 67,645,642	\$ 65,656,064	\$ 63,003,294
	\$ 1,621,006,207	\$ 1,546,739,178	\$ 74,267,029	\$ 1,313,430,741	\$ 1,274,800,425	\$ 1,223,293,337
	*Included transportation costs and reservation costs.					

Source: Appendix A, Exhibit No. 1-1.

2.3 Review of Benchmark Volumes and Costs

Table 2-3 below shows the components of the Mainline and Border Benchmark Costs. Cal Advocates' review of GCIM Year 30 records confirms the Total Benchmark Dollar Costs of \$1,621,006,207.

The Total Benchmark Commodity Costs consist of Mainline Benchmark Commodity Costs of \$748,645,373 and Benchmark Border and Citygate Commodity Costs of \$539,031,824 which are calculated based on the Southern California Border Benchmark Commodity Costs, and SoCalGas Citygate Benchmark Commodity Costs.

The Total Benchmark Dollar Costs include flow-through costs of \$4,442,271 in Interstate Volumetric Transport Costs and \$328,886,739 of Benchmark Reservation Charges; and \$1,287,677,197 in Total Benchmark Commodity Costs for a total of \$1,621,006,207.

TABLE 2-3 Southern California Gas Company Benchmark Dollar Components GCIM Year 30 April 1, 2023 Through March 31, 2024			
		Benchmark Dollars	Reference*
Benchmark Commodity Costs			
Mainline Benchmark Commodity Costs	\$ 748,645,373		2-4
Border and Citygate Benchmark Commodity Costs	\$ 539,031,824		2-4
Total Benchmark Commodity Costs:		\$ 1,287,677,197	
Flow-Through Costs			
Interstate Volumetric Transport Costs		\$ 4,442,271	2-6
Benchmark Reservation Charges		\$ 328,886,739	2-5
Total Benchmark Dollar Costs:		\$ 1,621,006,207	

Source: Appendix A, Exhibit Nos. 2-4, 2-5, & 2-6.

Table 2-3A below shows 369,176,873 MMBtus in Net Total Benchmark Volumes for the period from April 2023 through March 2024. This net total is comprised of the following: (i) 270,126,161 MMBtus, which is the Benchmark Mainline Volumes total; (ii) 99,050,712 MMBtus, which is the Benchmark Border Volumes total for the same period;

TABLE 2-3A Southern California Gas Company Benchmark Market Volumes (In MMBtus) GCIM Year 30 April 1, 2023 Through March 31, 2024			
			Reference*
Benchmark Volumes			
Mainline Volumes	270,126,161		2-11
Border and Citygate Volumes	99,050,712		2-16
Net Total Benchmark Volumes		369,176,873	

*Source: Appendix A, Exhibit Nos. 2-11, & 2-16.

2.4 Actual Gas Costs and Volumes

Table 2-4 below shows the Actual Gas Costs Components consisting of Mainline Commodity Purchases, Border and Citygate Purchases, Gas Sales Revenues, Other Revenues/Costs, Interstate Volumetric Transportation Costs, and Reservation Charges. Cal Advocates found that SoCalGas' records supported the volumes and corresponding dollar amounts for each of these components, as reflected in Table 2-4.

1 The Total Mainline and Border Purchases of \$1,499,170,965 consist of Total
2 Mainline Commodity Purchases of \$920,529,930 and Total Border and Citygate,
3 Purchases of \$578,641,035. The Total Gas Sales of (\$274,261,172) consists of
4 Mainline Commodity Sales of (\$142,005,683); Border and Citygate Commodity Sales of
5 (\$132,255,489). The Other Revenue and Costs of (\$11,499,625) consists of (i)
6 (\$13,676,610) in Net Secondary Market Service Revenues; (ii) \$3,076,785 in costs from
7 GCIM Derivative Transactions, and (iii) (\$899,800) in an Off-System Parking Fee.
8 These are all included as part of the Total Commodity Costs of \$1,213,410,168 which
9 consist of (i) Total Mainline and Border Purchases of \$1,499,170,965; (ii) Total Gas
10 Sale of (\$274,261,172); and (iii) Total Other Revenues/Costs of (\$11,499,625).

11 SoCalGas' records show the calculations of the Interstate Volumetric Transport
12 Costs as \$4,442,271 and the Reservation Charges as \$328,886,739. The sum of these
13 costs and charges resulted in the corresponding Total Costs of \$1,546,739,178, as
14 shown on the last line in Table 2-4.

15 The Total Mainline and Border Purchase volume of 417,062,979 MMBtus is
16 comprised of the totals for two types of gas purchases and their corresponding volumes:
17 (i) Total Mainline Purchases 325,475,304 MMBtus; and (ii) Total Border Purchases
18 91,587,675 MMBtus.

19 The Total Gas Sale volumes of (36,480,124 MMBtus) are comprised of the
20 following gas sales and their corresponding volumes: (i) Mainline Sales (15,303,229
21 MMBtus); (ii) Border Sales (11,127,340 MMBtus); (iii) SoCalGas Citygate Sales
22 (10,414,480 MMBtus); (iv) PG&E Topock Sales of (7,000 MMBtus); and (v) Less 75%
23 Winter Hedge Sale of (371,925 MMBtus) The Total Gas Sales volumes of (36,480,124
24 MMBtus) was subtracted from the Total Mainline and Border Purchases volumes of
25 417,062,979 MMBtus to arrive at the Total Volume and Costs figure of 380,582,855
26 MMBtus.

TABLE 2-4 Southern California Gas Company Actual Gas Costs Components GCIM Year 30 April 1, 2023 Through March 31, 2024			
	Dollars	Reference*	
Gas Purchases**			
Mainline Commodity Purchases	\$ 920,529,930	2-3a	
Border and City Gate Commodity Purchases	\$ 578,641,035	2-3b	
Total Mainline and Border Purchases	\$ 1,499,170,965		
Gas Sales (deducting)**			
Mainline Commodity Sales	\$ (142,005,683)	2-3c	
Border and Citygate Commodity Sales	\$ (132,255,489)	2-3d	
Total Gas Sales	\$ (274,261,172)		
Other Revenues/Costs			
Net Secondary Market Revenue:	\$ (13,676,610)	2-3e	
GCIM Derivative Transactions	\$ 3,076,785	2-3g	
Off System Parking Fee	\$ (899,800)	2-3f	
Total Other Revenues/Costs	\$ (11,499,625)		
Total Commodity Costs	\$ 1,213,410,168		
Interstate Reservation and Volumetric Transport Cost			
Interstate Volumetric Transport Costs	\$ 4,442,271	2-6	
Reservation Charges	\$ 328,886,739	2-5	
Total Related Commodity Costs	\$ 333,329,010		
Rounding	\$ -		
Total Costs	\$ 1,546,739,178		

*Source: Appendix A, Exhibit Nos. 2-3a-g, 2-5 & 2-6.

** Excluded winter hedge costs and revenues.

2.5 Mainline and Border Gas Purchase and Sale Volumes

Table 2-5 below provides a breakdown of SoCalGas' gas purchase and sales volumes.

The Total Mainline and Border Purchases volume of 436,876,923 MMBtus is comprised of two gas purchases and their corresponding volumes: (i) Total Mainline Purchases 319,012,216 MMBtus; and (ii) Total Border and Citygate Purchases 117,864,707 MMBtus.

The Total Gas Sale volumes of (67,700,050 MMBtus) are comprised of the following gas sales and their corresponding volumes: (i) Mainline Sales (48,886,055 MMBtus); (ii) Border and Citygate Sales (18,813,995 MMBtus). The Total Gas Sales volumes of (67,700,050 MMBtus) is subtracted from the Total Mainline and Border

1 Purchases volumes of 436,876,923 MMBtus to arrive at the Total Net Volume figure of
 2 369,176,873 MMBtus.

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TABLE 2-5 Southern California Gas Company Summary of Mainline and Border Volumes GCIM Year 30 April 1, 2023 Through March 31, 2024			
		Volume (MMBtus)	Reference
Gas Purchases**			
Mainline Commodity Purchases	319,012,216		2-10
Border and City Gate Purchases	117,864,707		2-10
Total Mainline and Border Purchases		436,876,923	
Gas Sales (deducting)**			
Mainline Commodity Sales	(48,886,055)		2-10
Border and Citygate Commodity Sales	(18,813,995)		2-10
Total Gas Sales		(67,700,050)	
Total Net Volumes		369,176,873	

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Source: Appendix A, Exhibit Nos. 2-10.

6

7 **2.6 Interstate Volumetric Transport Costs**

8 The volumetric transport costs are variable costs, and are based on the volume
 9 of interstate pipeline gas supplies delivered at the SoCal Border. The total interstate
 10 volumetric transportation costs for SoCalGas GCIM Year 30 are shown in Table 2-6.
 11 The total volumetric transport costs for the period were \$4,442,271, which is comprised
 12 of El Paso transport costs; Transwestern costs; Kern River costs; Northwest costs;
 13 Canadian Path costs; Wyoming Interstate costs; and Colorado Interstate costs.

14

TABLE 2-6 Southern California Gas Company Summary of Actual Pipeline Commodity Transport Costs GCIM Year 30 April 1, 2023 Through March 31, 2024	
Pipelines	
Various Locations	
Total Transportation Costs	\$ 4,442,271

Source: Appendix A, Exhibit No. 2-6.

2.7 Interstate Reservation Charges

Table 2-7 shows reservation charges by pipeline for the GCIM Year 30 period. The reservation charges were: El Paso \$61,805,802; Transwestern \$32,344,028; Kern River \$27,627,693; Canadian Path \$12,940,862; Northwest \$32,579; Backbone Transport Service contracts totaled \$194,135,776. The Total Reservation Charges for the period were \$328,886,739.

TABLE 2-7 Southern California Gas Company Summary of Reservation Charges By Pipeline GCIM Year 30 April 1, 2023 Through March 31, 2024	
	Reservation Charge
El Paso	\$ 61,805,802
Transwestern	\$ 32,344,028
Kern River	\$ 27,627,693
Canadian Path	\$ 12,940,862
Northwest	\$ 32,579
Backbone Transportation	\$ 194,135,776
Brokered Capacity Credits	\$ -
Total Reservation Charges	\$ 328,886,739

Source: Appendix A, Exhibit No. 2-5.

1 **2.8 Interstate Pipeline Utilization**

2 In D.04-09-022, the Commission required SoCalGas to track each pipeline's
 3 capacity utilization.²⁴ Table 2-8 provides an overview of SoCalGas' nominated capacity
 4 for each pipeline listed. Total Core Capacity for all the pipelines was 431,432,555
 5 MMBtus and Total Nominated Capacity was 358,729,760 MMBtus. The difference
 6 between these two totals is the unutilized capacity of 72,702,795 MMBtus, which is
 7 adjusted from core capacity.

8 Regarding the interstate pipelines, for GCIM Year 30, SoCalGas utilized
 9 Northwest Pipeline LLC at 26%; El Paso Natural Gas Company at 75% capacity;
 10 Foothills Pipeline Ltd at 95%; Gas Transmission Northwest Corp. at 94%; Kern River
 11 Gas Transmission Company at 98%; NOVA Gas Trans Ltd at 83% (Canadian Path);
 12 Pacific Gas and Electric at 86%; and Transwestern Pipeline Company at 79%. The
 13 results is 349,730,164 MMBtus of Actual Volume Received based on a Capacity Cut of
 14 8,999,596 MMBtus being subtracted from Nominated Capacity of 358,729,760 MMBtus.

TABLE 2-8 Southern California Gas Company Cumulative Core Capacity Utilization By Pipeline (In MMBtus) GCIM Year 30 April 1, 2023 Through March 31, 2024							
Pipeline	Core Capacity	Less: Nominated Capacity	Unutilized Capacity	Capacity Utilization Percentage	Nominated Capacity	Actual Volumes Received	Capacity Cut
Northwest Pipeline LLC	651,589	168,152	483,437	26%	168,152	168,152	-
El Paso Natural Gas Company	180,722,857	136,046,441	44,676,416	75%	136,046,441	134,978,396	1,068,045
Foothills Pipelines Ltd	19,698,084	18,630,569	1,067,515	95%	18,630,569	16,241,043	2,389,526
Gas Trans Northwest Corp	19,217,928	18,024,059	1,193,869	94%	18,024,059	15,806,821	2,217,238
Gas Transmission Company	89,033,476	87,522,912	1,510,564	98%	87,522,912	87,082,408	440,504
Nova Gas Trans Ltd	19,858,349	16,498,336	3,360,013	83%	16,498,336	16,498,336	-
Pacific Gas & Electric	19,067,112	16,481,175	2,585,937	86%	16,481,175	14,421,808	2,059,367
Transwestern Pipeline Company	83,183,160	65,358,116	17,825,044	79%	65,358,116	64,533,200	824,916
Total	431,432,555	358,729,760	72,702,795	83%	358,729,760	349,730,164	8,999,596

15 Source: Appendix A, Exhibit No. 2-18.

²⁴ D.04-09-022, OP No. 2 (Sept. 2, 2004) at 95.

1 **2.9 Examination of the Purchased Gas Account**

2 Table 2-9 below provides a Purchased Gas Account (PGA) reconciliation of the
3 GCIM gas commodity costs.²⁵ One function of the PGA is for utilities to balance the
4 recorded cost of gas and the corresponding revenues from the sale of that gas. For
5 GCIM Year 30, the Total PGA Commodity Costs equaled \$ 1,581,284,637 and the
6 reported GCIM Commodity Costs for SoCalGas' gas portfolio purchases were
7 \$1,210,333,383 (excluding hedging costs), which results in a variance of \$370,951,254.
8 This variance consists of (\$22,627,405) in costs excluded from the GCIM reported
9 commodity costs; (\$13,676,610) in net Secondary Market Service; (\$1,248) in timing
10 difference in fees and other costs; and (\$334,645,991) excluded Winter Hedge Costs
11 and others from GCIM.²⁶

²⁵ SoCalGas July 18, 2024, Response to Cal Advocates Data Request A.24-06-017_GCIM Year 30_MDR Q 7 issued July 03, 2024.

²⁶ SoCalGas July 18, 2024, Response to Cal Advocates Data Request A.24-06-017_GCIM Year 30_MDR Q 7 issued July 03, 2024.

TABLE 2-9 Southern California Gas Company PGA & GCIM Reconciliation of Commodity Cost GCIM Year 30 April 1, 2023 Through March 31, 2024			
Total PGA Commodity Costs		\$	1,581,284,637
Total GCIM Commodity Costs		\$	1,210,333,383
	Variance:	\$	370,951,254
<u>Reconciliation:</u>			
Total PGA Commodity Cost			\$1,581,284,637
<u>PGA Costs Excluded from GCIM:</u>			
Playa del Rey & Aliso Production	\$	-	
Borrego Springs LNG	\$	121,885	
Realized (Gain)/Loss from OTC Deriv. Trans.	\$	12,296,000	
Realized (Gain)/Loss from Exchange-Traded Deriv. Trans.	\$	2,773	
Realized (Gain)/Loss from Foreign Currency Exchange (GST & Der	\$	87,948	
Carrying Costs of Storage Inventory	\$	5,676,539	
Transportation Chg in PGA Market Gas not in GCIM Commodity Cost	\$	4,442,260	
		\$	(22,627,405)
<u>GCIM Related Transactions Excluded from PGA:</u>			
Net SMS Revenue	\$	(13,676,610)	
Timing differences for transaction fees and other gas costs exclud	\$	(1,248)	
Winter Hedge and others excluded from GCIM	\$	(334,645,991)	
		\$	(348,323,849)
			\$ (370,951,254)
	Total PGA Commodity Cost :		\$1,210,333,383
		Rounding:	\$ -
	Less: GCIM Commodity Cost:		\$1,210,333,383
	Unreconciled Difference:		\$ -

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In addition, Cal Advocates selected April 2023, December 2023, and January 2024 to review SoCalGas' recorded costs and revenues. Through discovery, SoCalGas provided copies of supporting documents and purchased gas invoices for verification purposes. Cal Advocates traced the costs of these purchase invoices to the monthly statements and then to SoCalGas' GCIM Year 30 report. Cal Advocates found that the selected purchase invoices reconciled with the recorded amounts in the report.

1 **2.10 Financial Derivatives**

2 Cal Advocates performed a review of hedging transactions for financial derivative
 3 transactions reported in the PGA to confirm the appropriate GCIM calculation and to
 4 identify timing differences that were recognized within the GCIM period of April 1, 2023,
 5 through March 31, 2024.

6 Table 2-10 shows the SoCalGas PGA Reconciliation of Financial Gains and
 7 Losses for non-winter financial derivatives reported NYMEX transactions and over-the-
 8 counter (OTC) cleared transactions, as well as OTC swaps.²⁷ Associated transaction
 9 fees are also included based on the date of the contract and net results that may be a
 10 financial gain or loss. Transactions that result in gains or cash receipts are offset
 11 against losses. Other adjustments include a reversal of fees from previous GCIM years.
 12

TABLE 2-10 Southern California Gas Company PGA Reconciliation - Financial Derivatives (Gains) & Losses GCIM Year 30 April 1, 2023 Through March 31, 2024				
NYMEX Traded/ OTC Cleared Transactions		GCIM	Recorded PGA	Variance
Exchange Traded Transactions (Gains)/Losses		\$ -		
Exchange Traded Transactions Costs		\$ -	\$ 2,773	
Total:		\$ -	\$ 2,773	\$ 2,773
OTC Swaps				
OTC Sw ap s (Gains)/Losses		\$ 3,074,000	\$ 12,296,000	
OTC Sw ap Transaction Costs		\$ 2,420	\$ -	
Total:		\$ 3,076,420	\$ 12,296,000	\$ 9,219,580
Year 30 Financial (Gain)/Losses:		\$ 3,076,420	\$ 12,298,773	\$ 9,222,353
Reconciliation:				
75% Winter Hedge			\$ 9,222,000	
PGA Timing Difference - Broker Fee			\$ 353	
Total:				\$ 9,222,353
		Rounding		
		Variance		\$ -

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²⁷ SoCalGas July 18, 2024, Response to Cal Advocates Data Request A.24-06-017_GCIM Year 30_MDR Q 7 issued July 03, 2024.

1 Financial hedging costs for the Year 30 GCIM period totaled \$3,076,785. This
2 total is comprised of \$2,785 in transactions costs and Financial Hedging costs of
3 \$3,074,000. In compliance with D.10-01-023, seventy-five percent (75%) of the winter
4 hedging losses are excluded from the GCIM and twenty-five percent (25%) of winter
5 hedging losses are included in the GCIM calculation.²⁸ For Year 30, \$9,222,000
6 represented seventy-five percent (75%) of winter hedging costs and \$3,074,000
7 represented twenty-five percent (25%) of winter hedging costs to be included in the
8 GCIM calculation.²⁹

9 In general, natural gas prices are determined through the interaction of two types
10 of markets: cash/financial markets and physical quantities of natural gas. These
11 markets involve both the purchase and sale when the physical quantities and financial
12 instrument prices are connected to the price of natural gas in the physical market.

13 Publishers of industry newsletters such as *Platts* and *Natural Gas Intelligence*
14 take surveys of the price of transactions at a hub or Citygate, where natural gas is
15 delivered or sold. The prices based on these surveys are calculated into an average
16 which then results in an index of those prices. These index prices are used to base the
17 price of gas at the hub, Citygate, or a specified location.

18 For hedging natural gas commodities, the commonly used financial instruments
19 are OTC and exchange derivatives, often referred to as options and swaps. These
20 financial instruments are traded in the form of standardized contracts. This
21 standardization provides ease of transfer and the identification of prices.³⁰ These
22 hedging transactions will usually incur related transaction fees for the purchase of the
23 hedging contract, such as broker and premium fees.

24 SoCalGas regularly assesses and reviews, on a real-time basis, natural gas
25 market fundamentals. Based on its review and assessment, the utility uses price trends,
26 market fundamentals, and risk avoidance to optimize hedging transactions. To forecast

²⁸ D.10-01-023 (Jan. 25, 2010).

²⁹ See Appendix A, Exhibit No. 2-3i, "Winter Hedge Costs."

³⁰ See U.S. Senate Permanent Committee on Investigations: Excessive Speculation in the Natural Gas Market (July 9, 2007), available at <https://www.hsgac.senate.gov/subcommittees/investigations/hearings/excessive-speculation-in-the-natural-gas-market-day-two/>.

1 natural gas prices, SoCalGas uses current future prices and basis values provided by
2 Intercontinental Exchange (ICE) and the New York Mercantile Exchange (NYMEX).³¹

3 **2.11 Winter Hedges**

4 For GCIM Year 30, SoCalGas reported \$12,296,000 in winter hedging net costs.
5 Table 2-11 below shows twenty-five percent (25%) of the costs at \$3,074,000, which is
6 included in the GCIM. Cal Advocates confirmed that \$9,222,000, which represents
7 seventy-five percent (75%) of total winter hedging costs, were excluded from the GCIM.
8 These gains or losses are directly allocated to core customers for the period.

9 For purposes of reconciliation, Cal Advocates determined the related hedging
10 costs based on the contract date. If the contract date is beyond March 31, it is excluded
11 from the GCIM Year 30 reporting period.

³¹ SoCalGas July 18, 2024, Response to Cal Advocates Data Request A.24-06-017_GCIM Year 30_MDR Q 6 issued July 03, 2024.

<p style="text-align: center;">TABLE 2-11 Southern California Gas Company Winter Hedge Purchases (Sales) GCIM Year 30 April 1, 2023 Through March 31, 2024</p>					
Month	Winter Hedge Costs Included in GCIM	Winter Hedge (Gains) Included in GCIM	Winter Hedge Costs Excluded From GCIM	Winter Hedge (Gains) Excluded From GCIM	Winter Hedge Total
Apr-23	\$ -	\$ -	\$ -	\$ -	\$ -
May-23	\$ -	\$ -	\$ -	\$ -	\$ -
Jun-23	\$ -	\$ -	\$ -	\$ -	\$ -
Jul-23	\$ -	\$ -	\$ -	\$ -	\$ -
Aug-23	\$ -	\$ -	\$ -	\$ -	\$ -
Sep-23	\$ -	\$ -	\$ -	\$ -	\$ -
Oct-23	\$ -	\$ -	\$ -	\$ -	\$ -
Nov-23	\$ 514,500	\$ -	\$ 1,543,500	\$ -	\$ 2,058,000
Dec-23	\$ 506,850	\$ -	\$ 1,520,550	\$ -	\$ 2,027,400
Jan-24	\$ 609,150	\$ -	\$ 1,827,450	\$ -	\$ 2,436,600
Feb-24	\$ 285,650	\$ -	\$ 856,950	\$ -	\$ 1,142,600
Mar-24	\$ 1,157,850	\$ -	\$ 3,473,550	\$ -	\$ 4,631,400
Totals:	\$ 3,074,000	\$ -	\$ 9,222,000	\$ -	\$ 12,296,000
	Hedge Costs	3,074,000		9,222,000	
	(Gains)	-		-	
	25% Winter Hedge Included in GCIM:	3,074,000	75% Winter Hedge Excluded From GCIM:	9,222,000	

Source: Appendix A, Exhibit No. 2-3i at A-12.

2.12 Review of Secondary Market Services Revenues

SoCalGas manages its retail core procurement using its assets of storage inventory, injection, withdrawal rights, and core supplies and by applying these assets to Secondary Market Services. More specifically, SoCalGas generates revenue by using core assets to execute SMS transactions and fees that are based on market conditions. When SoCalGas management determines that core assets are not directly needed to meet core customer demand and reliability, it will utilize SMS transactions to offset core gas costs. As Table 2-12 below shows, for GCIM Year 30, SMS revenue totaled (\$14,970,870) less \$1,294,260 in overhead costs, which results in net revenue of (\$13,676,610).

TABLE 2-12 Southern California Gas Company Summary of Secondary Market Service Revenues GCIM Year 30 April 1, 2023 Through March 31, 2024			
SMS Revenue			\$ (14,970,870)
Less Overhead			\$ 1,294,260
		Net Revenues	\$ (13,676,610)

Source: Appendix A, Exhibit No. 2-3e at A-8.

2.13 SoCalGas Core Storage Inventory Targets

In D.06-10-029, the Commission approved a Joint Recommendation by Cal Advocates, TURN, and SoCalGas to modify the utility’s management and use of mid-season gas storage capacity for core customers.³² This recommendation results in more gas entering storage during the summer months for core customer use during the winter heating season. This decision requires SoCalGas to obtain concurrence from Cal Advocates and TURN for mid-season inventory targets. These targets must be maintained, or concurrence from Cal Advocates and TURN is required if any changes to inventory storage targets are to be made by SoCalGas. In either case, these changes are reflected in the GCIM.

In D.08-12-020, the Commission adopted the Phase 1 Settlement Agreement in SoCalGas’ 2009 BCAP, expanding gas storage by 7 Bcf during the period of 2009 to 2014.³³ Core storage inventory would receive an additional 4 Bcf beginning in 2009. The Settlement Agreement required incremental inventory capacity to increase by 1.0 Bcf each year from April 1, 2010, until April 1, 2013.

³² D.06-10-029, OP No. 3 (Oct. 19, 2006) at 11 (Joint Recommendation adopted and approved).

³³ D.08-12-020, OP No. 1 (Dec. 4, 2008) at 34.

1 On December 14, 2012, SoCalGas filed Advice Letter 4436, which was approved
2 by the Commission on January 13, 2013. This update changed the storage target from
3 79 Bcf to 82 Bcf with variance allowance from +5/-2 Bcf to +0/-2 Bcf.³⁴

4 On May 29, 2013, SoCalGas filed Advice Letter 4499, which updated the core
5 inventory target from 82 Bcf to 83 Bcf +0/-2 Bcf. The utility would retain the core
6 inventory target until further notice via an advice letter filing.³⁵

7 On March 30, 2020, SoCalGas filed Advice Letter 5609 to update the core
8 inventory target from 83 Bcf to 74.593 Bcf +0/-2 Bcf. The inventory target may be
9 modified if the availability of the authorized inventory changes at the Aliso Canyon
10 storage is filed.³⁶ For the GCIM Year 30 mid-season storage, Cal Advocates' review of
11 SoCalGas' inventory records show that the assigned core storage inventory level was
12 62.2 Bcf as of July 31, 2023. Thus, the mid-season target was achieved.³⁷

13 The GCIM November 1 storage inventory target was 80.025 Bcf with a variance
14 allowance of +0/-2 Bcf. As of October 31, 2022, SoCalGas reported the annual storage
15 inventory was at 78.9 Bcf, which is within the storage inventory target.³⁸

16 Table 2-13 below shows the core storage inventory calculation for the July 31
17 target and the October 31 target.³⁹

³⁴ See Letter from E. F. Randolph, Dir. of Comm. Energy Div., to R. Prince, Dir. of Reg. Affairs, SoCalGas (Jan. 14, 2013, approving SoCalGas Adv. Letter 4436 (Dec. 14, 2012, effective Jan. 13, 2013), *available at* <https://tariff.socalgas.com/regulatory/tariffs/tm2/pdf/4436.pdf>.

³⁵ See Letter from E. F. Randolph, Dir. of Comm. Energy Div., to R. Prince, Dir. of Reg. Affairs, SoCalGas (July 2, 2013, approving SoCalGas Adv. Letter 4499 (May 29, 2013, effective June 28, 2013), *available at* <https://tariff.socalgas.com/regulatory/tariffs/tm2/pdf/4499.pdf>.

³⁶ See Letter from E. F. Randolph, Dir. of Comm. Energy Div., to R. van der Leeden, Dir. of Reg. Affairs, SoCalGas (April 29, 2020, approving SoCalGas Adv. Letter 5609 (March 30, 2020, effective April 24, 2020), *available at* <https://tariff.socalgas.com/regulatory/tariffs/tm2/pdf/5609.pdf>.

³⁷ SoCalGas July 18, 2024, Response to Cal Advocates Data Request A.24-06-017_GCIM Year 30_MDR Q 7 issued July 03, 2024.

³⁸ SoCalGas July 18, 2024, Response to Cal Advocates Data Request A.24-06-017_GCIM Year 30_MDR Q 7 issued July 03, 2024.

³⁹ SoCalGas July 18, 2024, Response to Cal Advocates Data Request A.24-06-017_GCIM Year 30_MDR Q 7 issued July 03, 2024.

TABLE 2-13 Southern California Gas Company Core Storage Inventory for Summer and Winter Targets GCIM Year 30 April 1, 2023 Through March 31, 2024		
	7/31/23	10/31/23
Bcf Target	47	80.025 +/-2
Core Physical Inventory	62.3	75.4
Less:		
Secondary Market Services	1.1	-
Add:		
CAT	-	3.5
Total Core Storage Inventory	61.2	78.9
Note: CAT inventory only excluded in July		

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3 **2.14 Interstate Capacity Procurement**

4 In D.04-09-022 and Advice Letter 3969 and Advice Letter 5254, the Commission
5 authorized SoCalGas filing Advice Letter to update its Capacity Planning Range, which
6 was based on the California Gas Report. SoCalGas filed Advice Letter 6033 to update
7 SoCalGas and SDG&E’s combined portfolio capacity for the winter and non-winter
8 seasons. Table 2-14 summarizes the minimum and maximum capacity values by
9 season for the reporting period.⁴⁰

⁴⁰ SoCalGas Advice Letter No. 6033 (Sept. 21, 2022) at 2.

TABLE 2-14 Southern California Gas Company Capacity Ranges GCIM Year 30 April 1, 2023 Through March 31, 2024		
	Minimum Capacity	Maximum Capacity
Non-Winter (April to October)	877 MDth/d	1169 MDth/d
Winter (November to March)	974 MDth/d	1169 MDth/d

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The update enabled SoCalGas to hold firm interstate pipeline capacity at no less than 90% of its forecasted core average daily load during the spring and summer months and no less than 100% during the fall and winter months. This established a minimum firm capacity of 877 MDth/d from April 2023 to October 2024 and 1,169 MDth/d from November 2023 to March 2024. In Appendix C of its GCIM Year 30 Report, SoCalGas presents the actual capacity performance for the GCIM period.⁴¹

Proportionally, SoCalGas maintained a gas supply portfolio consisting of approximately 85.0% long-term supply agreements, 11.8% month-to-month base load agreements, and 3.2% daily transactions (purchases and sales).⁴²

⁴¹ See SoCalGas GCIM Yr. 30 Rept., App. C (June 17, 2024).

⁴² See SoCalGas GCIM Yr. 30 Rept. (June 17, 2024) at A-10.

APPENDIX A
EXHIBITS

Southern California Gas Company
GCIM Year 30
April 1, 2023 through March 31, 2024

Tolerance Band Review

	Benchmark	Actual	(Over)/Under	Reservation	Transportation	Benchmark	Actual	Lower Tolerance		
	Commodity Costs	Commodity Costs	Benchmark	Costs	Costs	Dollars	Dollars	Upper Tolerance 2%	Lower Tolerance 1%	5%
Apr-23	\$ 159,018,608	\$ 155,480,808	\$ 3,537,800	\$ 26,327,066	\$ 359,112	\$ 185,704,785	\$ 182,166,985	\$ 162,198,980	\$ 157,428,421	\$ 151,067,677
May-23	\$ 86,344,900	\$ 80,071,436	\$ 6,273,464	\$ 26,009,243	\$ 653,521	\$ 113,007,664	\$ 106,734,200	\$ 88,071,798	\$ 85,481,451	\$ 82,027,655
Jun-23	\$ 88,853,848	\$ 83,072,578	\$ 5,781,270	\$ 26,320,561	\$ 450,553	\$ 115,624,962	\$ 109,843,692	\$ 90,630,925	\$ 87,965,310	\$ 84,411,156
Jul-23	\$ 103,396,595	\$ 94,507,473	\$ 8,889,122	\$ 25,049,959	\$ 387,368	\$ 128,833,922	\$ 119,944,800	\$ 105,464,527	\$ 102,362,629	\$ 98,226,766
Aug-23	\$ 111,570,689	\$ 106,077,614	\$ 5,493,075	\$ 24,706,048	\$ 315,856	\$ 136,592,593	\$ 131,099,518	\$ 113,802,103	\$ 110,454,982	\$ 105,992,154
Sep-23	\$ 104,362,715	\$ 97,736,200	\$ 6,626,515	\$ 24,706,374	\$ 334,848	\$ 129,403,937	\$ 122,777,422	\$ 106,449,970	\$ 103,319,088	\$ 99,144,580
Oct-23	\$ 56,745,209	\$ 37,501,499	\$ 19,243,710	\$ 27,026,853	\$ 251,707	\$ 84,023,770	\$ 64,780,059	\$ 57,880,113	\$ 56,177,757	\$ 53,907,949
Nov-23	\$ 116,246,254	\$ 119,051,411	\$ (2,805,156)	\$ 28,498,526	\$ 627,175	\$ 145,371,955	\$ 148,177,111	\$ 118,571,180	\$ 115,083,792	\$ 110,433,942
Dec-23	\$ 139,264,285	\$ 149,411,581	\$ (10,147,296)	\$ 31,096,810	\$ 294,386	\$ 170,655,480	\$ 180,802,777	\$ 142,049,570	\$ 137,871,642	\$ 132,301,071
Jan-24	\$ 74,577,635	\$ 50,286,995	\$ 24,290,640	\$ 29,653,677	\$ 268,148	\$ 104,499,460	\$ 80,208,820	\$ 76,069,187	\$ 73,831,858	\$ 70,848,753
Feb-24	\$ 180,977,202	\$ 161,560,111	\$ 19,417,090	\$ 28,780,008	\$ 281,530	\$ 210,038,740	\$ 190,621,649	\$ 184,596,746	\$ 179,167,430	\$ 171,928,342
Mar-24	\$ 66,319,257	\$ 78,652,463	\$ (12,333,206)	\$ 30,711,615	\$ 218,067	\$ 97,248,939	\$ 109,582,145	\$ 67,645,642	\$ 65,656,064	\$ 63,003,294
Total	\$ 1,287,677,197	\$1,213,410,168	\$ 74,267,029	\$328,886,739	\$4,442,271	\$ 1,621,006,207	\$ 1,546,739,178	\$1,313,430,741	\$1,274,800,425	\$1,223,293,337

Reference:	A	B	C=A-B	E	F	G=A+E+F	H=B+E+F	I=A*1.02	J=A*0.99	K=A*0.95
		Savings Subject to share	\$ 64,383,860		L=A-K	1.5% Cap of Actual Commodity Cost	\$ 18,201,153		B*0.015	
		Savings Not Subject to Share (Ratepayer 0% - 1%)	\$ 12,876,772		M=A-J					
		Savings subject to Share(75%-25%)	\$ 51,507,088							
		Ratepayers' share 75%	\$ 38,630,316		1					
		Shareholders' Share 25%	\$ 12,876,772		2					
		Savings Subject to Share (90% - 10%)	\$ 9,883,169		N=C-L					
		Ratepayers' share 90%	\$ 8,894,852		3					
		Shareholders' Share 10%	\$ 988,317		4					
		Total Ratepayer Saving	\$ 60,401,940		1+3					
		Total Shareholder Share	\$ 13,865,089		2+4					
			\$ 74,267,029							
		Total Ratpayer Saving after Cap	\$ 56,065,877							
		Total Shareholder Share after Cap	\$ 18,201,153							
			\$ 74,267,029							

Southern California Gas Company
GCIM Year 30
April 1, 2023 through March 31, 2024
Total Actual Cost Summary

	Actual Commodity Cost	Transportation Cost	Reservation Charge	Total Actual Cost
Apr-23	\$ 155,480,808	\$ 359,112	\$ 26,327,066	\$ 182,166,985
May-23	\$ 80,071,436	\$ 653,521	\$ 26,009,243	\$ 106,734,200
Jun-23	\$ 83,072,578	\$ 450,553	\$ 26,320,561	\$ 109,843,692
Jul-23	\$ 94,507,473	\$ 387,368	\$ 25,049,959	\$ 119,944,800
Aug-23	\$ 106,077,614	\$ 315,856	\$ 24,706,048	\$ 131,099,518
Sep-23	\$ 97,736,200	\$ 334,848	\$ 24,706,374	\$ 122,777,422
Oct-23	\$ 37,501,499	\$ 251,707	\$ 27,026,853	\$ 64,780,059
Nov-23	\$ 119,051,411	\$ 627,175	\$ 28,498,526	\$ 148,177,111
Dec-23	\$ 149,411,581	\$ 294,386	\$ 31,096,810	\$ 180,802,777
Jan-24	\$ 50,286,995	\$ 268,148	\$ 29,653,677	\$ 80,208,820
Feb-24	\$ 161,560,111	\$ 281,530	\$ 28,780,008	\$ 190,621,649
Mar-24	\$ 78,652,463	\$ 218,067	\$ 30,711,615	\$ 109,582,145
Total	\$ 1,213,410,168	\$ 4,442,271	\$ 328,886,739	\$ 1,546,739,178

Southern California Gas Company

GCIM Year 30

April 1, 2023 through March 31, 2024

Benchmark Cost Summary

	Benchmark Commodity Cost	Transportation Cost	Reservation Charge	Total Benchmark Cost
Apr-23	\$ 159,018,608	\$ 359,112	\$ 26,327,066	\$ 185,704,785
May-23	\$ 86,344,900	\$ 653,521	\$ 26,009,243	\$ 113,007,664
Jun-23	\$ 88,853,848	\$ 450,553	\$ 26,320,561	\$ 115,624,962
Jul-23	\$ 103,396,595	\$ 387,368	\$ 25,049,959	\$ 128,833,922
Aug-23	\$ 111,570,689	\$ 315,856	\$ 24,706,048	\$ 136,592,593
Sep-23	\$ 104,362,715	\$ 334,848	\$ 24,706,374	\$ 129,403,937
Oct-23	\$ 56,745,209	\$ 251,707	\$ 27,026,853	\$ 84,023,770
Nov-23	\$ 116,246,254	\$ 627,175	\$ 28,498,526	\$ 145,371,955
Dec-23	\$ 139,264,285	\$ 294,386	\$ 31,096,810	\$ 170,655,480
Jan-24	\$ 74,577,635	\$ 268,148	\$ 29,653,677	\$ 104,499,460
Feb-24	\$ 180,977,202	\$ 281,530	\$ 28,780,008	\$ 210,038,740
Mar-24	\$ 66,319,257	\$ 218,067	\$ 30,711,615	\$ 97,248,939
Total	\$ 1,287,677,197	\$ 4,442,271	\$ 328,886,739	\$ 1,621,006,207

Southern California Gas Company
GCIM Year 30
April 1, 2023 through March 31, 2024
Actual Commodity Purchases Costs

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
Mainline Purchases	\$ 83,039,861	\$ 53,215,658	\$ 54,655,453	\$ 67,216,486	\$ 84,743,918	\$ 70,941,723	\$ 58,234,230	\$ 97,499,380	\$ 110,326,917	\$ 88,170,888	\$ 104,701,744	\$ 47,783,671	\$ 920,529,930
Border and Citygate Purchases	\$ 102,926,025	\$ 41,782,614	\$ 38,884,733	\$ 42,976,700	\$ 40,464,310	\$ 37,046,773	\$ 31,618,948	\$ 46,549,065	\$ 52,935,346	\$ 40,505,627	\$ 66,437,234	\$ 36,513,660	\$ 578,641,035
Total Commodity Purchases	\$ 185,965,886	\$ 94,998,272	\$ 93,540,186	\$ 110,193,186	\$ 125,208,228	\$ 107,988,496	\$ 89,853,178	\$ 144,048,445	\$ 163,262,263	\$ 128,676,515	\$ 171,138,978	\$ 84,297,331	\$ 1,499,170,965
Mainline Sales	\$ (25,474,486)	\$ (10,237,292)	\$ (5,540,334)	\$ (8,165,050)	\$ (16,103,938)	\$ (10,261,851)	\$ (9,967,078)	\$ (10,025,431)	\$ (3,571,913)	\$ (27,440,065)	\$ (9,027,786)	\$ (6,190,457)	\$ (142,005,683)
Border and Citygate Sales	\$ (1,716,098)	\$ (1,013,146)	\$ (1,896,627)	\$ (7,622,960)	\$ (3,106,204)	\$ (44,616)	\$ (42,465,522)	\$ (11,011,428)	\$ (10,847,310)	\$ (51,488,419)	\$ (841,003)	\$ (202,156)	\$ (132,255,489)
Total Commodity Sales	\$ (27,190,584)	\$ (11,250,438)	\$ (7,436,961)	\$ (15,788,011)	\$ (19,210,143)	\$ (10,306,467)	\$ (52,432,600)	\$ (21,036,859)	\$ (14,419,224)	\$ (78,928,484)	\$ (9,868,789)	\$ (6,392,613)	\$ (274,261,172)
Subtotal Costs/Revenues	\$ 158,775,302	\$ 83,747,834	\$ 86,103,225	\$ 94,405,176	\$ 105,998,085	\$ 97,682,029	\$ 37,420,578	\$ 123,011,587	\$ 148,843,039	\$ 49,748,031	\$ 161,270,189	\$ 77,904,718	\$ 1,224,909,793
Secondary Market Service (Revenue)/Cost	\$ (3,294,734)	\$ (3,676,637)	\$ (3,030,886)	\$ 102,058	\$ 79,289	\$ 53,731	\$ 80,681	\$ (3,574,916)	\$ 61,452	\$ (70,438)	\$ 4,021	\$ (410,231)	\$ (13,676,610)
Financial (Gains)/Losses	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 514,740	\$ 507,090	\$ 609,402	\$ 285,902	\$ 1,157,976	\$ 3,076,785
Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200	\$ -	\$ (900,000)	\$ -	\$ -	\$ -	\$ -	\$ (899,800)
Actual Commodity Purchase Cost	\$ 155,480,808	\$ 80,071,436	\$ 83,072,578	\$ 94,507,473	\$ 106,077,614	\$ 97,736,200	\$ 37,501,499	\$ 119,051,411	\$ 149,411,581	\$ 50,286,995	\$ 161,560,111	\$ 78,652,463	\$ 1,213,410,168

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Southern California Gas Company
GCIM Year 30
April 1, 2023 through March 31, 2024
Mainline Purchase Summary

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
Total Mainline Purchases	\$ 83,039,861	\$ 53,215,658	\$ 54,655,453	\$ 67,216,486	\$ 84,743,918	\$ 70,941,723	\$ 58,234,230	\$ 97,499,380	\$ 110,326,917	\$ 88,170,888	\$ 104,701,744	\$ 47,783,671	\$ 920,529,930

Southern California Gas Company
GCIM Year 30
April 1, 2023 through March 31, 2024
Border and Citygate Purchases Summary

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
Total Border and Citygate Purchases \$	102,926,025	\$ 41,782,614	\$ 38,884,733	\$ 42,976,700	\$ 40,464,310	\$ 37,046,773	\$ 31,618,948	\$ 46,549,065	\$ 52,935,346	\$ 40,505,627	\$ 66,437,234	\$ 36,513,660	\$ 578,641,035

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Southern California Gas Company
GCIM Year 30
April 1, 2023 through March 31, 2024
Mainline Sale Summary

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
Total Mainline Sales \$	(25,474,486) \$	(10,237,292) \$	(5,540,334) \$	(8,165,050) \$	(16,103,938) \$	(10,261,851) \$	(9,967,078) \$	(10,025,431) \$	(3,571,913) \$	(27,440,065) \$	(9,027,786) \$	(6,190,457) \$	(142,005,683)

Southern California Gas Company
GCIM Year 30
April 1, 2023 through March 31, 2024
Border and Citygate Sale Summary

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
Total Border and Citygate Sales	\$ (1,716,098)	\$ (1,013,146)	\$ (1,896,627)	\$ (7,622,960)	\$ (3,106,204)	\$ (44,616)	\$ (42,465,522)	\$ (11,011,428)	\$ (10,847,310)	\$ (51,488,419)	\$ (841,003)	\$ (202,156)	\$ (132,255,489)

Southern California Gas Company
GCIM Year 30

April 1, 2023 through March 31, 2024

Secondary Market Service (Revenue)/Cost

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
Secondary Market Service Revenue	\$ (3,363,000.00)	\$ (4,183,062.50)	\$ (3,097,495.00)	\$ -	\$ -	\$ -	\$ -	\$ (3,636,322.60)	\$ -	\$ (135,000.00)	\$ (67,500.00)	\$ (488,490.00)	\$ (14,970,870)
Overhead Cost	\$ 68,266.37	\$ 506,425.08	\$ 66,608.93	\$ 102,057.71	\$ 79,289.00	\$ 53,731.00	\$ 80,681.00	\$ 61,407.00	\$ 61,452.00	\$ 64,562.28	\$ 71,521.24	\$ 78,258.60	\$ 1,294,260
Net Secondary Market Service Revenue	\$ (3,294,734)	\$ (3,676,637)	\$ (3,030,886)	\$ 102,058	\$ 79,289	\$ 53,731	\$ 80,681	\$ (3,574,916)	\$ 61,452	\$ (70,438)	\$ 4,021	\$ (410,231)	\$ (13,676,610)

Southern California Gas Company
GCIM Year 30
April 1, 2023 through March 31, 2024
Off-System Parking Fee

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
Off System Parking Fee \$	-	\$ -	\$ -	\$ -	\$ -	\$ 200	\$ -	\$ (900,000)	\$ -	\$ -	\$ -	\$ -	\$ (899,800)
Total \$	-	\$ -	\$ -	\$ -	\$ -	\$ 200	\$ -	\$ (900,000)	\$ -	\$ -	\$ -	\$ -	\$ (899,800)

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Southern California Gas Company
GCIM Year 30
April 1, 2023 through March 31, 2024
Total Financial Derivatives Summary

	Costs/(Gain)	Transaction Cost	Total Financial Cost/(Gain)
Apr-23	\$ -	\$ 240	\$ 240
May-23	\$ -	\$ 240	\$ 240
Jun-23	\$ -	\$ 240	\$ 240
Jul-23	\$ -	\$ 240	\$ 240
Aug-23	\$ -	\$ 240	\$ 240
Sep-23	\$ -	\$ 240	\$ 240
Oct-23	\$ -	\$ 240	\$ 240
Nov-23	\$ 514,500	\$ 240	\$ 514,740
Dec-23	\$ 506,850	\$ 240	\$ 507,090
Jan-24	\$ 609,150	\$ 252	\$ 609,402
Feb-24	\$ 285,650	\$ 252	\$ 285,902
Mar-24	\$ 1,157,850	\$ 126	\$ 1,157,976
Total	\$ 3,074,000	\$ 2,785	\$ 3,076,785

Recorded: \$ 3,076,785

Variance \$ -

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Southern California Gas Company
GCIM Year 30
April 1, 2023 through March 31, 2024
Hedge Detail

Non-Winter Hedge						25% Winter Hedge				
NYMEX Option		OTC Clear Option				Exchange Traded Broker Fee	Financial Swap Broker Fee	Costs	Revenues	Total
Premiums (Gain)/Loss	OTC Cleared Swaps (Gain)/Loss	Premiums (Gain)/Loss	Future (Gain)/Loss							
Apr-23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240	\$ -	\$ -	\$ 240	
May-23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240	\$ -	\$ -	\$ 240	
Jun-23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240	\$ -	\$ -	\$ 240	
Jul-23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240	\$ -	\$ -	\$ 240	
Aug-23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240	\$ -	\$ -	\$ 240	
Sep-23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240	\$ -	\$ -	\$ 240	
Oct-23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240	\$ -	\$ -	\$ 240	
Nov-23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240	\$ 514,500	\$ -	\$ 514,740	
Dec-23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240	\$ 506,850	\$ -	\$ 507,090	
Jan-24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 252	\$ 609,150	\$ -	\$ 609,402	
Feb-24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 252	\$ 285,650	\$ -	\$ 285,902	
Mar-24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 126	\$ 1,157,850	\$ -	\$ 1,157,976	
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,785	\$ 3,074,000	\$ -	\$ 3,076,785	
	A	B	C	D	E	F	G	H	I	

Non-Winter Hedge:	A+B+C+D	\$ -
Non-Winter Transaction Cost:	E+F	\$ 2,785
		\$ 2,785
25% Winter Hedge:	G+H+I	\$ 3,074,000
		\$ 3,074,000
Financial Cost Total Included in GCIM:		\$ 3,076,785

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Southern California Gas Company
 GCIM Year 30
 April 1, 2023 through March 31, 2024

Winter Hedge Costs

	25% Winter		75% Winter		Total
	Costs	Revenues	Costs	Revenues	
Apr-23	\$ -	\$ -	\$ -	\$ -	\$ -
May-23	\$ -	\$ -	\$ -	\$ -	\$ -
Jun-23	\$ -	\$ -	\$ -	\$ -	\$ -
Jul-23	\$ -	\$ -	\$ -	\$ -	\$ -
Aug-23	\$ -	\$ -	\$ -	\$ -	\$ -
Sep-23	\$ -	\$ -	\$ -	\$ -	\$ -
Oct-23	\$ -	\$ -	\$ -	\$ -	\$ -
Nov-23	\$ 514,500	\$ -	\$ 1,543,500	\$ -	\$ 2,058,000
Dec-23	\$ 506,850	\$ -	\$ 1,520,550	\$ -	\$ 2,027,400
Jan-24	\$ 609,150	\$ -	\$ 1,827,450	\$ -	\$ 2,436,600
Feb-24	\$ 285,650	\$ -	\$ 856,950	\$ -	\$ 1,142,600
Mar-24	\$ 1,157,850	\$ -	\$ 3,473,550	\$ -	\$ 4,631,400
Total	\$ 3,074,000	\$ -	\$ 9,222,000	\$ -	\$ 12,296,000

25% Winter	\$ 3,074,000
75% Winter	\$ 9,222,000
100% Winter	<u>\$ 12,296,000</u>
check	\$ 12,296,000
	\$ -

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 Southern California Gas Company
 GCIM Year 30
 April 1, 2023 through March 31, 2024
 Benchmark Commodity Costs

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
Mainline Benchmark Commodity Cost \$	56,684,675.05	\$ 41,854,366.77	\$ 47,366,791.30	\$ 58,390,207.78	\$ 68,179,317.78	\$ 58,264,934.94	\$ 47,116,545.30	\$ 81,061,847.83	\$ 99,242,843.81	\$ 65,646,140.52	\$ 93,195,316.40	\$ 31,642,385.85	\$ 748,645,373
Border and Citygate Commodity Costs \$	102,333,932.47	\$ 44,490,533.35	\$ 41,487,056.88	\$ 45,006,387.58	\$ 43,391,371.09	\$ 46,097,780.33	\$ 9,628,663.99	\$ 35,184,406.60	\$ 40,021,440.94	\$ 8,931,494.25	\$ 87,781,885.24	\$ 34,676,871.14	\$ 539,031,824
Total Benchmark Commodity Costs \$	159,018,608	\$ 86,344,900	\$ 88,853,848	\$ 103,396,595	\$ 111,570,689	\$ 104,362,715	\$ 56,745,209	\$ 116,246,254	\$ 139,264,285	\$ 74,577,635	\$ 180,977,202	\$ 66,319,257	\$ 1,287,677,197

Southern California Gas Company
GCIM Year 30
April 1, 2023 through March 31, 2024

	Reservation Charges												
	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
El Paso	\$ 4,727,594.76	\$ 4,750,787.76	\$ 4,772,844.48	\$ 4,740,335.53	\$ 4,738,160.00	\$ 4,762,501.14	\$ 4,838,249.69	\$ 5,912,120.33	\$ 5,649,945.27	\$ 5,626,837.95	\$ 5,631,373.00	\$ 5,655,052.28	\$ 61,805,802
Transwestern	\$ 2,632,500.00	\$ 2,720,250.00	\$ 2,094,773.17	\$ 1,865,970.60	\$ 1,658,070.60	\$ 2,156,778.00	\$ 2,720,250.00	\$ 3,255,678.00	\$ 3,364,200.60	\$ 3,364,200.60	\$ 3,147,155.40	\$ 3,364,200.60	\$ 32,344,028
Kern River	\$ 1,643,153.08	\$ 1,697,924.85	\$ 2,103,490.96	\$ 2,467,437.23	\$ 2,467,437.23	\$ 2,153,947.48	\$ 2,620,967.71	\$ 1,843,499.73	\$ 2,780,923.18	\$ 2,773,252.15	\$ 2,594,332.66	\$ 2,481,326.30	\$ 27,627,693
Nova (A)	\$ 263,216.81	\$ 262,459.76	\$ 264,149.24	\$ 265,617.11	\$ 260,225.70	\$ 259,300.70	\$ 255,831.93	\$ 255,955.10	\$ 255,955.10	\$ 264,192.10	\$ 257,354.43	\$ 256,677.55	\$ 3,120,935.53
Foothills (B)	\$ 113,440.85	\$ 113,114.58	\$ 115,142.71	\$ 115,782.56	\$ 113,432.44	\$ 113,029.23	\$ 111,517.19	\$ 111,570.89	\$ 111,570.89	\$ 188,655.24	\$ 185,255.08	\$ 184,809.23	\$ 1,577,320.89
GTN (C)	\$ 394,318.05	\$ 399,804.13	\$ 394,318.05	\$ 405,859.18	\$ 402,141.13	\$ 394,318.05	\$ 404,841.36	\$ 392,817.37	\$ 362,650.75	\$ 407,461.99	\$ 381,174.11	\$ 407,461.99	\$ 4,747,166.16
PG&E (D)	\$ 297,373.02	\$ 297,373.02	\$ 297,373.02	\$ 297,373.02	\$ 297,373.02	\$ 297,373.02	\$ 297,373.02	\$ -	\$ 594,746.04	\$ 273,027.30	\$ 273,027.30	\$ 273,027.30	\$ 3,495,439.08
Canadian Path (A)+(B)+(C)+(D)	\$ 1,068,348.73	\$ 1,072,751.49	\$ 1,070,983.02	\$ 1,084,631.87	\$ 1,073,172.29	\$ 1,064,021.00	\$ 1,069,563.50	\$ 760,343.36	\$ 1,324,922.78	\$ 1,133,336.63	\$ 1,096,810.92	\$ 1,121,976.07	\$ 12,940,861.66
Northwest	\$ -	\$ -	\$ -	\$ -	\$ 32,579.45	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,579.45
Southern Tails	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
North Baja	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gassoducto De Aquaprieta	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ruby	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wyoming Interstate Company	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Colorado Interstate Gas Company	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Backbone Transportation Service Charges	\$16,255,469.46	\$15,767,528.85	\$16,278,469.24	\$14,891,583.53	\$14,736,628.41	\$14,569,126.07	\$15,777,822.22	\$16,726,884.08	\$17,976,817.84	\$16,756,050.08	\$16,310,336.20	\$18,089,059.59	\$ 194,135,776
Brokered Capacity Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Backbone Transportation	\$ 16,255,469	\$ 15,767,529	\$ 16,278,469	\$ 14,891,584	\$ 14,736,628	\$ 14,569,126	\$ 15,777,822	\$ 16,726,884	\$ 17,976,818	\$ 16,756,050	\$ 16,310,336	\$ 18,089,060	\$ 194,135,776
Total Reservation Charges	\$ 26,327,066	\$ 26,009,243	\$ 26,320,561	\$ 25,049,959	\$ 24,706,048	\$ 24,706,374	\$ 27,026,853	\$ 28,498,526	\$ 31,096,810	\$ 29,653,677	\$ 28,780,008	\$ 30,711,615	\$ 328,886,739

Southern California Gas Company
GCIM Year 30
April 1, 2023 through March 31, 2024
Transportation Charges

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
Total \$	359,112	\$ 653,521	\$ 450,553	\$ 387,368	\$ 315,856	\$ 334,848	\$ 251,707	\$ 627,175	\$ 294,386	\$ 268,148	\$ 281,530	\$ 218,067	\$ 4,442,271

Southern California Gas Company
GCIM Year 30
April 1, 2023 through March 31, 2024
Net Commodity Purchase Costs

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
Mainline Purchases \$	83,039,861	\$ 53,215,658	\$ 54,655,453	\$ 67,216,486	\$ 84,743,918	\$ 70,941,723	\$ 58,234,230	\$ 97,499,380	\$ 110,326,917	\$ 88,170,888	\$ 104,701,744	\$ 47,783,671	\$ 920,529,930
Border and Citygate Purchases \$	102,926,025	\$ 41,782,614	\$ 38,884,733	\$ 42,976,700	\$ 40,464,310	\$ 37,046,773	\$ 31,618,948	\$ 46,549,065	\$ 52,935,346	\$ 40,505,627	\$ 66,437,234	\$ 36,513,660	\$ 578,641,035
Total Commodity Purchases \$	185,965,886	\$ 94,998,272	\$ 93,540,186	\$ 110,193,186	\$ 125,208,228	\$ 107,988,496	\$ 89,853,178	\$ 144,048,445	\$ 163,262,263	\$ 128,676,515	\$ 171,138,978	\$ 84,297,331	\$ 1,499,170,965
Mainline Sales \$	(25,474,486)	\$ (10,237,292)	\$ (5,540,334)	\$ (8,165,050)	\$ (16,103,938)	\$ (10,261,851)	\$ (9,967,078)	\$ (10,025,431)	\$ (3,571,913)	\$ (27,440,065)	\$ (9,027,786)	\$ (6,190,457)	\$ (142,005,683)
Border and Citygate Sales \$	(1,716,098)	\$ (1,013,146)	\$ (1,896,627)	\$ (7,622,960)	\$ (3,106,204)	\$ (44,616)	\$ (42,465,522)	\$ (11,011,428)	\$ (10,847,310)	\$ (51,488,419)	\$ (841,003)	\$ (202,156)	\$ (132,255,489)
Total Commodity Sales \$	(27,190,584)	\$ (11,250,438)	\$ (7,436,961)	\$ (15,788,011)	\$ (19,210,143)	\$ (10,306,467)	\$ (52,432,600)	\$ (21,036,859)	\$ (14,419,224)	\$ (78,928,484)	\$ (9,868,789)	\$ (6,392,613)	\$ (274,261,172)
Net Commodity Purchases \$	158,775,302	\$ 83,747,834	\$ 86,103,225	\$ 94,405,176	\$ 105,998,085	\$ 97,682,029	\$ 37,420,578	\$ 123,011,587	\$ 148,843,039	\$ 49,748,031	\$ 161,270,189	\$ 77,904,718	\$ 1,224,909,793

Southern California Gas Company
GCIM Year 30
April 1, 2023 through March 31, 2024
Net Mainline Purchases by Pipelines

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
Total Mainline Purchases	\$ 57,565,375	\$ 42,978,366	\$ 49,115,119	\$ 59,051,436	\$ 68,639,980	\$ 60,679,872	\$ 48,267,152	\$ 87,473,950	\$ 106,755,004	\$ 60,730,823	\$ 95,673,958	\$ 41,593,214	\$ 778,524,247

*Net = purchases + Sale

Southern California Gas Company
GCIM Year 30

April 1, 2023 through March 31, 2024

Net Border and Citygate Purchase Summary

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
Total Border and Citygate Purchases	\$ 102,926,025	\$ 41,782,614	\$ 38,884,733	\$ 42,976,700	\$ 40,464,310	\$ 37,046,773	\$ 31,618,948	\$ 46,549,065	\$ 52,935,346	\$ 40,505,627	\$ 66,437,234	\$ 36,513,660	\$ 578,641,035
Total Border and Citygate Sales	\$ (1,716,098)	\$ (1,013,146)	\$ (1,896,627)	\$ (7,622,960)	\$ (3,106,204)	\$ (44,616)	\$ (42,465,522)	\$ (11,011,428)	\$ (10,847,310)	\$ (51,488,419)	\$ (841,003)	\$ (202,156)	\$ (132,255,489)
Net Border and Citygate Purchases	\$ 101,209,927	\$ 40,769,468	\$ 36,988,106	\$ 35,353,740	\$ 37,358,105	\$ 37,002,158	\$ (10,846,574)	\$ 35,537,637	\$ 42,088,036	\$ (10,982,792)	\$ 65,596,231	\$ 36,311,504	\$ 446,385,546

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Actual Net Purchase Volume

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
Mainline Purchases	31,977,932	26,100,798	25,469,770	24,660,243	24,732,096	25,509,113	25,918,243	26,730,896	27,615,489	27,065,736	25,985,832	27,246,068	319,012,216
Mainline Sales	(6,861,766)	(5,574,896)	(2,791,042)	(2,918,283)	(4,272,572)	(4,387,150)	(4,706,040)	(3,846,291)	(1,319,028)	(4,914,926)	(2,604,584)	(4,689,477)	(48,886,055)
Net Mainline Purchase Volume	25,116,166	20,525,902	22,678,728	21,741,960	20,459,524	21,121,963	21,212,203	22,884,605	26,296,461	22,150,810	23,381,248	22,556,591	270,126,161
Border and Citygate Purchases	13,925,039	9,706,051	10,784,751	9,510,149	4,962,532	7,938,722	9,228,389	6,879,290	8,242,454	8,063,967	16,765,181	11,858,182	117,864,707
Border and Citygate Sales	(657,230)	(1,184,029)	(430,403)	(998,452)	(380,100)	(28,469)	(5,460,221)	(1,562,235)	(1,877,079)	(5,917,831)	(168,250)	(149,696)	(18,813,995)
Net Border and Citygate Purchase Volume	13,267,809	8,522,022	10,354,348	8,511,697	4,582,432	7,910,253	3,768,168	5,317,055	6,365,375	2,146,136	16,596,931	11,708,486	99,050,712
Net Commodity Purchase Volume	38,383,975	29,047,924	33,033,076	30,253,657	25,041,956	29,032,216	24,980,371	28,201,660	32,661,836	24,296,946	39,978,179	34,265,077	369,176,873

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Net Mainline Purchase Volume

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
Mainline Purchase Total	31,977,932	26,100,798	25,469,770	24,660,243	24,732,096	25,509,113	25,918,243	26,730,896	27,615,489	27,065,736	25,985,832	27,246,068	319,012,216
Mainline Sale Total	(6,861,766)	(5,574,896)	(2,791,042)	(2,918,283)	(4,272,572)	(4,387,150)	(4,706,040)	(3,846,291)	(1,319,028)	(4,914,926)	(2,604,584)	(4,689,477)	(48,886,055)
Net Mainline Purchase Volume	25,116,166	20,525,902	22,678,728	21,741,960	20,459,524	21,121,963	21,212,203	22,884,605	26,296,461	22,150,810	23,381,248	22,556,591	270,126,161

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Total Mainline Purchase Volume

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
Total Mainline Purchase Volume	31,977,932	26,100,798	25,469,770	24,660,243	24,732,096	25,509,113	25,918,243	26,730,896	27,615,489	27,065,736	25,985,832	27,246,068	319,012,216

Southern California Gas Company
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April 1, 2023 through March 31, 2024
Total Mainline Sale Volume

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
Total Mainline Sale Volume	(6,861,766)	(5,574,896)	(2,791,042)	(2,918,283)	(4,272,572)	(4,387,150)	(4,706,040)	(3,846,291)	(1,319,028)	(4,914,926)	(2,604,584)	(4,689,477)	(48,886,055)

Southern California Gas Company

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April 1, 2023 through March 31, 2024

Total Border and Citygate Purchase Volume

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
Total Border and Citygate Purchases	13,925,039	9,706,051	10,784,751	9,510,149	4,962,532	7,938,722	9,228,389	6,879,290	8,242,454	8,063,967	16,765,181	11,858,182	117,864,707

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April 1, 2023 through March 31, 2024

Actual Total Border and Citygate Sale Volume

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
Total Border and Citygate Sales	(657,230)	(1,184,029)	(430,403)	(998,452)	(380,100)	(28,469)	(5,460,221)	(1,562,235)	(1,877,079)	(5,917,831)	(168,250)	(149,696)	(18,813,995)

Southern California Gas Company
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April 1, 2023 through March 31, 2024
Net Border and Citygate Purchase Volume

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Total
Total Border and Citygate Purchases	13,267,809	8,522,022	10,354,348	8,511,697	4,582,432	7,910,253	3,768,168	5,317,055	6,365,375	2,146,136	16,596,931	11,708,486	99,050,712

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Benchmark Spot Prices**

* Publications for each spot prices are reviewed.

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Core Capacity Utilization

	Core Capacity	Nominated Capacity	Unutilized Capacity	Capacity Utilization Percentage	Nominated Capacity	Actual Volume Delivered	Capacity Cut
Northwest Pipeline LLC	651,589	168,152	483,437	26%	168,152	168,152	-
El Paso Natural Gas Company	180,722,857	136,046,441	44,676,416	75%	136,046,441	134,978,396	1,068,045
Foothills Pipelines Ltd	19,698,084	18,630,569	1,067,515	95%	18,630,569	16,241,043	2,389,526
Gas Trans Northwest Corp	19,217,928	18,024,059	1,193,869	94%	18,024,059	15,806,821	2,217,238
Kern River Gas Transmission Company	89,033,476	87,522,912	1,510,564	98%	87,522,912	87,082,408	440,504
Nova Gas Trans Ltd	19,858,349	16,498,336	3,360,013	83%	16,498,336	16,498,336	-
Pacific Gas & Electric	19,067,112	16,481,175	2,585,937	86%	16,481,175	14,421,808	2,059,367
Transwesten Pipeline Company	83,183,160	65,358,116	17,825,044	79%	65,358,116	64,533,200	824,916
Total	431,432,555	358,729,760	72,702,795	83%	358,729,760	349,730,164	8,999,596

APPENDIX B
QUALIFICATIONS OF WITNESSES

1 **QUALIFICATIONS AND PREPARED TESTIMONY**
2 **OF**
3 **MICHAEL TAN**

4 Q.1 Please state your name and business address.

5 A.1 My name is Michael Tan. My business address is 505 Van Ness Avenue,
6 San Francisco, California, 94102.

7 Q.2 By whom are you employed and in what capacity?

8 A.2 I am employed as a Financial Examiner in the Public Advocates Office at the
9 California Public Utilities Commission (Cal Advocates), Energy Cost of Service
10 and Natural Gas Branch.

11 Q.3 Briefly describe your educational background and work experience.

12 A.3 I have a Bachelor of Arts Degree in Economics and Bachelor of Arts Degree in
13 Sociology – specializing in Organizational Study, from University of California,
14 Davis. Prior to joining the Commission, I worked at the California State Board of
15 Equalization under Sale and Used Tax Division as a Tax Auditor. My primary
16 duty was to conduct business sales and use tax audits in different fields.

17 Since joining the Commission in 2013, my responsibilities have included review
18 of gas cost incentive mechanism applications, various energy advice letters and
19 other gas procurement matters. I have prepared Monitoring and Evaluation
20 Reports on behalf of Cal Advocates numerous times since 2013.

21 Q.4 What portion of the Cal Advocates Monitoring and Evaluation Report are you
22 sponsoring in this proceeding?

23 A.4 I am sponsoring Chapter 1 and Chapter 2 of the Report.

24 Q.5 Does that complete your prepared testimony?

25 A.5 Yes, it does.