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Admin. Law Judge	:	<u>Nilgun Atamturk</u>



**PUBLIC ADVOCATES OFFICE**  
**California Public Utilities Commission**

**MONITORING AND EVALUATION REPORT**

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

**GCIM Year 24**  
**April 1, 2017 through March 31, 2018**

**Application 18-06-009**

**November 08, 2018**  
**San Francisco, California**

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

**1.1 Introduction and Summary**

On June 15, 2018, Southern California Gas Company (U 904 G), (SoCalGas) filed and served Application (A.) 18-06-009 regarding the Year 24 Gas Cost Incentive Mechanism (GCIM) for the time period April 1, 2017 through March 31, 2018. The Public Advocates Office at the California Public Utilities Commission (Cal Advocates), formerly the Office of Ratepayer Advocates<sup>1</sup> audited and evaluated the Application and SoCalGas' GCIM Year 24 Annual Report (Annual Report). Chapter 2 of this Public Advocates Office Monitoring and Evaluation Report presents the details and results of the Public Advocates Office's review. The attached Appendix A includes the work papers (e.g., records or information produced by SoCalGas in data request responses) supporting the Public Advocates Office's findings.

The Public Advocates Office found that for GCIM Year 24, SoCalGas' recorded gas costs were \$61,722,194 below the benchmark, which results in a reward of \$11,353,048 to SoCalGas' shareholders and a ratepayer benefit of \$50,369,145. Table 1-1 below summarizes SoCalGas' Year 24 performance which is based on the detailed GCIM monthly reports of core commodity transaction activities.

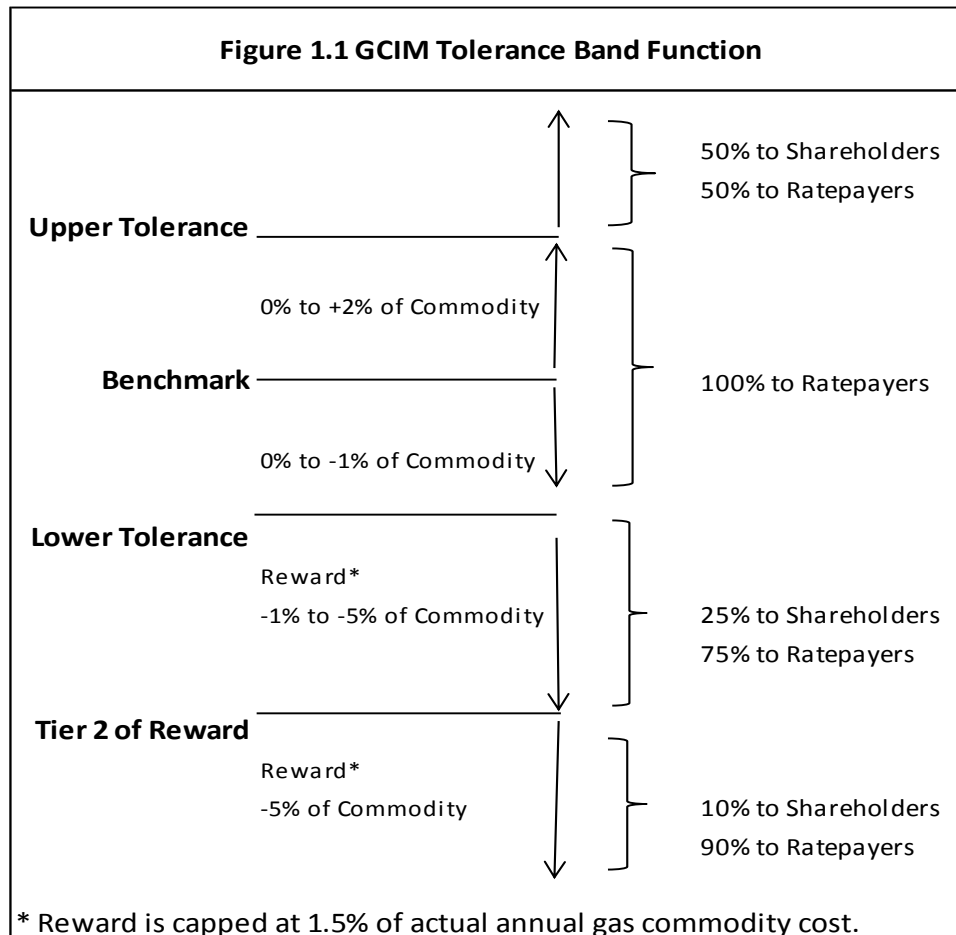
<b>TABLE 1-1</b> <b>Southern California Gas Company</b> <b>Performance Summary (in \$Millions)</b> <b>GCIM Year 24</b> <b>April 1, 2017 Through March 31, 2018</b>	
<b>Benchmark Costs</b>	<b>\$ 1,282.69</b>
<b>Actual Costs</b>	<b>\$ 1,220.97</b>
<b>GCIM Total Savings</b>	<b>\$ 61.72</b>
<b>Ratepayer Savings</b>	<b>\$ 50.37</b>
<b>Shareholder Reward</b>	<b>\$ 11.35</b>

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<sup>1</sup> The Office of Ratepayer Advocates was renamed the Public Advocates Office of the California Public Utilities Commission pursuant to Senate Bill No. 854, which was signed by the Governor on June 27, 2018 (Chapter 51, Statutes of 2018).

## 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—are between the upper and lower range limitations of the tolerance band, there is no shareholder penalty or reward for the GCIM period. If actual gas costs fall above or below the tolerance band, then both SoCalGas ratepayers and shareholders share in the resulting gains or losses. Chapter 2 of this Public Advocates Office Report presents the results of the tolerance band calculations. The following graph, Figure 1.1, illustrates how the tolerance band functions in determining the shared costs for SoCalGas' shareholders and ratepayers.



The upper limit of the tolerance band is set at two percentage points above the benchmark commodity costs. The lower limit of the tolerance band is set at one

percentage point below this benchmark. When SoCalGas' actual costs fall within this tolerance band, the benefits or losses accrued go to the ratepayers.<sup>2</sup>

In cases where actual costs fall outside the tolerance band, the benefits or losses are shared between shareholders and ratepayers. The amounts of these benefits or losses are based on whether the actual costs are outside the upper or lower limits of the tolerance band. For example, if actual costs exceed the upper two-percent (2%) tolerance limit, the excess costs are shared 50-50 between ratepayers and shareholders. If actual costs are below the benchmark commodity costs and between the lower one-percent (1%) tolerance limit and the five-percent (5%) range, this will generate savings that are shared at twenty-five percent (25%) for shareholders and seventy-five percent (75%) for ratepayers. If actual costs are more than five percentage points below the benchmark commodity costs, the savings are shared as ninety-percent (90%) savings for ratepayers and a ten-percent (10%) reward for shareholders. The SoCalGas reward is capped at 1.5% of actual commodity costs.

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

### **1.3 GCIM Summary**

Table 1-2 below provides a summary of GCIM results over the past five years. Chapter 2 of the Public Advocates Office's Report presents supporting calculations for GCIM Year 24.

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<sup>2</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).

<b>TABLE 1-2</b> <b>Southern California Gas Company</b> <b>Summary of Ratepayer Savings and Shareholder Rewards</b>				
<b>GCIM Year</b>	<b>Period</b>	<b>Total Cost Savings</b>	<b>Ratepayer Savings</b>	<b>Shareholder Rewards</b>
20	2013-2014	70.40	56.69	13.71
21	2014-2015	43.11	35.86	7.25
22	2015-2016	28.16	23.12	5.04
23	2016-2017	27.15	22.92	4.23
24	2017-2018	61.72	50.37	11.35

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

To ensure dedicated core storage capacity, in D.06-10-029 the Commission authorized SoCalGas to revise its Preliminary Statement, Part VIII and the GCIM to reflect changes to its mid-season minimum core inventory targets. Prior to making a revision, SoCalGas is required to seek agreement from the Public Advocates Office and The Utility Reform Network (TURN).<sup>3</sup> In D.18-01-005, the Commission ordered SoCalGas to confer with the Public Advocates Office if its mid-season core storage inventory will be less than 47 Bcf on July 31 of each calendar year. D.18-01-005 also requires SoCalGas to provide notification of its mid-season and annual core storage inventory target to the Commission’s Energy Division. For GCIM Year 24, SoCalGas did not file an Advice Letter to modify the GCIM Preliminary Statement and establish an alternative mid-season core-purchased inventory target.

In D.08-12-020, the Commission adopted the Phase One Settlement Agreement (dated August 22, 2008),<sup>4</sup> which eliminates the upper tolerance band for core storage. By combining San Diego Gas & Electric Company’s (SDG&E) and SoCalGas’ balancing requirements, this ensures sufficient storage for core customers in Southern California. As of April 1, 2009, SoCalGas has implemented the core balancing requirements. For this reporting period, SoCalGas reported no core imbalance charges.

<sup>3</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>4</sup> See *SoCalGas*, D.08-12-020, 2008 Cal. PUC LEXIS 482, at \*47 (Ord. Para. 1 adopting) (dated Dec. 4, 2008).

## 1.5 Financial Hedging in GCIM

In accordance with D.10-01-023, effective April 2010, SoCalGas is not required to file a Winter Hedging Plan Report.<sup>5</sup> Instead, SoCalGas includes 25% of all net gains and losses of its winter hedging transactions in the GCIM. The remaining seventy-five percent (75%) is excluded, which results in costs passed through to core customers. The Public Advocates Office reviewed SoCalGas' financial derivative gains and losses based on the methodology and according to Commission policies and practices, as described in Chapter 2, Sections 2.10 and 2.11 of the Public Advocates Office's Report.

In addition to core winter hedges, SoCalGas transacted non-winter hedges. For this period, SoCalGas' non-winter hedges results are also 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.

GCIM Year	Losses/(Gains) Outside the GCIM	Losses/(Gains) Inside the GCIM	Total Hedging Losses/(Gains)
<b>20</b>	\$ (1.18)	\$ 0.20	\$ (0.98)
<b>21</b>	\$ 1.52	\$ 0.45	\$ 1.97
<b>22</b>	\$ 0.52	\$ 0.26	\$ 0.78
<b>23</b>	\$ 1.99	\$ 0.61	\$ 2.60
<b>24</b>	\$ 0.63	\$ 0.19	\$ 0.82

## 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).<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>

<sup>5</sup> See SoCalGas, D.10-01-023, 2010 Cal. PUC LEXIS 5, at \*100 (Ord. Para. 5) (dated Jan. 25, 2010).

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

<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).

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

Effective September 2, 2016, Advice Letter 5006 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 963 MDth/d, and maximum capacity of 1,283 MDth/d. For winter, the combined portfolio minimum capacity is 1,070 MDth/d and maximum capacity is 1,283 MDth/d.<sup>11</sup>

For GCIM Year 24, SoCalGas' report shows that for actual monthly activities of core firm transportation capacity holdings, the minimum capacity requirements established by D.04-09-022 were met.

## **1.7 Secondary Market Services Transactions**

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

For the GCIM Year 24 period, SoCalGas shows net SMS revenues of \$18,986,139.<sup>13</sup> These revenues offset part of the gas costs and enable SoCalGas to lower its core commodity costs.

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<sup>9</sup> *Id.* at \*18 (“SoCalGas' Gas Acquisition Department will consult with Public Advocates Office, 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. Leeden, SoCalGas Dir. of Reg. Affairs, (Sept. 2, 2016, approving SoCalGas, Adv. Letr 5006, (Aug. 30, 2016).

<sup>11</sup> See SoCalGas GCIM Yr. 24 Rept. at section, “Southern California Gas Company Firm Transportation Capacity Holdings as of March 31, 2018.”

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

<sup>13</sup> See *infra* at sec. 2.12 (“Review of Secondary Market Services Revenues”).



## **1.8 Conclusion**

The Public Advocates Office's review is limited to addressing SoCalGas' performance under the GCIM. The Public Advocates Office does not recommend a re-evaluation of the GCIM. The GCIM Tariff Preliminary Statement Part VIII has clearly set frameworks to measure the utility's performance and set standards benchmarks for the utility during the GCIM period.

The Public Advocates Office's review verified that for GCIM Year 24, SoCalGas' total savings amount was \$61,722,195. Pursuant to its reviews, the Public Advocates Office recommends that SoCalGas' shareholders receive a reward in the amount of \$11,353,049. The Public Advocates Office confirms that for the GCIM Year 24 reporting period ratepayer benefits amounted to \$22,919,461. In collaboration with SoCalGas and other parties, the Public Advocates Office will continue to monitor and evaluate the GCIM to identify any changes needed to improve the GCIM's effectiveness, which SoCalGas and the Public Advocates Office would submit to the Commission for approval and adoption.

## **CHAPTER 2**

### **MONITORING AND EVALUATION AUDIT**

#### **2.1 Public Advocates Office's GCIM Reward Evaluation**

On June 15, 2018, SoCalGas filed its GCIM Year 24 Application, which reports core gas procurement results for the period April 1, 2017 through March 31, 2018. Per Decision (D.) 94-03-076, the Public Advocates Office conducted a review and evaluation of SoCalGas' annual GCIM report. The results of the Public Advocates Office's review and evaluation are presented in this report and the supporting work papers are included in Appendix A.

The Public Advocates Office's evaluation of SoCalGas' GCIM performance for the year ending March 31, 2018, confirmed total savings of \$61,722,195 in gas costs. These savings are based on the difference between the actual gas commodity costs of \$1,220,968,072 and the GCIM benchmark commodity costs of \$1,282,690,267. As part of its audit of SoCalGas' Year 24 report, the Public Advocates Office verified that the GCIM sharing mechanism resulted in a ratepayer savings of \$50,369,146 and a shareholder reward of \$11,353,049. Table 2-1 below summarizes the SoCalGas GCIM Year 24 savings based on the calculated tolerance band levels that are shown in Table 2-2.

<p><b>TABLE 2-1</b>  <b>Southern California Gas Company</b>  <b>Reward Calculation</b>  <b>GCIM Year 24</b>  <b>April 1, 2017 Through March 31, 2018</b></p>
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	<b>SCG Annual Report</b>
Benchmark Costs	\$ 1,282,690,267
Actual Costs	\$ 1,220,968,072
<b>GCIM Year 24 Annual Report: Total Savings Below Benchmark</b>	<b>\$ 61,722,195</b>
Amount of Lower Tolerance Band Not Subject to Sharing (0%-1%)	\$ 10,361,659
Ratepayers' share:	\$ 10,361,659
Amount Subject to 75%-25% Sharing (1%-5%)	\$ 41,446,636
Ratepayers' share: 75%	75% \$ 31,084,977
Shareholders' share: 25%	25% \$ 10,361,659
Amount Subject to 90%/10% Sharing (> 5%)	\$ 9,913,900
Ratepayers' share: 90%	90% \$ 8,922,510
Shareholders' share: 10%	10% \$ 991,390
<b>Cap on Shareholder Rewards = 1.5% of commodity costs:</b>	
Total Commodity costs:	\$ 974,443,693
Shareholder Reward Cap:	1.50% \$ 14,616,655
Total Ratepayers' Share:	\$ 50,369,146
Total Shareholders' Share:	\$ 11,353,049
<b>Total Savings:</b>	<b>\$ 61,722,195</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. 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.

<b>TABLE 2-2</b> <b>Southern California Gas Company</b> <b>Tolerance Band Review</b> <b>GCIM Year 24</b> <b>April 1, 2017 Through March 31, 2018</b>						
Month	Benchmark Dollars*	Actual Dollars*	(Over)/Under Benchmark	Lower Tolerance 1%	Lower Tolerance 5%	Actual Commodity Cost
Apr-17	\$ 78,944,078	\$ 77,632,570	\$ 1,311,508	\$ 617,063	\$ 3,085,314	\$ 60,394,773
May-17	\$ 82,925,710	\$ 81,625,500	\$ 1,300,210	\$ 633,631	\$ 3,168,153	\$ 62,062,850
Jun-17	\$ 89,914,681	\$ 88,148,857	\$ 1,765,824	\$ 705,992	\$ 3,529,962	\$ 68,833,411
Jul-17	\$ 101,036,223	\$ 100,090,663	\$ 945,561	\$ 817,604	\$ 4,088,018	\$ 80,814,791
Aug-17	\$ 90,374,210	\$ 86,954,780	\$ 3,419,429	\$ 714,593	\$ 3,572,967	\$ 68,039,917
Sep-17	\$ 97,968,023	\$ 95,695,344	\$ 2,272,679	\$ 794,064	\$ 3,970,319	\$ 77,133,701
Oct-17	\$ 80,858,547	\$ 77,377,338	\$ 3,481,210	\$ 621,521	\$ 3,107,603	\$ 58,670,856
Nov-17	\$ 92,699,979	\$ 93,141,607	\$ (441,627)	\$ 708,387	\$ 3,541,934	\$ 71,280,304
Dec-17	\$ 203,195,295	\$ 173,194,020	\$ 30,001,274	\$ 1,811,116	\$ 9,055,579	\$ 151,110,314
Jan-18	\$ 139,946,852	\$ 130,926,105	\$ 9,020,747	\$ 1,132,776	\$ 5,663,881	\$ 104,256,882
Feb-18	\$ 119,183,278	\$ 111,885,525	\$ 7,297,752	\$ 962,646	\$ 4,813,231	\$ 88,966,871
Mar-18	\$ 105,643,391	\$ 104,295,763	\$ 1,347,628	\$ 842,266	\$ 4,211,332	\$ 82,879,021
	<b>\$1,282,690,267</b>	<b>\$1,220,968,072</b>	<b>\$ 61,722,195</b>	<b>\$10,361,659</b>	<b>\$51,808,294</b>	<b>\$974,443,693</b>
	*Included transportation costs and reservation costs.					

### 2.3 Review of Benchmark Volumes and Costs

Table 2-3 shows the components of the Mainline and Border Benchmark Costs. The Public Advocates Office’s review of GCIM Year 24 records confirms the total Benchmark Dollar Costs of \$1,282,690,267.

The Total Benchmark Commodity Costs consist of Mainline Benchmark Commodity Costs of \$768,676,892 and Benchmark Border Commodity Costs of \$267,488,995 which are calculated based on the Southern California Border Costs of \$147,403,843, and SoCalGas City-Gate Commodity Cost of \$120,085,152.

The Total Benchmark Dollar Costs include \$8,205,854 in flow through costs of volumetric interstate Transportation Cost from Mainline; \$238,318,525 of interstate capacity Benchmark Reservation Charges; and \$1,036,165,887 in Total Benchmark Commodity Costs for a total of \$1,282,690,267.

<p><b>TABLE 2-3</b>  <b>Southern California Gas Company</b>  <b>Benchmark Dollar Components</b>  <b>GCIM Year 24</b>  <b>April 1, 2017 Through March 31, 2018</b></p>
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<u>Annual Report:</u>	<u>Benchmark Dollars</u>
Mainline Benchmark Costs	\$ 768,676,892
Southern California Border Costs	147,403,843
SoCalGas City-Gate Commodity Costs	<u>120,085,152</u>
Sub-Total Border Benchmark Commodity Costs	\$ 267,488,995
Total Benchmark Commodity Costs	<u><u>\$ 1,036,165,887</u></u>
Flow-Through Costs	
Transport Costs from pipelines	\$ 8,205,854
Benchmark Reservation Charges	\$ 238,318,525
Rounding	<u>\$ 1</u>
Total Benchmark Dollar Costs:	<u><u>\$ 1,282,690,267</u></u>

Table 2-3A shows 378,995,034 MMBtus in Net Total Benchmark Volume for the period from April 2017 through March 2018. This net total is comprised of the following: (i) 307,769,848 MMBtus, which is the Benchmark Mainline Volumes total; (ii) 51,436,491 MMBtus, which is the Benchmark Border Volumes total for the same period; and (iii) 19,788,695 MMBtus, which is the Benchmark SoCalGas CityGate Volumes total. The Actual Transported Volume of 370,527,898 MMBtus is the actual total purchase volumes that SoCalGas received during the GCIM Year 24 period.

<p><b>TABLE 2-3A</b>  <b>Southern California Gas Company</b>  <b>Benchmark Market Volumes (In MMBtus)</b>  <b>GCIM Year 24</b>  <b>April 1, 2017 Through March 31, 2018</b></p>
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Benchmark Mainline Volumes	307,769,848
Benchmark Border Volumes	51,436,491
Benchmark Citygate Volumes	<u>19,788,695</u>
Net Total Benchmark Volumes	<u><u>378,995,034</u></u>
Actual Transported Volumes	<u><u>370,527,898</u></u>

## **2.4 Actual Gas Costs and Volumes**

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

The Total Mainline and Border Purchases of \$1,171,476,405 are consisting of Mainline Commodity Purchases of \$840,795,992 and Border and CityGate Purchases of \$330,680,414.

The Total Gas Sale of \$178,501,647 consists of Main Sales for \$78,925,160; Border Sales for \$14,305,712; and SoCalGas CityGate for \$85,270,775.

Total Revenue and Costs of 18,531,066 consist of (i) \$18,986,139 in Net Secondary Market Service Revenues; (ii) \$188,302 in losses from GCIM Derivative Transactions. and (iii) \$266,771 in an Off System Parking Fee, which are all included as part of the actual commodity costs.

Total Commodity costs of \$974, 443, 693 consist of (i) Total Mainline and Border Purchases of 1,171,476,405; (ii) Total Gas Sale of \$178,501,647; and (iii) Total Other Revenues/Costs of 18,531,066.

SoCalGas' records show the calculation of the Interstate Volumetric Transportation Costs as \$8,205,854, and firm Reservation Charges as \$238,318,525. The sum of these costs and charges was added to the Total Commodity Costs of \$974,443,693 and resulted in the corresponding total volume and costs of \$1,220,968,072, as shown on the last line in Table 2-4.

The Total Mainline and Border Purchase volume of 437,349,165 MMBtus is comprised of the totals for two types of gas purchases and their corresponding volumes: (i) Total Mainline Purchases (338,437,960 MMBtus); and (ii) Total Border and City-Gate Purchases (98,911,165 MMBtus).

The Total Gas Sale Volumes of 58,403,231 MMBtus is comprised of the following gas sales and their corresponding volumes: (i) Mainline (30,717,212 MMBtus); (ii) Border (4,708,666 MMBtus); and (iii) SoCalGas City-Gate (22,977,353 MMBtus). The Total Gas Sales Volumes of 58,403,231 MMBtus was subtracted from the Total Mainline and Border Purchases Volumes of 437,349,165 MMBtus to arrive at the Total Volume and Costs figure of 378,945,934 MMBtus.

**TABLE 2-4**  
**Southern California Gas Company**  
**Actual Gas Costs Components**  
**GCIM Year 24**  
**April 1, 2017 Through March 31, 2018**

<b>Mainline Commodity Purchases</b>	<b>Volumes</b>	<b>Dollars</b>
El Paso Permian	68,254,484	\$ 168,434,693
El Paso San Juan	132,173,614	330,618,605
Transwestern Permian	13,030,023	32,069,330
Transwestern San Juan	20,946,283	54,273,111
Kern River Pipeline	83,885,787	220,831,414
Enterprise-Waha	50,000	362,500
NOVA-AECO/NIT	19,978,099	33,757,950
GTN: Kingsgate/Malin/Stanfield	119,670	448,390
<b>Total Mainline</b>	<b>338,437,960</b>	<b>\$ 840,795,992</b>
<hr/>		
<b>Border and City Gate Purchases</b>		
Border	56,145,157	\$ 160,547,267
SoCalGas-City Gate	42,766,048	170,133,146
<b>Total Border</b>	<b>98,911,205</b>	<b>\$ 330,680,414</b>
<hr/>		
<b>Total Mainline and Border Purchase</b>	<b>437,349,165</b>	<b>\$ 1,171,476,405</b>
<hr/>		
<b>Gas Sales (deducting)</b>		
Mainline Sales	(30,717,212)	\$ (78,925,160)
Border Sales	(4,708,666)	(14,305,712)
SoCalGas- City Gate Sales	(22,977,353)	(85,270,775)
<b>Total Gas Sales</b>	<b>(58,403,231)</b>	<b>\$ (178,501,647)</b>
<hr/>		
<b>Other Revenues/Costs</b>		
Net Secondary Market Revenue:		\$ (18,986,139)
GCIM Derivative Transactions		188,302
Off System Parking Fee		266,771
<b>Total Other Revenues/Costs</b>		<b>\$ (18,531,066)</b>
<hr/>		
<b>Total Commodity Costs</b>		<b>\$ 974,443,693</b>
<hr/>		
<b>Interstate Reservation and Volumetric Transport Cost</b>		
Interstate Volumetric Transport Costs		\$ 8,205,854
Reservation Charges		238,318,525
<b>Total Related Commodity Costs</b>		<b>\$ 246,524,379</b>
Rounding		\$ -
<b>Total Volume and Costs</b>	<b>378,945,934</b>	<b>\$ 1,220,968,072</b>

## 2.5 Mainline and Border Gas Sales

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

SoCalGas reported gas purchases and sales transactions with affiliate Sempra Generation, SDG&E, and SoCalGas Capacity Products. SoCalGas reports that all purchases and sales were completed through arm's length transactions via brokerage firms.

<b>TABLE 2-5</b>		
<b>Southern California Gas Company</b>		
<b>Summary of Mainline and Border Sales</b>		
<b>GCIM Year 24</b>		
<b>April 1, 2017 Through March 31, 2018</b>		
<b>Mainline Pipelines</b>	<b>Sales</b>	<b>Volume (MMBtus)</b>
El Paso Permian	\$ (43,460,777)	(17,223,423)
El Paso San Juan	(13,679,443)	(5,128,748)
Transwestern Permian	(11,544,776)	(4,602,498)
Transwestern San Juan	(4,513,320)	(1,561,139)
Kern River	(3,712,662)	(1,347,337)
Enterprise Waha	(496,586)	(94,964)
NOVA-AECO	(1,199,830)	(634,096)
GTN-Kingsgate/Stanfield/Malin	(317,766)	(125,007)
<b>Total Mainline</b>	<b>\$ (78,925,160)</b>	<b>(30,717,212)</b>
<b>Border Pipelines</b>	<b>Sales</b>	<b>Volume (MMBtus)</b>
Border	\$ (14,305,712)	(4,708,666)
SoCal City-Gate	(85,270,775)	(22,977,353)
<b>Total Border</b>	<b>\$ (99,576,487)</b>	<b>(27,686,019)</b>
<b>Total Sales to Volume</b>	<b>\$ (178,501,647)</b>	<b>(58,403,231)</b>

## 2.6 Interstate Volumetric Transport Costs

The volumetric transport costs are variable costs and based on the volume of interstate pipeline gas supplies delivered at the SoCal Border. The total interstate volumetric transportation costs for GCIM Year 24 are shown in Table 2-6. The table shows the Summary of the Actual Pipeline Commodity Transported Costs by pipeline. The total aggregate volumetric transport costs for the period were \$8,205,854 which is comprised of \$5,749,639 in El Paso transport costs; \$471,898 in Transwestern costs; \$438,806 in Kern River costs; \$941 in Northwest costs; \$208,585 in Canadian Path costs; \$11,338 in ETP costs; and \$1,324,646 in Mexican Path costs.



<b>TABLE 2-6</b> <b>Southern California Gas Company</b> <b>Summary of Actual Pipeline Commodity Transport Costs</b> <b>GCIM Year 24</b> <b>April 1, 2017 Through March 31, 2018</b>		
		<b>Transport Cost</b>
<b>El Paso</b>		\$ 5,749,639
<b>Transwestern</b>		471,898
<b>Kern River</b>		438,806
<b>Northwest</b>		941
<b>Canadian Path</b>		208,585
<b>ETP</b>		11,338
<b>Mexican Path</b>		1,324,646
<b>Total Transportation Costs</b>		<b>8,205,854</b>

## 2.7 Interstate Reservation Charges

Table 2-7 shows monthly reservation charges by pipeline for the GCIM Year 24 period. The reservation charges were: El Paso Pipeline \$73,467,881; Transwestern Pipeline \$12,424,683; Kern River Pipeline \$25,196,610; Canadian Path Pipeline \$13,265,497; Northwest Pipeline \$10,483; North Baja Pipeline \$1,103,756; and Enterprise Texas Pipeline \$135,000. For the GCIM Year 24 period, Backbone Transport Service contracts totaled \$112,714,614. The Total Reservation Charges for the period were \$238,318,524.

<b>TABLE 2-7</b> <b>Southern California Gas Company</b> <b>Summary of Reservation Charges By Pipeline</b> <b>GCIM Year 24</b> <b>April 1, 2017 Through March 31, 2018</b>		
		<b>Reservation Charge</b>
<b>El Paso</b>	\$	73,467,881
<b>Transwestern</b>		12,424,683
<b>Kern River</b>		25,196,610
<b>Canadian Path</b>		13,265,497
<b>Northwest</b>		10,483
<b>North Baja</b>		1,103,756
<b>Enterprise Texas</b>		135,000
<b>Backbone Transportation</b>		112,714,614
<b>Total Reservation Charges</b>		<b>\$ 238,318,524</b>

## 2.8 Interstate Pipeline Utilization

In D.04-09-022, the Commission required SoCalGas to track each pipeline's utilization of capacity.<sup>14</sup> Table 2-8 provides an overview of SoCalGas' nominated capacity for each pipeline listed. Total Core Capacity for all the pipelines was 444,116,079 MMBtus and Total Nominated Capacity was 369,139,154 MMBtus. The difference between these two total amounts is the unutilized capacity of 74,976,925 MMBtus, which is adjusted from core capacity.

Regarding the interstate pipelines, for GCIM Year 24, SoCalGas reported El Paso at 78% capacity; Foothills Pipeline, Ltd at 99%; Gas Transmission Northwest Corp. at 99%; Kern River Gas Transmission at 98%; NOVA at 98% (Canadian Path); Pacific Gas and Electric pipeline at 98%; Transwestern Pipeline Company at 55%; North Baja Pipeline Company at 100%; and Northwest Pipeline LLC at 100%. To arrive at 358,494,358 MMBtus of Total Actual Volume delivered, the Capacity Cut of 10,644,796 MMBtus is subtracted from nominated capacity of 369,139,154 MMBtus.

**TABLE 2-8**  
**Southern California Gas Company**  
**Cumulative Core Capacity Utilization By Pipeline (In MMBtus)**  
**GCIM Year 24**  
**April 1, 2017 Through March 31, 2018**

Pipeline	Core Capacity	Less: Nominated Capacity	Unutilized Capacity	Capacity Utilization Percentage	Nominated Capacity	Actual Volumes Received	Capacity Cut
El Paso Natural Gas Co	224,776,217	175,817,385	48,958,832	78%	175,817,385	173,945,426	1,871,959
Foothills Pipelines Ltd	19,644,264	19,427,137	217,127	99%	19,427,137	19,078,185	348,952
Gas Trans Northwest Corp	19,165,420	19,011,336	154,084	99%	19,011,336	18,679,158	332,178
Kern River Gas Trans. Co	83,002,930	81,582,684	1,420,246	98%	81,582,684	74,612,522	6,970,162
Nova Gas Trans Ltd	19,804,091	19,360,343	443,748	98%	19,360,343	19,360,270	73
Pacific Gas & Electric	19,073,770	18,761,196	312,574	98%	18,761,196	18,423,851	337,345
Transwesten Pipeline Co	51,817,100	28,346,791	23,470,309	55%	28,346,791	27,745,182	601,609
North Baja Pipeline Co	6,734,457	6,734,457	-	100%	6,734,457	6,649,764	84,693
Northwest Pipeline LLC	97,830	97,825	5	100%	97,825	-	97,825
<b>Total</b>	<b>444,116,079</b>	<b>369,139,154</b>	<b>74,976,925</b>	<b>83%</b>	<b>369,139,154</b>	<b>358,494,358</b>	<b>10,644,796</b>

<sup>14</sup> See *OIR*, D.04-09-022, 2004 Cal. PUC LEXIS 522, at \*140 (Ord. Para. 2) (dated Sept. 2, 2004).

## 2.9 Examination of the Purchased Gas Account

Table 2-9 provides a Purchased Gas Account (PGA) reconciliation of the GCIM gas commodity costs. The PGA is for utilities to balance the recorded cost of gas and the corresponding revenues from the sale of that gas. For GCIM Year 24, total PGA commodity costs equaled \$1,003,160,477 and reported GCIM commodity costs for SoCalGas' gas portfolio purchases were \$974,255,391 (excluding hedging costs), which results in a variance of \$28,905,086. This variance consists of \$9,890,001 in costs excluded from the GCIM reported commodity costs and \$18,986,139 in net Secondary Market Services revenue, which is unreported in the PGA gas costs. Other adjustments were for timing differences of \$28,947 recorded in fees and other costs from other years.

<b>TABLE 2-9</b> <b>Southern California Gas Company</b> <b>PGA &amp; GCIM Reconciliation of Commodity Cost</b> <b>GCIM Year 24</b> <b>April 1, 2017 Through March 31, 2018</b>		
Total PGA Commodity Costs	\$	1,003,160,477
Total GCIM Commodity Costs	\$	974,255,391
	Variance: \$	28,905,086
<b>Reconciliation:</b>		
Total PGA Commodity Cost		\$ 1,003,160,477
<b>PGA Costs Excluded from GCIM:</b>		
Playa del Rey & Aliso Production	0	
Borrego Springs LNG	139,627	
Realized (Gain)/Loss from OTC Deriv. Trans.	179,429	
Realized (Gain)/Loss from Exchange-Traded Deriv. Trans.	642,655	
Realized (Gain)/Loss from Foreign Currency Exchange (GST & Demand Charges)	38,191	
Carrying Costs of Storage Inventory	564,196	
Wiring Fee	30	
US CBP Import Fees	116,776	
Transportation Chg in PGA Market Gas not in GCIM Commodity Cost (1.8.2)	8,209,098	
<b>Sub-Total PGA Excluded Costs:</b>		(9,890,001)
<b>GCIM Related Transactions Excluded from PGA:</b>		
Net SMS Revenue	\$ (18,986,139)	
Timing differences for transaction fees and other gas costs excluded from GCIM	\$ (28,947)	
<b>Sub-Total GCIM Costs Excluded in PGA:</b>	\$	(19,015,085)
<b>Total Reconciling Items:</b>		\$ (28,905,086)
	<b>Total PGA Commodity Cost :</b>	<b>\$ 974,255,390</b>
	<b>Rounding:</b>	<b>\$ (1)</b>
	<b>Less: GCIM Commodity Cost:</b>	<b>\$ 974,255,391</b>
	<b>Difference:</b>	<b>\$ (2)</b>

In addition to the PGA audit, the Public Advocates Office conducted a sampling test by randomly selecting purchase invoices. SoCalGas provided copies of supporting documents and purchase invoices for the purpose of the verification. The Public Advocates Office traced the cost of these purchase invoices to the monthly statements and then to the annual report. The Public Advocates Office found that the selected purchase invoices reconciled with recorded amounts in the annual report.

## **2.10 Financial Derivatives**

The Public Advocates Office 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, 2017 through March 31, 2018.

Pursuant to D.10-01-023, twenty-five percent (25%) of winter hedging gains and losses were included in the GCIM actual costs.<sup>15</sup> Table 2-10 shows the SoCalGas PGA Reconciliation of Financial Gains and Losses for all financial derivatives reported NYMEX transactions and over-the-counter (OTC) cleared transactions, as well as OTC swaps. Associated transaction fees are also included based on the date of contract and net results that may be a financial gain or loss. Transactions that result in gains and/or cash receipts are offset against losses. Other adjustments include reversal of fees from previous GCIM years.

Financial hedging losses for the Year 24 GCIM period totaled \$188,302. This total is comprised of \$143,348 in NYMEX transactions and \$44,954 in OTC Swaps transactions. In compliance with D.10-01-023, seventy-five percent of the winter hedging losses are excluded from the GCIM and twenty-five percent of winter hedging losses are included in the GCIM calculation. For Year 24, \$633,706 represented seventy-five percent of winter hedging losses and \$211,235 represented twenty-five percent of winter hedging losses to be included in the GCIM calculation.<sup>16</sup> 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

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<sup>15</sup> OIR, D.10-01-023, 2010 Cal. PUC LEXIS 5, at \*99 (Ord. Para. 4) (Jan. 25, 2010).

<sup>16</sup> See *Public Advocates Office GCIM Year 24 Report*, Exhibits, Hedge Detail.

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>17</sup> These hedging transactions will generally incur related transaction fees for the purchase of the hedging contract, such as broker and premium fees.

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 (ICE) and/or NYMEX.

<p><b>TABLE 2-10</b>  <b>Southern California Gas Company</b>  <b>PGA Reconciliation-Financial Gains &amp; Losses</b>  <b>GCIM Year 24</b>  <b>April 1, 2017 Through March 31, 2018</b></p>
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NYMEX Traded/Cleared Transactions	GCIM	Recorded PGA	Variance
Exchange Traded Transactions (Gains)/Losses	\$ 135,284		
Exchange Traded Transactions Costs	\$ 8,064		
Total:	\$ 143,348	\$ 642,655	\$ 499,307
<b>OTC Swaps</b>			
OTC Swaps (Gains)/Losses	\$ 44,800		
OTC Swap Transaction Costs	\$ 154		
Total:	\$ 44,954	\$ 179,429	\$ 134,475
<b>Year 24 Financial (Gain)/Losses:</b>	<b>\$ 188,302</b>	<b>\$ 822,084</b>	<b>\$ 633,782</b>
<b>Reconciliation:</b>			
Reconciled Derivative PGA: 75% excluded Winter Hedge from GCIM			<u>\$ 633,782</u>
Public Advocates Office's 75% excluded Winter Hedge From GCIM			<u>\$ 633,706</u>
Adjusted Broker Fee in From Prior Year 23			75
Variance			<u>\$ 1</u>

<sup>17</sup> U.S. Senate Permanent Committee on Investigations: Excessive Speculation in the Natural Gas Market, July 9, 2007.

## 2.11 Winter Hedges

For GCIM Year 24, SoCalGas reported \$844,941 of winter hedging net losses. Table 2-11 shows twenty-five percent (25%) of the net losses at \$211,235, which is included in the GCIM. The Public Advocates Office confirmed that \$633,706 or seventy-five percent (75%) of total winter hedging losses were excluded from the GCIM and included in the PGA for GCIM Year 24. 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, the Public Advocates Office determined related hedging costs based on the contract date. If the contract date is beyond March 31, it is excluded from the GCIM Year 24 reporting period.

<b>TABLE 2-11</b> <b>Southern California Gas Company</b> <b>Winter Financial Derivatives (Gains) Losses</b> <b>GCIM Year 24</b> <b>April 1, 2017 Through March 31, 2018</b>
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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-17	\$ -		\$ -		\$ -
May-17	\$ -		\$ -		\$ -
Jun-17	\$ -		\$ -		\$ -
Jul-17	\$ -		\$ -		\$ -
Aug-17	\$ -		\$ -		\$ -
Sep-17	\$ 49,209	\$ 230	\$ 147,628	\$ 691	\$ 197,759
Oct-17	\$ 82,190	\$ 844	\$ 246,570	\$ 2,532	\$ 332,136
Nov-17	\$ 307,948	\$ 480	\$ 923,843	\$ 1,440	\$ 1,233,711
Dec-17	\$ (99,943)	\$ 158	\$ (299,828)	\$ 475	\$ (399,136)
Jan-18	\$ (29,180)	\$ 198	\$ (87,540)	\$ 594	\$ (115,928)
Feb-18	\$ (100,900)		\$ (302,700)		\$ (403,600)
Mar-18	\$ -		\$ -		\$ -
<b>Totals:</b>	<b>\$ 209,324</b>	<b>\$ 1,911</b>	<b>\$ 627,973</b>	<b>\$ 5,733</b>	<b>\$ 844,941</b>

<b>Hedge (Gain)/Loss</b>	<b>209,324</b>	<b>627,973</b>
<b>Fee</b>	<b>1,911</b>	<b>5,733</b>
<b>Rounding:</b>	-	-
<b>25% Winter Hedge Included in GCIM:</b>	<b>211,235</b>	<b>75% Winter Hedge Excluded From GCIM:</b>
		<b>633,706</b>

## 2.12 Review of Secondary Market Services Revenues

SoCalGas manages its retail core procurement using its assets of storage inventory, injection, withdrawal rights, and core supplies and by applying these assets to Secondary Market Services (SMS). In particular, SoCalGas generates revenue by using core assets to execute SMS transactions and fees that are based on market conditions. When SoCalGas management determines that core assets are not directly needed to meet core customer demand and reliability, it will utilize SMS transactions to offset core gas costs. As Table 2-12 below shows, for GCIM Year 24, SMS revenue totaled \$20,104,342 less \$1,118,204 in overhead costs which results in a net revenue of \$18,986,139.

<b>TABLE 2-12</b> <b>Southern California Gas Company</b> <b>Summary of Secondary Market Service Revenues</b> <b>GCIM Year 24</b> <b>April 1, 2017 Through March 31, 2018</b>
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SMS Revenue	\$ (20,104,342)
Less Overhead	\$ 1,118,204
Net Revenues	<u>\$ (18,986,139)</u>

## 2.13 SoCalGas Core Storage Inventory Targets

In D.06-10-029, the Commission approved a Joint Recommendation by the Public Advocates Office, TURN and SoCalGas to modify the utility's management and use of mid-season gas storage capacity for core customers.<sup>18</sup> This recommendation requires more gas to enter storage during the summer months for core customer use during the winter heating season. This decision requires SoCalGas to obtain agreement from the Public Advocates Office (formerly ORA) and TURN for mid-season inventory targets. These targets must be maintained or an agreement from the Public Advocates Office and TURN is needed if changes to inventory storage targets are made by SoCalGas. In either case, these changes are reflected in the GCIM.

In D.08-12-020, the Commission adopted Phase 1 of SoCalGas' 2009 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

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<sup>18</sup> SoCalGas, D.06-10-029, 2006 Cal. PUC LEXIS 398, at \*3 (Joint Recommendation adopted and approved) (dated Oct. 19, 2006).

inventory capacity to increase by 1.0 Bcf each year starting in April 1, 2010 until April 1, 2013.

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

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.

For the GCIM Year 24 mid-season storage, the Public Advocates Office’s review of SoCalGas’ inventory records show that the assigned core storage inventory level was 35.9 Bcf as of July 31, 2017. Thus the mid-season target was not achieved due to a deviation from the mid-season storage target by SoCalGas.

The annual storage inventory target on November 1 was 83 Bcf with a variance allowance of +0/-2 Bcf. As of October 31, 2017, SoCalGas reported the annual storage inventory was at 58.9 Bcf, which is below the storage inventory target. The data shows that SoCalGas did not meet the core inventory target requirements due to reduced storage capacities.

<p><b>TABLE 2-13</b>  <b>Southern California Gas Company</b>  <b>Core Storage Inventory for Summer and Winter Targets</b>  <b>GCIM Year 24</b>  <b>April 1, 2017 Through March 31, 2018</b></p>
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	7/31/17	10/31/17
<b>Bcf Target</b>	-	<b>83 +0/-2</b>
<b>Core Physical Inventory</b>	46.8	55.4
<b>Less:</b>		
<b>Secondary Market Services</b>	11.0	(0.1)
<b>Add:</b>		
<b>CAT</b>	-	3.4
<b>Total Core Storage Inventory</b>	<u>35.9</u>	<u>58.9</u>

Note: CAT inventory only excluded in July

## 2.14 Interstate Capacity Procurement

In Advice Letter 5006-G, effective September 2, 2016, the Commission authorized SoCalGas to update its Capacity Planning Range which was based on the



California Gas Report for 2016.<sup>19</sup> The filing was to comply with D.04-09-022 and Advice Letter 3969 to update SoCalGas and SDG&E’s combined portfolio capacity winter and non-winter seasons. Table 2-14 provides a summary of the minimum and maximum capacity values by season for the reporting period.

<b>TABLE 2-14</b> <b>Southern California Gas Company</b> <b>Capacity Ranges</b> <b>GCIM Year 24</b> <b>April 1, 2017 Through March 31, 2018</b>		
	<b>Minimum Capacity</b>	<b>Maximum Capacity</b>
<b>Non-Winter (April to October)</b>	<b>963 MDth/d</b>	<b>1,283 MDth/d</b>
<b>Winter (November to March)</b>	<b>1,070 MDth/d</b>	<b>1,283 MDth/d</b>

The update enabled SoCalGas to hold firm interstate pipeline capacity at no less than 90% of its forecasted core average daily load during the spring and summer months and no less than 100% during the fall and winter months. This established a minimum firm capacity for the period of April 2017 to October 2017 at 963 MDth/d, and 1,070 MDth/d for November 2017 to March 2018. SoCalGas’ GCIM Year 24 Application (A.18-06-009) in Appendix C reports actual capacity performance.

Proportionally, SoCalGas maintained a gas supply portfolio consisting of approximately 68% of long-term supply agreements; 32% month-to-month base load agreements; and less than 1% daily transactions as result of net purchases.<sup>20</sup>

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<sup>19</sup> See Letter from E. F. Randolph, Dir. of Comm. Energy Div., to R. Leeden, Dir. of Reg. Affairs, SoCalGas (Sept. 2, 2016, approving and made effective SoCalGas, Adv. Letr 5006, dated Aug 30, 2016).

<sup>20</sup> See *SoCalGas*, A.18-06-009 at 4–5.

**APPENDIX A**  
**EXHIBITS FOR PUBLIC ADVOCATES OFFICE REPORT**

**2-1**  
**Southern California Gas Company**  
**Total Actual Cost Summary**  
**GCIM Year 24**  
**April 1, 2017 through March 31, 2018**

	Actual Commodity Cost	Transportation Cost	Reservation Charge	Total Actual Cost
<b>Apr-17</b>	\$ 60,394,773	\$ 522,678	\$ 16,715,119	\$ 77,632,570
<b>May-17</b>	\$ 62,062,850	\$ 572,993	\$ 18,989,657	\$ 81,625,500
<b>Jun-17</b>	\$ 68,833,411	\$ 549,356	\$ 18,766,089	\$ 88,148,857
<b>Jul-17</b>	\$ 80,814,791	\$ 560,422	\$ 18,715,449	\$ 100,090,663
<b>Aug-17</b>	\$ 68,039,917	\$ 562,624	\$ 18,352,239	\$ 86,954,780
<b>Sep-17</b>	\$ 77,133,701	\$ 548,236	\$ 18,013,407	\$ 95,695,344
<b>Oct-17</b>	\$ 58,670,856	\$ 689,197	\$ 18,017,285	\$ 77,377,338
<b>Nov-17</b>	\$ 71,280,304	\$ 814,680	\$ 21,046,623	\$ 93,141,607
<b>Dec-17</b>	\$ 151,110,314	\$ 927,176	\$ 21,156,530	\$ 173,194,020
<b>Jan-18</b>	\$ 104,256,882	\$ 906,255	\$ 25,762,968	\$ 130,926,105
<b>Feb-18</b>	\$ 88,966,871	\$ 710,909	\$ 22,207,745	\$ 111,885,525
<b>Mar-18</b>	\$ 82,879,021	\$ 841,328	\$ 20,575,414	\$ 104,295,763
<b>Total</b>	\$ 974,443,693	\$ 8,205,854	\$ 238,318,525	\$ 1,220,968,072

**Southern California Gas Company  
Benchmark Cost Summary  
GCIM Year 24**

**April 1, 2017 through March 31, 2018**

	<b>Benchmark Commodity Cost</b>	<b>Transportation Cost</b>	<b>Reservation Charge</b>	<b>Total Benchmark Cost</b>
<b>Apr-17</b>	\$ 61,706,281	\$ 522,678	\$ 16,715,119	\$ 78,944,078
<b>May-17</b>	\$ 63,363,060	\$ 572,993	\$ 18,989,657	\$ 82,925,710
<b>Jun-17</b>	\$ 70,599,235	\$ 549,356	\$ 18,766,089	\$ 89,914,681
<b>Jul-17</b>	\$ 81,760,352	\$ 560,422	\$ 18,715,449	\$ 101,036,223
<b>Aug-17</b>	\$ 71,459,347	\$ 562,624	\$ 18,352,239	\$ 90,374,210
<b>Sep-17</b>	\$ 79,406,380	\$ 548,236	\$ 18,013,407	\$ 97,968,023
<b>Oct-17</b>	\$ 62,152,066	\$ 689,197	\$ 18,017,285	\$ 80,858,547
<b>Nov-17</b>	\$ 70,838,677	\$ 814,680	\$ 21,046,623	\$ 92,699,979
<b>Dec-17</b>	\$ 181,111,588	\$ 927,176	\$ 21,156,530	\$ 203,195,295
<b>Jan-18</b>	\$ 113,277,629	\$ 906,255	\$ 25,762,968	\$ 139,946,852
<b>Feb-18</b>	\$ 96,264,624	\$ 710,909	\$ 22,207,745	\$ 119,183,278
<b>Mar-18</b>	\$ 84,226,649	\$ 841,328	\$ 20,575,414	\$ 105,643,391
<b>Total</b>	\$ 1,036,165,888	\$ 8,205,854	\$ 238,318,525	\$ 1,282,690,267

2-3  
**Southern California Gas Company**  
**Actual Commodity Purchases Costs**  
**GCIM Year 24**  
**April 1, 2017 through March 31, 2018**

	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
<b>Mainline Prurchases</b>	\$ 66,571,002	\$ 68,322,368	\$ 72,415,442	\$ 72,207,376	\$ 69,734,197	\$ 65,835,644	\$ 62,565,356	\$ 71,151,684	\$ 68,348,749	\$ 84,684,715	\$ 79,928,681	\$ 59,030,778	\$ 840,795,992
<b>Border Purchases</b>	\$ 7,317,981	\$ 4,350,650	\$ 14,942,327	\$ 18,963,055	\$ 15,544,686	\$ 22,529,672	\$ 9,496,575	\$ 20,433,588	\$ 108,496,441	\$ 41,515,794	\$ 24,213,048	\$ 42,876,596	\$ 330,680,414
<b>Total Commodity Purchases</b>	\$ 73,888,983	\$ 72,673,018	\$ 87,357,768	\$ 91,170,431	\$ 85,278,883	\$ 88,365,316	\$ 72,061,931	\$ 91,585,272	\$ 176,845,190	\$ 126,200,509	\$ 104,141,729	\$ 101,907,374	\$ 1,171,476,405
<b>Mainline Sales</b>	\$ (5,042,548)	\$ (3,386,058)	\$ (4,165,935)	\$ (7,268,676)	\$ (5,838,366)	\$ (5,409,373)	\$ (7,370,601)	\$ (9,640,572)	\$ (11,128,567)	\$ (15,026,663)	\$ (442,877)	\$ (4,204,923)	\$ (78,925,160)
<b>Border Sales</b>	\$ (7,742,919)	\$ (6,551,957)	\$ (14,444,321)	\$ (3,142,977)	\$ (11,632,875)	\$ (5,946,722)	\$ (6,117,192)	\$ (11,058,907)	\$ (8,303,803)	\$ (2,965,820)	\$ (8,791,747)	\$ (12,877,246)	\$ (99,576,487)
<b>Total Commodity Sales</b>	\$ (12,785,467)	\$ (9,938,016)	\$ (18,610,256)	\$ (10,411,653)	\$ (17,471,241)	\$ (11,356,096)	\$ (13,487,792)	\$ (20,699,479)	\$ (19,432,370)	\$ (17,992,483)	\$ (9,234,624)	\$ (17,082,169)	\$ (178,501,647)
<b>Secondary Market Service Revenue</b>	\$ (708,493)	\$ (702,330)	\$ 67,159	\$ 54,248	\$ 221,906	\$ 66,454	\$ (13,214)	\$ 47,213	\$ (6,224,850)	\$ (3,950,775)	\$ (5,868,726)	\$ (1,974,730)	\$ (18,986,139)
<b>Financial (Gains)/Losses</b>	\$ (249)	\$ 13,333	\$ 3,830	\$ 1,766	\$ 10,370	\$ 58,027	\$ 83,733	\$ 331,131	\$ (108,237)	\$ (29,041)	\$ (102,705)	\$ (73,655)	\$ 188,302
<b>Other Costs</b>	\$ -	\$ 16,845	\$ 14,910	\$ -	\$ -	\$ -	\$ 26,199	\$ 16,167	\$ 30,580	\$ 28,672	\$ 31,197	\$ 102,201	\$ 266,771
<b>Actual Commodity Purchase Cost</b>	\$ 60,394,773	\$ 62,062,850	\$ 68,833,411	\$ 80,814,791	\$ 68,039,917	\$ 77,133,701	\$ 58,670,856	\$ 71,280,304	\$ 151,110,314	\$ 104,256,882	\$ 88,966,871	\$ 82,879,021	\$ 974,443,693

2-3a  
Southern California Gas Company  
Mainline Purchase Summary  
GCIM Year 24  
April 1, 2017 through March 31, 2018

	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
El Paso - Permian	\$ 13,542,552	\$ 15,020,210	\$ 15,967,692	\$ 14,785,182	\$ 14,734,858	\$ 15,289,219	\$ 13,489,594	\$ 13,999,924	\$ 13,096,081	\$ 13,088,869	\$ 14,608,412	\$ 10,812,100	\$ 168,434,693
El Paso - San Juan	\$ 25,537,898	\$ 24,502,111	\$ 26,628,393	\$ 29,199,598	\$ 26,938,401	\$ 24,181,637	\$ 27,373,064	\$ 34,719,623	\$ 21,362,419	\$ 35,030,252	\$ 28,643,407	\$ 26,501,802	\$ 330,618,605
Transwestern - Permian	\$ 2,173,830	\$ 2,357,539	\$ 2,496,782	\$ 2,377,714	\$ 2,396,601	\$ 2,265,878	\$ 2,180,098	\$ 3,244,459	\$ 3,457,604	\$ 3,141,816	\$ 3,321,855	\$ 2,655,154	\$ 32,069,330
Transwestern - San Juan	\$ 4,337,897	\$ 6,549,949	\$ 6,571,098	\$ 6,275,542	\$ 6,333,424	\$ 6,053,854	\$ 1,830,156	\$ -	\$ 972,330	\$ 6,017,593	\$ 6,182,755	\$ 3,148,512	\$ 54,273,111
Kern River	\$ 17,793,870	\$ 16,413,083	\$ 16,902,387	\$ 16,225,877	\$ 16,419,025	\$ 15,970,078	\$ 15,665,194	\$ 16,044,838	\$ 26,599,564	\$ 24,342,517	\$ 24,684,373	\$ 13,770,608	\$ 220,831,414
Enterprise - Waha	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 362,500	\$ -	\$ -	\$ 362,500
NOVA-AECO/NIT	\$ 3,184,956	\$ 3,479,474	\$ 3,849,090	\$ 3,343,464	\$ 2,911,889	\$ 2,074,977	\$ 2,027,250	\$ 2,821,526	\$ 2,860,751	\$ 2,574,093	\$ 2,487,880	\$ 2,142,601	\$ 33,757,950
GTN-Kingsgate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GTN-Stanfield	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 127,076	\$ -	\$ -	\$ 127,076
GTN-Malin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 321,314	\$ -	\$ -	\$ -	\$ -	\$ 321,314
<b>Total Mainline Purchases</b>	<b>\$ 66,571,002</b>	<b>\$ 68,322,368</b>	<b>\$ 72,415,442</b>	<b>\$ 72,207,376</b>	<b>\$ 69,734,197</b>	<b>\$ 65,835,644</b>	<b>\$ 62,565,356</b>	<b>\$ 71,151,684</b>	<b>\$ 68,348,749</b>	<b>\$ 84,684,715</b>	<b>\$ 79,928,681</b>	<b>\$ 59,030,778</b>	<b>\$ 840,795,992</b>

2-3b  
 Southern California Gas Company  
 Border and Citygate Purchase Summary  
 GCIM Year 24  
 April 1, 2017 through March 31, 2018

Purchase	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
Border Purchase	\$ 7,173,956	\$ 4,080,405	\$ 13,306,987	\$ 18,121,218	\$ 7,268,999	\$ 15,632,196	\$ 5,095,507	\$ 13,480,546	\$ 17,545,274	\$ 28,867,346	\$ 18,447,874	\$ 11,526,958	\$ 160,547,267
SoCal Citygate	\$ 144,025	\$ 270,245	\$ 1,635,340	\$ 841,836	\$ 8,275,687	\$ 6,897,476	\$ 4,401,069	\$ 6,953,042	\$ 90,951,167	\$ 12,648,448	\$ 5,765,173	\$ 31,349,639	\$ 170,133,146
<b>Total Border and Citygate Purchases</b>	<b>\$ 7,317,981</b>	<b>\$ 4,350,650</b>	<b>\$ 14,942,327</b>	<b>\$ 18,963,055</b>	<b>\$ 15,544,686</b>	<b>\$ 22,529,672</b>	<b>\$ 9,496,575</b>	<b>\$ 20,433,588</b>	<b>\$ 108,496,441</b>	<b>\$ 41,515,794</b>	<b>\$ 24,213,048</b>	<b>\$ 42,876,596</b>	<b>\$ 330,680,414</b>

2-3c  
Southern California Gas Company  
Mainline Sale Summary  
GCIM Year 24  
April 1, 2017 through March 31, 2018

	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
El Paso - Permian	\$ (3,913,799)	\$ (2,267,275)	\$ (1,272,581)	\$ (3,956,076)	\$ (4,487,409)	\$ (3,891,649)	\$ (2,789,730)	\$ (5,418,396)	\$ (6,941,008)	\$ (5,053,351)	\$ (323,144)	\$ (3,146,360)	\$ (43,460,777)
El Paso - San Juan	\$ (829,019)	\$ (713,510)	\$ (2,637,416)	\$ (3,135,842)	\$ (679,258)	\$ (368,648)	\$ (270,850)	\$ (449,406)	\$ (642,054)	\$ (3,013,453)	\$ -	\$ (939,988)	\$ (13,679,443)
Transwestern - Permian	\$ (189,683)	\$ (274,423)	\$ (157,280)	\$ -	\$ (24,998)	\$ (52,948)	\$ (2,170,290)	\$ (3,251,762)	\$ (3,468,106)	\$ (1,865,593)	\$ -	\$ (89,695)	\$ (11,544,776)
Transwestern - San Juan	\$ (1,804)	\$ -	\$ (5,489)	\$ -	\$ -	\$ -	\$ (1,778,605)	\$ -	\$ -	\$ (2,639,922)	\$ (87,500)	\$ -	\$ (4,513,320)
Kern River	\$ -	\$ (7,828)	\$ (4,976)	\$ -	\$ (541,038)	\$ (892,983)	\$ (286,274)	\$ (293,808)	\$ -	\$ (1,685,757)	\$ -	\$ -	\$ (3,712,662)
Enterprise - Waha	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (496,586)	\$ -	\$ -	\$ (496,586)
NOVA-AECO/NIT	\$ (79,746)	\$ (123,024)	\$ (88,195)	\$ (151,259)	\$ (105,664)	\$ (203,146)	\$ (74,832)	\$ (186,404)	\$ (77,399)	\$ (49,049)	\$ (32,233)	\$ (28,879)	\$ (1,199,830)
GTN-Kingsgate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GTN-Stanfield	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GTN-Malin	\$ (28,498)	\$ -	\$ -	\$ (25,500)	\$ -	\$ -	\$ (20)	\$ (40,796)	\$ -	\$ (222,953)	\$ -	\$ -	\$ (317,766)
<b>Total Mainline Sales</b>	<b>\$ (5,042,548)</b>	<b>\$ (3,386,058)</b>	<b>\$ (4,165,935)</b>	<b>\$ (7,268,676)</b>	<b>\$ (5,838,366)</b>	<b>\$ (5,409,373)</b>	<b>\$ (7,370,601)</b>	<b>\$ (9,640,572)</b>	<b>\$ (11,128,567)</b>	<b>\$ (15,026,663)</b>	<b>\$ (442,877)</b>	<b>\$ (4,204,923)</b>	<b>\$ (78,925,160)</b>



2-3d  
 Southern California Gas Company  
 Border and Citygate Sale Summary  
 GCIM Year 24  
 April 1, 2017 through March 31, 2018

	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
<b>Border Sales</b>	\$ (347,726)	\$ (83,993)	\$ (1,012,577)	\$ (1,010,534)	\$ (513,832)	\$ -	\$ (318,844)	\$ (1,174,104)	\$ (5,372,235)	\$ (572,848)	\$ (1,584,264)	\$ (2,314,756)	\$ (14,305,712)
<b>SoCal Citygate Sales</b>	\$ (7,395,194)	\$ (6,467,965)	\$ (13,431,744)	\$ (2,132,443)	\$ (11,119,044)	\$ (5,946,722)	\$ (5,798,348)	\$ (9,884,803)	\$ (2,931,568)	\$ (2,392,972)	\$ (7,207,483)	\$ (10,562,490)	\$ (85,270,775)
<b>PG&amp;E- Topock Sales</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Border and Citygate Sales</b>	\$ (7,742,919)	\$ (6,551,957)	\$ (14,444,321)	\$ (3,142,977)	\$ (11,632,875)	\$ (5,946,722)	\$ (6,117,192)	\$ (11,058,907)	\$ (8,303,803)	\$ (2,965,820)	\$ (8,791,747)	\$ (12,877,246)	\$ (99,576,487)

2-3e  
 Southern California Gas Company  
 Secondary Market Service Revenue  
 GCIM Year 24  
 April 1, 2017 through March 31, 2018

	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
<b>Secondary Market Service Revenue</b>	\$ (769,986)	\$ (769,697)	\$ -	\$ -	\$ (248,050)	\$ -	\$ (89,125)	\$ -	\$ (6,277,349)	\$ (3,998,249)	\$ (5,913,792)	\$ (2,038,095)	\$ (20,104,342)
<b>Overhead Cost</b>	\$ 61,493	\$ 67,367	\$ 67,159	\$ 54,248	\$ 469,956	\$ 66,454	\$ 75,911	\$ 47,213	\$ 52,499	\$ 47,474	\$ 45,066	\$ 63,365	\$ 1,118,204
<b>Net Secondary Market Service Revenue</b>	\$ (708,493)	\$ (702,330)	\$ 67,159	\$ 54,248	\$ 221,906	\$ 66,454	\$ (13,214)	\$ 47,213	\$ (6,224,850)	\$ (3,950,775)	\$ (5,868,726)	\$ (1,974,730)	\$ (18,986,139)

**2-3f**  
**Southern California Gas Company**  
**Off-System Parking Fee**  
**GCIM Year 24**  
**April 1, 2017 through March 31, 2018**

	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
<b>Off System Parking Fee</b>	\$ -	\$ 16,845	\$ 14,910	\$ -	\$ -	\$ -	\$ 26,199	\$ 16,167	\$ 30,580	\$ 28,672	\$ 31,197	\$ 102,201	\$ 266,771
<b>Total</b>	\$ -	\$ 16,845	\$ 14,910	\$ -	\$ -	\$ -	\$ 26,199	\$ 16,167	\$ 30,580	\$ 28,672	\$ 31,197	\$ 102,201	\$ 266,771

**2-3g**  
**Southern California Gas Company**  
**Total Financial Derivatives Summary**  
**GCIM Year 24**

**April 1, 2017 through March 31, 2018**

	<b>NYMEX &amp; OTC Cleared Losses/(Gains)</b>	<b>NYMEX &amp; OTC Clear Transaction Costs</b>	<b>OTC Swap Losses/(Gains)</b>	<b>OTC Swap Transaction Cost</b>	<b>Total Financial Cost/(Gain)</b>
<b>Apr-17</b>	\$ -	\$ 39	\$ (750)	\$ 462	\$ (249)
<b>May-17</b>	\$ -	\$ -	\$ 12,981	\$ 352	\$ 13,333
<b>Jun-17</b>	\$ -	\$ 115	\$ 2,438	\$ 1,277	\$ 3,830
<b>Jul-17</b>	\$ -	\$ -	\$ 1,124	\$ 642	\$ 1,766
<b>Aug-17</b>	\$ -	\$ -	\$ 10,230	\$ 140	\$ 10,370
<b>Sep-17</b>	\$ -	\$ -	\$ 57,797	\$ 230	\$ 58,027
<b>Oct-17</b>	\$ -	\$ -	\$ 82,190	\$ 1,543	\$ 83,733
<b>Nov-17</b>	\$ 280,000	\$ -	\$ 50,073	\$ 1,058	\$ 331,131
<b>Dec-17</b>	\$ (114,800)	\$ -	\$ 6,333	\$ 231	\$ (108,237)
<b>Jan-18</b>	\$ (19,500)	\$ -	\$ (10,068)	\$ 527	\$ (29,041)
<b>Feb-18</b>	\$ (100,900)	\$ -	\$ (2,275)	\$ 470	\$ (102,705)
<b>Mar-18</b>	\$ -	\$ -	\$ (74,788)	\$ 1,133	\$ (73,655)
<b>Total</b>	\$ 44,800	\$ 154	\$ 135,284	\$ 8,064	\$ 188,302

Recorded: \$ 188,303

2-3h  
Southern California Gas Company  
Hedge Detail  
GCIM Year 24  
April 1, 2017 through March 31, 2018

Non-Winter Hedge							25% Winter Hedge						
NYMEX Option	OTC Cleared Swaps		OTC Clear Option		Exchange Traded	Financial Swap Broker	NYMEX Option	OTC Cleared	OTC Clear Option		Exchanged Traded	Financial Swap	Total
Premiums (Gain)/Loss	(Gain)/Loss	Premiums (Gain)/Loss	Future (Gain)/Loss	Broker Fee	Fee	Premiums (Gain)/Loss	Swaps (Gain)/Loss	Premiums (Gain)/Loss	Future (Gain)/Loss	Broker Fee	Broker Fee		
Apr-17	\$ -	\$ (750)	\$ -	\$ -	\$ 462	\$ 39	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (249)
May-17	\$ -	\$ 12,981	\$ -	\$ -	\$ 352	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,333
Jun-17	\$ -	\$ 2,438	\$ -	\$ -	\$ 1,277	\$ 115	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,830
Jul-17	\$ -	\$ 1,124	\$ -	\$ -	\$ 642	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,766
Aug-17	\$ -	\$ 10,230	\$ -	\$ -	\$ 140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,370
Sep-17	\$ -	\$ 8,588	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,209	\$ -	\$ -	\$ 230	\$ -	\$ 58,027
Oct-17	\$ -	\$ -	\$ -	\$ -	\$ 699	\$ -	\$ -	\$ 82,190	\$ -	\$ -	\$ 844	\$ -	\$ 83,733
Nov-17	\$ -	\$ 22,125	\$ -	\$ -	\$ 578	\$ -	\$ 280,000	\$ 27,948	\$ -	\$ -	\$ 480	\$ -	\$ 331,131
Dec-17	\$ -	\$ (8,525)	\$ -	\$ -	\$ 72	\$ -	\$ -	\$ 14,858	\$ (114,800)	\$ -	\$ 158	\$ -	\$ (108,237)
Jan-18	\$ -	\$ (388)	\$ -	\$ -	\$ 329	\$ -	\$ -	\$ (9,680)	\$ (19,500)	\$ -	\$ 198	\$ -	\$ (29,041)
Feb-18	\$ -	\$ (2,275)	\$ -	\$ -	\$ 470	\$ -	\$ -	\$ -	\$ (100,900)	\$ -	\$ -	\$ -	\$ (102,705)
Mar-18	\$ -	\$ (74,788)	\$ -	\$ -	\$ 1,133	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (73,655)
<b>Total</b>	\$ -	\$ (29,240)	\$ -	\$ -	\$ 6,153	\$ 154	\$ 280,000	\$ 164,524	\$ (235,200)	\$ -	\$ 1,911	\$ -	\$ 188,303

Non-Winter Hedge:	A+B+C+D	\$ (29,240)
Non-Winter Transaction Cost:	E+F	\$ 6,307
		\$ (22,933)
Winter Hedge:	G+H+I+J	\$ 209,324
Winter Hedge Transaction Cost:	K+L	\$ 1,911
		\$ 211,235
Financial Cost Total Included in GCIM:		\$ 188,303

2-3i  
Southern California Gas Company  
Winter Hedge Costs  
GCIM Year 24  
April 1, 2017 through March 31, 2018

	25% Winter						75% Winter					
	NYMEX Option Premiums (Gain)/Loss	OTC Cleared Swaps (Gain)/Loss	OTC Clear Option Premiums (Gain)/Loss	Future (Gain)/Loss	Exchanged Traded Broker Fee	Financial Swap Broker Fee	NYMEX Option Premiums (Gain)/Loss	OTC Cleared Swaps (Gain)/Loss	OTC Clear Option Premiums (Gain)/Loss	Future (Gain)/Loss	Exchanged Traded Broker Fee	Financial Swap Broker Fee
Apr-17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
May-17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Jun-17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Jul-17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Aug-17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Sep-17	\$ -	\$ 49,209	\$ -	\$ -	\$ 230	\$ -	\$ 147,628	\$ -	\$ -	\$ 691	\$ -	
Oct-17	\$ -	\$ 82,190	\$ -	\$ -	\$ 844	\$ -	\$ 246,570	\$ -	\$ -	\$ 2,532	\$ -	
Nov-17	\$ 280,000	\$ 27,948	\$ -	\$ -	\$ 480	\$ -	\$ 83,843	\$ -	\$ -	\$ 1,440	\$ -	
Dec-17	\$ -	\$ 14,858	\$ (114,800)	\$ -	\$ 158	\$ -	\$ 44,573	\$ (344,400)	\$ -	\$ 475	\$ -	
Jan-18	\$ -	\$ (9,680)	\$ (19,500)	\$ -	\$ 198	\$ -	\$ (29,040)	\$ (58,500)	\$ -	\$ 594	\$ -	
Feb-18	\$ -	\$ -	\$ (100,900)	\$ -	\$ -	\$ -	\$ -	\$ (302,700)	\$ -	\$ -	\$ -	
Mar-18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total</b>	<b>\$ 280,000</b>	<b>\$ 164,524</b>	<b>\$ (235,200)</b>	<b>\$ -</b>	<b>\$ 1,911</b>	<b>\$ -</b>	<b>\$ 493,573</b>	<b>\$ (705,600)</b>	<b>\$ -</b>	<b>\$ 5,733</b>	<b>\$ -</b>	

25% Winter	\$ 211,235
75% Winter	\$ 633,706
100% Winter	<u>\$ 844,941</u>

2-4b  
 Southern California Gas Company  
 Benchmark Commodity Costs  
 GCIM Year 24  
 April 1, 2017 through March 31, 2018

	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
<b>Mainline Benchmark Commodity Cost</b>	\$ 61,845,483	\$ 65,437,005	\$ 68,265,047	\$ 65,188,564	\$ 64,222,581	\$ 60,727,529	\$ 55,393,581	\$ 61,490,411	\$ 57,671,267	\$ 73,687,533	\$ 80,320,814	\$ 54,427,077	\$ 768,676,892
<b>Border Commodity Cost</b>	\$ 6,846,582	\$ 4,008,913	\$ 12,924,965	\$ 17,471,814	\$ 6,884,237	\$ 15,775,568	\$ 4,536,988	\$ 12,167,641	\$ 12,183,756	\$ 28,417,415	\$ 16,987,128	\$ 9,198,836	\$ 147,403,843
<b>Citygate Commodity Cost</b>	\$ (6,985,783)	\$ (6,082,858)	\$ (10,590,776)	\$ (900,027)	\$ 352,529	\$ 2,903,283	\$ 2,221,497	\$ (2,819,375)	\$ 111,256,565	\$ 11,172,681	\$ (1,043,319)	\$ 20,600,736	\$ 120,085,152
<b>PG&amp;E Topock Commodity Cost</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Benchmark Commodity Costs</b>	\$ 61,706,281	\$ 63,363,060	\$ 70,599,235	\$ 81,760,352	\$ 71,459,347	\$ 79,406,380	\$ 62,152,066	\$ 70,838,677	\$ 181,111,588	\$ 113,277,629	\$ 96,264,624	\$ 84,226,649	\$ 1,036,165,888

Southern California Gas Company  
Reservation Charges  
GCIM Year 24

April 1, 2017 through March 31, 2018

	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
<b>El Paso</b>	\$ 5,782,914	\$ 5,857,644	\$ 5,829,911	\$ 5,797,591	\$ 5,858,727	\$ 5,782,914	\$ 6,115,575	\$ 6,470,852	\$ 5,931,784	\$ 6,777,577	\$ 6,640,798	\$ 6,621,595	\$ 73,467,881
<b>Transwestern</b>	\$ 608,852	\$ 817,084	\$ 785,477	\$ 811,659	\$ 811,659	\$ 785,477	\$ 811,659	\$ 1,389,302	\$ 1,435,612	\$ 1,435,612	\$ 1,296,681	\$ 1,435,612	\$ 12,424,683
<b>Kern River</b>	\$ 509,121	\$ 2,100,660	\$ 2,032,897	\$ 2,100,660	\$ 2,100,660	\$ 2,032,897	\$ 2,100,660	\$ 2,032,897	\$ 2,785,005	\$ 2,785,005	\$ 2,515,488	\$ 2,100,660	\$ 25,196,610
<b>Nova (A)</b>	\$ 230,777	\$ 228,078	\$ 220,896	\$ 231,462	\$ 232,975	\$ 239,181	\$ 232,939	\$ 229,991	\$ 238,889	\$ 215,550	\$ 212,803	\$ 207,111	\$ 2,720,654
<b>Foothills (B)</b>	\$ 94,099	\$ 92,998	\$ 95,162	\$ 99,714	\$ 100,365	\$ 103,039	\$ 100,350	\$ 99,080	\$ 102,913	\$ 105,804	\$ 104,456	\$ 101,662	\$ 1,199,641
<b>GTN (C)</b>	\$ 472,888	\$ 488,651	\$ 472,888	\$ 488,651	\$ 488,651	\$ 472,888	\$ 488,145	\$ 472,888	\$ 488,651	\$ 488,651	\$ 441,362	\$ 488,651	\$ 5,752,966
<b>PG&amp;E (D)</b>	\$ 297,420	\$ 297,420	\$ 297,420	\$ 297,420	\$ 297,420	\$ 297,420	\$ 296,499	\$ 310,883	\$ 297,420	\$ 300,972	\$ 300,972	\$ 300,972	\$ 3,592,236
<b>Canadian Path (A)+(B)+(C)+(D)</b>	\$ 1,095,184	\$ 1,107,147	\$ 1,086,366	\$ 1,117,247	\$ 1,119,411	\$ 1,112,528	\$ 1,117,934	\$ 1,112,842	\$ 1,127,873	\$ 1,110,976	\$ 1,059,593	\$ 1,098,396	\$ 13,265,497
<b>Northwest</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,483	\$ -	\$ -	\$ 10,483
<b>North Baja</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 196,748	\$ 240,384	\$ 240,384	\$ -	\$ 426,241	\$ 1,103,756
<b>Enterprise Texas</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135,000	\$ -	\$ -	\$ -	\$ -	\$ 135,000
<b>Backbone Transportation Service Charges</b>	\$ 8,723,013	\$ 9,107,122	\$ 9,031,439	\$ 8,888,292	\$ 8,461,782	\$ 8,299,591	\$ 7,871,456	\$ 9,708,983	\$ 9,635,873	\$ 13,402,932	\$ 10,695,184	\$ 8,892,911	\$ 112,718,579
<b>Brokered Capacity Credits</b>	\$ 3,965	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,965
<b>Total Backbone Transportation</b>	\$ 8,719,049	\$ 9,107,122	\$ 9,031,439	\$ 8,888,292	\$ 8,461,782	\$ 8,299,591	\$ 7,871,456	\$ 9,708,983	\$ 9,635,873	\$ 13,402,932	\$ 10,695,184	\$ 8,892,911	\$ 112,714,614
<b>Total Reservation Charges</b>	\$ 16,715,119	\$ 18,989,657	\$ 18,766,089	\$ 18,715,449	\$ 18,352,239	\$ 18,013,407	\$ 18,017,285	\$ 21,046,623	\$ 21,156,530	\$ 25,762,968	\$ 22,207,745	\$ 20,575,414	\$ 238,318,525





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**Southern California Gas Company**  
**Transportation Charges**  
**GCIM Year 24**  
**April 1, 2017 through March 31, 2018**

	<b>Apr-17</b>	<b>May-17</b>	<b>Jun-17</b>	<b>Jul-17</b>	<b>Aug-17</b>	<b>Sep-17</b>	<b>Oct-17</b>	<b>Nov-17</b>	<b>Dec-17</b>	<b>Jan-18</b>	<b>Feb-18</b>	<b>Mar-18</b>	<b>Total</b>
<b>El Paso</b>	\$ 428,398	\$ 465,786	\$ 445,564	\$ 454,606	\$ 456,452	\$ 445,236	\$ 510,218	\$ 572,324	\$ 343,401	\$ 576,919	\$ 520,505	\$ 530,232	\$ 5,749,639
<b>Transwestern</b>	\$ 42,166	\$ 56,785	\$ 55,040	\$ 56,043	\$ 56,964	\$ 55,517	\$ 703	\$ -	\$ 6,061	\$ 29,929	\$ 60,555	\$ 52,134	\$ 471,898
<b>Kern River</b>	\$ 34,850	\$ 32,742	\$ 31,682	\$ 32,113	\$ 31,700	\$ 30,056	\$ 32,263	\$ 30,997	\$ 52,398	\$ 49,281	\$ 47,618	\$ 33,106	\$ 438,806
<b>Northwest</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 941	\$ -	\$ -	\$ 941
<b>Canadian Path</b>	\$ 17,263	\$ 17,679	\$ 17,070	\$ 17,661	\$ 17,507	\$ 17,427	\$ 17,244	\$ 16,657	\$ 17,723	\$ 17,768	\$ 16,411	\$ 18,174	\$ 208,585
<b>ETP</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,338	\$ -	\$ 11,338
<b>Mexican Path</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,769	\$ 194,701	\$ 507,594	\$ 231,417	\$ 54,482	\$ 207,682	\$ 1,324,646
<b>Total</b>	\$ 522,678	\$ 572,993	\$ 549,356	\$ 560,422	\$ 562,624	\$ 548,236	\$ 689,197	\$ 814,680	\$ 927,176	\$ 906,255	\$ 710,909	\$ 841,328	\$ 8,205,854

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 Southern California Gas Company  
 Net Commodity Purchase Costs  
 GCIM Year 24  
 April 1, 2017 through March 31, 2018

	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
<b>Mainline Prurchases</b>	\$ 66,571,002	\$ 68,322,368	\$ 72,415,442	\$ 72,207,376	\$ 69,734,197	\$ 65,835,644	\$ 62,565,356	\$ 71,151,684	\$ 68,348,749	\$ 84,684,715	\$ 79,928,681	\$ 59,030,778	\$ 840,795,992
<b>Border Purchases</b>	\$ 7,317,981	\$ 4,350,650	\$ 14,942,327	\$ 18,963,055	\$ 15,544,686	\$ 22,529,672	\$ 9,496,575	\$ 20,433,588	\$ 108,496,441	\$ 41,515,794	\$ 24,213,048	\$ 42,876,596	\$ 330,680,414
<b>Total Commodity Purchases</b>	\$ 73,888,983	\$ 72,673,018	\$ 87,357,768	\$ 91,170,431	\$ 85,278,883	\$ 88,365,316	\$ 72,061,931	\$ 91,585,272	\$ 176,845,190	\$ 126,200,509	\$ 104,141,729	\$ 101,907,374	\$ 1,171,476,405
<b>Mainline Sales</b>	\$ (5,042,548)	\$ (3,386,058)	\$ (4,165,935)	\$ (7,268,676)	\$ (5,838,366)	\$ (5,409,373)	\$ (7,370,601)	\$ (9,640,572)	\$ (11,128,567)	\$ (15,026,663)	\$ (442,877)	\$ (4,204,923)	\$ (78,925,160)
<b>Border Sales</b>	\$ (7,742,919)	\$ (6,551,957)	\$ (14,444,321)	\$ (3,142,977)	\$ (11,632,875)	\$ (5,946,722)	\$ (6,117,192)	\$ (11,058,907)	\$ (8,303,803)	\$ (2,965,820)	\$ (8,791,747)	\$ (12,877,246)	\$ (99,576,487)
<b>Total Commodity Sales</b>	\$ (12,785,467)	\$ (9,938,016)	\$ (18,610,256)	\$ (10,411,653)	\$ (17,471,241)	\$ (11,356,096)	\$ (13,487,792)	\$ (20,699,479)	\$ (19,432,370)	\$ (17,992,483)	\$ (9,234,624)	\$ (17,082,169)	\$ (178,501,647)
<b>Net Commodity Purchases</b>	\$ 61,103,516	\$ 62,735,002	\$ 68,747,512	\$ 80,758,778	\$ 67,807,642	\$ 77,009,220	\$ 58,574,138	\$ 70,885,793	\$ 157,412,820	\$ 108,208,026	\$ 94,907,105	\$ 84,825,205	\$ 992,974,758

**Southern California Gas Company**  
**Net Mainline Purchases by Pipelines**  
**GCIM Year 24**  
**April 1, 2017 through March 31, 2018**

	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
El Paso - Permian	\$ 27,085,104	\$ 12,752,936	\$ 14,695,111	\$ 10,829,106	\$ 10,247,449	\$ 11,397,570	\$ 10,699,864	\$ 8,581,528	\$ 6,155,073	\$ 8,035,517	\$ 14,285,268	\$ 7,665,740	\$ 142,430,266
El Paso - San Juan	\$ 51,075,796	\$ 23,788,602	\$ 23,990,977	\$ 26,063,756	\$ 26,259,143	\$ 23,812,989	\$ 27,102,215	\$ 34,270,217	\$ 20,720,365	\$ 32,016,800	\$ 28,643,407	\$ 25,561,814	\$ 343,306,079
Transwestern - Permian	\$ 4,347,659	\$ 2,083,117	\$ 2,339,502	\$ 2,377,714	\$ 2,371,604	\$ 2,212,931	\$ 9,808	\$ (7,303)	\$ (10,502)	\$ 1,276,223	\$ 3,321,855	\$ 2,565,459	\$ 22,888,066
Transwestern - San Juan	\$ 8,675,794	\$ 6,549,949	\$ 6,565,609	\$ 6,275,542	\$ 6,333,424	\$ 6,053,854	\$ 51,550	\$ -	\$ 972,330	\$ 3,377,671	\$ 6,095,255	\$ 3,148,512	\$ 54,099,491
Kern River	\$ 35,587,740	\$ 16,405,256	\$ 16,897,411	\$ 16,225,877	\$ 15,877,986	\$ 15,077,096	\$ 15,378,921	\$ 15,751,030	\$ 26,599,564	\$ 22,656,760	\$ 24,684,373	\$ 13,770,608	\$ 234,912,622
Enterprise - Waha	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (134,086)	\$ -	\$ -	\$ (134,086)
NOVA-AECO/NIT	\$ 6,369,912	\$ 3,356,450	\$ 3,760,895	\$ 3,192,205	\$ 2,806,225	\$ 1,871,830	\$ 1,952,418	\$ 2,635,122	\$ 2,783,352	\$ 2,525,044	\$ 2,455,646	\$ 2,113,722	\$ 35,822,822
GTN-Kingsgate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GTN-Stanfield	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 127,076	\$ -	\$ -	\$ 127,076
GTN-Malin	\$ -	\$ -	\$ -	\$ (25,500)	\$ -	\$ -	\$ (20)	\$ 280,518	\$ -	\$ (222,953)	\$ -	\$ -	\$ 32,045
<b>Total Mainline Purchases</b>	<b>\$ 133,142,005</b>	<b>\$ 64,936,309</b>	<b>\$ 68,249,506</b>	<b>\$ 64,938,700</b>	<b>\$ 63,895,831</b>	<b>\$ 60,426,270</b>	<b>\$ 55,194,755</b>	<b>\$ 61,511,113</b>	<b>\$ 57,220,181</b>	<b>\$ 69,658,052</b>	<b>\$ 79,485,805</b>	<b>\$ 54,825,855</b>	<b>\$ 833,484,382</b>

\*Net = purchases + Sale

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 Southern California Gas Company  
 Net Border and Citygate Purchase Summary  
 GCIM Year 24  
 April 1, 2017 through March 31, 2018

	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
<b>Total Border and Citygate Purchases</b>	\$ 7,317,981	\$ 4,350,650	\$ 14,942,327	\$ 18,963,055	\$ 15,544,686	\$ 22,529,672	\$ 9,496,575	\$ 20,433,588	\$ 108,496,441	\$ 41,515,794	\$ 24,213,048	\$ 42,876,596	\$ 330,680,414
<b>Total Border Sales</b>	\$ (7,742,919)	\$ (6,551,957)	\$ (14,444,321)	\$ (3,142,977)	\$ (11,632,875)	\$ (5,946,722)	\$ (6,117,192)	\$ (11,058,907)	\$ (8,303,803)	\$ (2,965,820)	\$ (8,791,747)	\$ (12,877,246)	\$ (99,576,487)
<b>Net Border and Citygate Purchases</b>	\$ (424,939)	\$ (2,201,307)	\$ 498,006	\$ 15,820,078	\$ 3,911,810	\$ 16,582,950	\$ 3,379,383	\$ 9,374,681	\$ 100,192,639	\$ 38,549,974	\$ 15,421,301	\$ 29,999,350	\$ 231,103,927

\*Net = purchases + sale

2-10  
Southern California Gas Company  
Actual Net Purchase Volume  
GCIM Year 24  
April 1, 2017 through March 31, 2018

	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
<b>Mainline Purchases</b>	25,811,948	26,672,702	26,301,311	27,710,471	27,400,299	26,588,143	26,692,272	29,264,411	26,888,840	35,475,394	30,135,412	29,545,857	338,487,060
<b>Mainline Sales</b>	(1,882,568)	(1,232,610)	(1,630,170)	(2,796,057)	(2,278,025)	(2,197,618)	(3,086,382)	(3,985,722)	(4,530,436)	(4,589,514)	(183,958)	(2,324,152)	(30,717,212)
<b>Net Mainline Purchase Volume</b>	23,929,380	25,440,092	24,671,141	24,914,414	25,122,274	24,390,525	23,605,890	25,278,689	22,358,404	30,885,880	29,951,454	27,221,705	307,769,848
<b>Border and Citygate Purchases</b>	2,669,844	1,586,907	5,148,765	6,674,040	5,375,636	7,770,511	3,396,731	6,604,646	23,133,365	13,261,502	8,314,556	14,974,702	98,911,205
<b>Border and Citygate Sales</b>	(2,473,598)	(2,111,662)	(4,016,006)	(847,154)	(2,875,454)	(1,415,762)	(892,370)	(3,151,256)	(2,090,800)	(732,568)	(2,710,898)	(4,368,491)	(27,686,019)
<b>Net Border and Citygate Purchase Volume</b>	196,246	(524,755)	1,132,759	5,826,886	2,500,182	6,354,749	2,504,361	3,453,390	21,042,565	12,528,934	5,603,658	10,606,211	71,225,186
<b>Net Commodity Purchase Volume</b>	24,125,626	24,915,337	25,803,900	30,741,300	27,622,456	30,745,274	26,110,251	28,732,079	43,400,969	43,414,814	35,555,112	37,827,916	378,995,034
<b>Actual Transported Volume</b>	23,519,150	24,437,134	25,122,292	30,208,151	26,940,131	30,074,742	25,433,848	28,018,226	42,661,913	42,507,433	34,486,181	37,118,697	370,527,898

**2-11**  
**Southern California Gas Company**  
**Net Mainline Purchase Volume**  
**GCIM Year 24**  
**April 1, 2017 through March 31, 2018**

	<b>Apr-17</b>	<b>May-17</b>	<b>Jun-17</b>	<b>Jul-17</b>	<b>Aug-17</b>	<b>Sep-17</b>	<b>Oct-17</b>	<b>Nov-17</b>	<b>Dec-17</b>	<b>Jan-18</b>	<b>Feb-18</b>	<b>Mar-18</b>	<b>Total</b>
<b>Mainline Purchase Total</b>	25,811,948	26,672,702	26,301,311	27,710,471	27,400,299	26,588,143	26,692,272	29,264,411	26,888,840	35,475,394	30,135,412	29,545,857	338,487,060
<b>Mainline Sale Total</b>	(1,882,568)	(1,232,610)	(1,630,170)	(2,796,057)	(2,278,025)	(2,197,618)	(3,086,382)	(3,985,722)	(4,530,436)	(4,589,514)	(183,958)	(2,324,152)	(30,717,212)
<b>Net Mainline Purchase Volume</b>	23,929,380	25,440,092	24,671,141	24,914,414	25,122,274	24,390,525	23,605,890	25,278,689	22,358,404	30,885,880	29,951,454	27,221,705	307,769,848

**2-12**  
**Southern California Gas Company**  
**Total Mainline Purchase Volume**  
**GCIM Year 24**  
**April 1, 2017 through March 31, 2018**

	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
El Paso - Permian	5,238,612	5,858,482	5,735,479	5,571,184	5,788,845	5,955,668	5,637,106	5,841,659	5,381,150	5,892,413	5,613,987	5,739,899	68,254,484
El Paso - San Juan	9,809,209	9,528,588	9,677,796	11,053,135	10,350,486	9,509,979	11,439,341	14,274,663	8,412,742	14,411,212	10,777,412	12,929,051	132,173,614
Transwestern - Permian	838,176	919,717	901,305	896,123	917,068	890,913	910,904	1,356,259	1,387,351	1,375,924	1,247,773	1,388,510	13,030,023
Transwestern - San Juan	1,642,912	2,491,984	2,357,863	2,347,463	2,390,878	2,347,133	758,317	-	380,000	2,457,442	2,252,050	1,520,241	20,946,283
Kern River	6,670,804	6,199,139	5,999,568	6,109,008	6,270,835	6,107,006	6,265,935	6,038,689	9,646,928	9,558,631	8,728,819	6,290,425	83,885,787
Enterprise - Waha	-	-	-	-	-	-	-	-	-	50,000	-	-	50,000
NOVA-AECO/NIT	1,612,235	1,674,792	1,629,300	1,733,558	1,682,187	1,777,444	1,680,669	1,633,471	1,680,669	1,680,672	1,515,371	1,677,731	19,978,099
GTN-Kingsgate	-	-	-	-	-	-	-	-	-	-	-	-	-
GTN-Stanfield	-	-	-	-	-	-	-	-	-	49,100	-	-	49,100
GTN-Malin	-	-	-	-	-	-	-	119,670	-	-	-	-	119,670
<b>Total Mainline Purchase Volume</b>	<b>25,811,948</b>	<b>26,672,702</b>	<b>26,301,311</b>	<b>27,710,471</b>	<b>27,400,299</b>	<b>26,588,143</b>	<b>26,692,272</b>	<b>29,264,411</b>	<b>26,888,840</b>	<b>35,475,394</b>	<b>30,135,412</b>	<b>29,545,857</b>	<b>338,487,060</b>



2-13  
**Southern California Gas Company**  
**Total Mainline Sale Volume**  
**GCIM Year 24**  
**April 1, 2017 through March 31, 2018**

	<b>Apr-17</b>	<b>May-17</b>	<b>Jun-17</b>	<b>Jul-17</b>	<b>Aug-17</b>	<b>Sep-17</b>	<b>Oct-17</b>	<b>Nov-17</b>	<b>Dec-17</b>	<b>Jan-18</b>	<b>Feb-18</b>	<b>Mar-18</b>	<b>Total</b>
<b>El Paso - Permian</b>	(1,461,631)	(829,163)	(495,144)	(1,508,868)	(1,732,466)	(1,519,999)	(1,149,511)	(2,228,932)	(2,841,540)	(1,534,507)	(158,200)	(1,763,462)	(17,223,423)
<b>El Paso - San Juan</b>	(311,801)	(255,524)	(1,023,836)	(1,177,860)	(263,193)	(149,527)	(114,211)	(188,876)	(271,688)	(856,853)	-	(515,379)	(5,128,748)
<b>Transwestern - Permian</b>	(70,000)	(100,000)	(59,999)	-	(10,000)	(20,000)	(899,653)	(1,356,259)	(1,387,351)	(653,925)	-	(45,311)	(4,602,498)
<b>Transwestern - San Juan</b>	(700)	-	(2,088)	-	-	-	(728,879)	-	-	(804,472)	(25,000)	-	(1,561,139)
<b>Kern River</b>	-	(2,900)	(1,900)	-	(210,000)	(349,900)	(120,000)	(115,995)	-	(546,642)	-	-	(1,347,337)
<b>Enterprise - Waha</b>	-	-	-	-	-	-	-	-	-	(94,964)	-	-	(94,964)
<b>NOVA-AECO/NIT</b>	(28,436)	(45,023)	(47,203)	(99,329)	(62,366)	(158,192)	(74,121)	(80,660)	(29,857)	(8,151)	(758)	-	(634,096)
<b>GTN-Kingsgate</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>GTN-Stanfield</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>GTN-Malin</b>	(10,000)	-	-	(10,000)	-	-	(7)	(15,000)	-	(90,000)	-	-	(125,007)
<b>Total Mainline Sale Volume</b>	<b>(1,882,568)</b>	<b>(1,232,610)</b>	<b>(1,630,170)</b>	<b>(2,796,057)</b>	<b>(2,278,025)</b>	<b>(2,197,618)</b>	<b>(3,086,382)</b>	<b>(3,985,722)</b>	<b>(4,530,436)</b>	<b>(4,589,514)</b>	<b>(183,958)</b>	<b>(2,324,152)</b>	<b>(30,717,212)</b>

**Southern California Gas Company  
Total Border and Citygate Purchase Volume  
GCIM Year 24**

**April 1, 2017 through March 31, 2018**

	<b>Apr-17</b>	<b>May-17</b>	<b>Jun-17</b>	<b>Jul-17</b>	<b>Aug-17</b>	<b>Sep-17</b>	<b>Oct-17</b>	<b>Nov-17</b>	<b>Dec-17</b>	<b>Jan-18</b>	<b>Feb-18</b>	<b>Mar-18</b>	<b>Total</b>
<b>Border Purchases</b>	2,619,199	1,493,107	4,608,938	6,392,559	2,558,136	5,458,674	1,870,993	4,674,568	5,186,522	9,761,964	6,533,958	4,986,539	56,145,157
<b>SoCal Citygate Purchases</b>	50,645	93,800	539,827	281,481	2,817,500	2,311,837	1,525,738	1,930,078	17,946,843	3,499,538	1,780,598	9,988,163	42,766,048
<b>PG&amp;E Topock</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Border and Citygate Purchases</b>	<b>2,669,844</b>	<b>1,586,907</b>	<b>5,148,765</b>	<b>6,674,040</b>	<b>5,375,636</b>	<b>7,770,511</b>	<b>3,396,731</b>	<b>6,604,646</b>	<b>23,133,365</b>	<b>13,261,502</b>	<b>8,314,556</b>	<b>14,974,702</b>	<b>98,911,205</b>

2-15  
**Southern California Gas Company**  
**Actual Total Border and Citygate Sale Volume**  
**GCIM Year 24**  
**April 1, 2017 through March 31, 2018**

	<b>Apr-17</b>	<b>May-17</b>	<b>Jun-17</b>	<b>Jul-17</b>	<b>Aug-17</b>	<b>Sep-17</b>	<b>Oct-17</b>	<b>Nov-17</b>	<b>Dec-17</b>	<b>Jan-18</b>	<b>Feb-18</b>	<b>Mar-18</b>	<b>Total</b>
<b>Border Sales</b>	(124,998)	(30,000)	(257,098)	(283,533)	(167,776)	-	(115,872)	(442,345)	(1,555,000)	(112,587)	(615,098)	(1,004,359)	(4,708,666)
<b>Socal Citygate Sales</b>	(2,348,600)	(2,081,662)	(3,758,908)	(563,621)	(2,707,678)	(1,415,762)	(776,498)	(2,708,911)	(535,800)	(619,981)	(2,095,800)	(3,364,132)	(22,977,353)
<b>PG&amp;E Topock Sales</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Border and Citygate Sales</b>	<b>(2,473,598)</b>	<b>(2,111,662)</b>	<b>(4,016,006)</b>	<b>(847,154)</b>	<b>(2,875,454)</b>	<b>(1,415,762)</b>	<b>(892,370)</b>	<b>(3,151,256)</b>	<b>(2,090,800)</b>	<b>(732,568)</b>	<b>(2,710,898)</b>	<b>(4,368,491)</b>	<b>(27,686,019)</b>

2-16  
**Southern California Gas Company**  
**Net Border and Citygate Purchase Volume**  
**GCIM Year 24**  
**April 1, 2017 through March 31, 2018**

	<b>Apr-17</b>	<b>May-17</b>	<b>Jun-17</b>	<b>Jul-17</b>	<b>Aug-17</b>	<b>Sep-17</b>	<b>Oct-17</b>	<b>Nov-17</b>	<b>Dec-17</b>	<b>Jan-18</b>	<b>Feb-18</b>	<b>Mar-18</b>	<b>Total</b>
<b>Border Purchases</b>	2,619,199	1,493,107	4,608,938	6,392,559	2,558,136	5,458,674	1,870,993	4,674,568	5,186,522	9,761,964	6,533,958	4,986,539	56,145,157
<b>Border Sale</b>	(124,998)	(30,000)	(257,098)	(283,533)	(167,776)	-	(115,872)	(442,345)	(1,555,000)	(112,587)	(615,098)	(1,004,359)	(4,708,666)
<b>Net Border Purchases</b>	2,494,201	1,463,107	4,351,840	6,109,026	2,390,360	5,458,674	1,755,121	4,232,223	3,631,522	9,649,377	5,918,860	3,982,180	51,436,491
<b>SoCal Citygate Purchases</b>	50,645	93,800	539,827	281,481	2,817,500	2,311,837	1,525,738	1,930,078	17,946,843	3,499,538	1,780,598	9,988,163	42,766,048
<b>SoCal Citygate Sales</b>	(2,348,600)	(2,081,662)	(3,758,908)	(563,621)	(2,707,678)	(1,415,762)	(776,498)	(2,708,911)	(535,800)	(619,981)	(2,095,800)	(3,364,132)	(22,977,353)
<b>Net SoCal Citygate Purchases</b>	(2,297,955)	(1,987,862)	(3,219,081)	(282,140)	109,822	896,075	749,240	(778,833)	17,411,043	2,879,557	(315,202)	6,624,031	19,788,695
<b>PG&amp;E Topock Purchases</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>PG&amp;E Topock Sales</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>PG&amp;E Topock Purchases</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Border and Citygate Purchases</b>	196,246	(524,755)	1,132,759	5,826,886	2,500,182	6,354,749	2,504,361	3,453,390	21,042,565	12,528,934	5,603,658	10,606,211	71,225,186

**2-17**  
**Southern California Gas Company**  
**Benchmark Spot Prices**  
**GCIM Year 24**  
**April 1, 2017 through March 31, 2018**

\* Publications for each spot prices are reviewed.

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Southern California Gas Company

Core Capacity Utilization

GCIM Year 24

April 1, 2017 through March 31, 2018

	Core Capacity	Nominated Capacity	Unutilized Capacity	Capacity Utilization Percentage	Nominated Capacity	Actual Volume Delivered	Capacity Cut
El Paso Natural Gas Company	224,776,217	175,817,385	48,958,832	78%	175,817,385	173,945,426	1,871,959
Foothills Pipelines Ltd	19,644,264	19,427,137	217,127	99%	19,427,137	19,078,185	348,952
Gas Trans Northwest Corp	19,165,420	19,011,336	154,084	99%	19,011,336	18,679,158	332,178
Kern River Gas Transmission Company	83,002,930	81,582,684	1,420,246	98%	81,582,684	74,612,522	6,970,162
Nova Gas Trans Ltd	19,804,091	19,360,343	443,748	98%	19,360,343	19,360,270	73
Pacific Gas & Electric	19,073,770	18,761,196	312,574	98%	18,761,196	18,423,851	337,345
Transwesten Pipeline Company	51,817,100	28,346,791	23,470,309	55%	28,346,791	27,745,182	601,609
North Baja Pipeline Company	6,734,457	6,734,457	-	100%	6,734,457	6,649,764	84,693
Northwest Pipeline LLC	97,830	97,825	5	100%	97,825	-	97,825
<b>Total</b>	<b>444,116,079</b>	<b>369,139,154</b>	<b>74,976,925</b>	<b>83%</b>	<b>369,139,154</b>	<b>358,494,358</b>	<b>10,644,796</b>

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Southern California Gas Company  
Tolerance Band Review GCIM Year 24  
April 1, 2017 through March 31, 2018

	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-17	\$ 61,706,281	\$ 60,394,773	\$ 1,311,508	\$ 78,944,078	\$ 77,632,570	\$ 16,715,119	\$ 522,678	\$ 1,234,126	\$ 617,063	\$ 3,085,314
May-17	\$ 63,363,060	\$ 62,062,850	\$ 1,300,210	\$ 82,925,710	\$ 81,625,500	\$ 18,989,657	\$ 572,993	\$ 1,267,261	\$ 633,631	\$ 3,168,153
Jun-17	\$ 70,599,235	\$ 68,833,411	\$ 1,765,824	\$ 89,914,681	\$ 88,148,857	\$ 18,766,089	\$ 549,356	\$ 1,411,985	\$ 705,992	\$ 3,529,962
Jul-17	\$ 81,760,352	\$ 80,814,791	\$ 945,561	\$ 101,036,223	\$ 100,090,663	\$ 18,715,449	\$ 560,422	\$ 1,635,207	\$ 817,604	\$ 4,088,018
Aug-17	\$ 71,459,347	\$ 68,039,917	\$ 3,419,429	\$ 90,374,210	\$ 86,954,780	\$ 18,352,239	\$ 562,624	\$ 1,429,187	\$ 714,593	\$ 3,572,967
Sep-17	\$ 79,406,380	\$ 77,133,701	\$ 2,272,679	\$ 97,968,023	\$ 95,695,344	\$ 18,013,407	\$ 548,236	\$ 1,588,128	\$ 794,064	\$ 3,970,319
Oct-17	\$ 62,152,066	\$ 58,670,856	\$ 3,481,210	\$ 80,858,547	\$ 77,377,338	\$ 18,017,285	\$ 689,197	\$ 1,243,041	\$ 621,521	\$ 3,107,603
Nov-17	\$ 70,838,677	\$ 71,280,304	\$ (441,627)	\$ 92,699,979	\$ 93,141,607	\$ 21,046,623	\$ 814,680	\$ 1,416,774	\$ 708,387	\$ 3,541,934
Dec-17	\$ 181,111,588	\$ 151,110,314	\$ 30,001,274	\$ 203,195,295	\$ 173,194,020	\$ 21,156,530	\$ 927,176	\$ 3,622,232	\$ 1,811,116	\$ 9,055,579
Jan-18	\$ 113,277,629	\$ 104,256,882	\$ 9,020,747	\$ 139,946,852	\$ 130,926,105	\$ 25,762,968	\$ 906,255	\$ 2,265,553	\$ 1,132,776	\$ 5,663,881
Feb-18	\$ 96,264,624	\$ 88,966,871	\$ 7,297,752	\$ 119,183,278	\$ 111,885,525	\$ 22,207,745	\$ 710,909	\$ 1,925,292	\$ 962,646	\$ 4,813,231
Mar-18	\$ 84,226,649	\$ 82,879,021	\$ 1,347,628	\$ 105,643,391	\$ 104,295,763	\$ 20,575,414	\$ 841,328	\$ 1,684,533	\$ 842,266	\$ 4,211,332
<b>Total</b>	<b>\$1,036,165,888</b>	<b>\$974,443,693</b>	<b>\$ 61,722,195</b>	<b>\$ 1,282,690,267</b>	<b>\$1,220,968,072</b>	<b>\$238,318,525</b>	<b>\$8,205,854</b>	<b>\$20,723,318</b>	<b>\$10,361,659</b>	<b>\$51,808,294</b>