

Docket	:	<u>A.15-06-011</u>
Exhibit Number	:	
Reference Number	:	<u>ORA-01</u>
Commissioner	:	<u>Michael Peter Florio</u>
Admin. Law Judge	:	<u>Julie Halligan</u>



**OFFICE OF RATEPAYER ADVOCATES**  
**California Public Utilities Commission**

**MONITORING AND EVALUATION REPORT**

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

**April 1, 2014 through March 31, 2015  
GCIM Year 21**

**Application (A.) 15-06-011**

**San Francisco, California  
October 12, 2015**

# Table of Contents

## Chapter

1	SUMMARY AND RECOMMENDATIONS .....	2
1.1	Introduction and Summary.....	2
1.2	Background.....	3
1.3	GCIM Summary .....	4
1.4	Natural Gas Storage .....	5
1.5	Financial Hedging .....	6
1.6	Interstate Capacity .....	6
1.7	Secondary Market Service Transactions .....	7
1.8	Conclusion .....	8
2	MONITORING AND EVALUATION AUDIT .....	9
2.1	ORA's GCIM Reward Evaluation .....	9
2.2	Summary of Benchmark and Actual Costs .....	10
2.3	Review of Benchmark Volumes and Costs .....	11
2.4	Actual Gas Costs and Volumes .....	13
2.5	Mainline and Border Gas Sales .....	15
2.6	Interstate Volumetric Transport Costs.....	16
2.7	Interstate Reservation Charges .....	17
2.8	Interstate Pipeline Utilization.....	18
2.9	Examination of the Purchases Gas Account (PGA).....	19
2.10	Financial Derivatives.....	21
2.11	Winter Hedges .....	22
2.12	Review of Secondary Market Services Revenue .....	23
2.13	SoCalGas Core Storage Inventory Targets .....	24
2.14	Interstate Capacity Procurement .....	25
	Appendix A - Exhibits for GCIM Report	
	Appendix B - Glossary	
	Appendix C - SoCalGas Map of Natural Gas Pipelines	

**CHAPTER 1**  
**SUMMARY AND RECOMMENDATIONS**

**1.1 Introduction and Summary**

On June 15, 2015, the Southern California Gas Company (U 904 G)(SoCalGas) filed and served Application (A.) 15-06-011 for Gas Incentive Cost Mechanism (GCIM) Year 21, April 1, 2014 through March 31, 2015. The Office of Ratepayer Advocates (ORA) audited and evaluated the Application and SoCalGas' GCIM Year 21 Annual Report (Annual Report). Chapter 2 of this ORA Monitoring and Evaluation Report (ORA Report) presents the details and results of ORA's review. In Appendix A, the work papers (e.g., records or information produced by SoCalGas' data responses) supporting ORA's findings are attached.

In general, ORA found that SoCalGas' recorded gas costs were \$43,108,013 below the benchmark, which results in a reward of \$7,249,855 to SoCalGas' shareholders and a ratepayer benefit of \$35,858,158.

Table 1-1 below summarizes SoCalGas' Year 21 performance, which is based on detailed GCIM monthly reports of core commodity transaction activities.

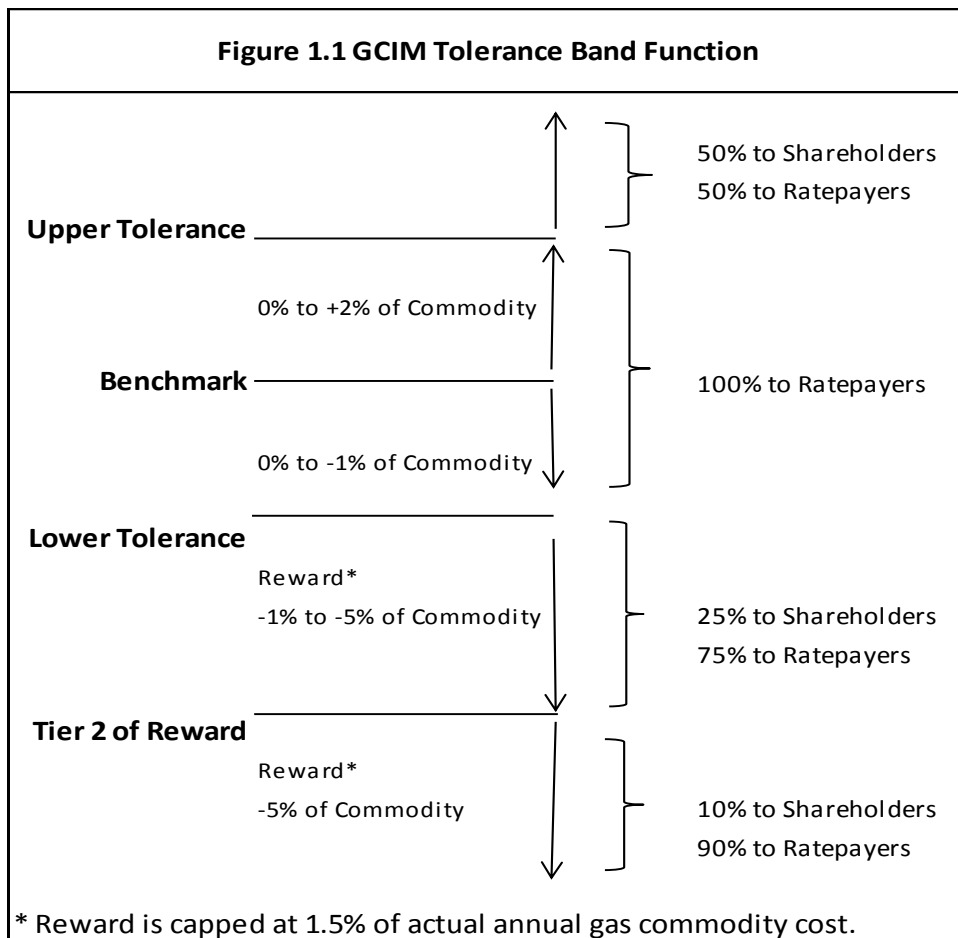
<b>Table 1-1. Summary of GCIM Year 21 Performance (\$ Millions)</b>		
1	Benchmark Costs	1,598.49
2	Actual Costs	1,555.38
3	GCIM Total Savings	43.11
4	Ratepayer Savings	35.86
5	Shareholder Computed Reward	7.25

**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 of benchmarks to indicate when actual purchase costs are within a stated

range referred to as a “tolerance band.” If SoCalGas' actual costs, as measured by the GCIM benchmark, were 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 below or above the tolerance band, ratepayers and SoCalGas' shareholders share in the resulting gains or losses. Chapter 2 of the ORA 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' shareholder 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 benefits or losses accrue to the ratepayers.<sup>1</sup>

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

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 were to exceed the upper two-percent (2%) tolerance limit, the excess costs are shared 50-50 between ratepayers and shareholders. If actual costs were below the benchmark commodity costs and between the lower one-percent (1%) tolerance limit and the five-percent (5%) range, this would produce savings that are shared at twenty-five percent (25%) for shareholders and seventy-five percent (75%) for ratepayers. If actual costs were 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% of actual commodity costs.

Commission Decision (D.) 94-03-076 originally approved the GCIM program, with subsequent changes and extensions that essentially enhanced the current 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 relating 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 the ORA Report presents ORA's supporting calculations for GCIM Year 21.

**Table 1-2. Summary of Ratepayer Savings and Shareholder Rewards**

<b>GCIM Year</b>	<b>Period</b>	<b>Total Cost Savings (\$ Millions)</b>	<b>Ratepayer Savings (\$ Millions)</b>	<b>Shareholder Reward (\$ Millions)</b>
17	2010-2011	40.89	34.67	6.22
18	2011-2012	37.50	32.09	5.41
19	2012-2013	34.74	28.91	5.83
20	2013-2014	70.40	56.69	13.71
21	2014-2015	43.11	35.86	7.25

#### **1.4 Natural Gas Storage**

To ensure dedicated core storage capacity, the Commission in SoCalGas D.06-10-029 allows SoCalGas to revise its Preliminary Statement, Part VIII, and GCIM, to reflect changes in mid-season minimum core inventory targets. Prior to making a revision, SoCalGas is required to seek agreement from ORA and The Utility Reform Network (TURN) to make these changes.<sup>2</sup> SoCalGas filed Advice Letter 4645,<sup>3</sup> and obtained agreements from ORA for a mid-season minimum storage target of 47 Bcf as of July 31, 2014.<sup>4</sup> SoCalGas also filed Advice Letter 4499 and obtained agreements for a winter season target for October 31, 2014 of 83 +0/-2 Bcf. Chapter 2 of the ORA report provides a review of minimum targets compared to actual capacity holdings. The results show SoCalGas met the mid-season and winter season minimum core inventory storage targets.

---

<sup>2</sup> See SoCalGas, D. 06-10-029, 2006 Cal. PUC LEXIS 398, at \*15 (Ord. Para. 3 approving and adopting “Joint Recommendations” [id. at \*11] to allow changes in mid-season minimum core inventory targets).

<sup>3</sup> Letter from E. F. Randolph, Dir. of Comm. Energy Div., to R. Prince, SoCalGas Dir. of Reg. Affairs, (June 12, 2014, approving SoCalGas, Adv. Letr 4645, dated May 15, 2014).

<sup>4</sup> See SoCalGas Data Resp. to Mast. D.Req. 3 (dated July 27, 2015); and *infra* at sec. 2.13.

In D.08-12-020, the Commission adopted the Phase One Settlement Agreement (dated August 22, 2008),<sup>5</sup> which eliminates the upper tolerance for core storage by combining San Diego Gas & Electric Company's (SDG&E) and SoCalGas' balancing requirements in order to provide sufficient storage for core customers in southern California. As of April 1, 2009, SoCalGas implemented the core balancing requirements. For this reporting period, SoCalGas reported no core imbalance charges.

### **1.5 Financial Hedging in GCIM**

In accordance with D.10-01-023, Ordering Paragraph 5, effective in April 2010, SoCalGas did not need to file the Winter Hedging Plan Report. Instead, SoCalGas includes 25% of winter hedge transactions in the GCIM. ORA reviewed the SoCalGas financial derivatives gains and losses including based on the methodology described in ORA Report, Chapter 2, at Sections 2.10 and 2.11, and according to Commission policies and practices.

In GCIM Year 21, SoCalGas performed its winter hedging based on a ratio of twenty-five percent (25%) of all net gains and losses, which was included in the GCIM, and the remaining seventy-five percent (75%) was excluded, which resulted in costs passed through to core customers.

In addition to core winter hedges, SoCalGas transacted non-winter hedges. During this period, SoCalGas' non-winter hedges resulted in a gain of \$53,962, which was included in the GCIM.<sup>6</sup> Table 1-3 below shows the results of SoCalGas' hedging activities for the most recent five-year GCIM periods.

---

<sup>5</sup> See *SoCalGas*, D.08-12-020, 2008 Cal. PUC LEXIS 482, at \*47 (Ord. Para. 1 adopting) (dated Dec. 4, 2008).

<sup>6</sup> See *infra* at sec. 2.10 ("Financial Derivatives Included in the GCIM").

**Table 1-3. Southern California Gas Company Financial Hedging**

<b>GCIM Year</b>	<b>Losses/(Gains) outside the GCIM (\$Millions)</b>	<b>Losses/(Gains) inside the GCIM (\$Millions)</b>	<b>Total Hedging Losses/(Gains) (\$Millions)</b>
17	3.11	2.30	5.41
18	1.00	0.30	1.30
19	0.75	0.25	1.00
20	(1.18)	.20	(0.98)
21	1.52	.45	1.97

### **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) during an initial period of five years.<sup>7</sup> 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.<sup>8</sup>

In accordance with the capacity guideline procedures established by D.04-09-022, SoCalGas, ORA, TURN, and the Energy Division conduct on-going discussions regarding interstate capacity requirements and SoCalGas' acquisition of interstate capacity. ORA serves as a resource for addressing compliance issues that impact acquisition and/or reduction of interstate capacity.<sup>9</sup>

Effective October 12, 2012, Advice Letter 4402 governs SoCalGas' capacity planning range for its combined gas portfolio with SDG&E for its winter and non-winter requirements.<sup>10</sup> The updated minimum capacity for non-winter requires 942 MDth/d, and

<sup>7</sup> OIR, D.04-09-022, 2004 Cal. PUC LEXIS 522, at \*140 (Ord. Para. 2) (dated Sept. 2, 2004).

<sup>8</sup> *Id.* at \*137 (Concl. of Law 6).

<sup>9</sup> *Id.* at \*18 ("SoCalGas' Gas Acquisition Department will consult with ORA, the Energy Division and TURN on a monthly basis.").

<sup>10</sup> See Letter from E. F. Randolph, Dir. of Comm. Energy Div., to R. Prince, SoCalGas Dir. of Reg. Affairs, (Oct. 16, 2012, approving SoCalGas, Adv. Letr 4402, (Sept. 12, 2012).



maximum capacity of 1,256 MDthd. For winter, the combined portfolio minimum capacity is 1,047 MDth/d and maximum capacity is 1,256 MDth/d.<sup>11</sup>

The GCIM Year 21 reported by SoCalGas for actual monthly activities of core firm transportation capacity holdings, shows that the minimum capacity requirements established by D.04-09-022 were met. The reported capacity holdings varied from a minimum of 943 MDth/d to maximum of 1,047 MDth/d during the period.<sup>12</sup>

### **1.7 Secondary Market Services Transactions**

Secondary Market Services (SMS) produce 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.<sup>13</sup>

For the GCIM Year 21 period, SoCalGas shows net SMS revenues in the GCIM of \$8,452,567.<sup>14</sup> These revenues offset part of the gas cost and enable SoCalGas to lower its core commodity costs.

### **1.8 Conclusion**

ORA verified for GCIM Year 21, SoCalGas' total savings of \$43,108,013. ORA recommends a shareholder reward to SoCalGas in the amount of \$7,249,855 to be recovered through its Purchased Gas Account. ORA confirms that for the same reporting period, ratepayer benefits amounted to \$35,858,158. According to SoCalGas, about 73% of the total savings occurred during the winter period.<sup>15</sup> Due to Southern California experiencing a warmer winter, SoCalGas was able to sell its unused supplies and meet the core demand at the same time. In collaboration with SoCalGas and other parties, ORA will continue monitoring and evaluating the GCIM to identify any changes

---

<sup>11</sup> See SoCalGas GCIM Yr. 21 Rept. at Southern California Gas Company Firm Transportation Capacity Holdings as of March 31, 2015.

<sup>12</sup> See *infra* at sec.2.14.

<sup>13</sup> See A.12-06-005, at pp. 3-4.

<sup>14</sup> See *infra* at sec. 2.12.

<sup>15</sup> See, SoCalGas' Response to ORA GCIM Year 21 Master Data Request dated July 28, 2015.

needed to improve GCIM's effectiveness, which SoCalGas and ORA would submit to the Commission for approval and adoption.

## **CHAPTER 2**

### **MONITORING AND EVALUATION AUDIT**

#### **2.1 ORA's GCIM Reward Evaluation**

On June 15, 2015, SoCalGas filed the Gas Cost Incentive Mechanism (GCIM) Year 21 Application (A.) 15-06-011, which reports core gas procurement results for the period April 1, 2014 through March 31, 2015. ORA conducted a review and evaluation of SoCalGas' accompanying annual report. The results from this evaluation include work papers from its compilations, which are incorporated as exhibits in Appendix A.

ORA's evaluation of SoCalGas' GCIM performance for the year ending March 31, 2015, shows total savings in gas costs of \$43,108,013. These savings are based on the difference between the actual commodity costs of gas of \$1,367,751,086 and the GCIM benchmark commodity costs of \$1,410,859,099, which are shared between ratepayers and SoCalGas shareholders. ORA concurs that the GCIM sharing mechanism resulted in ratepayer savings of \$35,858,158 and a shareholder reward of \$7,249,855. Table 2-1 below summarizes the SoCalGas GCIM Year 21 savings based on the calculated tolerance band levels shown in Table 2-2 and GCIM benchmark dollars.

**TABLE 2-1**  
**Southern California Gas Company**  
**Reward Calculation**  
**GCIM Year 21**  
**April 1, 2014 Through March 31, 2015**

	<b>SCG Annual Report</b>
<b>Benchmark Commodity Costs</b>	<b>\$ 1,410,859,099</b>
<b>Actual Commodity Costs</b>	<b>\$ 1,367,751,086</b>
<b>GCIM Year 21 Annual Report: Total Savings Below Benchmark</b>	<b>\$ 43,108,013</b>
<b>Amount of Lower Tolerance Band Not Subject to Sharing (0%-1%)</b>	<b>\$ 14,108,591</b>
<b>Ratepayers' share:</b>	<b>\$ 14,108,591</b>
<b>Amount Subject to 75%-25% Sharing (1%-5%)</b>	<b>\$ 28,999,422</b>
<b>Ratepayers' share: 75%</b>	<b>75% \$ 21,749,567</b>
<b>Shareholders' share: 25%</b>	<b>25% \$ 7,249,856</b>
<b>Amount Subject to 90%/10% Sharing (&gt; 5%)</b>	<b>\$ -</b>
<b>Ratepayers' share: 90%</b>	<b>0% \$ -</b>
<b>Shareholders' share: 10%</b>	<b>0% \$ -</b>
<b>Cap on Shareholder Rewards = 1.5% of commodity costs:</b>	
<b>Total Commodity costs:</b>	<b>\$ 1,367,751,086</b>
<b>Shareholder Reward Cap:</b>	<b>1.50% \$ 20,516,266</b>
<b>Total Ratepayers' Share:</b>	<b>\$ 35,858,158</b>
<b>Total Shareholders' Share:</b>	<b>\$ 7,249,856</b>
<b>Rounding:</b>	<b>\$ (1)</b>
<b>Total Savings:</b>	<b>\$ 43,108,013</b>

## 2.2 Summary of Benchmark and Actual Costs

Table 2-2 below shows an annual summary of monthly gas commodity costs that are the basis for the 1.5% cap of the shareholder reward shown in Table 2-1 stated above. 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 21**  
**April 1, 2014 Through March 31, 2015**

Month	Benchmark Dollars*	Actual Dollars*	(Over)/Under Benchmark	Upper Tolerance 2%	Lower Tolerance 1%	Lower Tolerance 5%	Actual Commodity Cost
Apr-14	\$ 147,963,611	\$ 146,181,873	\$ 1,781,738	\$ 2,665,795	\$ 1,332,897	\$ 6,664,487	\$ 131,507,997
May-14	\$ 163,963,362	\$ 162,998,466	\$ 964,897	\$ 2,980,750	\$ 1,490,375	\$ 7,451,874	\$ 148,072,588
Jun-14	\$ 125,465,257	\$ 123,828,550	\$ 1,636,708	\$ 2,221,100	\$ 1,110,550	\$ 5,552,750	\$ 109,418,301
Jul-14	\$ 197,468,454	\$ 194,352,868	\$ 3,115,586	\$ 3,634,850	\$ 1,817,425	\$ 9,087,125	\$ 178,626,910
Aug-14	\$ 119,434,028	\$ 117,953,766	\$ 1,480,261	\$ 2,086,261	\$ 1,043,130	\$ 5,215,652	\$ 102,832,787
Sep-14	\$ 127,594,184	\$ 126,560,717	\$ 1,033,467	\$ 2,251,107	\$ 1,125,553	\$ 5,627,767	\$ 111,521,880
Oct-14	\$ 112,669,975	\$ 111,046,952	\$ 1,623,023	\$ 1,943,521	\$ 971,761	\$ 4,858,802	\$ 95,553,027
Nov-14	\$ 69,544,961	\$ 61,404,281	\$ 8,140,680	\$ 1,078,234	\$ 539,117	\$ 2,695,586	\$ 45,771,036
Dec-14	\$ 220,942,633	\$ 209,586,406	\$ 11,356,227	\$ 4,070,222	\$ 2,035,111	\$ 10,175,556	\$ 192,154,896
Jan-15	\$ 134,833,154	\$ 129,701,393	\$ 5,131,761	\$ 2,356,176	\$ 1,178,088	\$ 5,890,441	\$ 112,677,055
Feb-15	\$ 88,436,878	\$ 83,870,530	\$ 4,566,348	\$ 1,455,644	\$ 727,822	\$ 3,639,111	\$ 68,215,872
Mar-15	\$ 90,168,595	\$ 87,891,278	\$ 2,277,317	\$ 1,473,521	\$ 736,761	\$ 3,683,803	\$ 71,398,738
Total:	\$ 1,598,485,093	\$ 1,555,377,080	\$ 43,108,013	\$ 28,217,182	\$ 14,108,591	\$ 70,542,955	\$ 1,367,751,086
	*Included transportation costs and reservation costs.						

### 2.3 Review of Benchmark Volumes and Costs

Table 2-3 below shows the components of mainline and border benchmark costs. ORA reviewed of GCIM Year 21 records, show Total Benchmark Dollar Costs of \$1,598,485,093.

The Total Benchmark Commodity Costs consist of Mainline Benchmark Commodity Costs of \$1,330,600,302 and Benchmark Border Commodity Costs of \$80,258,797 which are calculated based on the Southern California Border Costs of \$7,821,894, SoCalGas City-Gate of \$72,468,561, and PG&E Topock of \$31,658.

The Total Benchmark Dollar Costs include the flow through costs of volumetric interstate Transportation Cost from Mainline of \$7,778,036 and interstate capacity Benchmark Reservation Charges of \$179,847,957 plus the Total Benchmark Commodity Costs of \$1,410,859,099 for a total of \$1,598,485,093.

<p><b>TABLE 2-3</b>  <b>Southern California Gas Company</b>  <b>Benchmark Dollar Components</b>  <b>GCIM Year 21</b>  <b>April 1, 2014 Through March 31, 2015</b></p>
---

	Benchmark Dollars
<b>Annual Report:</b>	
Mainline Benchmark Costs	\$ 1,330,600,302
Southern California Border Costs	7,821,894
SoCalGas City-Gate Commodity Costs	72,468,561
PG&E Topock/City-Gate Costs	(31,658)
Sub-Total Border Benchmark Commodity Costs	\$ 80,258,797
Total Benchmark Commodity Costs	\$ 1,410,859,099
Flow-Through Costs	
Transport Costs from Mainline	\$ 7,778,036
Benchmark Reservation Charges	179,847,957
Total Benchmark Dollar Costs:	\$ 1,598,485,093

Table 2-3A below shows the Net Total Benchmark Volume is 370,822,143 MMBtus, which is comprised of the following: (i) 356,785,532 MMBtus, which is a total of the Benchmark Mainline Volumes from April 2014 through March 2015; (ii) 16,103,246 MMBtus, which is a total of the Benchmark Border Volumes for the same period as stated above; (iii) minus 2,059,700 MMBtus, which is a total of the Benchmark SoCalGas CityGate Volumes for the same period; and (iv) minus the 6,935 MMBtus in PG&E Topock volume. The total Actual Transported Volume of 360,622,032 MMBtus is the actual total purchase volumes that SoCalGas received during the GCIM Year 21 period. The net total Benchmark Volumes of 370,822,143 minus the net total Actual Transported Volume results in a difference of 10,200,111 MMBtus or 2.75%, which is the shrinkage volume and represents uses and losses in gas during transportation of natural gas.

TABLE 2-3A  
Southern California Gas Company  
Benchmark Market Volumes (In MMBtus)  
GCIM Year 21  
April 1, 2014 Through March 31, 2015

Month	Benchmark Mainline Volumes	Benchmark Border Volumes	Benchmark Citygate Volumes	Benchmark PG&E Topock Volumes	Net Total Benchmark Volumes	Actual Transported Volumes
Apr-14	28,766,435	1,109,976	843,058	-	30,719,469	29,953,728
May-14	27,793,021	1,936,638	2,872,880	-	32,602,539	31,797,460
Jun-14	26,559,526	1,618,209	(2,278,636)	(6,935)	25,892,164	25,114,834
Jul-14	29,892,420	3,457,999	6,742,477	-	40,092,896	39,270,245
Aug-14	29,803,272	(294,178)	(1,279,503)	-	28,229,591	27,426,272
Sep-14	28,855,236	2,189,561	(1,757,199)	-	29,287,598	28,501,800
Oct-14	29,462,707	(486,474)	(2,715,261)	-	26,260,972	25,380,592
Nov-14	28,995,978	(1,890,636)	(10,158,815)	-	16,946,527	16,061,478
Dec-14	32,796,014	6,223,515	7,617,326	-	46,636,855	45,653,899
Jan-15	32,586,860	2,411,746	3,142,706	-	38,141,312	37,164,050
Feb-15	28,544,002	62,326	(1,025,614)	-	27,580,714	26,783,888
Mar-15	32,730,061	(235,436)	(4,063,119)	-	28,431,506	27,513,786
Total:	356,785,532	16,103,246	(2,059,700)	(6,935)	370,822,143	360,622,032

Benchmark Vol (MMBtus)	370,822,143
Less: Actual Transported Vol	<u>360,622,032</u>
Shrinkage	10,200,111

## 2.4 Actual Gas Costs and Volumes

Table 2-4 shows the Actual Gas Costs Components consists of Mainline Commodity Purchases, Border and CityGate Purchases, Gas Sales revenues, Other Revenues/Costs, Interstate Volumetric Transportation Costs, and Reservation Charges. ORA found the volumes and corresponding dollar amounts for each of these Components in table 2-4 were supported by SoCalGas records and reasonable.

Gas commodity costs for purposes of gas sales are deducted from core purchases. The adjustments to Mainline Commodity Purchases and Border and CityGate Purchases consist of (i) Secondary Market Service Revenues of \$8,452,567 and (ii) losses from GCIM Derivative Transactions of \$453,734, which are included as part of actual commodity costs. Therefore, the Total Commodity Costs are \$1,367,751,086.

The net revenues from secondary market transactions using core assets, such as parks and loans, are included as a credit to actual commodity costs.<sup>16</sup> The gross revenues of \$9,685,915 were adjusted for related operating overhead costs of \$1,233,348, resulting in net revenues of \$8,452,567.<sup>17</sup>

SoCalGas' records supported as reasonable calculations of Interstate Volumetric Transportation Costs as \$7,778,036, and firm Reservation Charges as \$179,847,957. The total of these costs and charges were added to the Total Commodity Costs of \$1,367,751,086, which results in the corresponding Costs of \$1,555,377,080, as shown on the last line in Table 2-4.

The volume of 445,626,525 MMBtus is comprised of the totals for two types of gas purchases and their corresponding volumes: (i) Total Mainline Purchases (381,816,159 MMBtus); and (ii) Total Border and City-Gate Purchases (63,810,366 MMBtus).

According to the same table, the Total Gas Sales Volumes of 74,804,382 MMBtus was subtracted from the Total Mainline and Border Purchases Volumes of 445,626,525 MMBtus. The volume of 74,804,382 MMBtus is comprised of Gas Sales and their corresponding volumes: (i) Mainline (25,030,627 MMBtus); (ii) Border (15,614,025 MMBtus); (iii) SoCalGas City-Gate (34,152,795 MMBtus); and (iv) PG&E Topock (6,935 MMBtus).

---

<sup>16</sup> See Adv. Let. 4089 (filed March 22, 2010, effective April 21, 2010).

<sup>17</sup> See Appendix A, Table 2-3a, Secondary Market Revenue.



**TABLE 2-4**  
**Southern California Gas Company**  
**Actual Gas Costs Components**  
**GCIM Year 21**  
**April 1, 2014 Through March 31, 2015**

Mainline Commodity Purchases	Volumes	Dollars
El Paso Permian	75,796,421	\$ 288,488,575
El Paso San Juan	133,479,772	490,554,353
Transwestern Permian	3,616,903	13,340,749
Transwestern San Juan	59,578,345	220,060,898
Kern River Pipeline	83,763,180	316,085,429
Enterprise-Waha	3,028,126	11,986,337
NOVA-AECO/NIT	21,023,712	73,604,839
GTN: Kingsgate/Malin/Stanfield	1,529,700	4,751,454
<b>Total Mainline</b>	<b>381,816,159</b>	<b>\$ 1,418,872,634</b>
<hr/>		
<b>Border and City Gate Purchases</b>		
Border	31,717,271	\$ 124,905,950
SoCalGas-City Gate	32,093,095	130,152,212
<b>Total Border</b>	<b>63,810,366</b>	<b>\$ 255,058,162</b>
<hr/>		
<b>Total Mainline and Border Purchase</b>	<b>445,626,525</b>	<b>\$ 1,673,930,796</b>
<hr/>		
<b>Gas Sales (deducting)</b>		
Mainline	(25,030,627)	\$ (94,942,342)
Border	(15,614,025)	(63,592,868)
SoCalGas- City Gate	(34,152,795)	(139,613,489)
PG&E Topock	(6,935)	(32,178)
<b>Total Gas Sales</b>	<b>(74,804,382)</b>	<b>\$ (298,180,877)</b>
<hr/>		
<b>Other Revenues/Costs</b>		
Net Secondary Market Revenue:		\$ (8,452,567)
GCIM Derivative Transactions		453,734
<b>Total Other Revenues/Costs</b>		<b>\$ (7,998,833)</b>
<hr/>		
<b>Total Commodity Costs</b>		<b>\$ 1,367,751,086</b>
<hr/>		
<b>Interstate Reservation and Volumetric Transport Cost</b>		
Interstate Volumetric Transport Costs		\$ 7,778,036
Reservation Charges		179,847,957
<b>Total Related Commodity Costs</b>		<b>\$ 187,625,994</b>
<hr/>		
<b>Total Volume and Costs</b>	<b>370,822,143</b>	<b>\$ 1,555,377,080</b>

## 2.5 Mainline and Border Gas Sales

Table 2-5 below provides a breakdown by pipeline for SoCalGas' gas sales. In addition, a compilation of gas sales and volume for the period is shown in Appendix A, Exhibits 2-1g and 2-2d.

According to SoCalGas' Gas Acquisition team,<sup>18</sup> due to the cold weather across the U.S. and a warm winter in Southern California, SoCalGas was able to sell gas at higher prices while still meeting Southern California's demand.

SoCalGas reported gas purchases and sales transactions with affiliate Sempra Generation, SDG&E, and SoCalGas Capacity Products. SoCalGas reports all purchases and sales were completed through arm's length transactions via brokerage firms. It was disclosed there were no Secondary Market Services (SMS) and financial transactions with existing affiliates during GCIM Year 21.

<b>Mainline Pipelines</b>	<b>Sales</b>	<b>Volume (MMBtus)</b>
El Paso Permian	\$ (32,605,605)	(8,867,909)
El Paso San Juan	(22,767,014)	(5,560,952)
Transwestern Permian	(7,400,903)	(1,966,954)
Transwestern San Juan	(6,341,206)	(1,586,758)
Kern River	(9,275,474)	(2,350,444)
Enterprise Waha	(1,634,253)	(461,320)
NOVA-AECO	(11,357,038)	(3,413,085)
GTN-Kingsgate	-	-
GTN Stanfield	(13,477)	(2,900)
GTN Malin	(3,547,373)	(820,305)
<b>Total Mainline</b>	<b>\$ (94,942,342)</b>	<b>(25,030,627)</b>
<hr/>		
<b>Border Pipelines</b>	<b>Sales</b>	<b>Volume (MMBtus)</b>
Border	\$ (63,592,868)	(15,614,025)
SoCal City-Gate	(139,613,489)	(34,152,795)
Topock	(31,178)	(6,935)
<b>Total Border</b>	<b>\$ (203,237,535)</b>	<b>(49,773,755)</b>
<hr/>		
<b>Total Sales to Volume</b>	<b>\$ (298,179,877)</b>	<b>(74,804,382)</b>

## 2.6 Interstate Volumetric Transport Costs

The volumetric transport costs are variable costs, which is based on the volume of interstate pipeline gas supplies delivered at SoCal Border. The total interstate volumetric transportation costs for GCIM Year 21 are shown in Table 2-6 below.

<sup>18</sup> See ORA Master Data Requests and SoCalGas' Data Responses in this proceeding.

The table shows the Summary of the Actual Pipeline Commodity Transported Costs: El Paso transport costs of \$6,353,394; Transwestern costs of \$741,874; Kern River costs of \$413,314; and Canadian Path cost of \$269,455. Total aggregate volumetric transport costs for the period were \$7,778,036.

<p><b>TABLE 2-6</b>  <b>Southern California Gas Company</b>  <b>Summary of Actual Pipeline Commodity Transport Costs</b>  <b>GCIM Year 21</b>  <b>April 1, 2014 Through March 31, 2015</b></p>
--

Month	El Paso	Trans-western	Kern River	Canadian Path	Total Transport Cost
Apr-14	\$ 498,264	\$ 59,169	\$ 33,841	\$ 22,626	\$ 613,900
May-14	509,097	38,081	35,370	23,228	\$ 605,777
Jun-14	486,308	34,783	34,273	22,716	\$ 578,079
Jul-14	514,716	62,315	35,476	23,443	\$ 635,949
Aug-14	515,226	63,213	35,462	23,100	\$ 637,001
Sep-14	498,895	61,458	34,337	22,353	\$ 617,044
Oct-14	506,167	62,416	36,461	23,796	\$ 628,840
Nov-14	546,216	72,454	27,984	20,460	\$ 667,114
Dec-14	589,916	75,477	36,356	22,415	\$ 724,164
Jan-15	583,135	72,329	36,685	23,040	\$ 715,189
Feb-15	519,272	66,243	30,432	19,010	\$ 634,956
Mar-15	586,183	73,937	36,637	23,266	\$ 720,024
<b>Total:</b>	<b>\$ 6,353,394</b>	<b>\$ 741,874</b>	<b>\$ 413,314</b>	<b>\$ 269,455</b>	<b>\$ 7,778,036</b>

## 2.7 Interstate Reservation Charges

Table 2-7 below shows monthly reservation charges by pipeline for the GCIM Year 21 Period. The El Paso Pipeline reservation charges were \$63,777,931; Transwestern Pipeline \$16,473,977; Kern River Pipeline \$29,458,756; and Canadian Path Pipeline \$14,465,570. The procedures for contracting continue to operate the same in those interstate capacity purchase contracts. For the GCIM Year 21 period, Backbone Transport Service contracts totaled \$55,671,724. The Total Reservation Charges for the period are \$179,847,957.

**TABLE 2-7**  
**Southern California Gas Company**  
**Summary of Reservation Charges By Pipeline**  
**GCIM Year 21**  
**April 1, 2014 Through March 31, 2015**

Month	El Paso	Trans-western	Kern River	Canadian Path	Backbone Transportation Service	Total Reservation Charges
Apr-14	\$ 5,083,334	\$ 1,263,000	\$ 2,421,268	\$ 1,208,226	\$ 4,084,149	\$14,059,976
May-14	\$ 5,129,213	\$ 1,305,100	\$ 2,501,977	\$ 1,229,701	\$ 4,154,110	\$14,320,101
Jun-14	\$ 5,083,451	\$ 1,263,000	\$ 2,421,268	\$ 1,213,824	\$ 3,850,627	\$13,832,170
Jul-14	\$ 5,083,449	\$ 1,305,100	\$ 2,501,977	\$ 1,235,175	\$ 4,964,308	\$15,090,009
Aug-14	\$ 5,083,334	\$ 1,305,100	\$ 2,501,977	\$ 1,228,498	\$ 4,365,069	\$14,483,978
Sep-14	\$ 5,090,435	\$ 1,263,000	\$ 2,421,268	\$ 1,205,069	\$ 4,442,022	\$14,421,794
Oct-14	\$ 5,087,049	\$ 1,305,100	\$ 2,501,977	\$ 1,218,878	\$ 4,752,082	\$14,865,086
Nov-14	\$ 5,586,737	\$ 1,495,500	\$ 2,421,268	\$ 1,197,071	\$ 4,265,556	\$14,966,131
Dec-14	\$ 5,628,578	\$ 1,545,350	\$ 2,501,977	\$ 1,208,593	\$ 5,822,848	\$16,707,346
Jan-15	\$ 5,700,290	\$ 1,545,350	\$ 2,501,977	\$ 1,199,861	\$ 5,361,672	\$16,309,149
Feb-15	\$ 5,625,995	\$ 1,395,800	\$ 2,259,850	\$ 1,134,841	\$ 4,603,216	\$15,019,702
Mar-15	\$ 5,596,066	\$ 1,482,577	\$ 2,501,977	\$ 1,185,834	\$ 5,006,064	\$15,772,517
Totals	\$ 63,777,931	\$ 16,473,977	\$ 29,458,756	\$ 14,465,570	\$ 55,671,724	\$ 179,847,957

## 2.8 Interstate Pipeline Utilization

In D.04-09-022, the Commission required tracking a pipeline's utilization of capacity.<sup>19</sup> This allows monitoring by ORA, TURN, and the Commission's Energy Division in collaboration with SoCalGas on a bi-weekly basis via teleconference meetings.

Table 2-8 provides an overview of SoCalGas' nominated capacity for each pipeline listed. Total Core Capacity for all the pipelines was 462,201,482 MMBtus and Total Nominated Capacity was 439,291,636 MMBtus. The difference between these two total amounts is the unutilized capacity of 22,909,846 MMBtus, which is adjusted from core capacity.

Regarding the interstate pipelines, SoCalGas reports El Paso at 99% capacity; Foothills Pipeline, Ltd at 89%; Gas Transmission Northwest Corp. at 98%; Kern River Gas Transmission at 97%; NOVA at 90% (Canadian Path); Pacific Gas and Electric pipeline at 94%; and Transwestern Pipeline Company at 89%. The Capacity Cut of 1,664,436 MMBtus, is subtracted from nominated capacity, which results in total Actual Volume delivered of 437,627,200 MMBtus.

<sup>19</sup> See *OIR*, D.04-09-022, 2004 Cal. PUC LEXIS 522, at \*140 (Ord. Para. 2) (dated Sept. 2, 2004).

**TABLE 2-8**  
**Southern California Gas Company**  
**Cumulative Core Capacity Utilization By Pipeline (In MMBtus)**  
**GCIM Year 21**  
**April 1, 2014 Through March 31, 2015**

<b>Pipeline</b>	<b>Core Capacity</b>	<b>Less: Nominated Capacity</b>	<b>Unutilized Capacity</b>	<b>Capacity Utilization Percentage</b>	<b>Nominated Capacity</b>	<b>Actual Volumes Received</b>	<b>Capacity Cut</b>
El Paso Natural Gas Co	195,826,217	193,045,693	2,780,524	99%	193,045,693	191,919,001	1,126,692
Foothills PipeLines Ltd	19,644,264	17,457,221	2,187,043	89%	17,457,221	17,432,747	24,474
Gas Trans Northwest Corp	19,165,420	18,723,197	442,223	98%	18,723,197	18,696,200	26,997
Kern River Gas Trans Co	81,925,310	79,693,662	2,231,648	97%	79,693,662	79,497,308	196,354
NOVA Gas Trans Ltd	19,804,091	17,759,119	2,044,972	90%	17,759,119	17,759,119	-
Pacific Gas & Electric	18,955,180	17,741,178	1,214,002	94%	17,741,178	17,711,918	29,260
Transwesten Pipeline Co	106,881,000	94,871,566	12,009,434	89%	94,871,566	94,610,907	260,659
<b>Totals</b>	<b>462,201,482</b>	<b>439,291,636</b>	<b>22,909,846</b>	<b>95%</b>	<b>439,291,636</b>	<b>437,627,200</b>	<b>1,664,436</b>

## 2.9 Examination of the Purchase Gas Account (PGA)

Table 2.9 provides a PGA reconciliation of GCIM gas commodity costs. Total PGA commodity costs were \$1,385,853,229, and reported GCIM commodity costs for SoCalGas' gas portfolio purchases was \$1,367,297,352 (excluding hedge costs), which results in a variance of \$18,555,877. The variance consists of \$10,096,322 costs excluded from GCIM reported commodity costs and net Secondary Market Services revenue of \$8,452,567, which is unreported in PGA gas costs. Other adjustments were for timing differences of \$37 recording in Year 21 from PGA Year 20 and timing differences of \$6,951.

**TABLE 2-9**  
**Southern California Gas Company**  
**PGA & GCIM Reconciliation of Commodity Cost**  
**GCIM Year 21**  
**April 1, 2014 Through March 31, 2015**

Total PGA Commodity Costs	\$ 1,385,853,229
Total GCIM Commodity Costs	<u>\$ 1,367,297,352</u>
Variance:	<u>\$ 18,555,877</u>

**Reconciliation:**

Total PGA Commodity Cost	\$ 1,385,853,229
--------------------------	------------------

**PGA Costs Excluded from GCIM:**

Playa del Rey & Aliso Production	0
Borrego Springs LNG	101,955
Realized (Gain)/Loss from OTC Deriv. Trans.	13,280
Realized (Gain)/Loss from Exchange-Traded Deriv. Trans.	1,963,998
Realized (Gain)/Loss from Foreign Currency Exchange (GST & Demand Charges)	120,276
Carrying Costs of Storage Inventory	118,776
Interruptible Storage Charges	0
Transportation Chg in PGA Market Gas not in GCIM Commodity Cost (1.8.2)	<u>7,778,036</u>
<b>Sub-Total PGA Excluded Costs:</b>	<b>\$ (10,096,322)</b>

**GCIM Related Transactions Excluded from PGA:**

Net SMS Revenue	\$ (8,452,567)
Timing difference -GCIM Year 20 costs recorded in PGA Year 21	\$ (37)
Timing differences for transaction fees and other gas costs excluded from GCIM	<u>\$ (6,951)</u>
<b>Sub-Total GCIM Costs Excluded in PGA:</b>	<b>\$ (8,459,555)</b>

<b>Total Reconciling Items:</b>	<b>\$ (18,555,877)</b>
<b>Total PGA Commodity Cost :</b>	<b><u>\$ 1,367,297,352</u></b>
<b>Less: GCIM Commodity Cost:</b>	<b><u>\$ 1,367,297,352</u></b>
<b>Difference:</b>	<b><u>\$ -</u></b>

In addition to the PGA audit, ORA conducted a sampling test. Purchase invoice samples were randomly selected. SoCalGas provided copies of supporting documents and purchase invoices for the purpose of the verification. Costs of these purchase invoices were traced to the monthly statement and then to the annual report. The selected purchase invoices reconciled with recorded amounts in the annual report.

## **2.10 Financial Derivatives**

ORA 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, 2014 through March 31, 2015.

Pursuant to D.10-01-023, twenty-five percent (25%) of winter hedging gains and losses were included in GCIM actual costs.<sup>20</sup> Table 2-10 shows SoCalGas PGA Reconciliation of Financial Gains and Losses for reported NYMEX transactions and over-the-counter (OTC) clear transactions, as well as OTC swaps. Associated transaction fees are also included based on the date of contract when net results 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 GCIM Year 20. Financial hedging loss for the period was \$453,734, which consisted of non-winter hedges and winter hedges; the non-winter hedging for GCIM Year 21 recorded a gain of \$53,962. The 25% of winter hedging loss is \$507,696 which is included in the GCIM calculation and \$1,523,084 of winter hedging loss (75%) is excluded from the GCIM. In general, natural gas prices are determined through the interaction of two types of markets: cash/financial markets and physical quantities of natural gas. The market involves 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 city-gate, where natural gas is sold or delivered. The surveyed prices are calculated into an average, which then results in an index of those prices. These index prices are used to base the price of gas at the hub, city-gate, or a specified location.

For hedging natural gas commodities, the most 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.<sup>21</sup> These hedging transactions will generally incur related transaction fees, such as broker and premium fees to purchase the hedging contract.

SoCalGas claims to regularly assess and review 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 hedge transactions. To forecast natural gas prices, SoCalGas uses current future prices and basis values provided by Intercontinental Exchange and/or NYMEX. SoCalGas states it does not rely on consultants to procure natural gas.

---

<sup>20</sup> OIR, D.10-01-023, 2010 Cal. PUC LEXIS 5, at \*99 (Ord. Para. 4) (Jan. 25, 2010).

<sup>21</sup> U.S. Senate Permanent Committee on Investigations: Excessive Speculation in the Natural Gas Market, July 9, 2007.

**TABLE 2-10**  
**Southern California Gas Company**  
**PGA Reconciliation-Financial Gains & Losses**  
**GCIM Year 21**  
**April 1, 2014 Through March 31, 2015**

NYMEX Traded/Cleared Transactions	GCIM	Recorded PGA	Variance
Exchange Traded Transactions (Gains)/Losses	\$ 425,404		
Exchange Traded Transactions Costs	\$ 23,616		
Total:	\$ 449,020	\$ 1,963,998	\$ 1,514,978
<b>OTC Swaps</b>			
OTC Swaps (Gains)/Losses	\$ -		
OTC Swap Transaction Costs	\$ 4,714		
Total:	\$ 4,714	\$ 13,280	\$ 8,566
<b>Year 21 Financial (Gain)/Losses:</b>	<b>\$ 453,734</b>	<b>\$ 1,977,278</b>	<b>\$ 1,523,544</b>
<b>Reconciliation:</b>			
75% excluded Winter Hedge from GCIM	\$ 1,523,084		
<b>Other Reconciling Items Due to Timing Differences:</b>			
Broker Fees In GCIM Yr 20, PGA Yr 21	460		
Rounding (Pass)	0		
<b>Total Timing Difference Items:</b>	<b>\$ 460</b>		
<b>Reconciled Derivative PGA Account</b>	<b>\$ 1,523,544</b>		

## 2.11 Winter Hedges

SoCalGas reported \$2,030,781 of winter hedging net loss. Table 2-11 shows twenty-five percent (25%) of the net loss at \$507,696, which is included in the GCIM. It was confirmed that \$1,523,084, which represents seventy-five percent (75%) of total winter hedge loss, was excluded from GCIM and included in the PGA for GCIM Year 21. 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, ORA determined related hedging costs based on contract date. If the contract date is beyond March 31, it is excluded from the reported GCIM period.



**TABLE 2-11**  
**Southern California Gas Company**  
**Winter Financial Derivatives (Gains) Losses**  
**GCIM Year 21**  
**April 1, 2014 Through March 31, 2015**

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-12	\$ -	\$ -	\$ -	\$ -	\$ -
May-12	\$ -	\$ -	\$ -	\$ -	\$ -
Jun-12	\$ -	\$ -	\$ -	\$ -	\$ -
Jul-12	\$ -	\$ -	\$ -	\$ -	\$ -
Aug-12	\$ -	\$ -	\$ -	\$ -	\$ -
Sep-12	\$ -	\$ -	\$ -	\$ -	\$ -
Oct-12	\$ 336,625.00	\$ 4,799.45	\$ 1,022,773.33	\$ 1,500.00	\$ 1,365,697.78
Nov-12	\$ (110,375.00)	\$ 3,707.71	\$ (322,158.12)	\$ 2,156.25	\$ (426,669.16)
Dec-12	\$ 194,030.50	\$ 7,204.34	\$ 599,253.13	\$ 4,449.37	\$ 804,937.34
Jan-13	\$ 78,980.00	\$ 485.10	\$ 238,395.30	\$ -	\$ 317,860.40
Feb-13	\$ (8,487.00)	\$ 167.31	\$ (24,961.07)	\$ -	\$ (33,280.76)
Mar-13	\$ 558.75	\$ -	\$ 1,676.25	\$ -	\$ 2,235.00
<b>Totals:</b>	<b>\$ 491,332</b>	<b>\$ 16,364</b>	<b>\$ 1,514,979</b>	<b>\$ 8,106</b>	<b>\$ 2,030,781</b>

<b>491,332</b>	<b>1,514,979</b>
<b>16,364</b>	<b>8,106</b>

<b>25% Winter Hedge Included in GCIM:</b>	<b>507,696</b>	<b>75% Winter Hedge Excluded From GCIM:</b>	<b>1,523,084</b>
---	----------------	---	------------------

## 2.12 Review of Secondary Market Services Revenues

SoCalGas manages its retail core using its assets of storage inventory, injection, withdrawal rights, and core supplies by applying them to Secondary Market Services (SMS). In particular, the SMS uses core assets to execute transactions and fees that are based on market conditions to generate these revenues. These SMS transactions offset core gas costs by using assets that are determined by management not to be directly needed for meeting core customer demand and reliability. The SMS revenue totaled \$9,685,915 less \$1,233,349 in overhead costs which results in net revenues of \$8,452,567.

**TABLE 2-12**  
**Southern California Gas Company**  
**Summary of Secondary Market Service Revenues**  
**GCIM Year 21**  
**April 1, 2014 Through March 31, 2015**

Month	SMS Revenue	Less: Overhead	Net Revenues
Apr-14	\$ 525,971	\$ (68,091)	\$ 457,880
May-14	\$ 350,907	\$ (70,613)	\$ 280,294
Jun-14	\$ 192,622	\$ (314,607)	\$ (121,985)
Jul-14	\$ (21,664)	\$ (69,875)	\$ (91,539)
Aug-14	\$ 518,063	\$ (68,945)	\$ 449,118
Sep-14	\$ 226,648	\$ (88,970)	\$ 137,678
Oct-14	\$ 371,760	\$ (154,078)	\$ 217,682
Nov-14	\$ 1,023,682	\$ (61,029)	\$ 962,652
Dec-14	\$ 58,816	\$ (65,752)	\$ (6,937)
Jan-15	\$ 2,338,150	\$ (50,624)	\$ 2,287,526
Feb-15	\$ 2,789,750	\$ (58,329)	\$ 2,731,421
Mar-15	\$ 1,311,211	\$ (162,434)	\$ 1,148,777
Totals:	\$ 9,685,915	\$ (1,233,349)	\$ 8,452,567

### 2.13 SoCalGas Core Storage Inventory Targets

In D.06-10-029, the Commission approved a Joint Recommendation by ORA, TURN and SoCalGas to modify the utility's management and use of mid-season gas storage capacity for core customers.<sup>22</sup> This recommendation requires more gas to enter storage during the summer for core customer use during the winter heating season. This decision requires SoCalGas to obtain agreement from ORA and TURN for mid-season inventory targets. These targets must be maintained or an agreement from ORA and TURN is needed if inventory storage changes are made by SoCalGas. In either case, these changes are reflected in the GCIM.

Effective December 4, 2008, in D.08-12-020, the Commission adopted Phase 1 of the 2009 SoCalGas' Biennial Cost Allocation Proceeding, (BCAP) Settlement Agreement, expanding gas storage by 7 Bcf during the period of 2009 to 2014. Core storage inventory would receive an additional 4 Bcf starting 2009. The Settlement Agreement required incremental inventory capacity to increase by 1.0 Bcf each year starting in April 1, 2010 to April 1, 2013.

<sup>22</sup> SoCalGas, D.06-10-029, 2006 Cal. PUC LEXIS 398, at \*3 (Joint Recommendation adopted and approved) (dated Oct. 19, 2006).

SoCalGas filed Advice Letter 4436 on December 14, 2012, 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.

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

ORA's review of SoCalGas' inventory records, core purchased inventory levels as of July 31, 2014, was 63.9 Bcf, which met the 47 Bcf inventory target. For GCIM Year 21, the October 31, 2014 core storage inventory target was 83 Bcf, with a variance allowance of +0/-2 Bcf. For October 31, 2014, SoCalGas reported core storage inventory at 82.6 Bcf, which is within the variance allowance of -2 Bcf. Adjustments to the total system inventory were for non-core monthly imbalances, non-core inventories and SMS activities. The data shows that SoCalGas met the core inventory target requirements.

<b>TABLE 2-13</b> <b>Southern California Gas Company</b> <b>Core Storage Inventory for Summer and Winter Targets</b> <b>GCIM Year 21</b> <b>April 1, 2014 Through March 31, 2015</b>		
<b>System Inventory (Bcf)</b>		
	<b>7/31/14</b>	<b>10/31/14</b>
<b>Bcf Target</b>	<b>47</b>	<b>83</b>
<b>Total System Physical Inventory</b>	<b>84.2</b>	<b>117.7</b>
<b>Month End Imbalances</b>	<b>2.3</b>	<b>(2.9)</b>
<b>Less: Non-Core Inventory</b>	<b>(24.1)</b>	<b>(35.0)</b>
<b>CTA</b>	<b>-</b>	<b>2.7</b>
<b>Secondary Market Services</b>	<b>1.6</b>	<b>-</b>
<b>Rounding</b>	<b>(0.1)</b>	<b>0.1</b>
<b>Total Core Storage Inventory Results</b>	<b>63.9</b>	<b>82.6</b>

## 2.14 Interstate Capacity Procurement

In Advice Letter 4402, effective on October 12, 2012, the Commission authorized SoCalGas to update its Capacity Planning Range, which was based on the California Gas Report for 2012.<sup>23</sup> The filing was to comply with D.04-09-022 and Advice Letter

<sup>23</sup> See Letter from E. F. Randolph, Dir. of Comm. Energy Div., to R. Prince, Dir. of Reg. Affairs, SoCalGas (Oct. 16, 2012, approving and made effective SoCalGas, Adv. Letr 4402, dated Sept. 12, 2012).

3969 to update SoCalGas and SDG&E’s combined portfolio capacity for GCIM Year 20 and 21 winter and non-winter seasons, beginning in April 2013 and ending March 2014. The following Table 2-14 provides a summary of the minimum and maximum capacity value by season for the reporting period.

<b>GCIM Year 21</b>		
<b>Season</b>	<b>Minimum Capacity Value</b>	<b>Maximum Capacity Value</b>
Non-Winter 04/2014 - 10/2014	941.9 MDth/d	1,255.9 MDth/d
Winter 11/2014 - 03/2015	1,046.6 MDth/d	1,255.9 MDth/d

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 the minimum firm capacity for the period of April 2014 to October 2014 at 941.9 MDth/d, and 1,046.6 MDth/d for November 2014 to March 2015. SoCalGas’ GCIM Year 21 Application (A.15-06-011) in Appendix C reports actual capacity performance.

Proportionally, SoCalGas maintained a gas supply portfolio consisting of approximately 62% of long-term supply agreements; 37% month-to-month base load agreements; and 1% of daily transactions.<sup>24</sup>

---

<sup>24</sup> See SoCalGas, A.15-06-011 at 3–4, *available at* <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=152482686>.

**APPENDIX A**

**EXHIBITS FOR ORA REPORT**

<b>Section</b>	<b>Description</b>	<b>Exhibit Number</b>
Actual Costs	Total Actual Cost Summary	2-1
	Actual Commodity Purchases Costs	2-1a
	Net Commodity Purchases Costs	2-1ab
	Net Mainline Purchases by Pipelines	2-1b
	Mainline Purchase Summary	2-1c
	Mainline Sale Summary	2-1d
	Net Border and Citygate Purchase Summary	2-1e
	Border and Citygate Purchase Summary	2-1f
	Border and Citygate Sale Summary	2-1g
	Actual Net Purchase Volume	2-2a
	Net Mainline Purchase Volume	2-2b
	Total Mainline Purchase Volume	2-2c
	Total Mainline Sale Volume	2-2d
	Total Border and Citygate Purchase Volume	2-2e
	Total Border and Citygate Sale Volume	2-2f
Financial Costs	Secondary Market Revenue	2-3a
	Total Financial Derivatives Summary	2-3b
	Hedge Summary	2-3c
Benchmark Costs	Benchmark Cost Summary	2-4a
	Benchmark Commodity Costs	2-4b
	Reservation Charges	2-5
	Transportation Charges	2-6
	Benchmark Spot Prices	2-7
Others	Core Capacity Utilization	2-8
	Core Capacity Utilization - El Paso Gas Company	2-8a
	Core Capacity Utilization - Foothills Pipeline Ltd	2-8b
	Core Capacity Utilization - Gas Trans Northwest Corp	2-8c
	Core Capacity Utilization - Kern River Gas Trans	2-8d
	Core Capacity Utilization - NOVA Gas Trans Ltd	2-8e
	Core Capacity Utilization - Northwest Pipeline	2-8f
	Core Capacity Utilization - Pacific Gas & Electric	2-8g
	Core Capacity Utilization - Transwestern Pipeline	2-8h

2-1  
**Southern California Gas Company**  
**Total Actual Cost Summary**  
**GCIM Year 21**  
**April 1, 2014 through March 31, 2015**

	Actual Commodity Cost	Transportation Cost	Reservation Charge	Total Actual Cost
<b>Apr-14</b>	\$ 131,507,997.13	\$ 613,899.70	\$ 14,059,976.21	\$ 146,181,873.04
<b>May-14</b>	\$ 148,072,588.03	\$ 605,776.51	\$ 14,320,100.96	\$ 162,998,465.50
<b>Jun-14</b>	\$ 109,418,300.86	\$ 578,079.39	\$ 13,832,169.55	\$ 123,828,549.80
<b>Jul-14</b>	\$ 178,626,909.93	\$ 635,948.91	\$ 15,090,009.01	\$ 194,352,867.85
<b>Aug-14</b>	\$ 102,832,787.10	\$ 637,001.44	\$ 14,483,977.94	\$ 117,953,766.48
<b>Sep-14</b>	\$ 111,521,879.98	\$ 617,043.82	\$ 14,421,793.62	\$ 126,560,717.42
<b>Oct-14</b>	\$ 95,553,026.94	\$ 628,839.63	\$ 14,865,085.69	\$ 111,046,952.26
<b>Nov-14</b>	\$ 45,771,035.90	\$ 667,114.31	\$ 14,966,131.27	\$ 61,404,281.48
<b>Dec-14</b>	\$ 192,154,895.64	\$ 724,163.94	\$ 16,707,346.24	\$ 209,586,405.82
<b>Jan-15</b>	\$ 112,677,055.13	\$ 715,188.89	\$ 16,309,148.66	\$ 129,701,392.68
<b>Feb-15</b>	\$ 68,215,872.08	\$ 634,956.29	\$ 15,019,701.63	\$ 83,870,530.00
<b>Mar-15</b>	\$ 71,398,737.54	\$ 720,023.52	\$ 15,772,516.67	\$ 87,891,277.73
<b>Total</b>	\$ 1,367,751,086.26	\$ 7,778,036.35	\$ 179,847,957.45	\$ 1,555,377,080.06

2-1a  
Southern California Gas Company  
Actual Commodity Purchases Costs  
GCIM Year 21

	April 1, 2014 through March 31, 2015												
	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
Mainline Purchases	\$ 126,026,066.39	\$ 142,597,301.32	\$ 125,652,922.85	\$ 141,560,972.92	\$ 120,836,866.99	\$ 118,824,692.23	\$ 116,153,075.49	\$ 111,134,532.29	\$ 144,742,058.02	\$ 103,928,584.21	\$ 79,361,867.29	\$ 88,053,693.81	\$ 1,418,872,633.81
Border Purchases	\$ 27,233,152.94	\$ 26,675,243.58	\$ 18,402,459.15	\$ 46,503,648.51	\$ 12,902,012.75	\$ 19,273,540.85	\$ 18,481,607.00	\$ 175,739.83	\$ 53,720,410.15	\$ 20,772,589.45	\$ 6,864,853.39	\$ 4,052,904.68	\$ 255,058,162.28
<b>Total Commodity Purchases</b>	<b>\$ 153,259,219.33</b>	<b>\$ 169,272,544.90</b>	<b>\$ 144,055,382.00</b>	<b>\$ 188,064,621.43</b>	<b>\$ 133,738,879.74</b>	<b>\$ 138,098,233.08</b>	<b>\$ 134,634,682.49</b>	<b>\$ 111,310,272.12</b>	<b>\$ 198,462,468.17</b>	<b>\$ 124,701,173.66</b>	<b>\$ 86,226,720.68</b>	<b>\$ 92,106,598.49</b>	<b>\$ 1,673,930,796.09</b>
Mainline Sales	\$ (2,009,003.57)	\$ (17,020,028.57)	\$ (11,856,678.34)	\$ (9,017,880.91)	\$ (10,082,374.96)	\$ (7,857,433.21)	\$ (5,624,158.49)	\$ (14,145,562.77)	\$ (5,068,830.34)	\$ (5,102,287.84)	\$ (4,590,861.92)	\$ (2,567,241.34)	\$ (94,942,342.26)
Border Sales	\$ (19,283,902.63)	\$ (3,901,368.10)	\$ (22,971,666.72)	\$ (562,470.00)	\$ (20,334,241.33)	\$ (18,542,241.45)	\$ (33,580,852.12)	\$ (50,284,189.02)	\$ (1,475,260.27)	\$ (4,680,272.06)	\$ (10,629,634.14)	\$ (16,992,437.02)	\$ (203,238,534.86)
<b>Total Commodity Sales</b>	<b>\$ (21,292,906.20)</b>	<b>\$ (20,921,396.67)</b>	<b>\$ (34,828,345.06)</b>	<b>\$ (9,580,350.91)</b>	<b>\$ (30,416,616.29)</b>	<b>\$ (26,399,674.66)</b>	<b>\$ (39,205,010.61)</b>	<b>\$ (64,429,751.79)</b>	<b>\$ (6,544,090.61)</b>	<b>\$ (9,782,559.90)</b>	<b>\$ (15,220,496.06)</b>	<b>\$ (19,559,678.36)</b>	<b>\$ (298,180,877.12)</b>
Secondary Market Service Revenue	\$ (457,880.29)	\$ (280,293.73)	\$ 121,985.36	\$ 91,539.33	\$ (449,117.87)	\$ (137,678.44)	\$ (217,681.89)	\$ (962,652.42)	\$ 6,936.84	\$ (2,287,525.69)	\$ (2,731,420.81)	\$ (1,148,776.89)	\$ (8,452,566.50)
Financial (Gains)/Losses	\$ (435.71)	\$ 1,733.53	\$ 69,278.56	\$ 51,100.08	\$ (40,358.48)	\$ (39,000.00)	\$ 341,036.95	\$ (146,832.01)	\$ 229,581.24	\$ 45,967.06	\$ (58,931.73)	\$ 594.30	\$ 453,733.79
<b>Actual Commodity Purchase Cost</b>	<b>\$ 131,507,997.13</b>	<b>\$ 148,072,588.03</b>	<b>\$ 109,418,300.86</b>	<b>\$ 178,626,909.93</b>	<b>\$ 102,832,787.10</b>	<b>\$ 111,521,879.98</b>	<b>\$ 95,553,026.94</b>	<b>\$ 45,771,035.90</b>	<b>\$ 192,154,895.64</b>	<b>\$ 112,677,055.13</b>	<b>\$ 68,215,872.08</b>	<b>\$ 71,398,737.54</b>	<b>\$ 1,367,751,086.26</b>

2-1ab  
Southern California Gas Company  
Net Commodity Purchase Costs  
GCIM Year 21  
April 1, 2014 through March 31, 2015

	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
<b>Mainline Prurchases</b>	\$ 126,026,066.39	\$ 142,597,301.32	\$ 125,652,922.85	\$ 141,560,972.92	\$ 120,836,866.99	\$ 118,824,692.23	\$ 116,153,075.49	\$ 111,134,532.29	\$ 144,742,058.02	\$ 103,928,584.21	\$ 79,361,867.29	\$ 88,053,693.81	\$ 1,418,872,633.81
<b>Border Purchases</b>	\$ 27,233,152.94	\$ 26,675,243.58	\$ 18,402,459.15	\$ 46,503,648.51	\$ 12,902,012.75	\$ 19,273,540.85	\$ 18,481,607.00	\$ 175,739.83	\$ 53,720,410.15	\$ 20,772,589.45	\$ 6,864,853.39	\$ 4,052,904.68	\$ 255,058,162.28
<b>Total Commodity Purchases</b>	\$ 153,259,219.33	\$ 169,272,544.90	\$ 144,055,382.00	\$ 188,064,621.43	\$ 133,738,879.74	\$ 138,098,233.08	\$ 134,634,682.49	\$ 111,310,272.12	\$ 198,462,468.17	\$ 124,701,173.66	\$ 86,226,720.68	\$ 92,106,598.49	\$ 1,673,930,796.09
<b>Mainline Sales</b>	\$ (2,009,003.57)	\$ (17,020,028.57)	\$ (11,856,678.34)	\$ (9,017,880.91)	\$ (10,082,374.96)	\$ (7,857,433.21)	\$ (5,624,158.49)	\$ (14,145,562.77)	\$ (5,068,830.34)	\$ (5,102,287.84)	\$ (4,590,861.92)	\$ (2,567,241.34)	\$ (94,942,342.26)
<b>Border Sales</b>	\$ (19,283,902.63)	\$ (3,901,368.10)	\$ (22,971,666.72)	\$ (562,470.00)	\$ (20,334,241.33)	\$ (18,542,241.45)	\$ (33,580,852.12)	\$ (50,284,189.02)	\$ (1,475,260.27)	\$ (4,680,272.06)	\$ (10,629,634.14)	\$ (16,992,437.02)	\$ (203,238,534.86)
<b>Total Commodity Sales</b>	\$ (21,292,906.20)	\$ (20,921,396.67)	\$ (34,828,345.06)	\$ (9,580,350.91)	\$ (30,416,616.29)	\$ (26,399,674.66)	\$ (39,205,010.61)	\$ (64,429,751.79)	\$ (6,544,090.61)	\$ (9,782,559.90)	\$ (15,220,496.06)	\$ (19,559,678.36)	\$ (298,180,877.12)
<b>Net Commodity Purchases</b>	\$ 131,966,313.13	\$ 148,351,148.23	\$ 109,227,036.94	\$ 178,484,270.52	\$ 103,322,263.45	\$ 111,698,558.42	\$ 95,429,671.88	\$ 46,880,520.33	\$ 191,918,377.56	\$ 114,918,613.76	\$ 71,006,224.62	\$ 72,546,920.13	\$ 1,375,749,918.97



2-1b  
Southern California Gas Company  
Net Mainline Purchases by Pipelines  
GCIM Year 21

April 1, 2014 through March 31, 2015

	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
El Paso - Permian	\$ 26,109,625.87	\$ 33,708,195.26	\$ 26,261,455.10	\$ 32,682,387.21	\$ 21,339,839.68	\$ 14,953,807.66	\$ 22,155,091.13	\$ 15,431,140.40	\$ 21,041,065.35	\$ 17,637,444.01	\$ 11,749,136.15	\$ 12,813,782.90	\$ 255,882,970.72
El Paso - San Juan	\$ 39,231,342.05	\$ 38,208,459.30	\$ 36,245,967.34	\$ 37,403,640.69	\$ 38,319,138.54	\$ 43,839,830.15	\$ 34,370,514.30	\$ 41,986,385.35	\$ 56,335,222.36	\$ 37,006,854.41	\$ 30,123,877.64	\$ 34,716,106.43	\$ 467,787,338.56
Transwestern - Permian	\$ 37,072.50	\$ 4,640.26	\$ (14,700.00)	\$ 650,525.67	\$ 940,135.07	\$ 1,108,287.10	\$ 198,735.85	\$ 494,465.26	\$ 1,199,257.24	\$ 389,088.23	\$ 473,019.29	\$ 459,319.44	\$ 5,939,845.91
Transwestern - San Juan	\$ 21,009,388.70	\$ 14,357,106.77	\$ 12,408,163.77	\$ 21,821,390.40	\$ 17,958,369.47	\$ 17,832,348.04	\$ 18,895,893.99	\$ 19,391,852.97	\$ 24,167,417.18	\$ 17,216,710.14	\$ 13,462,401.03	\$ 15,198,650.01	\$ 213,719,692.47
Kern River	\$ 29,528,562.51	\$ 32,146,048.29	\$ 29,804,474.26	\$ 31,709,407.87	\$ 26,557,001.99	\$ 26,471,818.25	\$ 26,633,025.88	\$ 17,317,756.39	\$ 30,410,324.56	\$ 22,055,137.70	\$ 15,543,926.33	\$ 18,632,471.12	\$ 306,809,955.15
Enterprise - Waha	\$ 1,256,993.00	\$ -	\$ 2,268,432.75	\$ 1,236,597.13	\$ 37,200.00	\$ 1,238,424.50	\$ 2,213,525.66	\$ 291,080.63	\$ 1,262,628.02	\$ -	\$ 547,202.50	\$ -	\$ 10,352,084.19
NOVA-AECO/NIT	\$ 6,967,820.69	\$ 7,152,822.87	\$ 6,509,953.29	\$ 4,383,971.84	\$ 5,747,844.28	\$ 5,749,324.82	\$ 6,062,130.19	\$ 5,012,158.02	\$ 5,311,291.57	\$ 4,521,061.88	\$ 2,627,413.68	\$ 2,202,007.42	\$ 62,247,800.55
GTN-Kingsgate	\$ -	\$ -	\$ 312,498.00	\$ 2,655,171.20	\$ 75,640.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 244,028.75	\$ 1,464,115.15	\$ 4,751,453.60
GTN-Stanfield	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (13,476.70)	\$ -	\$ -	\$ -	\$ -	\$ (13,476.70)
GTN-Malin	\$ (123,742.50)	\$ -	\$ -	\$ -	\$ (220,677.50)	\$ (226,581.50)	\$ -	\$ (2,922,392.80)	\$ (53,978.60)	\$ -	\$ -	\$ -	\$ (3,547,372.90)
<b>Total Mainline Purchases</b>	<b>\$ 124,017,062.82</b>	<b>\$ 125,577,272.75</b>	<b>\$ 113,796,244.51</b>	<b>\$ 132,543,092.01</b>	<b>\$ 110,754,492.03</b>	<b>\$ 110,967,259.02</b>	<b>\$ 110,528,917.00</b>	<b>\$ 96,988,969.52</b>	<b>\$ 139,673,227.68</b>	<b>\$ 98,826,296.37</b>	<b>\$ 74,771,005.37</b>	<b>\$ 85,486,452.47</b>	<b>\$ 1,323,930,291.55</b>

\*Net = purchases + Sale

2-1c  
Southern California Gas Company  
Mainline Purchase Summary  
GCIM Year 21

April 1, 2014 through March 31, 2015

	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
El Paso - Permian	\$ 26,196,553.37	\$ 36,607,275.96	\$ 31,592,118.10	\$ 34,696,437.91	\$ 25,958,568.43	\$ 21,610,304.43	\$ 25,542,372.94	\$ 15,731,974.90	\$ 24,581,362.66	\$ 19,633,556.57	\$ 12,730,893.95	\$ 13,607,156.02	\$ 288,488,575.24
El Paso - San Juan	\$ 39,295,722.05	\$ 46,100,259.75	\$ 40,018,332.14	\$ 40,934,053.35	\$ 42,656,500.43	\$ 43,990,340.41	\$ 34,609,386.30	\$ 43,058,340.45	\$ 56,949,267.36	\$ 37,679,841.91	\$ 30,430,935.14	\$ 34,831,373.67	\$ 490,554,352.96
Transwestern - Permian	\$ 1,257,000.00	\$ 1,391,910.11	\$ 1,257,000.00	\$ 1,339,481.17	\$ 1,090,656.50	\$ 1,108,287.10	\$ 1,146,996.30	\$ 1,011,578.63	\$ 1,278,548.60	\$ 910,097.13	\$ 729,394.11	\$ 819,799.24	\$ 13,340,748.89
Transwestern - San Juan	\$ 21,445,484.20	\$ 17,159,506.77	\$ 13,129,908.38	\$ 21,821,390.40	\$ 17,958,369.47	\$ 17,842,482.76	\$ 19,486,405.24	\$ 19,467,152.34	\$ 24,343,904.68	\$ 18,007,642.64	\$ 13,882,355.54	\$ 15,516,295.73	\$ 220,060,898.15
Kern River	\$ 29,528,562.51	\$ 32,146,048.29	\$ 29,804,474.26	\$ 31,709,407.87	\$ 27,141,313.24	\$ 26,471,818.25	\$ 26,670,023.38	\$ 23,987,246.18	\$ 30,706,169.56	\$ 22,070,285.20	\$ 17,162,616.92	\$ 18,687,463.62	\$ 316,085,429.28
Enterprise - Waha	\$ 1,288,575.00	\$ -	\$ 2,676,109.40	\$ 1,373,455.00	\$ 37,200.00	\$ 1,452,465.00	\$ 2,598,661.81	\$ 357,000.00	\$ 1,296,825.52	\$ -	\$ 906,045.00	\$ -	\$ 11,986,336.73
NOVA-AECO/NIT	\$ 7,014,169.26	\$ 9,192,300.44	\$ 6,862,482.57	\$ 7,031,576.02	\$ 5,918,618.42	\$ 6,348,994.28	\$ 6,099,229.52	\$ 7,521,239.79	\$ 5,585,979.64	\$ 5,627,160.76	\$ 3,275,597.88	\$ 3,127,490.38	\$ 73,604,838.96
GTN-Kingsgate	\$ -	\$ -	\$ 312,498.00	\$ 2,655,171.20	\$ 75,640.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 244,028.75	\$ 1,464,115.15	\$ 4,751,453.60
GTN-Stanfield	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GTN-Malin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Mainline Purchases</b>	<b>\$ 126,026,066.39</b>	<b>\$ 142,597,301.32</b>	<b>\$ 125,652,922.85</b>	<b>\$ 141,560,972.92</b>	<b>\$ 120,836,866.99</b>	<b>\$ 118,824,692.23</b>	<b>\$ 116,153,075.49</b>	<b>\$ 111,134,532.29</b>	<b>\$ 144,742,058.02</b>	<b>\$ 103,928,584.21</b>	<b>\$ 79,361,867.29</b>	<b>\$ 88,053,693.81</b>	<b>\$ 1,418,872,633.81</b>

2-1d  
Southern California Gas Company  
Mainline Sale Summary  
GCIM Year 21  
April 1, 2014 through March 31, 2015

	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
El Paso - Permian	\$ (86,927.50)	\$ (2,899,080.70)	\$ (5,330,663.00)	\$ (2,014,050.70)	\$ (4,618,728.75)	\$ (6,656,496.77)	\$ (3,387,281.81)	\$ (300,834.50)	\$ (3,540,297.31)	\$ (1,996,112.56)	\$ (981,757.80)	\$ (793,373.12)	\$ (32,605,604.52)
El Paso - San Juan	\$ (64,380.00)	\$ (7,891,800.45)	\$ (3,772,364.80)	\$ (3,530,412.66)	\$ (4,337,361.89)	\$ (150,510.26)	\$ (238,872.00)	\$ (1,071,955.10)	\$ (614,045.00)	\$ (672,987.50)	\$ (307,057.50)	\$ (115,267.24)	\$ (22,767,014.40)
Transwestern - Permian	\$ (1,219,927.50)	\$ (1,387,269.85)	\$ (1,271,700.00)	\$ (688,955.50)	\$ (150,521.43)	\$ -	\$ (948,260.45)	\$ (517,113.37)	\$ (79,291.36)	\$ (521,008.90)	\$ (256,374.82)	\$ (360,479.80)	\$ (7,400,902.98)
Transwestern - San Juan	\$ (436,095.50)	\$ (2,802,400.00)	\$ (721,744.61)	\$ -	\$ -	\$ (10,134.72)	\$ (590,511.25)	\$ (75,299.37)	\$ (176,487.50)	\$ (790,932.50)	\$ (419,954.51)	\$ (317,645.72)	\$ (6,341,205.68)
Kern River	\$ -	\$ -	\$ -	\$ -	\$ (584,311.25)	\$ -	\$ (36,997.50)	\$ (6,669,489.79)	\$ (295,845.00)	\$ (15,147.50)	\$ (1,618,690.59)	\$ (54,992.50)	\$ (9,275,474.13)
Enterprise - Waha	\$ (31,582.00)	\$ -	\$ (407,676.65)	\$ (136,857.87)	\$ -	\$ (214,040.50)	\$ (385,136.15)	\$ (65,919.37)	\$ (34,197.50)	\$ -	\$ (358,842.50)	\$ -	\$ (1,634,252.54)
NOVA-AECO/NIT	\$ (46,348.57)	\$ (2,039,477.57)	\$ (352,529.28)	\$ (2,647,604.18)	\$ (170,774.14)	\$ (599,669.46)	\$ (37,099.33)	\$ (2,509,081.77)	\$ (274,688.07)	\$ (1,106,098.88)	\$ (648,184.20)	\$ (925,482.96)	\$ (11,357,038.41)
GTN-Kingsgate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GTN-Stanfield	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (13,476.70)	\$ -	\$ -	\$ -	\$ -	\$ (13,476.70)
GTN-Malin	\$ (123,742.50)	\$ -	\$ -	\$ -	\$ (220,677.50)	\$ (226,581.50)	\$ -	\$ (2,922,392.80)	\$ (53,978.60)	\$ -	\$ -	\$ -	\$ (3,547,372.90)
<b>Total Mainline Sales</b>	<b>\$ (2,009,003.57)</b>	<b>\$ (17,020,028.57)</b>	<b>\$ (11,856,678.34)</b>	<b>\$ (9,017,880.91)</b>	<b>\$ (10,082,374.96)</b>	<b>\$ (7,857,433.21)</b>	<b>\$ (5,624,158.49)</b>	<b>\$ (14,145,562.77)</b>	<b>\$ (5,068,830.34)</b>	<b>\$ (5,102,287.84)</b>	<b>\$ (4,590,861.92)</b>	<b>\$ (2,567,241.34)</b>	<b>\$ (94,942,342.26)</b>

2-1e  
Southern California Gas Company  
Net Border and Citygate Purchase Summary  
GCIM Year 21

Purchase	April 1, 2014 through March 31, 2015												Total
	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	
Total Border and Citygate Purchases	\$ 27,233,152.94	\$ 26,675,243.58	\$ 18,402,459.15	\$ 46,503,648.51	\$ 12,902,012.75	\$ 19,273,540.85	\$ 18,481,607.00	\$ 175,739.83	\$ 53,720,410.15	\$ 20,772,589.45	\$ 6,864,853.39	\$ 4,052,904.68	\$ 255,058,162.28
Total Border Sales	\$ (19,283,902.63)	\$ (3,901,368.10)	\$ (22,971,666.72)	\$ (562,470.00)	\$ (20,334,241.33)	\$ (18,542,241.45)	\$ (33,580,852.12)	\$ (50,284,189.02)	\$ (1,475,260.27)	\$ (4,680,272.06)	\$ (10,629,634.14)	\$ (16,992,437.02)	\$ (203,238,534.86)
Net Border and Citygate Purchases	\$ 7,949,250.31	\$ 22,773,875.48	\$ (4,569,207.57)	\$ 45,941,178.51	\$ (7,432,228.58)	\$ 731,299.40	\$ (15,099,245.12)	\$ (50,108,449.19)	\$ 52,245,149.88	\$ 16,092,317.39	\$ (3,764,780.75)	\$ (12,939,532.34)	\$ 51,819,627.42

\*Net = purchases + sale

2-1f  
 Southern California Gas Company  
 Border and Citygate Purchase Summary  
 GCIM Year 21  
 April 1, 2014 through March 31, 2015

Purchase	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
Border Purchase	\$ 8,262,125.19	\$ 11,954,463.19	\$ 14,092,221.15	\$ 16,212,152.78	\$ 10,295,852.06	\$ 16,616,651.85	\$ 8,209,160.88	\$ 175,739.83	\$ 24,245,935.12	\$ 9,554,984.43	\$ 4,002,861.38	\$ 1,283,802.22	\$ 124,905,950.08
SoCal Citygate	\$ 18,971,027.75	\$ 14,720,780.39	\$ 4,310,238.00	\$ 30,291,495.73	\$ 2,606,160.69	\$ 2,656,889.00	\$ 10,272,446.12	\$ -	\$ 29,474,475.03	\$ 11,217,605.02	\$ 2,861,992.01	\$ 2,769,102.46	\$ 130,152,212.20
<b>Total Border and Citygate Purchases</b>	<b>\$ 27,233,152.94</b>	<b>\$ 26,675,243.58</b>	<b>\$ 18,402,459.15</b>	<b>\$ 46,503,648.51</b>	<b>\$ 12,902,012.75</b>	<b>\$ 19,273,540.85</b>	<b>\$ 18,481,607.00</b>	<b>\$ 175,739.83</b>	<b>\$ 53,720,410.15</b>	<b>\$ 20,772,589.45</b>	<b>\$ 6,864,853.39</b>	<b>\$ 4,052,904.68</b>	<b>\$ 255,058,162.28</b>

2-1g  
Southern California Gas Company  
Border and Citygate Sale Summary  
GCIM Year 21  
April 1, 2014 through March 31, 2015

	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
Border Sales \$	(3,454,345) \$	(3,113,044) \$	(6,969,804) \$	(562,470) \$	(11,985,358) \$	(7,943,815) \$	(10,394,020) \$	(8,275,577) \$	(1,475,260) \$	(2,984,809) \$	(4,277,879) \$	(2,156,486) \$	(63,592,868)
SoCal Citygate Sales \$	(15,829,557) \$	(788,324) \$	(15,969,684) \$	- \$	(8,348,884) \$	(10,598,427) \$	(23,186,832) \$	(42,008,612) \$	- \$	(1,695,463) \$	(6,351,755) \$	(14,835,951) \$	(139,613,489)
PG&E- Topock Sales \$	- \$	- \$	(32,178) \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	(32,178)
<b>Total Border and Citygate Sales \$</b>	<b>(19,283,903) \$</b>	<b>(3,901,368) \$</b>	<b>(22,971,667) \$</b>	<b>(562,470) \$</b>	<b>(20,334,241) \$</b>	<b>(18,542,241) \$</b>	<b>(33,580,852) \$</b>	<b>(50,284,189) \$</b>	<b>(1,475,260) \$</b>	<b>(4,680,272) \$</b>	<b>(10,629,634) \$</b>	<b>(16,992,437) \$</b>	<b>(203,238,535)</b>

2-2a  
Southern California Gas Company  
Actual Net Purchase Volume  
GCIM Year 21  
April 1, 2014 through March 31, 2015

	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
<b>Mainline Purchases</b>	29,206,735	31,622,016	29,236,731	32,148,063	32,470,704	30,900,968	31,017,576	32,466,547	34,375,112	34,387,775	30,240,779	33,743,153	381,816,159
<b>Mainline Sales</b>	(440,300)	(3,828,995)	(2,677,205)	(2,255,643)	(2,667,432)	(2,045,732)	(1,554,869)	(3,470,569)	(1,579,098)	(1,800,915)	(1,696,777)	(1,013,092)	(25,030,627)
<b>Net Mainline Purchase Volume</b>	28,766,435	27,793,021	26,559,526	29,892,420	29,803,272	28,855,236	29,462,707	28,995,978	32,796,014	32,586,860	28,544,002	32,730,061	356,785,532
<b>Border and Citygate Purchases</b>	5,867,609	5,610,281	4,006,037	10,320,476	3,134,270	4,682,756	4,830,075	47,853	14,165,694	6,987,210	2,627,082	1,531,023	63,810,366
<b>Border and Citygate Sales</b>	(3,914,575)	(800,763)	(4,673,399)	(120,000)	(4,707,951)	(4,250,394)	(8,031,810)	(12,097,304)	(324,853)	(1,432,758)	(3,590,370)	(5,829,578)	(49,773,755)
<b>Net Border and Citygate Purchase Volume</b>	1,953,034	4,809,518	(667,362)	10,200,476	(1,573,681)	432,362	(3,201,735)	(12,049,451)	13,840,841	5,554,452	(963,288)	(4,298,555)	14,036,611
<b>Net Commodity Purchase Volume</b>	30,719,469	32,602,539	25,892,164	40,092,896	28,229,591	29,287,598	26,260,972	16,946,527	46,636,855	38,141,312	27,580,714	28,431,506	370,822,143

2-2b  
Southern California Gas Company  
Net Mainline Purchase Volume  
GCIM Year 21  
April 1, 2014 through March 31, 2015

	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
<b>Mainline Purchase Total</b>	29,206,735	31,622,016	29,236,731	32,148,063	32,470,704	30,900,968	31,017,576	32,466,547	34,375,112	34,387,775	30,240,779	33,743,153	381,816,159
<b>Mainline Sale Total</b>	(440,300)	(3,828,995)	(2,677,205)	(2,255,643)	(2,667,432)	(2,045,732)	(1,554,869)	(3,470,569)	(1,579,098)	(1,800,915)	(1,696,777)	(1,013,092)	(25,030,627)
<b>Net Mainline Purchase Volume</b>	28,766,435	27,793,021	26,559,526	29,892,420	29,803,272	28,855,236	29,462,707	28,995,978	32,796,014	32,586,860	28,544,002	32,730,061	356,785,532



2-2c  
**Southern California Gas Company**  
**Total Mainline Purchase Volume**  
**GCIM Year 21**  
**April 1, 2014 through March 31, 2015**

	<b>Apr-14</b>	<b>May-14</b>	<b>Jun-14</b>	<b>Jul-14</b>	<b>Aug-14</b>	<b>Sep-14</b>	<b>Oct-14</b>	<b>Nov-14</b>	<b>Dec-14</b>	<b>Jan-15</b>	<b>Feb-15</b>	<b>Mar-15</b>	<b>Total</b>
<b>El Paso - Permian</b>	6,097,892	8,095,989	7,316,095	7,838,744	6,982,940	5,640,456	6,834,119	4,611,335	5,879,856	6,477,927	4,825,554	5,195,514	75,796,421
<b>El Paso - San Juan</b>	9,178,659	10,234,122	9,387,690	9,284,429	11,453,852	11,372,249	9,307,567	12,580,580	13,412,506	12,459,305	11,527,691	13,281,122	133,479,772
<b>Transwestern - Permian</b>	300,000	311,530	300,000	309,349	298,810	289,370	309,999	299,727	303,333	305,915	278,927	309,943	3,616,903
<b>Transwestern - San Juan</b>	4,957,893	3,775,766	3,049,014	4,922,615	4,775,894	4,580,019	5,161,896	5,626,324	5,710,358	5,920,978	5,243,621	5,853,967	59,578,345
<b>Kern River</b>	6,762,900	7,119,028	6,899,993	7,140,097	7,278,961	6,892,150	7,066,918	6,906,261	7,091,005	7,114,005	6,415,539	7,076,323	83,763,180
<b>Enterprise - Waha</b>	300,000	-	599,890	310,000	10,000	378,000	671,100	105,000	309,136	-	345,000	-	3,028,126
<b>NOVA-AECO/NIT</b>	1,609,391	2,085,581	1,612,049	1,663,029	1,650,247	1,748,724	1,665,977	2,337,320	1,668,918	2,109,645	1,499,447	1,373,384	21,023,712
<b>GTN-Kingsgate</b>	-	-	72,000	679,800	20,000	-	-	-	-	-	105,000	652,900	1,529,700
<b>GTN-Stanfield</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>GTN-Malin</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Mainline Purchase Volume</b>	<b>29,206,735</b>	<b>31,622,016</b>	<b>29,236,731</b>	<b>32,148,063</b>	<b>32,470,704</b>	<b>30,900,968</b>	<b>31,017,576</b>	<b>32,466,547</b>	<b>34,375,112</b>	<b>34,387,775</b>	<b>30,240,779</b>	<b>33,743,153</b>	<b>381,816,159</b>

2-2d  
Southern California Gas Company  
Total Mainline Sale Volume  
GCIM Year 21  
April 1, 2014 through March 31, 2015

	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
El Paso - Permian	(19,500)	(678,431)	(1,211,600)	(492,200)	(1,240,000)	(1,740,744)	(939,670)	(78,420)	(1,115,877)	(698,209)	(366,847)	(286,411)	(8,867,909)
El Paso - San Juan	(14,500)	(1,778,298)	(840,245)	(859,648)	(1,142,498)	(39,643)	(72,000)	(274,522)	(193,800)	(185,000)	(118,500)	(42,298)	(5,560,952)
Transwestern - Permian	(276,600)	(311,530)	(300,000)	(174,350)	(39,337)	-	(263,899)	(129,754)	(23,333)	(189,965)	(110,086)	(148,100)	(1,966,954)
Transwestern - San Juan	(97,600)	(620,000)	(164,953)	-	-	(2,592)	(155,000)	(18,297)	(50,000)	(227,700)	(139,999)	(110,617)	(1,586,758)
Kern River	-	-	-	-	(155,000)	-	(10,000)	(1,535,300)	(80,000)	(5,000)	(545,144)	(20,000)	(2,350,444)
Enterprise - Waha	(7,100)	-	(89,320)	(32,900)	-	(55,200)	(114,300)	(16,000)	(10,000)	-	(136,500)	-	(461,320)
NOVA-AECO/NIT	-	(440,736)	(71,087)	(696,545)	(34,692)	(155,253)	-	(741,476)	(92,888)	(495,041)	(279,701)	(405,666)	(3,413,085)
GTN-Kingsgate	-	-	-	-	-	-	-	-	-	-	-	-	-
GTN-Stanfield	-	-	-	-	-	-	-	(2,900)	-	-	-	-	(2,900)
GTN-Malin	(25,000)	-	-	-	(55,905)	(52,300)	-	(673,900)	(13,200)	-	-	-	(820,305)
<b>Total Mainline Sale Volume</b>	<b>(440,300)</b>	<b>(3,828,995)</b>	<b>(2,677,205)</b>	<b>(2,255,643)</b>	<b>(2,667,432)</b>	<b>(2,045,732)</b>	<b>(1,554,869)</b>	<b>(3,470,569)</b>	<b>(1,579,098)</b>	<b>(1,800,915)</b>	<b>(1,696,777)</b>	<b>(1,013,092)</b>	<b>(25,030,627)</b>

2-2e  
 Southern California Gas Company  
 Total Border and Citygate Purchase Volume  
 GCIM Year 21  
 April 1, 2014 through March 31, 2015

	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
<b>Border Purchases</b>	1,829,974	2,578,563	3,090,737	3,577,999	2,514,711	4,053,556	2,081,865	47,853	6,548,368	3,337,404	1,538,196	518,045	31,717,271
<b>SoCal Citygate Purchases</b>	4,037,635	3,031,718	915,300	6,742,477	619,559	629,200	2,748,210	-	7,617,326	3,649,806	1,088,886	1,012,978	32,093,095
<b>PG&amp;E Topock</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Border and Citygate Purchases</b>	<b>5,867,609</b>	<b>5,610,281</b>	<b>4,006,037</b>	<b>10,320,476</b>	<b>3,134,270</b>	<b>4,682,756</b>	<b>4,830,075</b>	<b>47,853</b>	<b>14,165,694</b>	<b>6,987,210</b>	<b>2,627,082</b>	<b>1,531,023</b>	<b>63,810,366</b>

2-2f  
Southern California Gas Company  
Actual Total Border and Citygate Sale Volume  
GCIM Year 21

April 1, 2014 through March 31, 2015

	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
<b>Border Sales</b>	(719,998)	(641,925)	(1,472,528)	(120,000)	(2,808,889)	(1,863,995)	(2,568,339)	(1,938,489)	(324,853)	(925,658)	(1,475,870)	(753,481)	(15,614,025)
<b>Socal Citygate Sales</b>	(3,194,577)	(158,838)	(3,193,936)	-	(1,899,062)	(2,386,399)	(5,463,471)	(10,158,815)	-	(507,100)	(2,114,500)	(5,076,097)	(34,152,795)
<b>PG&amp;E Topock Sales</b>	-	-	(6,935)	-	-	-	-	-	-	-	-	-	(6,935)
<b>Total Border and Citygate Sales</b>	<b>(3,914,575)</b>	<b>(800,763)</b>	<b>(4,673,399)</b>	<b>(120,000)</b>	<b>(4,707,951)</b>	<b>(4,250,394)</b>	<b>(8,031,810)</b>	<b>(12,097,304)</b>	<b>(324,853)</b>	<b>(1,432,758)</b>	<b>(3,590,370)</b>	<b>(5,829,578)</b>	<b>(49,773,755)</b>

2-2g  
Southern California Gas Company  
Net Border and Citygate Purchase Volume  
GCIM Year 21  
April 1, 2014 through March 31, 2015

	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
<b>Border Purchases</b>	1,829,974	2,578,563	3,090,737	3,577,999	2,514,711	4,053,556	2,081,865	47,853	6,548,368	3,337,404	1,538,196	518,045	31,717,271
<b>Border Sale</b>	(719,998)	(641,925)	(1,472,528)	(120,000)	(2,808,889)	(1,863,995)	(2,568,339)	(1,938,489)	(324,853)	(925,658)	(1,475,870)	(753,481)	(15,614,025)
<b>Net Border Purchases</b>	1,109,976	1,936,638	1,618,209	3,457,999	(294,178)	2,189,561	(486,474)	(1,890,636)	6,223,515	2,411,746	62,326	(235,436)	16,103,246
<b>SoCal Citygate Purchases</b>	4,037,635	3,031,718	915,300	6,742,477	619,559	629,200	2,748,210	-	7,617,326	3,649,806	1,088,886	1,012,978	32,093,095
<b>SoCal Citygate Sales</b>	(3,194,577)	(158,838)	(3,193,936)	-	(1,899,062)	(2,386,399)	(5,463,471)	(10,158,815)	-	(507,100)	(2,114,500)	(5,076,097)	(34,152,795)
<b>Net SoCal Citygate Purchases</b>	843,058	2,872,880	(2,278,636)	6,742,477	(1,279,503)	(1,757,199)	(2,715,261)	(10,158,815)	7,617,326	3,142,706	(1,025,614)	(4,063,119)	(2,059,700)
<b>PG&amp;E Topock Purchases</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>PG&amp;E Topock Sales</b>	-	-	(6,935)	-	-	-	-	-	-	-	-	-	(6,935)
<b>PG&amp;E Topock Purchases</b>	-	-	(6,935)	-	-	-	-	-	-	-	-	-	(6,935)
<b>Total Border and Citygate Purchases</b>	1,953,034	4,809,518	(667,362)	10,200,476	(1,573,681)	432,362	(3,201,735)	(12,049,451)	13,840,841	5,554,452	(963,288)	(4,298,555)	14,036,611

2-3a

Southern California Gas Company  
Secondary Market Service Revenue  
GCIM Year 21

April 1, 2014 through March 31, 2015

	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
Secondary Market Service Revenue	525,971	350,907	192,622	(21,664)	518,063	226,648	371,760	1,023,682	58,816	2,338,150	2,789,750	1,311,211	9,685,915
Overhead Cost	(68,091)	(70,613)	(314,607)	(69,875)	(68,945)	(88,970)	(154,078)	(61,029)	(65,752)	(50,624)	(58,329)	(162,434)	(1,233,349)
Net Secondary Market Service Revenue	457,880	280,294	(121,985)	(91,539)	449,118	137,678	217,682	962,652	(6,937)	2,287,526	2,731,421	1,148,777	8,452,567

**2-3b**  
**Southern California Gas Company**  
**Total Financial Derivatives Summary**  
**GCIM Year 21**  
**April 1, 2014 through March 31, 2015**

	<b>NYMEX &amp; OTC Cleared Losses/(Gains)</b>	<b>NYMEX &amp; OTC Clear Transaction Costs</b>	<b>OTC Swap Transaction Cost</b>	<b>Total Financial Cost/(Gain)</b>
<b>Apr-14</b>	(2,500.00)	1,526.79	537.50	(435.71)
<b>May-14</b>	(4,112.50)	4,448.53	1,397.50	1,733.53
<b>Jun-14</b>	67,912.50	1,288.56	77.50	69,278.56
<b>Jul-14</b>	50,776.50	323.58	-	51,100.08
<b>Aug-14</b>	(40,300.00)	(58.48)	-	(40,358.48)
<b>Sep-14</b>	(39,000.00)	-	-	(39,000.00)
<b>Oct-14</b>	336,237.50	4,299.45	500.00	341,036.95
<b>Nov-14</b>	(150,725.00)	3,174.24	718.75	(146,832.01)
<b>Dec-14</b>	221,030.50	7,067.61	1,483.13	229,581.24
<b>Jan-15</b>	44,725.00	1,242.06	-	45,967.06
<b>Feb-15</b>	(59,199.50)	267.77	-	(58,931.73)
<b>Mar-15</b>	558.75	35.55	-	594.30
<b>Total</b>	425,403.75	23,615.66	4,714.38	453,733.79

2-3c  
Southern California Gas Company  
Hedge Summary  
GCIM Year 21  
April 1, 2014 through March 31, 2015

Non-Winter Hedge							25% Winter Hedge									
NYMEX Option		OTC Cleared Swaps		OTC Clear Option		Exchange Traded Broker Fee	Financial Swap Broker Fee	NYMEX Option		OTC Cleared Swaps		OTC Clear Option		Exchanged Traded Broker Fee	Financial Swap Broker Fee	Total
Premiums (Gain)/Loss	(Gain)/Loss	Premiums (Gain)/Loss	Future (Gain)/Loss	Premiums (Gain)/Loss	Future (Gain)/Loss			Premiums (Gain)/Loss	Swaps (Gain)/Loss	Premiums (Gain)/Loss	Future (Gain)/Loss	Premiums (Gain)/Loss	Swaps (Gain)/Loss			
Apr-14	\$ -	\$ (2,500.00)	\$ -	\$ -	\$ -	\$ 1,526.79	\$ 537.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (435.71)
May-14	\$ -	\$ (4,112.50)	\$ -	\$ -	\$ -	\$ 4,448.53	\$ 1,397.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,733.53
Jun-14	\$ -	\$ 148,462.50	\$ -	\$ (80,550.00)	\$ -	\$ 1,288.56	\$ 77.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,278.56
Jul-14	\$ -	\$ 211,126.50	\$ -	\$ (160,350.00)	\$ -	\$ 323.58	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,100.08
Aug-14	\$ -	\$ (40,300.00)	\$ -	\$ -	\$ -	\$ (58.48)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (40,358.48)
Sep-14	\$ -	\$ (39,000.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (39,000.00)
Oct-14	\$ -	\$ (387.50)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 223,375.00	\$ 113,250.00	\$ -	\$ -	\$ -	\$ -	\$ 4,299.45	\$ 500.00	\$ 341,036.95
Nov-14	\$ -	\$ (40,350.00)	\$ -	\$ -	\$ -	\$ 185.28	\$ -	\$ (52,500.00)	\$ (57,875.00)	\$ -	\$ -	\$ -	\$ -	\$ 2,988.96	\$ 718.75	\$ (146,832.01)
Dec-14	\$ 27,000.00	\$ -	\$ -	\$ -	\$ -	\$ 1,346.40	\$ -	\$ (13,250.00)	\$ (18,827.50)	\$ 207,375.00	\$ 18,733.00	\$ -	\$ 18,733.00	\$ 5,721.21	\$ 1,483.13	\$ 229,581.24
Jan-15	\$ -	\$ 5,045.00	\$ -	\$ (39,300.00)	\$ -	\$ 756.96	\$ -	\$ (6,625.00)	\$ 328,170.00	\$ -	\$ (242,565.00)	\$ -	\$ (242,565.00)	\$ 485.10	\$ -	\$ 45,967.06
Feb-15	\$ -	\$ (23,912.50)	\$ -	\$ (26,800.00)	\$ -	\$ 100.46	\$ -	\$ -	\$ (171,705.00)	\$ -	\$ 163,218.00	\$ -	\$ 163,218.00	\$ 167.31	\$ -	\$ (58,931.73)
Mar-15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35.55	\$ -	\$ -	\$ (163,761.25)	\$ -	\$ 164,320.00	\$ -	\$ 164,320.00	\$ -	\$ -	\$ 594.30
<b>Total</b>	<b>\$ 27,000.00</b>	<b>\$ 214,071.50</b>	<b>\$ -</b>	<b>\$ (307,000.00)</b>	<b>\$ -</b>	<b>\$ 9,953.63</b>	<b>\$ 2,012.50</b>	<b>\$ 151,000.00</b>	<b>\$ 29,251.25</b>	<b>\$ 207,375.00</b>	<b>\$ 103,706.00</b>	<b>\$ -</b>	<b>\$ 103,706.00</b>	<b>\$ 13,662.03</b>	<b>\$ 2,701.88</b>	<b>\$ 453,733.79</b>

Non-Winter Hedge:	A+B+C+D	(65,928.50)
Non-Winter Transaction Cost:	E+F	11,966.13
		(53,962.37)
Winter Hedge:	G+H+I+J	491,332.25
Winter Hedge Transaction Cost:	K+L	16,363.91
		507,696.16
Financial Cost Total Included in GCIM:		453,733.79



**2-4a**  
**Southern California Gas Company**  
**Benchmark Cost Summary**  
**GCIM Year 21**  
**April 1, 2014 through March 31, 2015**

	<b>Benchmark Commodity Cost</b>	<b>Transportation Cost</b>	<b>Reservation Charge</b>	<b>Total Benchmark Cost</b>
<b>Apr-14</b>	\$ 133,289,735.52	\$ 613,899.70	\$ 14,059,976.21	\$ 147,963,611.43
<b>May-14</b>	\$ 149,037,484.65	\$ 605,776.51	\$ 14,320,100.96	\$ 163,963,362.12
<b>Jun-14</b>	\$ 111,055,008.50	\$ 578,079.39	\$ 13,832,169.55	\$ 125,465,257.44
<b>Jul-14</b>	\$ 181,742,495.69	\$ 635,948.91	\$ 15,090,009.01	\$ 197,468,453.61
<b>Aug-14</b>	\$ 104,313,048.34	\$ 637,001.44	\$ 14,483,977.94	\$ 119,434,027.72
<b>Sep-14</b>	\$ 112,555,347.01	\$ 617,043.82	\$ 14,421,793.62	\$ 127,594,184.45
<b>Oct-14</b>	\$ 97,176,049.97	\$ 628,839.63	\$ 14,865,085.69	\$ 112,669,975.29
<b>Nov-14</b>	\$ 53,911,715.89	\$ 667,114.31	\$ 14,966,131.27	\$ 69,544,961.47
<b>Dec-14</b>	\$ 203,511,123.05	\$ 724,163.94	\$ 16,707,346.24	\$ 220,942,633.23
<b>Jan-15</b>	\$ 117,808,816.01	\$ 715,188.89	\$ 16,309,148.66	\$ 134,833,153.56
<b>Feb-15</b>	\$ 72,782,220.17	\$ 634,956.29	\$ 15,019,701.63	\$ 88,436,878.09
<b>Mar-15</b>	\$ 73,676,054.62	\$ 720,023.52	\$ 15,772,516.67	\$ 90,168,594.81
<b>Total</b>	\$ 1,410,859,099.42	\$ 7,778,036.35	\$ 179,847,957.45	\$ 1,598,485,093.22

2-4b  
Southern California Gas Company  
Benchmark Commodity Costs  
GCIM Year 21  
April 1, 2014 through March 31, 2015

	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
Mainline Benchmark Commodity Cost	\$ 124,270,999.20	\$ 125,613,337.71	\$ 114,625,602.31	\$ 132,402,495.91	\$ 111,109,578.34	\$ 111,049,375.75	\$ 110,691,390.20	\$ 99,615,682.42	\$ 139,960,269.35	\$ 99,425,768.55	\$ 75,644,459.70	\$ 86,191,342.64	\$ 1,330,600,302.08
Border Commodity Cost	\$ 5,022,641.40	\$ 9,160,297.74	\$ 7,387,124.09	\$ 16,200,725.32	\$ (1,217,896.92)	\$ 9,272,790.84	\$ (1,948,328.37)	\$ (6,948,087.30)	\$ 28,130,287.80	\$ 7,886,409.42	\$ 173,577.91	\$ (650,980.54)	\$ 72,468,561.39
Citygate Commodity Cost	\$ 3,996,094.92	\$ 14,263,849.20	\$ (10,926,059.62)	\$ 33,139,274.46	\$ (5,578,633.08)	\$ (7,766,819.58)	\$ (11,567,011.86)	\$ (38,755,879.23)	\$ 35,420,565.90	\$ 10,496,638.04	\$ (3,035,817.44)	\$ (11,864,307.48)	\$ 7,821,894.23
PG&E Topock Commodity Cost	\$ -	\$ -	\$ (31,658.28)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (31,658.28)
<b>Total Benchmark Commodity Costs</b>	<b>\$ 133,289,735.52</b>	<b>\$ 149,037,484.65</b>	<b>\$ 111,055,008.50</b>	<b>\$ 181,742,495.69</b>	<b>\$ 104,313,048.34</b>	<b>\$ 112,555,347.01</b>	<b>\$ 97,176,049.97</b>	<b>\$ 53,911,715.89</b>	<b>\$ 203,511,123.05</b>	<b>\$ 117,808,816.01</b>	<b>\$ 72,782,220.17</b>	<b>\$ 73,676,054.62</b>	<b>\$ 1,410,859,099.42</b>

2-5  
Southern California Gas Company  
Reservation Charges  
GCIM Year 21

	April 1, 2014 through March 31, 2015												
	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
El Paso	\$ 5,083,333.67	\$ 5,129,213.43	\$ 5,083,450.63	\$ 5,083,449.20	\$ 5,083,333.67	\$ 5,090,434.63	\$ 5,087,049.21	\$ 5,586,736.73	\$ 5,628,578.28	\$ 5,700,290.04	\$ 5,625,994.91	\$ 5,596,066.30	\$ 63,777,930.70
Transwestern	\$ 1,263,000.00	\$ 1,305,100.00	\$ 1,263,000.00	\$ 1,305,100.00	\$ 1,305,100.00	\$ 1,263,000.00	\$ 1,305,100.00	\$ 1,495,500.00	\$ 1,545,350.00	\$ 1,545,350.00	\$ 1,395,800.00	\$ 1,482,576.74	\$ 16,473,976.74
Kern River	\$ 2,421,267.60	\$ 2,501,976.52	\$ 2,421,267.60	\$ 2,501,976.52	\$ 2,501,976.52	\$ 2,421,267.60	\$ 2,501,976.52	\$ 2,421,267.60	\$ 2,501,976.52	\$ 2,501,976.52	\$ 2,259,849.76	\$ 2,501,976.52	\$ 29,458,755.80
<b>Nova (A)</b>	\$ 242,699.79	\$ 244,887.24	\$ 246,301.08	\$ 248,408.50	\$ 244,113.63	\$ 242,246.30	\$ 237,924.76	\$ 235,523.90	\$ 231,309.07	\$ 228,690.11	\$ 221,652.64	\$ 219,546.94	\$ 2,843,303.96
<b>Foothills (B)</b>	\$ 134,584.70	\$ 135,797.71	\$ 136,581.73	\$ 137,750.36	\$ 135,368.72	\$ 134,333.23	\$ 131,936.80	\$ 130,605.45	\$ 128,268.19	\$ 122,154.47	\$ 118,395.41	\$ 117,270.66	\$ 1,563,047.43
<b>GTN (C)</b>	\$ 542,230.81	\$ 560,305.18	\$ 542,230.81	\$ 560,305.18	\$ 560,305.18	\$ 542,230.81	\$ 560,305.18	\$ 542,230.81	\$ 560,305.18	\$ 560,305.18	\$ 506,082.09	\$ 560,305.18	\$ 6,597,141.59
<b>PG&amp;E (D)</b>	\$ 288,710.76	\$ 288,710.76	\$ 288,710.76	\$ 288,710.76	\$ 288,710.76	\$ 286,258.69	\$ 288,710.76	\$ 288,710.76	\$ 288,710.76	\$ 288,710.76	\$ 288,710.76	\$ 288,710.76	\$ 3,462,077.05
<b>Canadian Path (A)+(B)+(C)+(D)</b>	\$ 1,208,226.06	\$ 1,229,700.89	\$ 1,213,824.38	\$ 1,235,174.80	\$ 1,228,498.29	\$ 1,205,069.03	\$ 1,218,877.50	\$ 1,197,070.92	\$ 1,208,593.20	\$ 1,199,860.52	\$ 1,134,840.90	\$ 1,185,833.54	\$ 14,465,570.03
Mojave	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Northwest Pipeline	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Backbone Transportation Service Charges	\$ 4,084,148.88	\$ 4,154,110.12	\$ 3,850,626.94	\$ 4,964,308.49	\$ 4,365,069.46	\$ 4,442,022.36	\$ 4,752,082.46	\$ 4,265,556.02	\$ 5,822,848.24	\$ 5,361,671.58	\$ 4,603,216.06	\$ 5,006,063.57	\$ 55,671,724.18
<b>Total Reservation Charges</b>	<b>\$ 14,059,976.21</b>	<b>\$ 14,320,100.96</b>	<b>\$ 13,832,169.55</b>	<b>\$ 15,090,009.01</b>	<b>\$ 14,483,977.94</b>	<b>\$ 14,421,793.62</b>	<b>\$ 14,865,085.69</b>	<b>\$ 14,966,131.27</b>	<b>\$ 16,707,346.24</b>	<b>\$ 16,309,148.66</b>	<b>\$ 15,019,701.63</b>	<b>\$ 15,772,516.67</b>	<b>\$ 179,847,957.45</b>

2-6  
Southern California Gas Company  
Transportation Charges  
GCIM Year 21  
April 1, 2014 through March 31, 2015

	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
<b>El Paso</b>	\$ 498,264.07	\$ 509,096.83	\$ 486,307.78	\$ 514,716.00	\$ 515,225.79	\$ 498,894.50	\$ 506,166.84	\$ 546,216.43	\$ 589,915.80	\$ 583,135.35	\$ 519,271.53	\$ 586,182.67	\$ 6,353,393.59
<b>Transwestern</b>	\$ 59,168.70	\$ 38,081.26	\$ 34,783.12	\$ 62,314.59	\$ 63,213.26	\$ 61,458.40	\$ 62,415.54	\$ 72,453.91	\$ 75,476.63	\$ 72,328.64	\$ 66,243.06	\$ 73,937.12	\$ 741,874.23
<b>Kern River</b>	\$ 33,840.53	\$ 35,370.48	\$ 34,272.65	\$ 35,475.51	\$ 35,462.03	\$ 34,337.47	\$ 36,460.89	\$ 27,983.73	\$ 36,356.44	\$ 36,685.03	\$ 30,431.50	\$ 36,637.34	\$ 413,313.60
<b>Canadian Path</b>	\$ 22,626.40	\$ 23,227.94	\$ 22,715.84	\$ 23,442.81	\$ 23,100.36	\$ 22,353.45	\$ 23,796.36	\$ 20,460.24	\$ 22,415.07	\$ 23,039.87	\$ 19,010.20	\$ 23,266.39	\$ 269,454.93
<b>ETP</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Mojave</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	\$ 613,899.70	\$ 605,776.51	\$ 578,079.39	\$ 635,948.91	\$ 637,001.44	\$ 617,043.82	\$ 628,839.63	\$ 667,114.31	\$ 724,163.94	\$ 715,188.89	\$ 634,956.29	\$ 720,023.52	\$ 7,778,036.35

**2-7**  
**Southern California Gas Company**  
**Benchmark Spot Prices**  
**GCIM Year 21**  
**April 1, 2014 through March 31, 2015**

\* Publications for each spot prices are reviewed.

## Southern California Gas Company

## Core Capacity Utilization

GCIM Year 21

April 1, 2014 through March 31, 2015

	Core Capacity	Nominated Capacity	Unutilized Capacity	Capacity Utilization Percentage	Nominated Capacity	Actual Volume Delivered	Capacity Cut
El Paso Natural Gas Company	195,826,217	193,045,693	2,780,524	99%	193,045,693	191,919,001	1,126,692
Foothills Pipelines Ltd	19,644,264	17,457,221	2,187,043	89%	17,457,221	17,432,747	24,474
Gas Trans Northwest Corp	19,165,420	18,723,197	442,223	98%	18,723,197	18,696,200	26,997
Kern River Gas Transmission Company	81,925,310	79,693,662	2,231,648	97%	79,693,662	79,497,308	196,354
Nova Gas Trans Ltd	19,804,091	17,759,119	2,044,972	90%	17,759,119	17,759,119	-
Pacific Gas & Electric	18,955,180	17,741,178	1,214,002	94%	17,741,178	17,711,918	29,260
Transwesten Pipeline Company	106,881,000	94,871,566	12,009,434	89%	94,871,566	94,610,907	260,659
<b>Total</b>	<b>462,201,482</b>	<b>439,291,636</b>	<b>22,909,846</b>	<b>95%</b>	<b>439,291,636</b>	<b>437,627,200</b>	<b>1,664,436</b>

2-8a  
**Southern California Gas Company**  
**Core Capacity Utilization - El Paso Natural Gas Company**  
**GCIM Year 21**  
**April 1, 2014 through March 31, 2015**

**El Paso Natural Gas Company**

	<b>Core Capacity</b>	<b>Nominated Capacity</b>	<b>Unutilized Capacity</b>	<b>Capacity Utilization Percentage</b>	<b>Nominated Capacity</b>	<b>Actual Volume Delivered</b>	<b>Capacity Cut</b>
<b>Apr-14</b>	15,186,240	15,181,363	4,877	100%	15,181,363	15,098,897	82,466
<b>May-14</b>	15,692,448	15,577,907	114,541	99%	15,577,907	15,427,174	150,733
<b>Jun-14</b>	15,186,240	14,800,346	385,894	97%	14,800,346	14,736,597	63,749
<b>Jul-14</b>	15,692,448	15,618,272	74,176	100%	15,618,272	15,597,440	20,832
<b>Aug-14</b>	15,692,448	15,692,141	307	100%	15,692,141	15,612,902	79,239
<b>Sep-14</b>	15,186,240	15,186,724	(484)	100%	15,186,724	15,118,004	68,720
<b>Oct-14</b>	15,692,448	15,341,408	351,040	98%	15,341,408	15,245,997	95,411
<b>Nov-14</b>	17,383,650	16,602,273	781,377	96%	16,602,273	16,452,304	149,969
<b>Dec-14</b>	17,963,105	17,864,515	98,590	99%	17,864,515	17,768,545	95,970
<b>Jan-15</b>	17,963,105	17,728,693	234,412	99%	17,728,693	17,564,317	164,376
<b>Feb-15</b>	16,224,740	15,752,502	472,238	97%	15,752,502	15,640,713	111,789
<b>Mar-15</b>	17,963,105	17,699,549	263,556	99%	17,699,549	17,656,111	43,438
<b>Total</b>	<b>195,826,217</b>	<b>193,045,693</b>	<b>2,780,524</b>	<b>99%</b>	<b>193,045,693</b>	<b>191,919,001</b>	<b>1,126,692</b>

**2-8b**  
**Southern California Gas Company**  
**Core Capacity Utilization- Foothills Pipelines Ltd**  
**GCIM Year 21**  
**April 1, 2014 through March 31, 2015**

**Foothills Pipelines Ltd**

	<b>Core Capacity</b>	<b>Nominated Capacity</b>	<b>Unutilized Capacity</b>	<b>Capacity Utilization Percentage</b>	<b>Nominated Capacity</b>	<b>Actual Volume Delivered</b>	<b>Capacity Cut</b>
<b>Apr-14</b>	1,614,597	1,593,330	21,267	99%	1,593,330	1,593,328	2
<b>May-14</b>	1,668,417	1,628,912	39,505	98%	1,628,912	1,628,424	488
<b>Jun-14</b>	1,614,597	1,522,486	92,111	94%	1,522,486	1,522,486	-
<b>Jul-14</b>	1,668,417	961,454	706,963	58%	961,454	960,640	814
<b>Aug-14</b>	1,668,417	1,613,380	55,037	97%	1,613,380	1,609,034	4,346
<b>Sep-14</b>	1,614,597	1,590,824	23,773	99%	1,590,824	1,580,827	9,997
<b>Oct-14</b>	1,668,417	1,647,585	20,832	99%	1,647,585	1,647,585	-
<b>Nov-14</b>	1,614,597	1,578,803	35,794	98%	1,578,803	1,578,222	581
<b>Dec-14</b>	1,668,417	1,553,139	115,278	93%	1,553,139	1,552,232	907
<b>Jan-15</b>	1,668,417	1,592,220	76,197	95%	1,592,220	1,592,221	(1)
<b>Feb-15</b>	1,506,957	1,215,117	291,840	81%	1,215,117	1,208,753	6,364
<b>Mar-15</b>	1,668,417	959,971	708,446	58%	959,971	958,995	976
<b>Total</b>	<b>19,644,264</b>	<b>17,457,221</b>	<b>2,187,043</b>	<b>89%</b>	<b>17,457,221</b>	<b>17,432,747</b>	<b>24,474</b>



2-8c  
Southern California Gas Company  
Core Capacity Utilization - Gas Trans Northwest Corp  
GCIM Year 21  
April 1, 2014 through March 31, 2015

---

**Gas Trans Northwest Corp**

---

	<b>Core Capacity</b>	<b>Nominated Capacity</b>	<b>Unutilized Capacity</b>	<b>Capacity Utilization Percentage</b>	<b>Nominated Capacity</b>	<b>Actual Volume Delivered</b>	<b>Capacity Cut</b>
<b>Apr-14</b>	1,575,240	1,569,901	5,339	100%	1,569,901	1,569,901	-
<b>May-14</b>	1,627,748	1,605,971	21,777	99%	1,605,971	1,605,491	480
<b>Jun-14</b>	1,575,240	1,570,094	5,146	100%	1,570,094	1,570,094	-
<b>Jul-14</b>	1,627,748	1,620,510	7,238	100%	1,620,510	1,620,341	169
<b>Aug-14</b>	1,627,748	1,614,372	13,376	99%	1,614,372	1,610,078	4,294
<b>Sep-14</b>	1,575,240	1,570,934	4,306	100%	1,570,934	1,557,587	13,347
<b>Oct-14</b>	1,627,748	1,622,354	5,394	100%	1,622,354	1,622,354	-
<b>Nov-14</b>	1,575,240	1,556,582	18,658	99%	1,556,582	1,556,008	574
<b>Dec-14</b>	1,627,748	1,532,192	95,556	94%	1,532,192	1,531,299	893
<b>Jan-15</b>	1,627,748	1,570,777	56,971	97%	1,570,777	1,570,777	-
<b>Feb-15</b>	1,470,224	1,302,328	167,896	89%	1,302,328	1,296,049	6,279
<b>Mar-15</b>	1,627,748	1,587,182	40,566	98%	1,587,182	1,586,221	961
<b>Total</b>	<b>19,165,420</b>	<b>18,723,197</b>	<b>442,223</b>	<b>98%</b>	<b>18,723,197</b>	<b>18,696,200</b>	<b>26,997</b>

2-8d

Southern California Gas Company  
Core Capacity Utilization - Kern River Gas Trans

GCIM Year 21

April 1, 2014 through March 31, 2015

Kern River Gas Trans

	Core Capacity	Nominated Capacity	Unutilized Capacity	Capacity Utilization Percentage	Nominated Capacity	Actual Volume Delivered	Capacity Cut
<b>Apr-14</b>	6,735,600	6,717,198	18,402	100%	6,717,198	6,641,729	75,469
<b>May-14</b>	6,956,090	6,944,404	11,686	100%	6,944,404	6,933,718	10,686
<b>Jun-14</b>	6,732,300	6,718,200	14,100	100%	6,718,200	6,718,193	7
<b>Jul-14</b>	6,958,570	6,957,516	1,054	100%	6,957,516	6,952,253	5,263
<b>Aug-14</b>	6,958,880	6,956,077	2,803	100%	6,956,077	6,950,197	5,880
<b>Sep-14</b>	6,737,100	6,732,240	4,860	100%	6,732,240	6,730,446	1,794
<b>Oct-14</b>	6,953,610	6,905,972	47,638	99%	6,905,972	6,881,202	24,770
<b>Nov-14</b>	6,736,200	5,244,782	1,491,418	78%	5,244,782	5,236,270	8,512
<b>Dec-14</b>	6,959,810	6,865,074	94,736	99%	6,865,074	6,861,511	3,563
<b>Jan-15</b>	6,955,160	6,935,178	19,982	100%	6,935,178	6,920,622	14,556
<b>Feb-15</b>	6,284,040	5,791,570	492,470	92%	5,791,570	5,757,652	33,918
<b>Mar-15</b>	6,957,950	6,925,451	32,499	100%	6,925,451	6,913,515	11,936
<b>Total</b>	81,925,310	79,693,662	2,231,648	97%	79,693,662	79,497,308	196,354

**2-8e**  
**Southern California Gas Company**  
**Core Capacity Utilization - NOVA Gas Trans Ltd**  
**GCIM Year 21**  
**April 1, 2014 through March 31, 2015**

**NOVA Gas Trans Ltd**

	<b>Core Capacity</b>	<b>Nominated Capacity</b>	<b>Unutilized Capacity</b>	<b>Capacity Utilization Percentage</b>	<b>Nominated Capacity</b>	<b>Actual Volume Delivered</b>	<b>Capacity Cut</b>
<b>Apr-14</b>	1,627,734	1,609,393	18,341	99%	1,609,393	1,609,393	-
<b>May-14</b>	1,681,991	1,644,842	37,149	98%	1,644,842	1,644,842	-
<b>Jun-14</b>	1,627,734	1,540,961	86,773	95%	1,540,961	1,540,961	-
<b>Jul-14</b>	1,681,991	967,342	714,649	58%	967,342	967,342	-
<b>Aug-14</b>	1,681,991	1,626,139	55,852	97%	1,626,139	1,626,139	-
<b>Sep-14</b>	1,627,734	1,606,580	21,154	99%	1,606,580	1,606,580	-
<b>Oct-14</b>	1,681,991	1,665,978	16,013	99%	1,665,978	1,665,978	-
<b>Nov-14</b>	1,627,734	1,612,236	15,498	99%	1,612,236	1,612,236	-
<b>Dec-14</b>	1,681,991	1,611,684	70,307	96%	1,611,684	1,611,684	-
<b>Jan-15</b>	1,681,991	1,669,153	12,838	99%	1,669,153	1,669,153	-
<b>Feb-15</b>	1,519,218	1,226,095	293,123	81%	1,226,095	1,226,095	-
<b>Mar-15</b>	1,681,991	978,716	703,275	58%	978,716	978,716	-
<b>Total</b>	<b>19,804,091</b>	<b>17,759,119</b>	<b>2,044,972</b>	<b>90%</b>	<b>17,759,119</b>	<b>17,759,119</b>	<b>-</b>

2-8f  
 Southern California Gas Company  
 Core Capacity Utilization - Northwest Pipeline LLC  
 GCIM Year 21  
 April 1, 2014 through March 31, 2015  
 Northwest Pipeline LLC

	Core Capacity	Nominated Capacity	Unutilized Capacity	Capacity Utilization Percentage	Nominated Capacity	Actual Volume Delivered	Capacity Cut
Apr-14	-	-	-	-	-	-	-
May-14	-	-	-	-	-	-	-
Jun-14	-	-	-	-	-	-	-
Jul-14	-	-	-	-	-	-	-
Aug-14	-	-	-	-	-	-	-
Sep-14	-	-	-	-	-	-	-
Oct-14	-	-	-	-	-	-	-
Nov-14	-	-	-	-	-	-	-
Dec-14	-	-	-	-	-	-	-
Jan-15	-	-	-	-	-	-	-
Feb-15	-	-	-	-	-	-	-
Mar-15	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-

**2-8g**  
**Southern California Gas Company**  
**Core Capacity Utilization - Pacific Gas & Electric Company**  
**GCIM Year 21**  
**April 1, 2014 through March 31, 2015**

<b>Pacific Gas &amp; Electric Company</b>							
	<b>Core Capacity</b>	<b>Nominated Capacity</b>	<b>Unutilized Capacity</b>	<b>Capacity Utilization Percentage</b>	<b>Nominated Capacity</b>	<b>Actual Volume Delivered</b>	<b>Capacity Cut</b>
<b>Apr-14</b>	1,557,960	1,530,996	26,964	98%	1,530,996	1,530,996	-
<b>May-14</b>	1,609,892	1,591,495	18,397	99%	1,591,495	1,591,019	476
<b>Jun-14</b>	1,557,960	1,555,947	2,013	100%	1,555,947	1,555,947	-
<b>Jul-14</b>	1,609,892	1,606,543	3,349	100%	1,606,543	1,605,744	799
<b>Aug-14</b>	1,609,892	1,546,332	63,560	96%	1,546,332	1,540,155	6,177
<b>Sep-14</b>	1,557,960	1,504,886	53,074	97%	1,504,886	1,491,712	13,174
<b>Oct-14</b>	1,609,892	1,607,722	2,170	100%	1,607,722	1,607,722	-
<b>Nov-14</b>	1,557,960	871,854	686,106	56%	871,854	871,285	569
<b>Dec-14</b>	1,609,892	1,505,314	104,578	94%	1,505,314	1,504,428	886
<b>Jan-15</b>	1,609,892	1,556,623	53,269	97%	1,556,623	1,556,621	2
<b>Feb-15</b>	1,454,096	1,290,588	163,508	89%	1,290,588	1,284,365	6,223
<b>Mar-15</b>	1,609,892	1,572,878	37,014	98%	1,572,878	1,571,924	954
<b>Total</b>	<b>18,955,180</b>	<b>17,741,178</b>	<b>1,214,002</b>	<b>94%</b>	<b>17,741,178</b>	<b>17,711,918</b>	<b>29,260</b>

2-8h  
Southern California Gas Company  
Core Capacity Utilization - Transwestern Pipeline Company  
GCIM Year 21  
April 1, 2014 through March 31, 2015

Transwestern Pipeline Company

	<b>Core Capacity</b>	<b>Nominated Capacity</b>	<b>Unutilized Capacity</b>	<b>Capacity Utilization Percentage</b>	<b>Nominated Capacity</b>	<b>Actual Volume Delivered</b>	<b>Capacity Cut</b>
<b>Apr-14</b>	8,400,000	8,123,695	276,305	97%	8,123,695	8,109,919	13,776
<b>May-14</b>	8,680,000	4,810,265	3,869,735	55%	4,810,265	4,798,785	11,480
<b>Jun-14</b>	8,400,000	4,227,345	4,172,655	50%	4,227,345	4,224,144	3,201
<b>Jul-14</b>	8,680,000	8,403,582	276,418	97%	8,403,582	8,401,274	2,308
<b>Aug-14</b>	8,680,000	8,377,318	302,682	97%	8,377,318	8,354,301	23,017
<b>Sep-14</b>	8,400,000	8,094,896	305,104	96%	8,094,896	8,074,477	20,419
<b>Oct-14</b>	8,680,000	8,399,701	280,299	97%	8,399,701	8,391,352	8,349
<b>Nov-14</b>	9,330,000	8,951,861	378,139	96%	8,951,861	8,935,802	16,059
<b>Dec-14</b>	9,641,000	9,257,850	383,150	96%	9,257,850	9,180,307	77,543
<b>Jan-15</b>	9,641,000	8,926,053	714,947	93%	8,926,053	8,912,714	13,339
<b>Feb-15</b>	8,708,000	8,176,425	531,575	94%	8,176,425	8,122,909	53,516
<b>Mar-15</b>	9,641,000	9,122,575	518,425	95%	9,122,575	9,104,923	17,652
<b>Total</b>	106,881,000	94,871,566	12,009,434	89%	94,871,566	94,610,907	260,659

2-9  
Southern California Gas Company  
Tolerance Band Review GCIM Year 21  
April 1, 2014 Through March 31, 2015

Month	Benchmark Commodity Costs	Actual Commodity Costs	(Over)/Under Benchmark	Benchmark Dollars	Actual Dollars	Reservation Costs	Transportation Costs	Upper Tolerance 2%	Lower Tolerance 1%	Lower Tolerance 5%
Apr-14	\$ 133,289,736	\$ 131,507,997	\$ 1,781,738	\$ 147,963,611	\$ 146,181,873	\$ 14,059,976	\$ 613,900	\$ 2,665,795	\$ 1,332,897	\$ 6,664,487
May-14	\$ 149,037,485	\$ 148,072,588	\$ 964,897	\$ 163,963,362	\$ 162,998,466	\$ 14,320,101	\$ 605,777	\$ 2,980,750	\$ 1,490,375	\$ 7,451,874
Jun-14	\$ 111,055,009	\$ 109,418,301	\$ 1,636,708	\$ 125,465,257	\$ 123,828,550	\$ 13,832,170	\$ 578,079	\$ 2,221,100	\$ 1,110,550	\$ 5,552,750
Jul-14	\$ 181,742,496	\$ 178,626,910	\$ 3,115,586	\$ 197,468,454	\$ 194,352,868	\$ 15,090,009	\$ 635,949	\$ 3,634,850	\$ 1,817,425	\$ 9,087,125
Aug-14	\$ 104,313,048	\$ 102,832,787	\$ 1,480,261	\$ 119,434,028	\$ 117,953,766	\$ 14,483,978	\$ 637,001	\$ 2,086,261	\$ 1,043,130	\$ 5,215,652
Sep-14	\$ 112,555,347	\$ 111,521,880	\$ 1,033,467	\$ 127,594,184	\$ 126,560,717	\$ 14,421,794	\$ 617,044	\$ 2,251,107	\$ 1,125,553	\$ 5,627,767
Oct-14	\$ 97,176,050	\$ 95,553,027	\$ 1,623,023	\$ 112,669,975	\$ 111,046,952	\$ 14,865,086	\$ 628,840	\$ 1,943,521	\$ 971,761	\$ 4,858,802
Nov-14	\$ 53,911,716	\$ 45,771,036	\$ 8,140,680	\$ 69,544,961	\$ 61,404,281	\$ 14,966,131	\$ 667,114	\$ 1,078,234	\$ 539,117	\$ 2,695,586
Dec-14	\$ 203,511,123	\$ 192,154,896	\$ 11,356,227	\$ 220,942,633	\$ 209,586,406	\$ 16,707,346	\$ 724,164	\$ 4,070,222	\$ 2,035,111	\$ 10,175,556
Jan-15	\$ 117,808,816	\$ 112,677,055	\$ 5,131,761	\$ 134,833,154	\$ 129,701,393	\$ 16,309,149	\$ 715,189	\$ 2,356,176	\$ 1,178,088	\$ 5,890,441
Feb-15	\$ 72,782,220	\$ 68,215,872	\$ 4,566,348	\$ 88,436,878	\$ 83,870,530	\$ 15,019,702	\$ 634,956	\$ 1,455,644	\$ 727,822	\$ 3,639,111
Mar-15	\$ 73,676,055	\$ 71,398,738	\$ 2,277,317	\$ 90,168,595	\$ 87,891,278	\$ 15,772,517	\$ 720,024	\$ 1,473,521	\$ 736,761	\$ 3,683,803
Total	<b>\$1,410,859,099</b>	<b>\$1,367,751,086</b>	<b>\$43,108,013</b>	<b>\$1,598,485,093</b>	<b>\$1,555,377,080</b>	<b>\$179,847,957</b>	<b>\$7,778,036</b>	<b>\$28,217,182</b>	<b>\$14,108,591</b>	<b>\$70,542,955</b>

## **APPENDIX B**

### **GLOSSARY**

**Actual Costs** - Is the sum of the twelve monthly totals of actual gas commodity costs plus the sum of the twelve monthly commodity transportation costs, plus the sum of the twelve monthly transportation reservation charges. Adjustments to these costs are for revenues, imbalance charges, commodity cost refunds, surcharge and purchase adjustments, and hedging transaction costs along with any gains or losses.

**BCF** – One billion cubic feet.

**Benchmark Dollars** - Are based on monthly benchmark gas commodity costs calculated at the mainline for interstate purchases and the border for border purchases. The monthly benchmark gas commodity cost is the product of the mainline gas commodity reference price times the volume purchased at the mainline plus the product of the border gas commodity reference prices times the volumes purchased at the respective border locations.

**BTU** - Is the amount of heat necessary to raise one pound of water one degree fahrenheit.

**City-Gate** – A receiving point where gas is delivered to a local distribution company (i.e. investor owned utility).

**Commodity Charge** – A buyer pays commodity charges when a service is used and is paid on a per unit basis (\$/MMBtu).



**Core Fixed Cost Account (CFCA)** – This account functions as a balancing account recorded in SoCalGas’ financial statements. The purpose of this account is to balance the difference between authorized margins, and other non-gas fixed costs allocated to the core market with revenues intended to recover these costs.

**Cubic Feet** – One cubic feet equals one therm.

**Dekatherm** – Equivalent to an MMBtu. One therm is defined as 100,000 BTU’s. Thus, a dekatherm has 10 therms.

**FERC Order 636**- On April 8, 1992, FERC Order required the conversion of pipeline service providers to function primarily as transportation entities. This resulted in pipeline providers to unbundle their services, which created greater competition among gas suppliers and ensure reliable supply at the lowest price.

**Firm Access Rights** – Is a framework where marketers can confirm access to a pipeline transmission system through a contract. This assures the contract holder “firm” access rights in a particular zone that their gas supply will be delivered.

**Hub** – A location where natural gas pipelines come together.

**Interruptible Service** – Seller can interrupt service of transporting gas service if it is required to serve a higher priority customer. The total cost is usually less than firm access rights services. In general, interruptible service contracts can have a term as short as several days to one month.

**Loans** - Gas is loaned for a set period of time and repaid at the same location.

**MMBtu** – A million British Thermal Units. It is measurement of gas based on a standard heat value or stored energy.

**Nomination** – Describes the transportation of a specific quantity of gas from one receipt point to a delivery point. The nomination also identifies the upstream and downstream contracts and/or parties, ranking, and receipt/delivery point.

**Over the Counter (OTC)** – A security that is not traded on an exchange, usually due to an inability to meet listing requirements. Brokers/dealers negotiate directly with one another over computer networks and by phone, where the NASD monitors their activities.

**Park** - Gas is held for a set period of time and returned at the same location.

**Purchase Gas Account (PGA)** – This account functions as a balancing account and its purpose is to balance the recorded cost of gas for the Single Gas Portfolio to provide procurement service for both SoCalGas and SDG&E customers with the corresponding revenue from the sale of that gas.

**Reservation Charges** – A fixed charge for firm transportation service, which is based on volume. This charge is the price for guaranteed capacity and is paid regardless of throughput.

**Shrinkage** – When natural gas is compressed and transported through an interstate pipeline where it results in volume loss. Each pipeline has a rate regulated by FERC that determines specific shrinkage percentage between delivery points along a pipeline.

**Swap** – An exchange of streams of payments over time according to specified terms.

**Transportation Charges** – Charges for transporting gas from wellheads to the local utility via interstate pipelines. Rates fall under FERC jurisdiction.

**Wheeling** – Receipt of gas at one location and delivery of gas at another location at a utility's gas system.

## APPENDIX C

# Receipt Point & Transmission Zone Firm Capacities

