

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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In the Matter of the Application of
Southern California Gas Company
(U904G) Regarding Year 27 (2020-2021)
of Its Gas Cost Incentive Mechanism.

Application 21-06-010

**PUBLIC ADVOCATES OFFICE
MONITORING AND EVALUATION REPORT**

Pursuant to the August 12, 2021, *Assigned Commissioner's Scoping Memo and Ruling* in the above-captioned proceeding, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates), hereby files its Monitoring and Evaluation Report regarding Southern California Gas Company's Gas Cost Incentive Mechanism (GCIM) application for GCIM Year 27. Cal Advocates' Monitoring and Evaluation Report is appended hereto as Attachment A.

Respectfully submitted,

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October 15, 2021

ATTACHMENT A

Docket	:	<u>A.21-06-010</u>
Exhibit Number	:	<u>PubAdv-01</u>
Commissioner	:	<u>Shiroma</u>
Admin. Law Judge	:	<u>Poirier</u>
Witness	:	<u>Tan</u>



PUBLIC ADVOCATES OFFICE
California Public Utilities Commission

MONITORING AND EVALUATION REPORT

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

**GCIM Year 27
April 1, 2020 through March 31, 2021**

Application 21-06-010

**San Francisco, California
October 15, 2021**

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CHAPTER 1

SUMMARY AND RECOMMENDATIONS

1.1 Introduction and Summary

On June 15, 2021, Southern California Gas Company (SoCalGas) filed Application (A.) 21-06-010 regarding the Year 27 Gas Cost Incentive Mechanism (GCIM) for the time period April 1, 2020 through March 31, 2021. The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) audited and evaluated the Application and SoCalGas' GCIM Year 27 Annual Report (Year 27 Report), and prepared this Monitoring and Evaluation Report (Cal Advocates Report). Chapter 2 of Cal Advocates Report presents the details and results of Cal Advocates' review. Appendix A to this report includes the work papers supporting Cal Advocates' findings.

Cal Advocates found that SoCalGas' recorded gas costs for GCIM Year 27 were \$184,744,972 below the benchmark, which resulted in a reward of \$11,143,725 to SoCalGas' shareholders after applying the commodity cost cap of 1.5% and a ratepayer benefit of \$173,601,247. Table 1-1 below summarizes SoCalGas' Year 27 performance,¹ which is based on the detailed GCIM monthly reports of core commodity transaction activities.

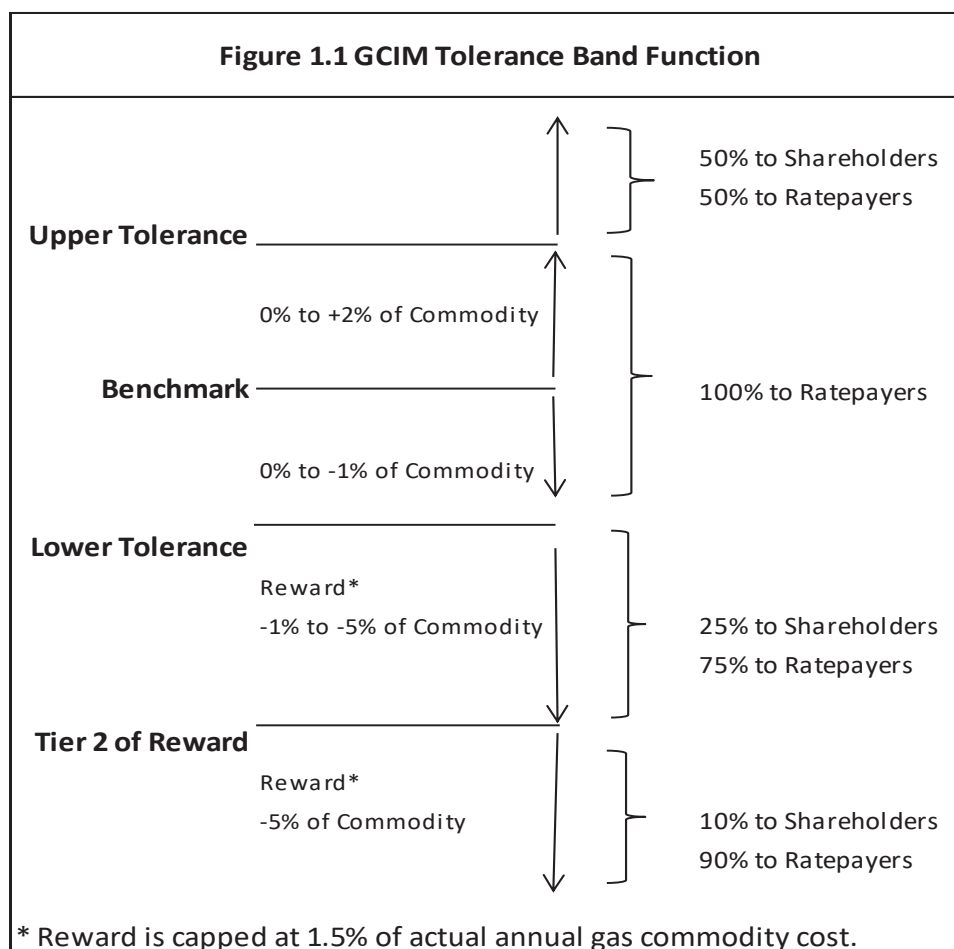
TABLE 1-1 Southern California Gas Company Performance Summary GCIM Year 27 April 1, 2020 Through March 31, 2021		
Benchmark Costs	\$	1,200,571,089
Actual Costs	\$	1,015,826,117
GCIM Total Savings	\$	184,744,972
Ratepayer Savings After Cap	\$	173,601,247
Shareholder Reward After Cap	\$	11,143,725

1.2 Background

The objective of the GCIM is to provide an incentive for reducing natural gas procurement costs and other related costs such as: transportation, storage capacity, financial hedging, and retail core gas sales. The GCIM is used as a ratemaking tool to increase efficiency in administering regulatory controls. For gas utilities, it provides a framework in the form of a benchmark that indicates when actual purchase costs are

¹ See Cal Advocates Rept., Appx., Table 2-19.

within a stated range referred to as a “tolerance band.” If SoCalGas’ actual costs—as measured by the GCIM benchmark—are between the upper and lower range limitations of the tolerance band, there is no shareholder penalty or reward for the GCIM period. If actual gas costs fall above or below the tolerance band, then both SoCalGas ratepayers and shareholders share in the resulting gains or losses. Chapter 2 of this Cal Advocates Report presents the results of the tolerance band calculations. The following graph, Figure 1.1, illustrates how the tolerance band functions in determining the shared costs for SoCalGas’ shareholders and ratepayers.



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.²

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

² See *SoCalGas*, D.02-06-023, 2002 Cal. PUC LEXIS 352, at pp. *10 and *37–38 (respectively, Settlement and Ord. Para. 1) (dated June 6, 2002).

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

Commission Decision (D.) 94-03-076 originally approved the GCIM program, with subsequent changes and extensions that essentially enhanced the program incentives. D.10-01-023 changed the treatment of winter hedging costs by allowing twenty-five percent (25%) of net hedging gains and losses related to winter gas purchases to flow through to the GCIM calculation, and seventy-five percent (75%) of costs to be passed through directly to core customers.

1.3 GCIM Summary

Table 1-2 below provides a summary of GCIM results over the past five years. Chapter 2 of this Cal Advocates Report presents supporting calculations for GCIM Year 27.

TABLE 1-2 Southern California Gas Company Summary of Ratepayer Savings and Shareholder Rewards (in \$Millions)				
GCIM Year	Period	Total Cost Savings	Ratepayer Savings	Shareholder Rewards
23	2016-2017	27.15	22.92	4.23
24	2017-2018	61.72	50.37	11.35
25	2018-2019	105.45	88.66	16.79
26	2019-2020	81.97	69.17	12.80
27	2020-2021	184.74	173.60	11.14

1.4 Natural Gas Storage

To ensure dedicated core storage capacity, the Commission in D.06-10-029 authorized SoCalGas to revise its Preliminary Statement, Part VIII, and the GCIM to reflect changes to its mid-season minimum core inventory targets. These changes require SoCalGas to seek agreement from Cal Advocates and The Utility Reform Network (TURN) prior to making any revisions to its mid-season minimum core

inventory targets.³ In D.18-01-005, the Commission ordered SoCalGas to confer with Cal Advocates if its mid-season core storage inventory will be less than 47 billion cubic feet (Bcf) on July 31 of each calendar year. D.18-01-005 also requires SoCalGas to provide notification of its mid-season and annual core storage inventory target to the Commission's Energy Division. For GCIM Year 27, SoCalGas met the July 31 mid-season storage target. As of October 31, 2020, SoCalGas reported the annual storage inventory was within the November 1st annual storage target.⁴

In D.08-12-020, the Commission adopted the Phase 1 Settlement Agreement, which eliminated the upper tolerance band for core storage.⁵ Combining San Diego Gas & Electric Company's (SDG&E) and SoCalGas' balancing requirements ensures sufficient storage for core customers in Southern California. As of April 1, 2009, SoCalGas has implemented the core balancing requirements. For the current GCIM reporting period, SoCalGas did not report any core imbalance charges but did report that it had incurred \$294,238 in operational flow order (OFO) daily non-compliance charges.⁶

1.5 Financial Hedging in GCIM

In accordance with D.10-01-023, effective April 2010, SoCalGas is not required to file a Winter Hedging Plan Report.⁷ Instead, SoCalGas includes twenty five percent (25%) of all net gains and losses of its winter hedging transactions in the GCIM. The remaining seventy-five percent (75%) is excluded, which results in costs passed through to core customers. Cal Advocates reviewed SoCalGas' financial derivative gains and losses based on the adopted methodology and according to Commission policies and practices, as described in Chapter 2, Sections 2.10 and 2.11 of this Report.

In addition to core winter hedges, SoCalGas transacted non-winter hedges. For this period, SoCalGas' non-winter hedge results are also included in the GCIM.⁸ Table 1-3 below shows the results of SoCalGas' hedging activities for the most recent five-year GCIM periods.

³ See *SoCalGas*, D.06-10-029, 2006 Cal. PUC LEXIS 398, p. *15 (Ord. Para. 3 approving and adopting "Joint Recommendations" [id. at *11] to allow changes in mid-season minimum core inventory targets).

⁴ See *SoCalGas GCIM Yr. 27 Rept.*, p. A-7.

⁵ See *SoCalGas*, D.08-12-020, 2008 Cal. PUC LEXIS 482, p. *47 (Ord. Para. 1 adopting) (dated Dec. 4, 2008).

⁶ See *SoCalGas August 2, 2021, Response to Cal Advocates Data Request A.21-06-010_GCIM Year 27_MDR Q 11* issued July 19, 2021.

⁷ See *SoCalGas*, D.10-01-023, 2010 Cal. PUC LEXIS 5, p. *100 (Ord. Para. 5) (dated Jan. 25, 2010).

⁸ See Cal Advocates Rept. at sec. 2.10 ("Financial Derivatives").

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)
23	\$ 1.99	\$ 0.61	\$ 2.60
24	\$ 0.63	\$ 0.19	\$ 0.82
25	\$ (4.91)	\$ (2.07)	\$ (6.98)
26	\$ (4.30)	\$ (0.86)	\$ (5.16)
27*	\$ 1.71	\$ 0.43	\$ 1.28

*Source: See Cal Advocates Report, Table 2-11.

1.6 Interstate Capacity

In D.04-09-022, the Commission established interstate pipeline contract approval procedures for SoCalGas, SDG&E, and Pacific Gas and Electric Company (PG&E).⁹ These procedures included authorized capacity planning ranges to provide flexibility in meeting the utilities' regional market demands and regulatory compliance requirements regarding their Biennial Cost Allocation Proceedings (BCAP) or advice letter filings.¹⁰

In accordance with the capacity guideline procedures established by D.04-09-022, SoCalGas, Cal Advocates, TURN, and the Commission's Energy Division conduct on-going discussions regarding interstate capacity requirements and SoCalGas' acquisition of interstate capacity. Cal Advocates serves as a resource for addressing compliance issues that impact acquisition and/or reduction of interstate capacity.¹¹

Effective November 9, 2018, Advice Letter 5340 governs SoCalGas' capacity planning range (GCIM Year 26 and GCIM Year 27) for its combined gas portfolio with SDG&E for its winter and non-winter requirements.¹² The updated minimum capacity for non-winter requires 937 thousand dekatherms per day (MDth/d), and maximum capacity of 1,249 MDth/d. For winter, the combined portfolio minimum capacity is 1,041 MDth/d and maximum capacity is 1,249 MDth/d.¹³

⁹ OIR, D.04-09-022, 2004 Cal. PUC LEXIS 522, p. *140 (Ord. Para. 2) (dated Sept. 2, 2004).

¹⁰ D.04-09-022, 2004 Cal. PUC LEXIS 522, p. *137 (Concl. of Law 6).

¹¹ D.04-09-022, 2004 Cal. PUC LEXIS 522, p. *18 ("SoCalGas' Gas Acquisition Department will consult with [Cal Advocates], the Energy Division and TURN on a monthly basis.").

¹² See Letter from E. F. Randolph, Dir. of Comm. Energy Div., to R. van der Leeden, SoCalGas Dir. of Reg. Affairs, (Nov. 9, 2018, approving SoCalGas Adv. Letr 5340 (Aug. 17, 2018), effective Sept. 16, 2018) *available at* <https://tariff.socalgas.com/regulatory/tariffs/tm2/pdf/5340.pdf>.

¹³ See Advice Letter 5340, p. 2.

For GCIM Year 27, SoCalGas' report shows that for actual monthly activities of core firm transportation capacity holdings, the minimum capacity requirements established by D.04-09-022 were met.¹⁴

1.7 Secondary Market Services Transactions

Secondary Market Services (SMS) generate revenues from core gas supplies and resources not needed for reliability requirements. SoCalGas meets this regional market demand while simultaneously applying these revenues to directly offset core commodity costs. As a result, this reduces core gas costs, which achieves SoCalGas' primary objectives of ensuring supply and service reliability at a low cost.¹⁵

For the GCIM Year 27 period, SoCalGas shows net SMS revenues of (\$18,447,276).¹⁶ These revenues offset part of the gas costs and enable SoCalGas to lower its core commodity costs.

1.8 Conclusion

Cal Advocates' review verified that for GCIM Year 27, SoCalGas' total savings amount was \$184,744,972. Accordingly, Cal Advocates confirms that SoCalGas' shareholders receive a reward in the amount of \$11,143,725. Cal Advocates also confirms that for the GCIM Year 27 reporting period, ratepayer benefits amounted to \$173,601,247. In collaboration with SoCalGas and other interested parties, Cal Advocates will continue to monitor and evaluate SoCalGas' GCIM to identify any changes needed to improve the effectiveness of its GCIM. Furthermore, SoCalGas and Cal Advocates would submit any subsequent changes to the Commission for approval and adoption.

¹⁴ See SoCalGas GCIM Yr. 27 Rept., p. A-28, Appendix C - Current Core Firm Transportation Capacity Holdings.

¹⁵ See SoCalGas GCIM Yr. 27 Rept., p. A-6.

¹⁶ See SoCalGas GCIM Yr. 27 Rept., p. A-4, Table 2; and see *infra* at sec. 2.12 ("Review of Secondary Market Services Revenues").

CHAPTER 2

MONITORING AND EVALUATION AUDIT

2.1 Cal Advocates' GCIM Reward Evaluation

SoCalGas' GCIM Year 27 Application reports core gas procurement results for April 1, 2020 through March 31, 2021. Pursuant to D.94-03-076, Cal Advocates conducted a review and evaluation of SoCalGas' Year 27 GCIM report. The results of Cal Advocates' review and evaluation are presented in this chapter and the supporting work papers are included in Appendix A.

Cal Advocates' evaluation of SoCalGas' GCIM performance for the year ending March 31, 2021, confirmed a total savings of \$184,744,972 in gas costs. These savings are based on the difference between the actual gas commodity costs of \$1,015,826,117 and the GCIM benchmark commodity costs of \$1,200,571,089. As part of its audit of SoCalGas' GCIM Year 27 report, Cal Advocates verified that the GCIM sharing mechanism resulted in a ratepayer savings of \$173,601,247, and a shareholder reward of \$11,143,725 after the cap of 1.5% of commodity costs. Table 2-1 below summarizes the SoCalGas GCIM Year 27 savings based on the calculated tolerance band levels.

TABLE 2-1 Southern California Gas Company Reward Calculation GCIM Year 27 April 1, 2020 Through March 31, 2021		
		SCG Annual Report
Benchmark Costs		\$ 1,200,571,089
Actual Costs		\$ 1,015,826,117
GCIM Year 27 Annual Report: Total Savings Below Benchmark		\$ 184,744,972
Amount of Lower Tolerance Band Not Subject to Sharing (0%-1%)		\$ 9,276,600
Ratepayers' share:		\$ 9,276,600
Amount Subject to 75%-25% Sharing (1%-5%)		\$ 37,106,400
Ratepayers' share: 75%	75%	\$ 27,829,800
Shareholders' share: 25%	25%	\$ 9,276,600
Amount Subject to 90%/10% Sharing (> 5%)		\$ 138,361,972
Ratepayers' share: 90%	90%	\$ 124,525,775
Shareholders' share: 10%	10%	\$ 13,836,197
Cap on Shareholder Rewards = 1.5% of commodity costs:		
Total Commodity costs:		\$ 742,915,028
Shareholder Reward Cap:	1.50%	\$ 11,143,725
Total Ratepayers' Share:		\$ 161,632,175
Total Shareholders' Share:		\$ 23,112,797
Total Savings:		\$ 184,744,972
Total Ratepayers' Share after Cap		\$ 173,601,247
Shareholders' Share after 1.5% Cap		\$ 11,143,725
Total Savings:		\$ 184,744,972

2.2 Summary of Benchmark and Actual Costs

Table 2-2 below shows an annual summary of the monthly gas commodity costs that are the basis for the 1.5% cap on the shareholder reward shown in Table 2-1. The calculated tolerance bands and the related actual commodity cost of gas are measured annually against a benchmark. The benchmark is based on the prevailing published natural gas price indices for gas delivered from the mainline to the California border.

TABLE 2-2 Southern California Gas Company Tolerance Band Review GCIM Year 27 April 1, 2020 Through March 31, 2021						
Month	Benchmark Dollars*	Actual Dollars*	(Over)/Under Benchmark	Lower Tolerance 1%	Lower Tolerance 5%	Actual Commodity Cost
Apr-20	\$ 48,421,301	\$ 40,537,829	\$ 7,883,472	\$ 27,960,246	\$ 26,830,539	\$ 20,359,200
May-20	\$ 73,676,800	\$ 70,638,505	\$ 3,038,295	\$ 50,032,088	\$ 48,010,590	\$ 47,499,167
Jun-20	\$ 65,904,618	\$ 64,699,023	\$ 1,205,596	\$ 44,132,202	\$ 42,349,083	\$ 43,372,386
Jul-20	\$ 62,812,714	\$ 59,217,870	\$ 3,594,844	\$ 41,225,896	\$ 39,560,203	\$ 38,047,474
Aug-20	\$ 55,660,078	\$ 38,663,641	\$ 16,996,437	\$ 34,011,889	\$ 32,637,671	\$ 17,359,007
Sep-20	\$ 83,983,093	\$ 74,274,606	\$ 9,708,486	\$ 62,690,297	\$ 60,157,356	\$ 53,615,046
Oct-20	\$ 67,274,073	\$ 61,286,527	\$ 5,987,546	\$ 45,343,472	\$ 43,511,413	\$ 39,813,942
Nov-20	\$ 109,666,188	\$ 102,989,064	\$ 6,677,124	\$ 86,390,153	\$ 82,899,642	\$ 80,585,656
Dec-20	\$ 200,505,344	\$ 193,581,752	\$ 6,923,591	\$ 172,157,018	\$ 165,201,179	\$ 166,972,387
Jan-21	\$ 190,600,764	\$ 187,591,495	\$ 3,009,269	\$ 162,574,016	\$ 156,005,369	\$ 161,206,909
Feb-21	\$ 108,251,874	\$ (14,596,022)	\$ 122,847,895	\$ 83,048,508	\$ 79,693,013	\$ (38,960,513)
Mar-21	\$ 133,814,243	\$ 136,941,826	\$ (3,127,584)	\$ 108,817,615	\$ 104,420,944	\$ 113,044,367
	\$ 1,200,571,089	\$ 1,015,826,117	\$ 184,744,972	\$ 918,383,401	\$ 881,277,001	\$ 742,915,028
	*Included transportation costs and reservation costs.					

Source: Cal Advocates Report, Appendix, Table 2-19.

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 27 records confirms the Total Benchmark Dollar Costs of \$1,200,571,087.

The Total Benchmark Commodity Costs consist of Mainline Benchmark Commodity Costs of \$690,251,770 and Benchmark Border Commodity Costs of \$237,408,230 which are calculated based on the Southern California Commodity Border Costs of (\$7,582,621), and SoCalGas Citygate Commodity Cost of \$244,990,851.

The Total Benchmark Dollar Costs include \$3,854,690 in flow through costs of Interstate Volumetric Transport Costs; \$269,056,398 of Benchmark Reservation Charges; and \$927,660,000 in Total Benchmark Commodity Costs for a total of \$1,200,571,087.

TABLE 2-3 Southern California Gas Company Benchmark Dollar Components GCIM Year 27 April 1, 2020 Through March 31, 2021						
					Benchmark	
Annual Report:					Dollars	Reference*
Mainline Benchmark Commodity Costs					\$ 690,251,770	2-4
Southern California Border Commodity Costs			(7,582,621)			2-4
SoCalGas Citygate Commodity Costs			244,990,851			2-4
Sub-Total Border Benchmark Commodity Costs					\$ 237,408,230	
Total Benchmark Commodity Costs					\$ 927,660,000	
Flow-Through Costs						
Interstate Volumetric Transport Costs					\$ 3,854,690	2-6
Benchmark Reservation Charges					\$ 269,056,398	2-5
Rounding					\$ (1)	
Total Benchmark Dollar Costs:					\$ 1,200,571,087	

*Source: Cal Advocates Report, Appendix, Table.

Table 2-3A below shows 377,586,569 MMBtus in Net Total Benchmark Volumes for the period from April 2020 through March 2021. This net total is comprised of the following: (i) 324,841,996 MMBtus, which is the Benchmark Mainline Volumes total; (ii) (8,049,975) MMBtus, which is the Benchmark Border Volumes total for the same period; and (iii) 60,794,448 MMBtus, which is the Benchmark SoCalGas Citygate Volumes total. The Actual Transported Volumes of 368,731,490 MMBtus is the total purchased volumes that SoCalGas received during the GCIM Year 27 period.

TABLE 2-3A Southern California Gas Company Benchmark Market Volumes (In MMBtus) GCIM Year 27 April 1, 2020 Through March 31, 2021				
				Reference*
Benchmark Mainline Volumes	324,841,996			2-11
Benchmark Border Volumes	(8,049,875)			2-16
Benchmark Citygate Volumes	60,794,448			2-16
Net Total Benchmark Volumes		377,586,569		
Actual Transported Volumes		368,731,490		2-10

*Source: Cal Advocates Report, Appendix, Table.

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.

The Total Mainline and Border Purchases of \$1,038,718,660 consist of Total Mainline Purchases of \$734,162,478 and Total Border Purchases of \$304,556,182. The Total Gas Sales of (\$277,903,142) consists of Mainline Sales of (\$129,432,700); Border Sales of (\$108,691,101) and SoCalGas Citygate Sales of (\$39,779,341). The Other Revenue and Costs of (\$17,900,489) consist of (i) (\$18,447,277) in Net Secondary Market Service Revenues; (ii) \$393,926 in costs from GCIM Derivative Transactions, and (iii) \$152,862 in an Off-System Parking Fee. These are all included as part of the Total Commodity Costs of \$742,915,029 which consist of (i) Total Mainline and Border Purchases of \$1,038,718,660; (ii) Total Gas Sale of (\$277,903,142); and (iii) Total Other Revenues/Costs of (\$17,915,029).

SoCalGas' records show the calculation of the Interstate Volumetric Transport Costs as \$3,854,690, and the Reservation Charges as \$269,056,398. The sum of these costs and charges resulted in the corresponding Total Volume and Costs of \$1,015,826,117 as shown on the last line in Table 2-4.

The Total Mainline and Border Purchase volume of 440,511,024 MMBtus is comprised of the totals for two types of gas purchases and their corresponding volumes: (i) Total Mainline Purchases 349,926,169 MMBtus; and (ii) Total Border Purchases 90,584,855 MMBtus.

The Total Gas Sale volumes of (62,924,455 MMBtus) is comprised of the following gas sales and their corresponding volumes: (i) Mainline Sales (25,084,173 MMBtus); (ii) Border Sales (28,480,869 MMBtus); and (iii) SoCalGas Citygate Sales (9,359,413 MMBtus). The Total Gas Sales volumes of (62,924,413 MMBtus) was subtracted from the Total Mainline and Border Purchases volumes of 440,510,024 MMBtus to arrive at the Total Volume and Costs figure of 377,586,569 MMBtus.

TABLE 2-4
Southern California Gas Company
Actual Gas Costs Components
GCIM Year 27
April 1, 2020 Through March 31, 2021

Mainline Commodity Purchases	Volumes	Dollars	Reference*
El Paso Permian	50,270,585	\$ 80,047,269	2-3a
El Paso San Juan	115,387,307	246,145,662	2-3a
Transwestern Permian	11,794,329	15,581,567	2-3a
Transwestern San Juan	31,669,903	69,819,082	2-3a
Kern River Pipeline	123,098,634	288,397,182	2-3a
Enterprise-Waha	-	-	2-3a
NOVA-AECO/NIT	17,705,411	34,171,717	2-3a
GTN: Kingsgate/Malin/Stanfield	-	-	2-3a
Total Mainline Purchases	349,926,169	\$ 734,162,478	
Border and City Gate Purchases			
Border	20,430,994	\$ 46,937,773	2-3b
SoCalGas Citygate	70,153,861	257,618,408	2-3b
Total Border Purchases	90,584,855	\$ 304,556,182	
Total Mainline and Border Purchases	440,511,024	\$ 1,038,718,660	
Gas Sales (deducting)			
Mainline Sales	(25,084,173)	\$ (129,432,700)	2-3c
Border Sales	(28,480,869)	(108,691,101)	2-3d
SoCalGas Citygate Sales	(9,359,413)	(39,779,341)	2-3d
Total Gas Sales	(62,924,455)	\$ (277,903,142)	
Other Revenues/Costs			
Net Secondary Market Revenue:		\$ (18,447,277)	2-3e
GCIM Derivative Transactions		393,926	2-3g
Off System Parking Fee		152,862	2-3f
Total Other Revenues/Costs		\$ (17,900,489)	
Total Commodity Costs		\$ 742,915,029	
Interstate Reservation and Volumetric Transport Cost			
Interstate Volumetric Transport Costs		\$ 3,854,690	2-6
Reservation Charges		269,056,398	2-5
Total Related Commodity Costs		\$ 272,911,088	
Rounding		\$ -	
Total Volume and Costs	377,586,569	\$ 1,015,826,117	

*Source: Cal Advocates Report, Appendix, Table.

2.5 Mainline and Border Gas Sales

Table 2-5 below provides a breakdown of SoCalGas' gas sales by pipeline. In addition, a compilation of gas sales and volumes for the period is included in Appendix A to this Report.

SoCalGas reported gas purchases and sales transactions with affiliates and confirmed that purchases and sales were completed through arm's length transactions via brokerage firms.¹⁷

TABLE 2-5 Southern California Gas Company Summary of Mainline and Border Sales GCIM Year 27 April 1, 2020 Through March 31, 2021				
Mainline Pipelines		Sales	Volume (MMBtus)	Reference*
El Paso Permian		\$ (32,496,173)	(10,594,880)	2-3c
El Paso San Juan		(40,859,790)	(7,669,469)	2-3c
Transwestern Permian		(1,257,366)	(1,071,068)	2-3c
Transwestern San Juan		(11,757,484)	(871,000)	2-3c
Kern River		(39,277,542)	(2,819,771)	2-3c
Enterprise Waha		-	-	2-3c
NOVA-AECO		(3,784,346)	(2,057,985)	2-3c
GTN-Kingsgate/Stanfield/Malin		-	-	2-3c
Total Mainline		\$ (129,432,700)	(25,084,173)	
Border Pipelines		Sales	Volume (MMBtus)	
Border		\$ (108,691,101)	(28,480,869)	2-3d
SoCal City-Gate		(39,779,341)	(9,359,413)	2-3d
Total Border		\$ (148,470,443)	(37,840,282)	
Total Sales to Volume		\$ (277,903,143)	(62,924,455)	

*Source: Cal Advocates Report., Appendix, Table 2-3x.

2.6 Interstate Volumetric Transport Costs

The volumetric transport costs are variable costs and based on the volume of interstate pipeline gas supplies delivered at the SoCal Border. The total interstate volumetric transportation costs for SoCalGas GCIM Year 27 are shown in Table 2-6. The table shows the Summary of the Actual Pipeline Commodity Transported Costs by pipeline. The total aggregate volumetric transport costs for the period were \$3,854,690, which is comprised of \$1,555,675 in El Paso transport costs; \$675,421 in Transwestern

¹⁷ See SoCalGas GCIM Yr. 27 Rept., p. A-16.

costs; \$880,038 in Kern River costs; and \$575,224 in Canadian Path costs; \$9,599 in Mexican Path costs; \$146,497 in Ruby costs; \$12,236 in Wyoming Interstate costs.

TABLE 2-6 Southern California Gas Company Summary of Actual Pipeline Commodity Transport Costs GCIM Year 27 April 1, 2020 Through March 31, 2021		
		Transport Cost
El Paso		\$ 1,555,675
Transwestern		675,421
Kern River		880,038
Canadian Path		575,224
Mexican Path		9,599
Ruby		146,497
Wyoming Interstate		12,236
Total Transportation Costs		\$ 3,854,690

Source: Cal Advocates Report, Appendix, Table 2-6.

2.7 Interstate Reservation Charges

Table 2-7 shows reservation charges by pipeline for the GCIM Year 27 period. The reservation charges were: El Paso \$60,911,106; Transwestern \$18,944,977; Kern River \$40,320,801; Canadian Path \$11,996,419; Ruby \$138,024; Wyoming Interstate \$372,564. Backbone Transport Service contracts totaled \$136,372,507 and the Total Reservation Charges for the period were \$269,056,399.

TABLE 2-7 Southern California Gas Company Summary of Reservation Charges By Pipeline GCIM Year 27 April 1, 2020 Through March 31, 2021		
		Reservation Charge
El Paso		\$ 60,911,106
Transwestern		18,944,977
Kern River		40,320,801
Canadian Path		11,996,419
Ruby		138,024
Wyoming Interstate		372,564
Backbone Transportation		136,372,507
Total Reservation Charges		\$ 269,056,399

Source: Cal Advocates Report, Appendix, Table 2-5.

2.8 Interstate Pipeline Utilization

In D.04-09-022, the Commission required SoCalGas to track each pipeline's utilization of capacity.¹⁸ Table 2-8 provides an overview of SoCalGas' nominated capacity for each pipeline listed. Total Core Capacity for all the pipelines was 435,829,251 MMBtus and Total Nominated Capacity was 374,919,147 MMBtus. The difference between these two total amounts is the unutilized capacity of 60,910,104 MMBtus, which is adjusted from core capacity.

Regarding the interstate pipelines, for GCIM Year 27, SoCalGas utilized El Paso Natural Gas Company at 91% capacity; Foothills Pipeline Ltd at 80%; Gas Transmission Northwest Corp. at 80%; Kern River Gas Transmission Company at 95%; NOVA Gas Trans Ltd at 80% (Canadian Path); Pacific Gas and Electric at 80%; Transwestern Pipeline Company at 63%; Ruby Pipeline LLC at 100%; and Wyoming Interstate Company at 90%. The results are 371,943,906 MMBtus of Actual Volume Received based upon the Capacity Cut of 2,975,241 MMBtus being subtracted from Nominated Capacity of 374,919,147 MMBtus.

Pipeline	Core Capacity	Less: Nominated Capacity	Unutilized Capacity	Capacity Utilization Percentage	Nominated Capacity	Actual Volumes Received	Capacity Cut
El Paso Natural Gas Company	161,100,000	146,166,110	14,933,890	91%	146,166,110	145,114,301	1,051,809
Foothills Pipelines Ltd	19,644,264	15,794,139	3,850,125	80%	15,794,139	15,391,353	402,786
Gas Trans Northwest Corp	19,165,420	15,414,788	3,750,632	80%	15,414,788	15,011,457	403,331
Kern River Gas Trans. Com	127,304,476	120,612,676	6,691,800	95%	120,612,676	120,411,274	201,402
Nova Gas Trans Ltd	19,804,091	15,898,180	3,905,911	80%	15,898,180	15,898,180	-
Pacific Gas & Electric	18,955,180	15,205,981	3,749,199	80%	15,205,981	14,875,995	329,986
Transwesten Pipeline Cor	65,015,820	41,243,742	23,772,078	63%	41,243,742	40,722,428	521,314
Ruby Pipeline LLC	2,420,000	2,413,934	6,066	100%	2,413,934	2,381,497	32,437
Wyoming Interstate Comp	2,420,000	2,169,597	250,403	90%	2,169,597	2,137,421	32,176
Total	435,829,251	374,919,147	60,910,104	86%	374,919,147	371,943,906	2,975,241

Source: Cal Advocates Report, Appendix, Table 2-18.

2.9 Examination of the Purchased Gas Account

Table 2-9 below provides a Purchased Gas Account (PGA) reconciliation of the GCIM gas commodity costs.¹⁹ One function of the PGA is for utilities to balance the

¹⁸ See *OIR*, D.04-09-022, 2004 Cal. PUC LEXIS 522, p. *140 (Ord. Para. 2) (dated Sept. 2, 2004).

¹⁹ See SoCalGas August 2, 2021 Response to Cal Advocates Data Request A.21-06-010_GCIM Year 27_MDR Q 7 issued July 19, 2021.

recorded cost of gas and the corresponding revenues from the sale of that gas. For GCIM Year 27, Total PGA Commodity Costs equaled \$766,180,893 and reported GCIM Commodity Costs for SoCalGas' gas portfolio purchases were \$742,521,103 (excluding hedging costs), which results in a variance of \$23,659,790. This variance consists of (\$5,829,205) in costs excluded from the GCIM reported commodity costs; \$591,186 in PGA Adjustment for Gas Rule 21; (\$18,421,771) in net Secondary Market Service and timing difference in fees and other costs from other years.

TABLE 2-9 Southern California Gas Company PGA & GCIM Reconciliation of Commodity Cost GCIM Year 27 April 1, 2020 Through March 31, 2021			
Total PGA Commodity Costs		\$ 766,180,893	
Total GCIM Commodity Costs		\$ 742,521,103	
	Variance:	\$ 23,659,790	
<u>Reconciliation:</u>			
Total PGA Commodity Cost			\$ 766,180,893
<u>PGA Costs Excluded from GCIM:</u>			
Playa del Rey & Aliso Production	0		
Borrego Springs LNG	109,889		
Realized (Gain)/Loss from OTC Deriv. Trans.	1,055,850		
Realized (Gain)/Loss from Exchange-Traded Deriv. Trans.	622,196		
Realized (Gain)/Loss from Foreign Currency Exchange (GST & Demand Char	87,103		
Carrying Costs of Storage Inventory	143,574		
Transportation Chg in PGA Market Gas not in GCIM Commodity Cost (1.8.2)	3,810,593		
		(5,829,205)	
<u>PGA Adjustment for Gas Rule 21</u>		\$ 591,186	
<u>GCIM Related Transactions Excluded from PGA:</u>			
Net SMS Revenue	\$ (18,447,277)		
Timing differences for transaction fees and other gas			
costs excluded from GCIM	\$ 25,505		
		\$ (18,421,771)	
			\$ (23,659,790)
	Total PGA Commodity Cost :	\$ 742,521,103	
	Rounding:	\$ -	
	Less: GCIM Commodity Cost:	\$ 742,521,103	
	Difference:	\$ -	

In addition, Cal Advocates selected April 2020, August 2020, and February 2021 to review SoCalGas' recorded costs and revenues. Through discovery, SoCalGas

provided copies of supporting documents and purchase invoices for the purpose of the verification. Cal Advocates traced the costs of these purchase invoices to the monthly statements and then to SoCalGas' GCIM Year 27 report. Cal Advocates found that the selected purchase invoices reconciled with recorded amounts in the report.

2.10 Financial Derivatives

Cal Advocates performed a review of hedging transactions for financial derivative transactions reported in the PGA to confirm the appropriate GCIM calculation and to identify timing differences that were recognized within the GCIM period of April 1, 2020 through March 31, 2021.

Pursuant to D.10-01-023, twenty-five percent (25%) of winter hedging gains and losses were included in the GCIM actual costs.²⁰ Table 2-10 shows the SoCalGas PGA Reconciliation of Financial Gains and Losses for all financial derivatives reported NYMEX transactions and over-the-counter (OTC) cleared transactions, as well as OTC swaps.²¹ Associated transaction fees are also included based on the date of contract and net results that may be a financial gain or loss. Transactions that result in gains and/or cash receipts are offset against losses. Other adjustments include reversal of fees from previous GCIM years.

²⁰ *OIR*, D.10-01-023, 2010 Cal. PUC LEXIS 5, p. *99 (Ord. Para. 4) (Jan. 25, 2010).

²¹ See SoCalGas August 2, 2021 Response to Cal Advocates Data Request A.21-06-010_GCIM Year 27_MDR Q 7 issued July 19, 2021.

TABLE 2-10 Southern California Gas Company PGA Reconciliation-Financial Gains & Losses GCIM Year 27 April 1, 2020 Through March 31, 2021				
NYMEX Traded/ OTC Cleared Transactions		GCIM	Recorded PGA	Variance
Exchange Traded Transactions (Gains)/Losses		\$ 124,264		
Exchange Traded Transactions Costs		\$ 2,445		
Total:		\$ 126,709	\$ 622,196	\$ 495,487
OTC Swaps				
OTC Swaps (Gains)/Losses		\$ 263,963		
OTC Swap Transaction Costs		\$ 3,255		
Total:		\$ 267,218	\$ 1,055,850	\$ 788,632
Year 27 Financial (Gain)/Losses:		\$ 393,927	\$ 1,678,046	\$ 1,284,119
Reconciliation:				
Reconciled Derivative PGA: 75% excluded Winter Hedge from GCIM				\$ (492,267)
Public Advocates Office's 75% excluded Winter Hedge From GCIM				\$ (791,888)
Other Items Due to Timing Difference and Interest				\$ 35
Total:				\$ (1,284,119)
			Variance	\$ (0)

Financial hedging costs for the Year 27 GCIM period totaled (\$1,284,119). This total is comprised of \$126,709 in NYMEX transactions and \$267,218 in OTC Swaps transactions. In compliance with D.10-01-023, seventy-five percent (75%) of the winter hedging losses are excluded from the GCIM and twenty-five percent (25%) of winter hedging losses are included in the GCIM calculation. For Year 27, \$1,284,154 represented seventy-five percent (75%) of winter hedging gains and \$428,051 represented twenty-five percent (25%) of winter hedging gains to be included in the GCIM calculation.²²

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

Publishers of industry newsletters such as *Platts* and *Natural Gas Intelligence* take surveys of the price of transactions at a hub or Citygate, where natural gas is delivered and/or sold. The surveyed prices are calculated into an average which then

²² See Cal Advocates Report, Appendix A, Table 2-3i, Winter Hedge Costs.

results in an index of those prices. These index prices are used to base the price of gas at the hub, Citygate or a specified location.

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

SoCalGas regularly assesses and reviews on a real time basis natural gas market fundamentals. Based on its review and assessment, the utility uses price trends, market fundamentals, and/or risk avoidance to optimize hedging transactions. To forecast natural gas prices, SoCalGas uses current future prices and basis values provided by Intercontinental Exchange (ICE) and/or NYMEX.²⁴

2.11 Winter Hedges

For GCIM Year 27, SoCalGas reported \$1,712,205 of winter hedging net costs. Table 2-11 below shows twenty-five percent (25%) of the net costs at \$428,051, which is included in the GCIM. Cal Advocates confirmed that \$1,284,154 or seventy-five percent (75%) of total winter hedging costs were excluded from the GCIM and included in the PGA for GCIM Year 27. These gains or losses are directly allocated to core customers for the period. In addition, SoCalGas reported winter hedging transactions for OTC swap/option gains and losses, contract costs that include premiums, and transaction costs for broker fees.

For purposes of reconciliation, Cal Advocates determined related hedging costs based on the contract date. If the contract date is beyond March 31, it is excluded from the GCIM Year 27 reporting period.

²³ See U.S. Senate Permanent Committee on Investigations: Excessive Speculation in the Natural Gas Market, July 9, 2007.

²⁴ See SoCalGas August 2, 2021 Response to Cal Advocates Data Request A.21-06-010_GCIM Year 27_MDR Q 6 issued July 19, 2021.

TABLE 2-11 Southern California Gas Company Winter Financial Derivatives (Gains) Losses GCIM Year 27 April 1, 2020 Through March 31, 2021					
Month	Winter Hedge (Gain)/Losses Included in GCIM	Winter Hedge Fee Included in GCIM	Winter Hedge (Gain)/Losses Excluded From GCIM	Winter Hedge Fee Excluded From GCIM	Winter Hedge Total
Apr-20	\$ -	\$ -	\$ -	\$ -	\$ -
May-20	\$ -	\$ -	\$ -	\$ -	\$ -
Jun-20	\$ -	\$ -	\$ -	\$ -	\$ -
Jul-20	\$ -	\$ -	\$ -	\$ -	\$ -
Aug-20	\$ -	\$ -	\$ -	\$ -	\$ -
Sep-20	\$ -	\$ 118	\$ -	\$ 354	\$ 472
Oct-20	\$ 110,863	\$ 671	\$ 332,588	\$ 2,013	\$ 446,135
Nov-20	\$ 395,953	\$ 708	\$ 1,187,858	\$ 2,125	\$ 1,586,644
Dec-20	\$ 16,755	\$ 578	\$ 50,265	\$ 1,734	\$ 69,332
Jan-21	\$ (95,119)	\$ 193	\$ (285,356)	\$ 580	\$ (379,702)
Feb-21	\$ (2,725)	\$ 56	\$ (8,175)	\$ 168	\$ (10,676)
Mar-21	\$ -	\$ -	\$ -	\$ -	\$ -
Totals:	\$ 425,727	\$ 2,324	\$ 1,277,178	\$ 6,975	\$ 1,712,205
	Hedge (Gain)/Loss	425,727		1,277,178	
	Fee	2,324		6,975	
	Rounding:	-		-	
	25% Winter Hedge Included in GCIM:	428,051	75% Winter Hedge Excluded From GCIM:	1,284,154	

Source: Cal Advocates Report, Appendix, Table 2-3i.

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 27, SMS revenue totaled \$19,605,843 less \$1,158,567 in overhead costs which results in net revenue of \$18,447,276.

TABLE 2-12 Southern California Gas Company Summary of Secondary Market Service Revenues GCIM Year 27 April 1, 2020 Through March 31, 2021			
SMS Revenue			\$ (19,605,843)
Less Overhead			\$ 1,158,567
		Net Revenues	<u>\$ (18,447,276)</u>

Source: Cal Advocates Report, Appendix, Table 2-3e.

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.²⁵ 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 agreement from Cal Advocates and TURN for mid-season inventory targets. These targets must be maintained or an agreement from Cal Advocates and TURN is needed if changes to inventory storage targets are made by SoCalGas. In either case, these changes are reflected in the GCIM.

In D.08-12-020, the Commission adopted Phase 1 Settlement Agreement inf SoCalGas' 2009 BCAP, expanding gas storage by 7 Bcf during the period of 2009 to 2014.²⁶ 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.

On December 14, 2012 SoCalGas filed Advice Letter 4436, which was approved by the Commission on January 13, 2013. This update changed the storage target from 79 Bcf to 82 Bcf with variance allowance from +5/-2 Bcf to +0/-2 Bcf.²⁷

²⁵ See *SoCalGas*, D.06-10-029, 2006 Cal. PUC LEXIS 398, p. *3 (Joint Recommendation adopted and approved) (dated Oct. 19, 2006).

²⁶ See *SoCalGas*, D.08-12-020, 2008 Cal. PUC LEXIS 482, p. *47 (Ord. Para. 1 adopting) (dated Dec. 4, 2008).

²⁷ 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. Letr 4436 (Dec. 14, 2012) effective Jan. 13, 2013), *available at* <https://tariff.socalgas.com/regulatory/tariffs/tm2/pdf/4436.pdf>.

On May 29, 2013, SoCalGas filed Advice Letter 4499, which updated the core inventory target from 82 Bcf to 83 Bcf ± 2 Bcf. The utility would retain the core inventory target until further notice via an advice letter filing.²⁸

On March 30, 2020, SoCalGas filed Advice Letter 5609 to update the core inventory target from 83 Bcf to 74.593 Bcf ± 2 Bcf. The inventory target may be modified if availability of the authorized inventory changes at the Aliso Canyon storage filed.²⁹

For the GCIM Year 27 mid-season storage, Cal Advocates' review of SoCalGas' inventory records show that the assigned core storage inventory level was 59.4 Bcf as of July 31, 2020. Thus, the mid-season target was achieved.³⁰

The GCIM November 1 storage inventory target was 74.59 Bcf with a variance allowance of ± 2 Bcf. As of October 31, 2020, SoCalGas reported the annual storage inventory was at 74.0 Bcf, which is within the storage inventory target. The data shows that SoCalGas has met the core inventory target requirements due to storage capacities limitation.³¹

Table 2-13 below shows the core storage inventory calculation for July 31 target and October 31 target.³²

²⁸ 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. Letr 4499 (May 29, 2013) effective June 28, 2013), *available at* <https://tariff.socalgas.com/regulatory/tariffs/tm2/pdf/4499.pdf>.

²⁹ 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. Letr 5609 (March 30, 2020) effective April 24, 2020), *available at* <https://tariff.socalgas.com/regulatory/tariffs/tm2/pdf/5609.pdf>.

³⁰ See SoCalGas August 2, 2021 Response to Cal Advocates Data Request A.21-06-010_GCIM Year 27_MDR Q 8 issued July 19, 2021.

³¹ See SoCalGas August 2, 2021 Response to Cal Advocates Data Request A.21-06-010_GCIM Year 27_MDR Q 8 issued July 19, 2021.

³² See SoCalGas August 2, 2021 Response to Cal Advocates Data Request A.21-06-010_GCIM Year 27_MDR Q 8 issued July 19, 2021.

TABLE 2-13 Southern California Gas Company Core Storage Inventory for Summer and Winter Targets GCIM Year 27 April 1, 2020 Through March 31, 2021		
	7/31/20	10/31/20
Bcf Target	-	74.59 +0/-2
Core Physical Inventory	63.5	70.6
Less:		
Secondary Market Services	4.2	-
Add:		
CAT	-	3.4
Total Core Storage Inventory	59.4	74.0
Note: CAT inventory only excluded in July		

2.14 Interstate Capacity Procurement

In Advice Letter 5340, effective November 9, 2018, the Commission authorized SoCalGas to update its Capacity Planning Range which was based on the California Gas Report for 2018.³³ The filing was to comply with D.04-09-022 and Advice Letter 3969-G to update SoCalGas and SDG&E's combined portfolio capacity for the winter and non-winter seasons. Table 2-14 provides a summary of the minimum and maximum capacity values by season for the reporting period.³⁴

TABLE 2-14 Southern California Gas Company Capacity Ranges GCIM Year 27 April 1, 2020 Through March 31, 2021		
	Minimum Capacity	Maximum Capacity
Non-Winter (April to October)	937 MDth/d	1,249 MDth/d
Winter (November to March)	1,041 MDth/d	1,249 MDth/d

³³ See Letter from E. F. Randolph, Dir. of Comm. Energy Div., to R. van der Leeden, Dir. of Reg. Affairs, SoCalGas (Nov. 9, 2018, approving SoCalGas Adv. Letr 5340 (Aug. 17, 2018) effective Sept. 16, 2018), *available at* <https://tariff.socalgas.com/regulatory/tariffs/tm2/pdf/5340.pdf>.

³⁴ See Advice Letter 5340, p. 2.

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 937 MDth/d for the period of April 2020 to October 2020 and 1,041 MDth/d for November 2020 to March 2021. In Appendix C of its GCIM Year 27 Report, SoCalGas presents the actual capacity performance for the GCIM period.³⁵

Proportionally, SoCalGas maintained a gas supply portfolio consisting of approximately 72% long-term supply agreements; 28% month-to-month base load agreements; and less than 1% daily transactions (purchases and sales) as result of net sales.³⁶

³⁵ See SoCalGas GCIM Yr. 27 Rept., p. A-29.

³⁶ See SoCalGas GCIM Yr. 27 Rept., p. A-7.

APPENDIX A

EXHIBITS FOR PUBLIC ADVOCATES OFFICE REPORT

2-1
Southern California Gas Company
Total Actual Cost Summary
GCIM Year 27

April 1, 2020 through March 31, 2021

	Actual Commodity	Transportation	Reservation	Total Actual
	Cost	Cost	Charge	Cost
Apr-20	\$ 20,359,200	\$ 272,896	\$ 19,905,732	\$ 40,537,829
May-20	\$ 47,499,167	\$ 629,009	\$ 22,510,329	\$ 70,638,505
Jun-20	\$ 43,372,386	\$ 281,666	\$ 21,044,971	\$ 64,699,023
Jul-20	\$ 38,047,474	\$ 259,152	\$ 20,911,243	\$ 59,217,870
Aug-20	\$ 17,359,007	\$ 275,189	\$ 21,029,445	\$ 38,663,641
Sep-20	\$ 53,615,046	\$ 263,091	\$ 20,396,470	\$ 74,274,606
Oct-20	\$ 39,813,942	\$ 255,848	\$ 21,216,737	\$ 61,286,527
Nov-20	\$ 80,585,656	\$ 274,451	\$ 22,128,956	\$ 102,989,064
Dec-20	\$ 166,972,387	\$ 335,490	\$ 26,273,875	\$ 193,581,752
Jan-21	\$ 161,206,909	\$ 354,387	\$ 26,030,199	\$ 187,591,495
Feb-21	\$ (38,960,513)	\$ 305,435	\$ 24,059,056	\$ (14,596,022)
Mar-21	\$ 113,044,367	\$ 348,076	\$ 23,549,383	\$ 136,941,826
Total	\$ 742,915,028	\$ 3,854,690	\$ 269,056,398	\$ 1,015,826,117

2-2

Southern California Gas Company
Benchmark Cost Summary
GCIM Year 27

April 1, 2020 through March 31, 2021

	Benchmark Commodity Cost	Transportation Cost	Reservation Charge	Total Benchmark Cost
Apr-20	\$ 28,242,673	\$ 272,896	\$ 19,905,732	\$ 48,421,301
May-20	\$ 50,537,463	\$ 629,009	\$ 22,510,329	\$ 73,676,800
Jun-20	\$ 44,577,982	\$ 281,666	\$ 21,044,971	\$ 65,904,618
Jul-20	\$ 41,642,319	\$ 259,152	\$ 20,911,243	\$ 62,812,714
Aug-20	\$ 34,355,444	\$ 275,189	\$ 21,029,445	\$ 55,660,078
Sep-20	\$ 63,323,532	\$ 263,091	\$ 20,396,470	\$ 83,983,093
Oct-20	\$ 45,801,487	\$ 255,848	\$ 21,216,737	\$ 67,274,073
Nov-20	\$ 87,262,781	\$ 274,451	\$ 22,128,956	\$ 109,666,188
Dec-20	\$ 173,895,978	\$ 335,490	\$ 26,273,875	\$ 200,505,344
Jan-21	\$ 164,216,178	\$ 354,387	\$ 26,030,199	\$ 190,600,764
Feb-21	\$ 83,887,382	\$ 305,435	\$ 24,059,056	\$ 108,251,874
Mar-21	\$ 109,916,783	\$ 348,076	\$ 23,549,383	\$ 133,814,243
Total	\$ 927,660,001	\$ 3,854,690	\$ 269,056,398	\$ 1,200,571,089

2-3
Southern California Gas Company
Actual Commodity Purchases Costs
GCIM Year 27

	April 1, 2020 through March 31, 2021													
	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total	
Mainline Purchases	\$ 27,680,481	\$ 43,857,423	\$ 44,318,280	\$ 42,090,786	\$ 49,754,179	\$ 59,175,569	\$ 52,504,330	\$ 74,651,545	\$ 85,093,347	\$ 91,021,185	\$ 76,092,414	\$ 87,922,938	\$ 734,162,478	
Border Purchases	\$ 6,166,989	\$ 14,524,531	\$ 5,443,988	\$ 9,589,874	\$ 5,953,130	\$ 12,774,527	\$ 7,127,012	\$ 16,063,985	\$ 85,498,186	\$ 77,187,936	\$ 30,327,951	\$ 33,898,071	\$ 304,556,182	
Total Commodity Purchases	\$ 33,847,470	\$ 58,381,954	\$ 49,762,268	\$ 51,680,661	\$ 55,707,309	\$ 71,950,097	\$ 59,631,342	\$ 90,715,530	\$ 170,591,533	\$ 168,209,122	\$ 106,420,365	\$ 121,821,010	\$ 1,038,718,660	
Mainline Sales	\$ (733,826)	\$ (2,024,664)	\$ (3,953,088)	\$ (3,946,808)	\$ (5,836,014)	\$ (3,695,441)	\$ (5,464,349)	\$ (2,671,371)	\$ (476,782)	\$ (4,672,334)	\$ (95,532,460)	\$ (425,562)	\$ (129,432,700)	
Border and Citygate Sales	\$ (6,535,854)	\$ (7,264,095)	\$ (2,138,519)	\$ (9,601,290)	\$ (31,668,305)	\$ (12,950,231)	\$ (12,299,140)	\$ (5,300,738)	\$ (498,770)	\$ (2,044,380)	\$ (49,826,322)	\$ (8,342,798)	\$ (148,470,443)	
Total Commodity Sales	\$ (7,269,680)	\$ (9,288,759)	\$ (6,091,607)	\$ (13,548,098)	\$ (37,504,319)	\$ (16,645,672)	\$ (17,763,490)	\$ (7,972,109)	\$ (975,552)	\$ (6,716,714)	\$ (145,358,782)	\$ (8,768,360)	\$ (277,903,143)	
Secondary Market Service Revenue	\$ (6,218,905)	\$ (1,601,842)	\$ (298,590)	\$ (85,403)	\$ (844,418)	\$ (1,652,312)	\$ (2,175,759)	\$ (2,554,740)	\$ (2,686,605)	\$ (253,581)	\$ (41,932)	\$ (33,187)	\$ (18,447,277)	
Financial (Gains)/Losses	\$ 315	\$ 315	\$ 315	\$ 315	\$ 435	\$ (37,067)	\$ 111,849	\$ 396,976	\$ 17,648	\$ (94,715)	\$ (2,564)	\$ 105	\$ 393,926	
Other Costs	\$ -	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ -	\$ 25,363	\$ 62,799	\$ 22,400	\$ 24,800	\$ 152,862	
Actual Commodity Purchase Cost	\$ 20,359,200	\$ 47,499,167	\$ 43,372,386	\$ 38,047,474	\$ 17,359,007	\$ 53,615,046	\$ 39,813,942	\$ 80,585,656	\$ 166,972,387	\$ 161,206,909	\$ (38,960,513)	\$ 113,044,367	\$ 742,915,028	

2-3a
Southern California Gas Company
Mainline Purchase Summary
GCIM Year 27
April 1, 2020 through March 31, 2021

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total
El Paso - Permian	\$ 1,442,297	\$ 5,485,224	\$ 6,230,796	\$ 6,130,458	\$ 6,110,384	\$ 6,704,121	\$ 6,179,147	\$ 6,282,486	\$ 8,156,264	\$ 9,000,392	\$ 7,537,389	\$ 10,788,310	\$ 80,047,269
El Paso - San Juan	\$ 9,652,976	\$ 13,284,560	\$ 13,508,265	\$ 15,149,182	\$ 15,954,703	\$ 20,177,945	\$ 17,080,037	\$ 29,544,631	\$ 25,671,288	\$ 29,508,334	\$ 25,546,901	\$ 31,066,840	\$ 246,145,662
Transwestern - Permian	\$ 248,775	\$ 1,830,687	\$ 1,720,716	\$ 1,683,185	\$ 2,110,250	\$ 1,781,149	\$ 1,585,462	\$ 720,918	\$ 946,651	\$ 980,160	\$ 767,215	\$ 1,206,399	\$ 15,581,567
Transwestern - San Juan	\$ 2,912,825	\$ 4,831,002	\$ 2,861,076	\$ 1,604,760	\$ 3,618,961	\$ 5,084,522	\$ 5,499,552	\$ 6,832,527	\$ 9,317,360	\$ 7,901,517	\$ 8,335,356	\$ 11,019,624	\$ 69,819,082
Kern River	\$ 11,562,974	\$ 16,704,551	\$ 16,205,343	\$ 16,039,679	\$ 19,770,345	\$ 23,636,655	\$ 19,889,915	\$ 27,542,421	\$ 37,156,946	\$ 40,034,544	\$ 30,376,294	\$ 29,477,515	\$ 288,397,182
Enterprise - Waha	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NOVA-AECO/NIT	\$ 1,860,634	\$ 1,721,397	\$ 3,792,085	\$ 1,483,523	\$ 2,189,536	\$ 1,791,177	\$ 2,270,217	\$ 3,728,562	\$ 3,844,838	\$ 3,596,239	\$ 3,529,259	\$ 4,364,250	\$ 34,171,717
GTN-Kingsgate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GTN-Stanfield	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GTN-Malin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Mainline Purchases	\$ 27,680,481	\$ 43,857,423	\$ 44,318,280	\$ 42,090,786	\$ 49,754,179	\$ 59,175,569	\$ 52,504,330	\$ 74,651,545	\$ 85,093,347	\$ 91,021,185	\$ 76,092,414	\$ 87,922,938	\$ 734,162,478

2-3b
Southern California Gas Company
Border and Citygate Purchase Summary
GCIM Year 27
April 1, 2020 through March 31, 2021

Purchase	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total
Border Purchase	\$ 1,508,319	\$ 1,759,185	\$ 105,325	\$ 200,689	\$ 3,088,231	\$ 5,977,888	\$ 5,796,970	\$ 4,701,445	\$ 9,108,178	\$ 6,553,890	\$ 3,154,047	\$ 4,983,605	\$ 46,937,773
SoCal Citygate	\$ 4,658,670	\$ 12,765,346	\$ 5,338,663	\$ 9,389,185	\$ 2,864,899	\$ 6,796,640	\$ 1,330,042	\$ 11,362,539	\$ 76,390,008	\$ 70,634,046	\$ 27,173,903	\$ 28,914,466	\$ 257,618,408
Total Border and Citygate Purchases	\$ 6,166,989	\$ 14,524,531	\$ 5,443,988	\$ 9,589,874	\$ 5,953,130	\$ 12,774,527	\$ 7,127,012	\$ 16,063,985	\$ 85,498,186	\$ 77,187,936	\$ 30,327,951	\$ 33,898,071	\$ 304,556,182

2-3c
Southern California Gas Company
Mainline Sale Summary
GCIM Year 27
April 1, 2020 through March 31, 2021

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total
El Paso - Permian	\$ (289,009)	\$ (1,803,009)	\$ (1,678,726)	\$ (1,808,934)	\$ (1,602,901)	\$ (1,689,887)	\$ (1,636,167)	\$ (1,546,500)	\$ (47,894)	\$ (1,646,921)	\$ (18,746,224)	\$ -	\$ (32,496,173)
El Paso - San Juan	\$ (11,061)	\$ (57,525)	\$ (472,107)	\$ (1,452,225)	\$ (2,531,879)	\$ (1,580,730)	\$ (2,648,142)	\$ (204,185)	\$ (12,479)	\$ (2,752,466)	\$ (28,819,996)	\$ (316,998)	\$ (40,859,790)
Transwestern - Permian	\$ (503)	\$ -	\$ (546,480)	\$ (254,097)	\$ (396,723)	\$ (7,498)	\$ (15,671)	\$ (33,121)	\$ -	\$ (3,274)	\$ -	\$ -	\$ (1,257,366)
Transwestern - San Juan	\$ -	\$ -	\$ -	\$ -	\$ (1,025,420)	\$ (98,601)	\$ (91,490)	\$ (27,998)	\$ -	\$ -	\$ (10,513,975)	\$ -	\$ (11,757,484)
Kern River	\$ (208,565)	\$ (10,514)	\$ (95,675)	\$ (316,317)	\$ (87,720)	\$ (170,753)	\$ (357,514)	\$ (157,260)	\$ (341,040)	\$ (224,301)	\$ (37,307,882)	\$ -	\$ (39,277,542)
Enterprise - Waha	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NOVA-AECO/NIT	\$ (224,688)	\$ (153,616)	\$ (1,160,100)	\$ (115,235)	\$ (191,372)	\$ (147,974)	\$ (715,364)	\$ (702,308)	\$ (75,369)	\$ (45,372)	\$ (144,383)	\$ (108,565)	\$ (3,784,346)
GTN-Malin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Mainline Sales	\$ (733,826)	\$ (2,024,664)	\$ (3,953,088)	\$ (3,946,808)	\$ (5,836,014)	\$ (3,695,441)	\$ (5,464,349)	\$ (2,671,371)	\$ (476,782)	\$ (4,672,334)	\$ (95,532,460)	\$ (425,562)	\$ (129,432,700)

2-3d
Southern California Gas Company
Border and Citygate Sale Summary
GCIM Year 27

April 1, 2020 through March 31, 2021

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total
Border Sales	\$ (5,919,441)	\$ (5,499,741)	\$ (139,169)	\$ (8,466,135)	\$ (12,230,791)	\$ (12,124,260)	\$ (7,939,088)	\$ (5,250,741)	\$ (229,970)	\$ (2,044,380)	\$ (42,684,526)	\$ (6,162,860)	\$ (108,691,101)
SoCal Citygate Sales	\$ (616,413)	\$ (1,764,354)	\$ (1,999,351)	\$ (1,135,154)	\$ (19,437,514)	\$ (825,971)	\$ (4,360,053)	\$ (49,998)	\$ (268,800)	\$ -	\$ (7,141,796)	\$ (2,179,939)	\$ (39,779,341)
PG&E- Topock Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Border and Citygate Sales	\$ (6,535,854)	\$ (7,264,095)	\$ (2,138,519)	\$ (9,601,290)	\$ (31,668,305)	\$ (12,950,231)	\$ (12,299,140)	\$ (5,300,738)	\$ (498,770)	\$ (2,044,380)	\$ (49,826,322)	\$ (8,342,798)	\$ (148,470,443)

2-3e
Southern California Gas Company
Secondary Market Service Revenue
GCIM Year 27
April 1, 2020 through March 31, 2021

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total
Secondary Market Service Revenue	\$ (6,604,639)	\$ (1,666,204)	\$ (362,760)	\$ (146,678)	\$ (893,520)	\$ (1,729,380)	\$ (2,304,445)	\$ (2,610,304)	\$ (2,751,499)	\$ (316,447)	\$ (105,375)	\$ (114,593)	\$ (19,605,843)
Overhead Cost	\$ 385,734	\$ 64,362	\$ 64,170	\$ 61,274	\$ 49,102	\$ 77,068	\$ 128,686	\$ 55,564	\$ 64,893	\$ 62,865	\$ 63,443	\$ 81,406	\$ 1,158,567
Net Secondary Market Service Revenue	\$ (6,218,905)	\$ (1,601,842)	\$ (298,590)	\$ (85,403)	\$ (844,418)	\$ (1,652,312)	\$ (2,175,759)	\$ (2,554,740)	\$ (2,686,605)	\$ (253,581)	\$ (41,932)	\$ (33,187)	\$ (18,447,277)

2-3f
Southern California Gas Company
Off-System Parking Fee
GCIM Year 27

April 1, 2020 through March 31, 2021

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total
Off System Parking Fee	\$ -	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ -	\$ 25,363	\$ 62,799	\$ 22,400	\$ 24,800	\$ 152,862
Total	\$ -	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ -	\$ 25,363	\$ 62,799	\$ 22,400	\$ 24,800	\$ 152,862

2-3g
Southern California Gas Company
Total Financial Derivatives Summary
GCIM Year 27

April 1, 2020 through March 31, 2021

	NYMEX & OTC Cleared		NYMEX & OTC Clear Transaction		OTC Swap Losses/(Gains)		OTC Swap Transaction Cost		Total Financial Cost/(Gain)
	Losses/(Gains)		Costs		Losses/(Gains)		Transaction Cost		Cost/(Gain)
Apr-20	\$	-	\$	315	\$	-	\$	-	\$ 315
May-20	\$	-	\$	315	\$	-	\$	-	\$ 315
Jun-20	\$	-	\$	315	\$	-	\$	-	\$ 315
Jul-20	\$	-	\$	315	\$	-	\$	-	\$ 315
Aug-20	\$	-	\$	315	\$	-	\$	120	\$ 435
Sep-20	\$	-	\$	315	\$	(37,500)	\$	118	\$ (37,067)
Oct-20	\$	-	\$	315	\$	110,863	\$	671	\$ 111,849
Nov-20	\$	296,250	\$	315	\$	99,703	\$	708	\$ 396,976
Dec-20	\$	(3,413)	\$	315	\$	20,168	\$	578	\$ 17,648
Jan-21	\$	(27,375)	\$	210	\$	(67,744)	\$	193	\$ (94,715)
Feb-21	\$	(1,500)	\$	105	\$	(1,225)	\$	56	\$ (2,564)
Mar-21	\$	-	\$	105	\$	-	\$	-	\$ 105
Total	\$	263,963	\$	3,255	\$	124,264	\$	2,445	\$ 393,926

Recorded: \$ 393,926

variance \$ -

2-3h
Southern California Gas Company
Hedge Detail
GCIM Year 27
April 1, 2020 through March 31, 2021

Non-Winter Hedge							25% Winter Hedge							
	NYMEX Option Premiums (Gain)/Loss	OTC Cleared Swaps (Gain)/Loss	OTC Clear Option Premiums (Gain)/Loss	Future (Gain)/Loss	Exchange Traded Broker Fee	Financial Swap Broker Fee		NYMEX Option Premiums (Gain)/Loss	OTC Cleared Swaps (Gain)/Loss	OTC Clear Option Premiums (Gain)/Loss	Future (Gain)/Loss	Exchanged Traded Broker Fee	Financial Swap Broker Fee	Total
Apr-20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315
May-20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315
Jun-20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315
Jul-20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315
Aug-20	\$ -	\$ -	\$ -	\$ -	\$ 120	\$ 315		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 435
Sep-20	\$ -	\$ (37,500)	\$ -	\$ -	\$ -	\$ 315		\$ -	\$ -	\$ -	\$ -	\$ 118	\$ -	\$ (37,067)
Oct-20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315		\$ -	\$ 110,863	\$ -	\$ -	\$ 671	\$ -	\$ 111,849
Nov-20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315		\$ -	\$ 99,703	\$ 296,250	\$ -	\$ 708	\$ -	\$ 396,976
Dec-20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315		\$ -	\$ 20,168	\$ (3,413)	\$ -	\$ -	\$ 578	\$ 17,648
Jan-21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 210		\$ -	\$ (67,744)	\$ (27,375)	\$ -	\$ -	\$ 193	\$ (94,715)
Feb-21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105		\$ -	\$ (1,225)	\$ (1,500)	\$ -	\$ -	\$ 56	\$ (2,564)
Mar-21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105
Total	\$ -	\$ (37,500)	\$ -	\$ -	\$ 120	\$ 3,255		\$ -	\$ 161,764	\$ 263,963	\$ -	\$ 1,498	\$ 828	\$ 393,926
	A	B	C	D	E	F		G	H	I	J	K	L	

Non-Winter Hedge:	A+B+C+D	\$ (37,500)
Non-Winter Transaction Cost:	E+F	\$ 3,375
		\$ (34,125)
Winter Hedge:	G+H+I+J	\$ 425,726
Winter Hedge Transaction Cost:	K+L	\$ 2,325
		\$ 428,051
Financial Cost Total Included in GCIM:		\$ 393,926

2-3i
Southern California Gas Company
Winter Hedge Costs
GCIM Year 27
April 1, 2020 through March 31, 2021

25% Winter								75% Winter							
	NYMEX Option	OTC Cleared	OTC Clear			Exchanged		NYMEX Option	OTC Cleared	OTC Clear			Exchanged		
	Premiums	Swaps	Option	Future	Traded Broker	Financial Swap		Premiums	Swaps	Option	Future	Traded Broker	Financial Swap		
	(Gain)/Loss	(Gain)/Loss	(Gain)/Loss	(Gain)/Loss	Fee	Broker Fee		(Gain)/Loss	(Gain)/Loss	(Gain)/Loss	(Gain)/Loss	Fee	Broker Fee		Total
Apr-20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
May-20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Jun-20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Jul-20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Aug-20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sep-20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 118	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 354	\$ -	\$ -	\$ 472
Oct-20	\$ -	\$ 110,863	\$ -	\$ -	\$ -	\$ 671	\$ -	\$ -	\$ 332,588	\$ -	\$ -	\$ 2,013	\$ -	\$ -	\$ 446,135
Nov-20	\$ -	\$ 99,703	\$ 296,250	\$ -	\$ -	\$ 708	\$ -	\$ -	\$ 299,108	\$ 888,750	\$ -	\$ 2,125	\$ -	\$ -	\$ 1,486,941
Dec-20	\$ -	\$ 20,168	\$ (3,413)	\$ -	\$ -	\$ -	\$ 578	\$ -	\$ 60,502	\$ (10,238)	\$ -	\$ -	\$ 1,734	\$ -	\$ 69,332
Jan-21	\$ -	\$ (67,744)	\$ (27,375)	\$ -	\$ -	\$ -	\$ 193	\$ -	\$ (203,231)	\$ (82,125)	\$ -	\$ -	\$ 580	\$ -	\$ (379,701)
Feb-21	\$ -	\$ (1,225)	\$ (1,500)	\$ -	\$ -	\$ -	\$ 56	\$ -	\$ (3,675)	\$ (4,500)	\$ -	\$ -	\$ 168	\$ -	\$ (10,676)
Mar-21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ 161,764	\$ 263,963	\$ -	\$ -	\$ 1,498	\$ 828	\$ -	\$ 485,291	\$ 791,888	\$ -	\$ 4,493	\$ 2,483	\$ -	\$ 1,712,205

25% Winter	\$ 428,051
75% Winter	\$ 1,284,154
100% Winter	<u>\$ 1,712,205</u>

2-4b
Southern California Gas Company
Benchmark Commodity Costs
GCIM Year 27

April 1, 2020 through March 31, 2021

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total
Mainline Benchmark Commodity Cost	\$ 27,033,687	\$ 42,230,564	\$ 40,138,659	\$ 38,133,329	\$ 42,644,523	\$ 55,313,687	\$ 47,741,164	\$ 73,709,480	\$ 85,149,742	\$ 86,300,645	\$ 65,229,313	\$ 86,626,978	\$ 690,251,770
Border Commodity Cost	\$ (3,038,235)	\$ (3,392,925)	\$ (33,740)	\$ (7,830,430)	\$ (3,253,175)	\$ (2,466,168)	\$ (138,429)	\$ 1,423,026	\$ 10,825,492	\$ 5,604,486	\$ (2,585,283)	\$ (2,697,241)	\$ (7,582,621)
Citygate Commodity Cost	\$ 4,247,221	\$ 11,699,823	\$ 4,473,063	\$ 11,339,420	\$ (5,035,904)	\$ 10,476,013	\$ (1,801,248)	\$ 12,130,274	\$ 77,920,744	\$ 72,311,047	\$ 21,243,352	\$ 25,987,046	\$ 244,990,851
PG&E Topock Commodity Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Benchmark Commodity Costs	\$ 28,242,673	\$ 50,537,463	\$ 44,577,982	\$ 41,642,319	\$ 34,355,444	\$ 63,323,532	\$ 45,801,487	\$ 87,262,781	\$ 173,895,978	\$ 164,216,178	\$ 83,887,382	\$ 109,916,783	\$ 927,660,001

2-5
Southern California Gas Company
Reservation Charges
GCIM Year 27

April 1, 2020 through March 31, 2021

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total
El Paso	\$ 4,685,727	\$ 4,685,919	\$ 4,686,143	\$ 4,685,919	\$ 4,686,573	\$ 4,685,919	\$ 4,694,726	\$ 5,598,602	\$ 5,584,331	\$ 5,601,935	\$ 5,719,663	\$ 5,595,650	\$ 60,911,106
Transwestern	\$ 1,755,000	\$ 1,813,500	\$ 1,281,060	\$ 1,081,962	\$ 1,081,962	\$ 1,236,060	\$ 1,813,500	\$ 1,755,845	\$ 1,824,908	\$ 1,825,962	\$ 1,649,256	\$ 1,825,962	\$ 18,944,977
Kern River	\$ 2,823,508	\$ 3,126,259	\$ 3,091,572	\$ 3,460,604	\$ 3,460,604	\$ 3,141,072	\$ 2,790,841	\$ 2,664,160	\$ 4,299,499	\$ 4,309,207	\$ 3,892,187	\$ 3,261,289	\$ 40,320,801
 Nova (A)	\$ 226,469	\$ 227,774	\$ 205,695	\$ 206,549	\$ 210,862	\$ 210,712	\$ 210,899	\$ 213,359	\$ 217,663	\$ 224,068	\$ 224,520	\$ 226,796	\$ 2,605,368
Foothills (B)	\$ 105,065	\$ 105,670	\$ 108,948	\$ 109,400	\$ 111,685	\$ 111,605	\$ 111,704	\$ 113,007	\$ 115,287	\$ 83,192	\$ 83,360	\$ 84,173	\$ 1,243,095
GTN (C)	\$ 394,318	\$ 407,462	\$ 394,318	\$ 407,462	\$ 400,212	\$ 365,819	\$ 377,768	\$ 394,318	\$ 402,778	\$ 407,462	\$ 367,203	\$ 407,462	\$ 4,726,582
PG&E (D)	\$ 282,931	\$ 282,931	\$ 282,931	\$ 282,931	\$ 282,931	\$ 282,931	\$ 282,931	\$ 282,931	\$ 282,931	\$ 291,666	\$ 291,666	\$ 291,666	\$ 3,421,374
Canadian Path (A)+(B)+(C)+(D)	\$ 1,008,783	\$ 1,023,837	\$ 991,892	\$ 1,006,341	\$ 1,005,690	\$ 971,068	\$ 983,302	\$ 1,003,615	\$ 1,018,659	\$ 1,006,388	\$ 966,748	\$ 1,010,096	\$ 11,996,419
 Northwest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
North Baja	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Enterprise Texas	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ruby	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,166	\$ 101,526	\$ 12,166	\$ 12,166	\$ 138,024
Wyoming Interstate Company	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,162	\$ 92,894	\$ 93,654	\$ 94,854	\$ 372,564
 Backbone Transportation Service Charges	\$ 9,632,713	\$ 11,860,815	\$ 10,994,304	\$ 10,676,417	\$ 10,794,616	\$ 10,362,351	\$ 10,934,369	\$ 11,106,734	\$ 13,443,151	\$ 13,092,288	\$ 11,725,383	\$ 11,749,367	\$ 136,372,507
Brokered Capacity Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Backbone Transportation	\$ 9,632,713	\$ 11,860,815	\$ 10,994,304	\$ 10,676,417	\$ 10,794,616	\$ 10,362,351	\$ 10,934,369	\$ 11,106,734	\$ 13,443,151	\$ 13,092,288	\$ 11,725,383	\$ 11,749,367	\$ 136,372,507
 Total Reservation Charges	\$ 19,905,732	\$ 22,510,329	\$ 21,044,971	\$ 20,911,243	\$ 21,029,445	\$ 20,396,470	\$ 21,216,737	\$ 22,128,956	\$ 26,273,875	\$ 26,030,199	\$ 24,059,056	\$ 23,549,383	\$ 269,056,398

[illegible]

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Southern California Gas Company
Transportation Charges
GCIM Year 27
April 1, 2020 through March 31, 2021

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total
El Paso	\$ 123,990	\$ 133,425	\$ 127,857	\$ 132,539	\$ 122,234	\$ 122,012	\$ 109,838	\$ 142,259	\$ 143,236	\$ 137,603	\$ 120,652	\$ 140,031	\$ 1,555,675
Transwestern	\$ 71,524	\$ 85,012	\$ 47,445	\$ 39,473	\$ 52,666	\$ 57,208	\$ 69,385	\$ 46,887	\$ 33,145	\$ 55,543	\$ 50,926	\$ 66,207	\$ 675,421
Kern River	\$ 63,077	\$ 74,561	\$ 74,882	\$ 72,010	\$ 80,440	\$ 69,515	\$ 61,512	\$ 62,949	\$ 89,475	\$ 88,647	\$ 68,029	\$ 74,942	\$ 880,038
Northwest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Canadian Path	\$ 14,306	\$ 326,459	\$ 31,483	\$ 15,081	\$ 19,849	\$ 14,357	\$ 15,113	\$ 22,355	\$ 29,847	\$ 29,827	\$ 26,701	\$ 29,846	\$ 575,224
ETP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mexican Path	\$ -	\$ 9,551	\$ -	\$ 48	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,599
Ruby	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,277	\$ 39,753	\$ 35,896	\$ 33,572	\$ 146,497
Wyoming Interstate Company	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,512	\$ 3,014	\$ 3,231	\$ 3,478	\$ 12,236
Total	\$ 272,896	\$ 629,009	\$ 281,666	\$ 259,152	\$ 275,189	\$ 263,091	\$ 255,848	\$ 274,451	\$ 335,490	\$ 354,387	\$ 305,435	\$ 348,076	\$ 3,854,690

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Southern California Gas Company
Net Commodity Purchase Costs
GCIM Year 27
April 1, 2020 through March 31, 2021

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total
Mainline Purchases	\$ 27,680,481	\$ 43,857,423	\$ 44,318,280	\$ 42,090,786	\$ 49,754,179	\$ 59,175,569	\$ 52,504,330	\$ 74,651,545	\$ 85,093,347	\$ 91,021,185	\$ 76,092,414	\$ 87,922,938	\$ 734,162,478
Border Purchases	\$ 6,166,989	\$ 14,524,531	\$ 5,443,988	\$ 9,589,874	\$ 5,953,130	\$ 12,774,527	\$ 7,127,012	\$ 16,063,985	\$ 85,498,186	\$ 77,187,936	\$ 30,327,951	\$ 33,898,071	\$ 304,556,182
Total Commodity Purchases	\$ 33,847,470	\$ 58,381,954	\$ 49,762,268	\$ 51,680,661	\$ 55,707,309	\$ 71,950,097	\$ 59,631,342	\$ 90,715,530	\$ 170,591,533	\$ 168,209,122	\$ 106,420,365	\$ 121,821,010	\$ 1,038,718,660
Mainline Sales	\$ (733,826)	\$ (2,024,664)	\$ (3,953,088)	\$ (3,946,808)	\$ (5,836,014)	\$ (3,695,441)	\$ (5,464,349)	\$ (2,671,371)	\$ (476,782)	\$ (4,672,334)	\$ (95,532,460)	\$ (425,562)	\$ (129,432,700)
Border Sales	\$ (6,535,854)	\$ (7,264,095)	\$ (2,138,519)	\$ (9,601,290)	\$ (31,668,305)	\$ (12,950,231)	\$ (12,299,140)	\$ (5,300,738)	\$ (498,770)	\$ (2,044,380)	\$ (49,826,322)	\$ (8,342,798)	\$ (148,470,443)
Total Commodity Sales	\$ (7,269,680)	\$ (9,288,759)	\$ (6,091,607)	\$ (13,548,098)	\$ (37,504,319)	\$ (16,645,672)	\$ (17,763,490)	\$ (7,972,109)	\$ (975,552)	\$ (6,716,714)	\$ (145,358,782)	\$ (8,768,360)	\$ (277,903,143)
Net Commodity Purchases	\$ 26,577,790	\$ 49,093,195	\$ 43,670,661	\$ 38,132,563	\$ 18,202,990	\$ 55,304,425	\$ 41,867,852	\$ 82,743,421	\$ 169,615,981	\$ 161,492,407	\$ (38,938,417)	\$ 113,052,649	\$ 760,815,517

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Southern California Gas Company
Net Mainline Purchases by Pipelines
GCIM Year 27
April 1, 2020 through March 31, 2021

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total
El Paso - Permian	\$ 2,884,595	\$ 3,682,215	\$ 4,552,069	\$ 4,321,523	\$ 4,507,484	\$ 5,014,235	\$ 4,542,980	\$ 4,735,986	\$ 8,108,370	\$ 7,353,471	\$ (11,208,835)	\$ 10,788,310	\$ 49,282,402
El Paso - San Juan	\$ 19,305,952	\$ 13,227,036	\$ 13,036,158	\$ 13,696,957	\$ 13,422,825	\$ 18,597,215	\$ 14,431,895	\$ 29,340,446	\$ 25,658,810	\$ 26,755,868	\$ (3,273,095)	\$ 30,749,843	\$ 214,949,909
Transwestern - Permian	\$ 497,549	\$ 1,830,687	\$ 1,174,236	\$ 1,429,087	\$ 1,713,528	\$ 1,773,652	\$ 1,569,791	\$ 687,797	\$ 946,651	\$ 976,887	\$ 767,215	\$ 1,206,399	\$ 14,573,478
Transwestern - San Juan	\$ 5,825,651	\$ 4,831,002	\$ 2,861,076	\$ 1,604,760	\$ 2,593,541	\$ 4,985,921	\$ 5,408,062	\$ 6,804,529	\$ 9,317,360	\$ 7,901,517	\$ (2,178,619)	\$ 11,019,624	\$ 60,974,424
Kern River	\$ 23,125,948	\$ 16,694,037	\$ 16,109,669	\$ 15,723,362	\$ 19,682,625	\$ 23,465,903	\$ 19,532,401	\$ 27,385,161	\$ 36,815,906	\$ 39,810,242	\$ (6,931,588)	\$ 29,477,515	\$ 260,891,179
Enterprise - Waha	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NOVA-AECO/NIT	\$ 3,721,268	\$ 1,567,781	\$ 2,631,985	\$ 1,368,288	\$ 1,998,164	\$ 1,643,203	\$ 1,554,852	\$ 3,026,254	\$ 3,769,469	\$ 3,550,866	\$ 3,384,876	\$ 4,255,686	\$ 32,472,693
GTN-Malin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Mainline Purchases	\$ 55,360,962	\$ 41,832,759	\$ 40,365,192	\$ 38,143,978	\$ 43,918,166	\$ 55,480,128	\$ 47,039,981	\$ 71,980,174	\$ 84,616,565	\$ 86,348,851	\$ (19,440,046)	\$ 87,497,376	\$ 633,144,086

*Net = purchases + Sale

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Southern California Gas Company
Net Border and Citygate Purchase Summary
GCIM Year 27
April 1, 2020 through March 31, 2021

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total
Total Border and Citygate Purchases	\$ 6,166,989	\$ 14,524,531	\$ 5,443,988	\$ 9,589,874	\$ 5,953,130	\$ 12,774,527	\$ 7,127,012	\$ 16,063,985	\$ 85,498,186	\$ 77,187,936	\$ 30,327,951	\$ 33,898,071	\$ 304,556,182
Total Border Sales	\$ (6,535,854)	\$ (7,264,095)	\$ (2,138,519)	\$ (9,601,290)	\$ (31,668,305)	\$ (12,950,231)	\$ (12,299,140)	\$ (5,300,738)	\$ (498,770)	\$ (2,044,380)	\$ (49,826,322)	\$ (8,342,798)	\$ (148,470,443)
Net Border and Citygate Purchases	\$ (368,865)	\$ 7,260,436	\$ 3,305,469	\$ (11,415)	\$ (25,715,176)	\$ (175,703)	\$ (5,172,129)	\$ 10,763,247	\$ 84,999,416	\$ 75,143,556	\$ (19,498,371)	\$ 25,555,273	\$ 156,085,739

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Southern California Gas Company
Actual Net Purchase Volume
GCIM Year 27
April 1, 2020 through March 31, 2021

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total
Mainline Purchases	27,706,128	30,237,186	29,343,021	28,356,234	30,510,606	27,532,729	27,189,488	27,627,194	31,614,083	32,125,379	28,419,284	29,264,837	349,926,169
Mainline Sales	(1,546,183)	(1,461,931)	(2,780,478)	(2,735,884)	(3,859,445)	(2,216,382)	(3,189,305)	(1,159,644)	(207,421)	(1,816,801)	(3,932,887)	(177,812)	(25,084,173)
Net Mainline Purchase Volume	26,159,945	28,775,255	26,562,543	25,620,350	26,651,161	25,316,347	24,000,183	26,467,550	31,406,662	30,308,578	24,486,397	29,087,025	324,841,996
Border and Citygate Purchases	4,278,125	8,041,227	3,056,461	5,579,713	2,963,756	5,341,746	3,187,340	4,485,495	19,018,074	17,543,187	8,544,272	8,545,459	90,584,855
Border and Citygate Sales	(4,218,897)	(4,165,167)	(902,758)	(5,127,084)	(6,963,256)	(3,860,658)	(3,760,091)	(1,408,905)	(110,000)	(711,800)	(3,639,895)	(2,971,771)	(37,840,282)
Net Border and Citygate Purchase Volume	59,228	3,876,060	2,153,703	452,629	(3,999,500)	1,481,088	(572,751)	3,076,590	18,908,074	16,831,387	4,904,377	5,573,688	52,744,573
Net Commodity Purchase Volume	26,219,173	32,651,315	28,716,246	26,072,979	22,651,661	26,797,435	23,427,432	29,544,140	50,314,736	47,139,965	29,390,774	34,660,713	377,586,569
Actual Transported Volume	25,566,887	31,518,900	28,064,167	25,398,596	21,975,445	26,146,804	22,795,011	28,844,690	49,445,711	46,283,433	28,742,987	33,948,859	368,731,490

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Southern California Gas Company
Net Mainline Purchase Volume
GCIM Year 27

April 1, 2020 through March 31, 2021

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total
Mainline Purchase Total	27,706,128	30,237,186	29,343,021	28,356,234	30,510,606	27,532,729	27,189,488	27,627,194	31,614,083	32,125,379	28,419,284	29,264,837	349,926,169
Mainline Sale Total	(1,546,183)	(1,461,931)	(2,780,478)	(2,735,884)	(3,859,445)	(2,216,382)	(3,189,305)	(1,159,644)	(207,421)	(1,816,801)	(3,932,887)	(177,812)	(25,084,173)
Net Mainline Purchase Volume	26,159,945	28,775,255	26,562,543	25,620,350	26,651,161	25,316,347	24,000,183	26,467,550	31,406,662	30,308,578	24,486,397	29,087,025	324,841,996

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Southern California Gas Company
Total Mainline Purchase Volume
GCIM Year 27
April 1, 2020 through March 31, 2021

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total
El Paso - Permian	4,669,288	4,804,591	4,644,031	4,783,431	4,767,432	4,618,470	4,644,203	3,464,702	3,602,752	3,622,743	3,021,942	3,627,000	50,270,585
El Paso - San Juan	8,740,467	9,071,458	8,859,982	9,932,739	9,493,210	8,806,792	8,444,998	10,847,295	10,079,419	11,204,066	9,541,132	10,365,749	115,387,307
Transwestern - Permian	1,463,380	1,589,206	1,237,925	1,275,140	1,692,144	1,224,717	1,340,852	396,109	418,872	418,872	319,673	417,439	11,794,329
Transwestern - San Juan	2,592,637	3,261,445	1,878,763	1,055,811	2,125,510	2,216,061	2,702,697	2,496,887	3,606,555	2,981,970	3,092,510	3,659,057	31,669,903
Kern River	8,776,543	10,282,305	10,300,742	10,280,732	11,138,539	9,762,282	8,762,304	8,911,385	12,225,815	12,217,058	10,926,006	9,514,923	123,098,634
Enterprise - Waha	-	-	-	-	-	-	-	-	-	-	-	-	-
NOVA-AECO/NIT	1,463,813	1,228,181	2,421,578	1,028,381	1,293,771	904,407	1,294,434	1,510,816	1,680,670	1,680,670	1,518,021	1,680,669	17,705,411
GTN-Malin	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Mainline Purchase Volume	27,706,128	30,237,186	29,343,021	28,356,234	30,510,606	27,532,729	27,189,488	27,627,194	31,614,083	32,125,379	28,419,284	29,264,837	349,926,169

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Southern California Gas Company
Total Mainline Sale Volume
GCIM Year 27

April 1, 2020 through March 31, 2021

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total
El Paso - Permian	(1,234,721)	(1,321,209)	(1,195,831)	(1,331,670)	(1,237,673)	(1,219,783)	(1,213,317)	(690,931)	(19,845)	(653,776)	(476,124)	-	(10,594,880)
El Paso - San Juan	(8,921)	(37,300)	(313,000)	(949,909)	(1,550,000)	(758,800)	(1,375,329)	(96,412)	(5,804)	(1,056,200)	(1,517,794)	-	(7,669,469)
Transwestern - Permian	(10,054)	-	(396,000)	(184,958)	(310,000)	(5,000)	(6,756)	(13,500)	-	(1,300)	-	(143,500)	(1,071,068)
Transwestern - San Juan	-	-	-	-	(621,000)	(60,000)	(40,000)	(10,000)	-	-	(140,000)	-	(871,000)
Kern River	(145,765)	(7,031)	(72,000)	(199,494)	(44,000)	(85,600)	(184,726)	(65,500)	(153,435)	(98,985)	(1,763,235)	-	(2,819,771)
Enterprise - Waha	-	-	-	-	-	-	-	-	-	-	-	-	-
NOVA-AECO/NIT	(146,722)	(96,391)	(803,647)	(69,853)	(96,772)	(87,199)	(369,177)	(283,301)	(28,337)	(6,540)	(35,734)	(34,312)	(2,057,985)
GTN-Kingsgate	-	-	-	-	-	-	-	-	-	-	-	-	-
GTN-Stanfield	-	-	-	-	-	-	-	-	-	-	-	-	-
GTN-Malin	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Mainline Sale Volume	(1,546,183)	(1,461,931)	(2,780,478)	(2,735,884)	(3,859,445)	(2,216,382)	(3,189,305)	(1,159,644)	(207,421)	(1,816,801)	(3,932,887)	(177,812)	(25,084,173)

Southern California Gas Company
Total Border and Citygate Purchase Volume
GCIM Year 27

April 1, 2020 through March 31, 2021

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total
Border Purchases	1,377,803	1,169,969	62,175	119,862	1,622,602	2,873,649	2,730,040	1,821,168	3,497,609	2,446,935	1,153,624	1,555,558	20,430,994
SoCal Citygate Purchases	2,900,322	6,871,258	2,994,286	5,459,851	1,341,154	2,468,097	457,300	2,664,327	15,520,465	15,096,252	7,390,648	6,989,901	70,153,861
PG&E Topock	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Border and Citygate Purchases	4,278,125	8,041,227	3,056,461	5,579,713	2,963,756	5,341,746	3,187,340	4,485,495	19,018,074	17,543,187	8,544,272	8,545,459	90,584,855

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Southern California Gas Company
Actual Total Border and Citygate Sale Volume
GCIM Year 27

April 1, 2020 through March 31, 2021

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total
Border Sales	(3,904,402)	(3,387,567)	(82,500)	(4,646,122)	(3,434,956)	(3,721,858)	(2,785,191)	(1,398,905)	(50,000)	(711,800)	(2,021,897)	(2,335,671)	(28,480,869)
Socal Citygate Sales	(314,495)	(777,600)	(820,258)	(480,962)	(3,528,300)	(138,800)	(974,900)	(10,000)	(60,000)	-	(1,617,998)	(636,100)	(9,359,413)
PG&E Topock Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Border and Citygate Sales	(4,218,897)	(4,165,167)	(902,758)	(5,127,084)	(6,963,256)	(3,860,658)	(3,760,091)	(1,408,905)	(110,000)	(711,800)	(3,639,895)	(2,971,771)	(37,840,282)

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Southern California Gas Company
Net Border and Citygate Purchase Volume
GCIM Year 27
April 1, 2020 through March 31, 2021

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total
Border Purchases	1,377,803	1,169,969	62,175	119,862	1,622,602	2,873,649	2,730,040	1,821,168	3,497,609	2,446,935	1,153,624	1,555,558	20,430,994
Border Sale	(3,904,402)	(3,387,567)	(82,500)	(4,646,122)	(3,434,956)	(3,721,858)	(2,785,191)	(1,398,905)	(50,000)	(711,800)	(2,021,897)	(2,335,671)	(28,480,869)
Net Border Purchases	(2,526,599)	(2,217,598)	(20,325)	(4,526,260)	(1,812,354)	(848,209)	(55,151)	422,263	3,447,609	1,735,135	(868,273)	(780,113)	(8,049,875)
SoCal Citygate Purchases	2,900,322	6,871,258	2,994,286	5,459,851	1,341,154	2,468,097	457,300	2,664,327	15,520,465	15,096,252	7,390,648	6,989,901	70,153,861
SoCal Citygate Sales	(314,495)	(777,600)	(820,258)	(480,962)	(3,528,300)	(138,800)	(974,900)	(10,000)	(60,000)	-	(1,617,998)	(636,100)	(9,359,413)
Net SoCal Citygate Purchases	2,585,827	6,093,658	2,174,028	4,978,889	(2,187,146)	2,329,297	(517,600)	2,654,327	15,460,465	15,096,252	5,772,650	6,353,801	60,794,448
PG&E Topock Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
PG&E Topock Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
PG&E Topock Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Border and Citygate Purchases	59,228	3,876,060	2,153,703	452,629	(3,999,500)	1,481,088	(572,751)	3,076,590	18,908,074	16,831,387	4,904,377	5,573,688	52,744,573

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**Southern California Gas Company
Benchmark Spot Prices
GCIM Year 27
April 1, 2020 through March 31, 2021**

* Publications for each spot prices are reviewed.

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Southern California Gas Company
Core Capacity Utilization
GCIM Year 27
April 1, 2020 through March 31, 2021

	Core Capacity	Nominated Capacity	Unutilized Capacity	Capacity Utilization Percentage	Nominated Capacity	Actual Volume Delivered	Capacity Cut
El Paso Natural Gas Company	161,100,000	146,166,110	14,933,890	91%	146,166,110	145,114,301	1,051,809
Foothills Pipelines Ltd	19,644,264	15,794,139	3,850,125	80%	15,794,139	15,391,353	402,786
Gas Trans Northwest Corp	19,165,420	15,414,788	3,750,632	80%	15,414,788	15,011,457	403,331
Kern River Gas Transmission Company	127,304,476	120,612,676	6,691,800	95%	120,612,676	120,411,274	201,402
Nova Gas Trans Ltd	19,804,091	15,898,180	3,905,911	80%	15,898,180	15,898,180	-
Pacific Gas & Electric	18,955,180	15,205,981	3,749,199	80%	15,205,981	14,875,995	329,986
Transwestern Pipeline Company	65,015,820	41,243,742	23,772,078	63%	41,243,742	40,722,428	521,314
Ruby Pipeline Company	2,420,000	2,413,934	6,066	100%	2,413,934	2,381,497	32,437
Wyoming Interstate Company	2,420,000	2,169,597	250,403	90%	2,169,597	2,137,421	32,176
Total	435,829,251	374,919,147	60,910,104	86%	374,919,147	371,943,906	2,975,241

2-19
Southern California Gas Company
Tolerance Band Review GCIM Year 27
April 1, 2020 through March 31, 2021

	Benchmark Commodity Costs	Actual Commodity Costs	(Over)/Under Benchmark	Reservation Costs	Transportation Costs	Benchmark Dollars	Actual Dollars	Upper Tolerance 2%	Lower Tolerance 1%	Lower Tolerance 5%
Apr-20	\$ 28,242,673	\$ 20,359,200	\$ 7,883,472	\$ 19,905,732	\$ 272,896	\$ 48,421,301	\$ 40,537,829	\$ 28,807,526	\$ 27,960,246	\$ 26,830,539
May-20	\$ 50,537,463	\$ 47,499,167	\$ 3,038,295	\$ 22,510,329	\$ 629,009	\$ 73,676,800	\$ 70,638,505	\$ 51,548,212	\$ 50,032,088	\$ 48,010,590
Jun-20	\$ 44,577,982	\$ 43,372,386	\$ 1,205,596	\$ 21,044,971	\$ 281,666	\$ 65,904,618	\$ 64,699,023	\$ 45,469,541	\$ 44,132,202	\$ 42,349,083
Jul-20	\$ 41,642,319	\$ 38,047,474	\$ 3,594,844	\$ 20,911,243	\$ 259,152	\$ 62,812,714	\$ 59,217,870	\$ 42,475,165	\$ 41,225,896	\$ 39,560,203
Aug-20	\$ 34,355,444	\$ 17,359,007	\$ 16,996,437	\$ 21,029,445	\$ 275,189	\$ 55,660,078	\$ 38,663,641	\$ 35,042,552	\$ 34,011,889	\$ 32,637,671
Sep-20	\$ 63,323,532	\$ 53,615,046	\$ 9,708,486	\$ 20,396,470	\$ 263,091	\$ 83,983,093	\$ 74,274,606	\$ 64,590,003	\$ 62,690,297	\$ 60,157,356
Oct-20	\$ 45,801,487	\$ 39,813,942	\$ 5,987,545	\$ 21,216,737	\$ 255,848	\$ 67,274,073	\$ 61,286,527	\$ 46,717,517	\$ 45,343,472	\$ 43,511,413
Nov-20	\$ 87,262,781	\$ 80,585,656	\$ 6,677,124	\$ 22,128,956	\$ 274,451	\$ 109,666,188	\$ 102,989,064	\$ 89,008,036	\$ 86,390,153	\$ 82,899,642
Dec-20	\$ 173,895,978	\$ 166,972,387	\$ 6,923,591	\$ 26,273,875	\$ 335,490	\$ 200,505,344	\$ 193,581,752	\$ 177,373,897	\$ 172,157,018	\$ 165,201,179
Jan-21	\$ 164,216,178	\$ 161,206,909	\$ 3,009,269	\$ 26,030,199	\$ 354,387	\$ 190,600,764	\$ 187,591,495	\$ 167,500,502	\$ 162,574,016	\$ 156,005,369
Feb-21	\$ 83,887,382	\$ (38,960,513)	\$ 122,847,895	\$ 24,059,056	\$ 305,435	\$ 108,251,874	\$ (14,596,022)	\$ 85,565,130	\$ 83,048,508	\$ 79,693,013
Mar-21	\$ 109,916,783	\$ 113,044,367	\$ (3,127,584)	\$ 23,549,383	\$ 348,076	\$ 133,814,243	\$ 136,941,826	\$ 112,115,119	\$ 108,817,615	\$ 104,420,944
Total	\$927,660,001	\$742,915,028	\$ 184,744,972	\$269,056,398	\$3,854,690	\$ 1,200,571,089	\$1,015,826,117	\$946,213,201	\$918,383,401	\$881,277,001

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	\$ 46,383,000	L=A-K	1.5% Cap of Actual Commodity Cost	\$ 11,143,725	B*0.015			
		Savings Not Subject to Share (Ratepayer 0% - 1%)	\$ 9,276,600	M=A-J						
		Savings subject to Share(75%-25%)	\$ 37,106,400		Total Ratepayer Saving After Cap	\$ 173,601,247				
		Ratepayers' share 75%	\$ 27,829,800	1	Total Shareholder Reward After Cap	\$ 11,143,725				
		Shareholders' Share 25%	\$ 9,276,600	2						
		Savings Subject to Share (90% - 10%)	\$ 138,361,972	N=C-L						
		Ratepayers' share 90%	\$ 124,525,775	3						
		Shareholders' Share 10%	\$ 13,836,197	4						
		Total Ratepayer Saving	\$ 161,632,175	1+3						
		Total Shareholder Share	\$ 23,112,797	2+4						
			\$ 184,744,972							