

Mailed

DEC 28 1990

Decision 90-12-122 December 27, 1990

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of } for authority to revise its rates
Southern California Gas Company } Application 90-03-018 filed no
for Authority to Revise its Rates } Effective October 1, 1990 in its } (Petition for Modification
Annual Cost Allocation Proceeding. } filed November 26, 1990)
(U 904-G)

In the Matter of the Application of } for authority to revise its rates
SAN DIEGO GAS & ELECTRIC COMPANY } Application 90-03-049 filed no
(U 902-G) for authority to revise } Effective October 1, 1990, } (Filed March 29, 1990)
its rates effective October 1, 1990, } in its Annual Cost Allocation } Proceeding.

O P I N I O N

Southern California Gas Company (SoCalGas) petitions for modification of Decision (D.) 90-11-023, issued November 9, 1990. D.90-11-023 increased SoCalGas' system rates by \$65,800,000, effective November 12, 1990.

By this petition, SoCalGas seeks an additional revenue increase of approximately \$72,000,000 to avoid a mandatory special interim rate increase application to amortize large undercollections in its core balancing accounts. SoCalGas alleges that it is rapidly approaching a point at which it will be sufficiently undercollected in core balancing accounts that it will be required by Commission order to file a special rate increase application (a "trigger" filing) in December 1990 for an increase to be effective April 1, 1991. SoCalGas believes such an interim rate filing will be a burden to all parties and the Commission. As an alternative, SoCalGas suggests that the Commission modify D.90-11-023 to implement rates based on estimated September 30, 1990 account balances--which are already in evidence in this application--rather than on the lower July 31, 1990 account

D.89-040

balances that were used to develop rates adopted in D.90-11-023.

If the Commission modifies D.90-11-023 in this manner SoCalGas could omit the December 1990 rate increase application and proceed on its normal schedule for cost allocation rate applications.

In D.86-12-010 the Commission adopted procedures for the filing of cost allocation applications by gas utilities on an annual basis. The decision also provided for the filing of a so-called "trigger" rate application with a revision date six months after the regular, annual revision date if such a proceeding would change core and core-elect rates by at least 4% due to under- or overcollections in the core balancing accounts. In D.89-01-040, the Commission made the trigger filings mandatory if the threshold were exceeded. (See D.89-01-040 at mimeo. p. 22.) Therefore, based on currently effective Commission orders, SoCalGas must file a trigger application on December 19, 1990, with hearings to commence January 28, 1991, and rates effective April 1, 1991, if core undercollections are large enough to cause a core rate increase exceeding 4%.

In SoCalGas' 1990 annual cost allocation proceeding (ACAP), Application (A.) 90-03-018, SoCalGas submitted in the record an update exhibit (Ex. No. 67) providing balancing account balances recorded as of July 31, 1990, and forecast for September 30, 1990 (the last day before the beginning of the 1990 ACAP period). The exhibit showed a net undercollection in all core balancing accounts (exclusive of minor amounts for LIRA, gas losses, and WMBE) recorded as of July 31, 1990 of \$90,423,000. However, it also showed a net core undercollected balance forecast as of September 30, 1990 of \$174,722,000. D.90-11-023 adopted rates based on the lower July 31 balance.

There were three major reasons for this undercollection:

1. Temperatures in the winter of 1989-1990 were on average warmer than normal causing reduced core demand and reduced core revenues, especially from the higher Tier II residential rate. Lower-than-forecast

and other revenues caused an undercollection in the core fixed cost account.

2. The residential demand forecast adopted in the 1989 ACAP forecast was too high even under average temperature conditions. The too-high demand forecast produced lower rates, and then lower revenues when actual demand fell below the adopted forecast.

3. The core WACOG forecast adopted in the 1989 ACAP was below the actual core gas costs,¹ causing an undercollection in the core purchased gas account (CPGA).

SoCalGas asserts that the problems created by the current undercollection will be made worse by the fact that the rates adopted in the recent 1990 ACAP decision do not reflect the full core balancing account undercollection that had accrued as of the date of that decision. Given the current undercollection and the failure to amortize it fully in D.90-11-023, under reasonable forecasts the 4% core trigger will be exceeded, and SoCalGas will be required to file a trigger rate increase on December 19, 1990.

SoCalGas believes that a filing on December 19 is undesirable for several reasons. First, it will add to the frequency of rate changes: the 1990 ACAP increase in November 1990 and the attrition increase on January 1, 1991 would have added to them an additional core increase on April 1, 1991 exceeding 4%. Second, it would add to the burden of regulatory proceedings facing the Commission, its staff, SoCalGas, and all other parties.

SoCalGas recommends that the Commission modify D.90-11-023 to adopt rates based on the estimated September 30 account balances that are already on the record as this step will

1 SoCalGas believes that the core WACOG adopted in the 1990 ACAP is more likely to prove accurate than what was adopted for the 1989 ACAP period.

significantly reduce the undercollected core balance that would be forecast for April 1, 1991, and SoCalGas will not have to file a trigger application. The rates produced by this modification should be made effective January 1, 1991 coincident with the attrition rate change, to avoid multiple rate changes in a short period. No change in noncore rates is proposed.

The Division of Ratepayer Advocates (DRA) does not oppose SoCalGas' petition, but suggests that the recorded September 30, 1990 balances be used to modify the rates instead of the forecasted September 30, 1990 balances. DRA also recommends that the Commission direct SoCalGas to file detailed information on its monthly CPGA balances in its next reasonableness review. DRA suggests that the recorded balances be used for ratemaking purposes because the actual core balances as of September 30, 1990 were lower than the forecasted core balances by \$11,587,000. Since core rates will be increased if the petition to modify is granted, core rates should be kept at a lower rate if possible.

DRA also recommends that in compliance with D.90-11-023 the Conservation Cost Adjustment (CCA) account should be adjusted so that conservation related litigation costs be entirely removed from the CCA balancing account. Any modification to the rates in D.90-11-023 should reflect this adjustment.

DRA is also concerned about the size and the reasons for the undercollection in the Core Purchased Gas Account (CPGA). In D.90-01-015, which was adopted on January 9, 1990, the Commission provided for the amortization of a CPGA undercollection of \$152,890,000. (See D.90-01-015, Appendix B, Table 5, p. 13.) Thus, one would expect to see a decrease in the CPGA over time. However, as shown in the appendix to the petition, the September 30, 1990 recorded balances show an undercollection of \$149,685,000. This is not much of a decrease considering the fact that the CPGA has been amortized over nine months already (January 1990 through September 1990).

DRA does not believe that a factor which may have contributed to the additional undercollection was that SoCalGas' recorded cost of gas was higher than the future costs adopted in D.90-01-015. D.90-01-015 adopted a weighted average cost of gas for the core portfolio of \$2.364 per Dth and a spot gas price of \$2.22 per Dth. DRA reviewed the market cost of spot gas at the California border for January 1990 through September 1990. The spot market price for this period was \$2.24 per Dth, which is comparable to the figure adopted by the Commission. Consequently, DRA is quite concerned with the reasons for the continuing, significant undercollection in SoCalGas' CPGA. DRA notes that it has raised specific issues regarding SoCalGas' past gas purchasing practices in A.90-06-030, SoCalGas' current reasonableness review proceeding.

DRA recommends that the Commission direct SoCalGas to address the reasons for the undercollection in the CPGA in SoCalGas' next reasonableness proceeding. This information should include, but not be limited to: monthly CPGA balances; monthly undercollections and overcollections; calculations showing the amortization of past undercollections; and detailed calculations and information of the reasons for the monthly under- or overcollections.

There are no protests. A public hearing is not necessary. The petition will be granted to the extent set forth in the following order.

Findings of Fact

1. The recorded balancing account balances as presented by SoCalGas and verified by DRA as of September 30, 1990 are adopted, except for the core EOR account. That balance is maintained at the July 31, 1990 recorded amount in order to avoid any rate changes to the noncore and wholesale categories.

2. Residential rates will be increased by approximately \$52 million or 3.1% over those rates found reasonable in D.90-11-023.

3. As a result of this rate increase there will be increases and decreases in other core categories.

4. Appendix A sets forth the revised SoCalGas revenues at present rates and revenues at proposed rates. The revenues at proposed rates are adopted.

5. The adopted gas demand, deliveries, portfolio prices, costs, and supply forecasts for SoCalGas are set forth in Appendix B.

6. The adopted revenue requirement for SoCalGas is set forth in Appendix C.

7. The adopted cost allocation and rate design summaries for SoCalGas are set forth in Appendix D.

8. The increases in rates and charges authorized by this decision are justified and are just and reasonable.

9. In compliance with D.90-11-023, the conservation cost adjustment account should be adjusted so that conservation related litigation costs are entirely removed from that account.

10. SoCalGas is directed to address the reasons for the undercollection in the CPGA in SoCalGas' next reasonableness proceeding. This information should include, but not be limited to: monthly CPGA balances; monthly undercollections and overcollections; calculations showing the authorization of past undercollections; and detailed calculations and information of the reasons for the monthly under- or overcollections.

11. There will be no adjustment to San Diego Gas & Electric Company's rates as a result of this decision.

Conclusion of Law

The Commission concludes that the petition should be granted on the conditions set forth in the following order and should be effective immediately to avoid multiple rate increases.

O R D E R

IT IS ORDERED that:

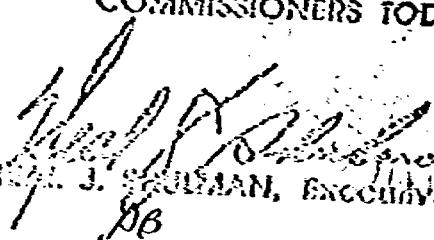
1. Southern California Gas Company shall file, in accordance with General Order 96-A, tariff changes which implement the rate changes adopted in this proceeding and which are shown in Appendix A, using the revenue requirement shown in Appendix C.
2. The revised tariff schedules shall be filed on or after the effective date of this decision to be effective no earlier than January 1, 1991.
3. SoCalGas' conservation cost adjustment account shall be adjusted to remove conservation related litigation costs entirely.
4. SoCalGas is directed to address the reasons for the undercollection in the CPGA in SoCalGas' next reasonableness proceeding. This information should include, but not be limited to: monthly CPGA balances; monthly undercollections and overcollections; calculations showing the authorization of past undercollections; and detailed calculations and information of the reasons for the monthly under- or overcollections.

This order is effective today.

Dated December 27, 1990, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY


Michael J. SULLIVAN, Executive Director
JG

APPENDIX A

SOUTHERN CALIFORNIA GAS COMPANY
Summary of Revenue and Non-Gas Revenue Changes
Forecast Period: October 1, 1990 to September 30, 1991
(000's of \$)

| | Revenue at Present Rates | Revenue at Proposed Rates | Increase (Decrease) | Percent Change |
|---|-----------------------------|------------------------------|------------------------|-------------------|
| Core | | | | |
| Residential | 1,646,224.2 | 1,787,848.2 | 141,623.9 | 8.60% |
| Other core (excluding UEG Igniter fuel) | 625,335.2 | 681,602.0 | 56,266.8 | 9.00% |
| Transport | 4,771.2 | 5,744.7 | 973.5 | 20.40% |
| Core Total | 2,276,330.7 | 2,475,195.0 | 198,864.3 | 8.74% |
| Noncore | | | | |
| Industrial | 87,580.1 | 79,446.1 | (8,134.0) | -9.29% |
| Cogeneration | 40,114.2 | 32,361.3 | (7,753.0) | -19.33% |
| UEG | 140,544.5 | 110,048.4 | (30,496.1) | -21.70% |
| Long-term contracts | 4,678.0 | 4,801.9 | 123.9 | 2.65% |
| Subtotal | 272,916.8 | 226,657.7 | (46,259.1) | -16.95% |
| Resale | | | | |
| Long Beach | 21,084.6 | 17,595.8 | (3,488.8) | -16.55% |
| SDG&E | 95,683.0 | 84,256.6 | (11,426.4) | -11.94% |
| Subtotal | 116,767.6 | 101,852.4 | (14,915.2) | -12.77% |
| Noncore Total | 389,684.4 | 328,510.1 | (61,174.3) | -15.70% |
| System Total 1/ | 2,665,015.1 | 2,803,705.1 | 137,690.0 | 5.16% |

1/ Core bundled revenue and noncore transmission revenue

(END OF APPENDIX A)

TABLE I-17

SOUTHERN CALIFORNIA GAS COMPANY 102
ADOPTED GAS DEMAND & DELIVERIES (ANSO 0800)

Forecast Period: October 1, 1990 to September 30, 1991

| THROUGHPUT CATEGORY (GMM) | THROUGHPUT TYPE TRANSMISSION (MMBtu) | QUANTITY (MMBtu) | GAS DEMAND (Mdth) ¹⁴ | OUR SUPPLY SUPPLY |
|----------------------------------|--|---------------------|------------------------------------|----------------------|
| Residential | | | 285,217.0 | |
| Commercial Core | OUTS, IN | 74,148.0 | | Gasoline |
| Commercial Non-Core | | 17,096.0 | | |
| Industrial Core | OUTS, IN | 35,801.6 | 901-MD | Industrial |
| Industrial Non-Core | OUTS, IN | 70,781.1 | 908-MD | Industrial |
| Retail UEG | OUTS, IN | 204,938.0 | 908-MD | Industrial |
| Commercial Cogeneration | | 20,765.0 | 105-MD | Industrial |
| Industrial Cogeneration | | 49,747.9 | 107-MD | Industrial |
| EOR Cogeneration | | 124,627.0 | 107-MD | Industrial |
| EOR Steamflood | | 63,187.0 | 107-MD | Industrial |
| Company use | | 7,150.3 | 108-MD | Industrial |
| Unaccounted for | | 11,286.4 | 110-MD | Industrial |
| Storage surface losses | | 121.0 | 112-MD | Industrial |
| Long Beach - wholesale | | 29,385.3 | 113-MD | Industrial |
| San Diego - wholesale | | 113,691.7 | 114-MD | Industrial |
| Total Sales and Transport | | 1,107,943.4 | Mdth¹⁴ | |
| Exchange | | 31,983.0 | 106-MD | |
| Interutility transport | | 7,481.0 | 107-MD | |
| TOTAL GAS DEMAND | | 1,147,407.4 | Mdth¹⁴ | |
| California supplies | | 90,657.0 | | Gasoline |
| Out-of-state supplies | | 984,701.4 | | Gasoline |
| Supplies from PG&E | | 57,260.7 | | Gasoline |
| Net storage change | | (20,733.1) | | Gasoline |
| AVAILABLE SUPPLIES | | 1,111,886.0 | Mdth¹⁴ | |
| AVERAGE YEAR CURTAILMENTS | | 35,521.4 | Mdth¹⁴ | |

TABLE 2

SOUTHERN CALIFORNIA GAS COMPANY
ADOPTED DEMAND AND SUPPLY FORECASTS by CUSTOMER CLASS

Forecast Period: October 1, 1990 to September 30, 1991

| SCHEDULE AND CATEGORY | PRIORITY (1-10) | DEMAND FORECAST (Mdth) | KEY FURNISHING ITEMS | CURT- AILMENT (Mdth) | SUPPLY FORECAST (Mdth) |
|--------------------------|--------------------|------------------------------|---|----------------------------|------------------------------|
| Residential | 6-30T, 1A | 285,217.0 | Residential Furnishings and Equipment | 285,217.0 | 285,217.0 |
| Commercial | GN-10C | 68,259.0 | Commercial Furniture | 68,259.0 | 68,259.0 |
| Commercial | GN-20C | 5,447.4 | Commercial Equipment | 5,447.4 | 5,447.4 |
| Commercial | GN-20N | 244.6 | Commercial Fixtures | 244.6 | 244.6 |
| Commercial | GN-20T | 197.0 | Commercial Glassware | 197.0 | 197.0 |
| Commercial | GN-30N | 1,420.0 | Commercial Linens | 1,420.0 | 1,420.0 |
| Commercial | GN-30T | 77.0 | Commercial Plates | 77.0 | 77.0 |
| Commercial | GN-10C | 331.0 | Commercial Tables | 331.0 | 331.0 |
| Commercial | GN-20C | 107.0 | Commercial Walls | 107.0 | 107.0 |
| Commercial | GN-20N | 59.9 | Commercial Wardrobes | 59.9 | 59.9 |
| Commercial | GN-30N | 1,621.9 | Commercial Waste | 1,621.9 | 1,621.9 |
| Commercial | GN-50N | 4,640.2 | Commercial Wardrobes | 4,640.2 | 4,640.2 |
| Commercial | GN-30T | 167.0 | Commercial Wardrobes | 167.0 | 167.0 |
| Commercial | GN-50T | 10,093.0 | Commercial Wardrobes | 10,093.0 | 10,093.0 |
| Commercial | GN-50T(L) | 3,745.0 | Commercial Wardrobes | 3,745.0 | 3,745.0 |
| Commercial | GN-30E | 840.0 | Commercial Wardrobes | 840.0 | 840.0 |
| Commercial | GN-30N | 9,412.0 | Commercial Wardrobes | 9,412.0 | 9,412.0 |
| Commercial | GN-30T | 1,008.0 | Commercial Wardrobes | 1,008.0 | 1,008.0 |
| Commercial | GN-30E | 528.0 | Commercial Wardrobes | 528.0 | 528.0 |
| Commercial | GN-30N | 2,627.0 | Commercial Wardrobes | 2,627.0 | 2,627.0 |
| Commercial | GN-30T | 1,184.0 | Commercial Wardrobes | 1,184.0 | 1,184.0 |
| Total Commercial | | 112,009.0 | | 0.0 | 112,009.0 |
| Industrial | GN-10C | 21,012.0 | Industrial Furniture | 21,012.0 | 21,012.0 |
| Industrial | GN-20C | 12,397.9 | Industrial Equipment | 12,397.9 | 12,397.9 |
| Industrial | GN-20N | 733.7 | Industrial Fixtures | 733.7 | 733.7 |
| Industrial | GN-20T | 1,521.0 | Industrial Glassware | 1,521.0 | 1,521.0 |
| Industrial | GN-20C | 110.0 | Industrial Linens | 110.0 | 110.0 |
| Industrial | GN-20T | 26.9 | Industrial Plates | 26.9 | 26.9 |
| Industrial | GN-30E | 120.0 | Industrial Tables | 120.0 | 120.0 |
| Industrial | GN-30N | 8,261.0 | Industrial Walls | 8,261.0 | 8,261.0 |
| Industrial | GN-30T | 7,092.1 | Industrial Wardrobes | 7,092.1 | 7,092.1 |
| Industrial | GN-30T(L) | 172.0 | Industrial Wardrobes | 172.0 | 172.0 |
| Industrial | GN-10C | 34.0 | Industrial Wardrobes | 34.0 | 34.0 |
| Industrial | GN-20N | 0.0 | Industrial Wardrobes | 0.0 | 0.0 |
| Industrial | GN-30E | 24.0 | Industrial Wardrobes | 24.0 | 24.0 |
| Industrial | GN-30N | 494.6 | Industrial Wardrobes | 494.6 | 494.6 |
| Industrial | GN-50N | 1,933.4 | Industrial Wardrobes | 1,933.4 | 1,933.4 |
| Industrial | GN-30T | 2,064.0 | Industrial Wardrobes | 2,064.0 | 2,064.0 |
| Industrial | GN-50T | 6,814.9 | Industrial Wardrobes | 6,814.9 | 6,814.9 |
| Industrial | GN-50T(L) | 38,383.0 | Industrial Wardrobes | 38,383.0 | 38,383.0 |

(TABLE 2 (cont'd))

**SOUTHERN CALIFORNIA GAS COMPANY'S
ADOPTED DEMAND AND SUPPLY FORECASTS by CUSTOMER CLASS**

Forecast Period: October 1, 1990 to September 30, 1991

| SCHEDULE AND CATEGORY | PRIORITY | DEMAND FORECAST (Mdh) | PRIORITY # | CURRENT SUPPLY FORECAST (Mdh) | |
|--------------------------|-----------|-----------------------------|---------------|-------------------------------------|----------------------|
| | | | | AILMENT | YR 0 |
| EOR Cogen | GN-40N | P-3A | 1,020.0 | 1-4 | 1,020.0 |
| EOR Cogen | GN-40T | P-3A | 1,695.0 | 1-4 | 1,695.0 |
| EOR Cogen | GN-40T(L) | P-3A | 122,932.0 | 1-4 | 122,932.0 |
| Industrial | GN-30E | P-3B | 672.0 | | 672.0 |
| Industrial | GN-30N | P-3B | 20,821.0 | | 20,821.0 |
| Industrial | GN-30T | P-3B | 22,824.0 | | 22,824.0 |
| Industrial | GN-30T(L) | P-3B | 2,278.0 | | 2,278.0 |
| Industrial | GN-30N | P-4 | 2,725.0 | | 2,725.0 |
| Industrial | GN-30T | P-4 | 5,534.0 | | 5,534.0 |
| Industrial | GN-30T(L) | P-4 | 282.0 | | 282.0 |
| EOR Steam | GN-40N | P-5 | 1,079.0 | 1-4 | (155.7) 923.3 |
| EOR Steam | GN-40T | P-5 | 21,246.0 | 1-4 | (3,065.7) 18,180.3 |
| EOR Steam | GN-40T(L) | P-5 | 40,862.0 | 1-4 | (5,896.2) 34,965.8 |
| Total Industrial | | | 344,144.6 | | (9,117.6) 335,027.0 |
| UEG Sales | GN-60C | P-2A | 2,335.0 | | 2,335.0 |
| UEG Noncore | GN-60N | P-2C& | 7,056.0 | | 7,056.0 |
| UEG S-Term | GN-60T | P-2C& | 39,996.0 | | 39,996.0 |
| UEG Noncore | GN-60N | P-5 | 109,511.0 | | (15,802.6) 93,709.0 |
| UEG S-Term | GN-60T | P-5 | 46,040.0 | | (6,643.4) 39,396.6 |
| Total UEG | | | 204,938.0 | | (22,445.3) 182,492.7 |
| Exchange w/other util | | P-1 | 2,835.0 | | 2,835.0 |
| Onshore Cal. exch. | | P-1 | 418.0 | | 418.0 |
| Offshore P. Point exch | | P-1 | 309.0 | | 309.0 |
| Onshore Cal. exch. | | P-2A | 859.0 | | 859.0 |
| Offshore P. Point exch | | P-2A | 851.0 | | 851.0 |
| Onshore Cal. exch. | | P-2B | 1,105.0 | | 1,105.0 |
| Offshore P. Point exch | | P-2B | 576.0 | | 576.0 |
| Onshore Cal. exch. | | P-3A | 5,885.0 | | 5,885.0 |
| Offshore P. Point exch | | P-3A | 8,050.0 | | 8,050.0 |
| Onshore Cal. exch. | | P-3B | 3,668.0 | | 3,668.0 |
| Offshore Cal. exch. | | P-3B | 237.0 | | 237.0 |
| Offshore P. Point exch | | P-3B | 1,233.0 | | 1,233.0 |
| Onshore Cal. exch. | | P-4 | 780.0 | | 780.0 |
| Offshore P. Point exch | | P-4 | 160.0 | | 160.0 |
| Onshore Cal. exch. | | P-5 | 705.0 | | (101.7) 603.3 |
| Offshore P. Point exch | | P-5 | 4,312.0 | | (622.2) 3,689.8 |
| Total Exchange | | | 31,983.0 | | (723.9) 31,259.1 |

SOUTHERN CALIFORNIA GAS COMPANY
ADOPTED DEMAND AND SUPPLY FORECASTS BY CUSTOMER CLASS

Forecast Period: October 1, 1990 to September 30, 1991

| SCHEDULE AND CATEGORY | PRIOR- ITY | DEMAND FORECAST (Mdh) | ROTHER VARI- | CURT- AILMENT (Mdth) | SUPPLY FORECAST (Mdth) |
|---|---------------|--|-----------------|---|---|
| Fuel use - injection | P-1 | 693.0 | | (56.3) | 636.7 |
| Fuel use - mainline | P-1 | 5,786.1 | AS-4 | (177.7) | 5,608.4 |
| Misc. company use | P-1 | 0.599.7 | AS-9 | (20.3) | 579.4 |
| Misc. company use | P-2A | 0.571.5 | AS-2 | (2.3) | 69.3 |
| Total company use | | 7,150.3 | | (256.7) | 6,893.7 |
| Unaccounted for | P-1 | 11,286.4 | AS-9 | (346.7) | 10,939.7 |
| Stor. Surface Loss | P-1 | 121.0 | AS-9 | 0.0 | 121.0 |
| TOTAL RETAIL | | 996,849.3 | | (32,890.2) | 963,959.1 |
| LBeach sales S-T TRN | P-1 | 10,932.0 | | | 10,932.0 |
| LBeach co use S-T TRN | P-1 | 12.3 | | (0.9) | 11.4 |
| LBeach unacct S-T TRN | P-1 | 340.0 | | (24.6) | 315.4 |
| Less: own supply | P-1 | 4,775.0 | | | 4,775.0 |
| LBeach sales S-T TRN | P-2A | 688.6 | | | 688.6 |
| LBeach S-T TRN | P-2B | 56.0 | | | 56.0 |
| LBeach UEG S-T | P-3 | 3,298.0 | | | 3,298.0 |
| LBeach S-T TRN | P-3A | 19.6 | | | 19.6 |
| LBeach reg S-T TRN | P-3B | 3,177.1 | | | 3,177.1 |
| LBeach S-T TRN | P-4 | 1,099.7 | | | 1,099.7 |
| LBeach UEG S-T | P-5 | 14,537.0 | | (2,097.6) | 12,439.4 |
| Total Long Beach | | 29,385.3 | | (2,123.1) | 27,262.2 |
| SDG&E Residential | P-1 | 33,426.1 | | | 33,426.1 |
| SDG&E Co Use S-T TRN | P-1 | 299.5 | | 0.0 | 299.5 |
| SDG&E Unacct S-T TRN | P-1 | 780.9 | | 0.0 | 780.9 |
| SDG&E Commercial | P1&2A | 11,459.9 | | | 11,459.9 |
| SDG&E IGN S-T TRN | P-2A | 254.0 | | | 254.0 |
| SDG&E Industrial P-2B&3B&4 | | 5,540.3 | | | 5,540.3 |
| SDG&E Cogeneration | P-3A | 19,220.0 | | | 19,220.0 |
| SDG&E UEG | P-3 | 7,881.0 | | | 7,881.0 |
| SDG&E Steam | P-4 | 111.0 | | | 111.0 |
| SDG&E UEG | P-3AA | 33,626.7 | | | 33,626.7 |
| SDG&E UEG | P-5 | 1,092.3 | | 0.0 | 1,092.3 |
| Total San Diego | | 113,691.7 | | 0.0 | 113,691.7 |
| TOTAL WHOLESALE INTERUTILITY | P-3A P-5 | 143,077.1 3,960.0 3,521.0 | | (2,123.1) 3,960. (508.1) | 140,954.0 3,960. 3,012.9 |
| TOTAL | | 1,147,407.4 | | (35,521.4) | 1,111,886.0 |

TABLE 3

SOUTHERN CALIFORNIA GAS COMPANY
ADOPTED DEMAND AND SUPPLY FORECASTS BY CUSTOMER CLASS

Forecast Period: October 1, 1990 to September 30, 1991

| DEMAND PRIORITY (ALUM) PRIORITY | DEMAND FORECAST (Mdth) | CURTAILMENT (Mdth) | SUPPLY FORECAST (Mdth) |
|------------------------------------|---------------------------|-----------------------|---------------------------|
| P-1 | 447,923.3 | (626.5) | 447,296.8 |
| P-2A | 26,435.5 | (2.3) | 26,687.2 |
| P-2B | 20,544.3 | 0.0 | 20,290.3 |
| P-2C | 11,760.1 | 0.0 | 11,760.1 |
| P-3 | 46,470.9 | 0.0 | 46,470.9 |
| P-3AA | 33,626.7 | 0.0 | 33,626.7 |
| P-3A | 232,274.5 | 0.0 | 232,274.5 |
| P-3B | 70,436.1 | 0.0 | 70,436.1 |
| P-4 | 15,030.7 | 0.0 | 15,030.7 |
| P-5 | 242,905.3 | (34,892.6) | 208,012.7 |
| TOTAL | 1,147,407.4 | (35,521.4) | 1,111,886.0 |

Note: P-1 and P-2A curtailments reflect the reduction in "company used and unaccounted for" gas as a consequence of adopted P-5 curtailments.

TABLE A4

SOUTHERN CALIFORNIA GAS COMPANY
ADOPTED SUPPLY FORECAST by PORTFOLIO CLASS 2010

Forecast Period: October 1, 1990 to September 30, 1991

| ITEM DESCRIPTION (MATH) | QTY IN U.S.A. (MATH) | PRIORITY (MAN) (PRIORITY) (MATH) | SUPPLY FORECAST | |
|--|----------------------------|---|--------------------|---------------------------|
| | | | PRIORITY (MATH) | SUPPLY FORECAST (MATH) |
| CORE & CORE-ELECT PORTFOLIO | | | | |
| Residential | | | | |
| Commercial GN-10C | | | | |
| Industrial GN-10C | | | | |
| Non-Residential | | | | |
| Commercial GN-20C | | | | |
| Industrial GN-20C | | | | |
| Industrial GN-20C | | | | |
| Commercial GN-10C | | | | |
| Commercial GN-20C | | | | |
| Industrial GN-10C | | | | |
| Non-Residential | | | | |
| Industrial GN-30E | | | | |
| Commercial GN-30E | | | | |
| Commercial GN-30E | | | | |
| Industrial GN-30E | | | | |
| Industrial GN-30E | | | | |
| Regular Commercial & Industrial | | | | |
| UEG sales GN-60C | | P-2A | | 2,335.0 |
| Retail UEG | | | | 2,335.0 |
| Subtotal | | | | 397,434.3 |
| Company use | | | | 2,796.7 |
| Unaccounted for | | | | 4,438.2 |
| Stor. Surface Loss | | | | 49.1 |
| TOTAL CORE & CORE-ELECT PORTFOLIO | | | | 404,718.4 |

NON-CORE PORTFOLIO

| | | | |
|------------|--------|------|---------|
| Commercial | GN-30N | P-2B | 1,420.0 |
| Commercial | GN-20N | P-2A | 244.6 |
| Commercial | GN-20N | P-3A | 59.9 |
| Industrial | GN-20N | P-2A | 733.7 |

SOUTHERN CALIFORNIA GAS COMPANY
ADOPTED SUPPLY FORECAST by PORTFOLIO CLASS

Forecast Period: October 1, 1990 to September 30, 1991

| TYPE OF ENERGY (MWh) | PRIORITY | YTD USE | SUPPLY FORECAST (MWh) |
|---------------------------------|----------|---------------------------------|--------------------------|
| 3,486,88 | | | |
| Industrial GN-30N | P-2B | 4,9 | 703-MD Industrial |
| Commercial GN-30N | P-3A | 1-9 | 18,261.0 Industrial |
| Commercial GN-30N | P-3B | Initial & Int. 9,412.0 Reserves | 1,621.9 Industrial |
| Industrial GN-30N | P-3B | | 20,821.0 |
| Commercial GN-30N | P-4 | 0.08-MD | 12,627.0 Non-core DSO |
| Industrial GN-30N | P-4 | 0-1 | 2,725.0 Non-core Cogen |
| Industrial GN-30N | P-3A | | 494.6 Industrial |
| Industrial GN-20N | P-3A | | 0.0 |
| Regular Commercial & Industrial | | 5,8 | 48,420.7 |
| UEG Noncore GN-60N | P-2C&3 | 0.0 | 7,056.0 Industrial |
| UEG Noncore GN-60N | P-5 | | 93,709.0 |
| Retail UEG | | 0.0 | 100,765.0 |
| Commercial GN-50N | P-3A | | 14,640.2 |
| Industrial GN-50N | P-3A | | 1,933.4 |
| Regular Cogeneration | | | 6,573.6 |
| EOR Cogen GN-40N | P-3A | | 0.0 |
| EOR Steam GN-40N | P-5 | | 923.3 |
| Subtotal | | 11,681.2 | 156,682.7 |
| Company use | | 0.0 | 1,102.6 |
| Unaccounted for | | | 1,749.7 |
| Stor. Surface Loss | | | 19.4 |
| TOTAL NON-CORE PORTFOLIO | | 11,681.2 | 159,554.3 |
| ----- | ----- | ----- | ----- |
| SHORT-TERM TRANSPORT | | 0.0 | 0.0 |
| Commercial GN-20T | P-2A | 0.0 | 197.0 |
| Industrial GN-20T | P-2A | 0.0 | 1,521.0 |
| Industrial GN-20T | P-2B | 0.0 | 26.9 |
| Non-Residential | | | 1,744.9 |
| Industrial GN-30T | P-2B | 0.0 | 7,092.1 |
| Commercial GN-30T | P-2B | 0.0 | 77.0 |
| Commercial GN-30T | P-3A | 0.0 | 167.0 |
| Industrial GN-30T | P-3A | 0.0 | 2,064.0 |
| Commercial GN-30T | P-3B | 0.0 | 1,008.0 |

SOUTHERN CALIFORNIA GAS COMPANY
ADOPTED SUPPLY FORECAST BY PORTFOLIO CLASS

Forecast Period: October 1, 1990 to September 30, 1991

| DESCRIPTION | PRIORITY | YTD TOTAL | SUPPLY FORECAST (Mdth) |
|--|-------------|-----------|---------------------------|
| Industrial GN-30T | P-3B | 18,824.0 | |
| Commercial GN-30T | P-4 | 11,184.0 | 11,184.0 |
| Industrial GN-30T | P-4 | 5,534.0 | 5,534.0 |
| Industrial Regular Commercial & Industrial | | 108,400 | 108,400 |
| UEG S-Term GN-60T | P-2C&3 | 39,996.0 | 39,996.0 |
| UEG S-Term GN-60T | P-5 | 39,396.6 | 39,396.6 |
| Retail UEG | | 108,400 | 108,400 |
| Commercial GN-50T | P-3A | 10,093.0 | 10,093.0 |
| Industrial GN-50T | P-3A | 6,814.9 | 6,814.9 |
| Regular Cogeneration | | 16,907.9 | 16,907.9 |
| EOR Cogen GN-40N | P-3A | 1,695.0 | 1,695.0 |
| EOR Steam GN-40N | P-5 | | |
| Subtotal | | 157,870.8 | 157,870.8 |
| Company use | | 1,110.9 | 1,110.9 |
| Unaccounted for | | 1,763.0 | 1,763.0 |
| Stor. Surface Loss | | 19.5 | 19.5 |
| SDG&E Commercial | P1&2A | 11,459.9 | 11,459.9 |
| SDG&E UEG | P-3 | 7,881.0 | 7,881.0 |
| SDG&E UEG | P-5 | 1,092.3 | 1,092.3 |
| SDG&E Wholesale UEG | | 20,433.2 | 20,433.2 |
| SDG&E Residential | P-1 | 33,426.1 | 33,426.1 |
| SDG&E IGN S-T TRN | P-2A | 254.0 | 254.0 |
| SDG&E Industrial P-2B, &3B&4 | P-2B, &3B&4 | 5,540.3 | 5,540.3 |
| SDG&E Cogeneration | P-3A | 19,220.0 | 19,220.0 |
| SDG&E Steam | P-4 | 111.0 | 111.0 |
| SDG&E Wholesale NON-UEG | | 58,551.4 | 58,551.4 |
| SDG&E Co Use S-T TRN | P-1 | 299.5 | 299.5 |
| SDG&E Unacct S-T TRN | P-1 | 780.9 | 780.9 |
| SDG&E Company Use & Unaccounted For | | 1,080.4 | 1,080.4 |
| LBeach UEG S-T | P-3 | 3,298.0 | 3,298.0 |
| LBeach UEG S-T | P-5 | 12,439.4 | 12,439.4 |
| Long Beach Wholesale UEG | | 15,737.4 | 15,737.4 |
| LBeach sales S-T TRN | P-1 | 10,932.0 | 10,932.0 |
| Less: own supply | P-1 | 4,775.0 | 4,775.0 |

SOUTHERN CALIFORNIA GAS COMPANY
ADOPTED SUPPLY FORECAST BY PORTFOLIO CLASS

Forecast Period: October 1, 1990 to September 30, 1991

| SUPPLY SOURCE | PRIORITY | PRIORITY | SUPPLY FORECAST (Mdth) |
|--|----------|----------|---------------------------|
| LBeach sales S-T TRN | P-2A | | 688.6 |
| LBeach S-T TRN | P-2B | | 56.0 |
| LBeach S-T TRN | P-3A | I-Q | 19.6 |
| LBeach reg S-T TRN | P-3B | I-Q | 317.1 |
| LBeach S-T TRN | P-4 | I-Q | 1,099.7 |
| Long Beach Wholesale NON-UEG | | I-M | 1,198.0 |
| LBeach co use S-T TRN | P-1 | AS-Q | 11.4 |
| LBeach unacct S-T TRN | P-1 | AS-Q | 315.4 |
| Long Beach company use & unaccounted for | | AS-Q | 326.9 |
| TOTAL SHORT-TERM TRANSPORT | | | 268,091.5 |
| LONG-TERM TRANSPORT | | | |
| Industrial GN-30T(L) | P-2B | | 172.0 |
| Industrial GN-30T(L) | P-3B | | 2,278.0 |
| Industrial GN-30T(L) | P-4 | | 282.0 |
| Regular Commercial & Industrial | | | 2,732.0 |
| Commercial GN-50T(L) | P-3A | | 3,745.0 |
| Industrial GN-50T(L) | P-3A | | 38,383.0 |
| Regular Cogeneration | | | 42,128.0 |
| EOR Cogen GN-40N | P-3A | | 122,932.0 |
| EOR Steam GN-40N | P-5 | | 34,965.8 |
| SDG&E UEG | P-3AA | | 33,626.7 |
| Subtotal | | | 236,384.5 |
| Company use | | | 1,663.4 |
| Unaccounted for | | | 2,639.8 |
| Stor. Surface Loss | | | 29.2 |
| TOTAL LONG-TERM TRANSPORT | | | 240,716.9 |

TABLE 4 (cont'd)

SOUTHERN CALIFORNIA GAS COMPANY
ADOPTED SUPPLY FORECAST by PORTFOLIO CLASS

Forecast Period: October 1, 1990 to September 30, 1991

| EXCHANGE | PRIORITY | PRIORITY | SUPPLY FORECAST (Mdth) |
|---------------------------------|----------|----------|------------------------------|
| Onshore Cal. exch. | P-1 | AS-9 | HSI T-2 before Horsetail |
| Offshore P. Point exch | P-1 | AS-9 | HSI T-2 before Horsetail |
| Non-Residential | P-1 | AS-9 | 2,835.0 before Horsetail |
| Onshore Cal. exch. | P-2A | AS-9 | 418.0 before Horsetail |
| Offshore P. Point exch | P-2A | AS-9 | 369.0 before Horsetail |
| Non-Residential | | | 13,562.0 |
| Onshore Cal. exch. | P-2B | AS-9 | 859.0 before Horsetail |
| Offshore P. Point exch | P-2B | AS-9 | 851.0 before Horsetail |
| Onshore Cal. exch. | P-3B | AS-9 | 1,105.0 before Horsetail |
| Offshore Cal. exch. | P-3B | AS-9 | 576.0 before Horsetail |
| Offshore P. Point exch | P-3B | AS-9 | 3,668.0 before Horsetail |
| Onshore Cal. exch. | P-4 | AS-9 | 237.0 before Horsetail |
| Offshore P. Point exch | P-4 | AS-9 | 1,233.0 before Horsetail |
| Onshore Cal. exch. | P-4 | AS-9 | 780.0 before Horsetail |
| Offshore P. Point exch | P-4 | AS-9 | 160.0 before Horsetail |
| Regular Commercial & Industrial | | | 7,759.0 |
| Onshore Cal. exch. | P-3A | AS-9 | 5,885.0 before Horsetail |
| Offshore P. Point exch | P-3A | AS-9 | 8,050.0 before Horsetail |
| Regular and EOR cogeneration | | | 13,935.0 |
| Onshore Cal. exch. | P-5 | AS-9 | 603.3 before Horsetail |
| Offshore P. Point exch | P-5 | AS-9 | 3,689.8 before Horsetail |
| EOR Steam GN-40N | | | 4,293.1 before Horsetail |
| Subtotal | | | 31,259.1 before Horsetail |
| Company use | | | 220.0 before Horsetail |
| Unaccounted for | | | 349.1 before Horsetail |
| Stor. Surface Loss | | | 3.9 before Horsetail |
| TOTAL EXCHANGE | | | 31,832.0 before Horsetail |
| INTERUTILITY TRANSPORT | P-3A | | 3,960.0 before Horsetail |
| | P-5 | | 3,012.8 before Horsetail |
| TOTAL SUPPLY FORECAST | | | 1,111,886.0 before Horsetail |

(b) TABLE 5

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SOUTHERN CALIFORNIA GAS COMPANY
ADOPTED COSTS

Forecast Period: October 1, 1990 to September 30, 1991

| | Q1/PDO (0's of \$000) | PRICE (\$/dth) | VOLUMES (Mdth) | PRICE (\$/dth) | COSTS (000's of \$) |
|--|--------------------------|-------------------|-------------------|-------------------|------------------------|
| Core & Core-Elect Supplies | | | | | |
| Elk Hills | 0 | 2.5398 | | | 0.0 |
| Misc. California purchases | 40,027 | 2.6389 | | | 105,628.7 |
| Direct purchases - SW USA | 243,892 | 2.5837 | | | 630,143.8 |
| POPCO - Hondo Tiers 1 & 2 | 13,027 | 2.5928 | | | 33,776.4 |
| PITCO - Pan Alberta Tier 1 | 50,126 | 2.4200 | | | 121,304.4 |
| PITCO - Pan Alberta Tier 2 | 32,360 | 2.4200 | | | 78,311.7 |
| Federal Offshore | 4,518 | 4.0261 | | | 18,189.9 |
| Core to Non-core Adj. | 0 | 2.5398 | | | 0.0 |
| Short-term purchases | 20,756 | 2.5000 | | | 51,891.0 |
| MPO Transition Cost Adj. | | | | | (11,373.8) |
| Adj. Core/Core-elect purcha | 404,706 | | | | 1,027,872.1 |
| Core & Core-elect WACOG | | 2.5398 | | | |
| Core Storage | | | | | |
| Storage Withdrawl | 60,073 | 2.5398 | | | 152,573.2 |
| Storage Injection | (60,061) | 2.5398 | | | (152,542.7) |
| Net storage | 12 | | | | 30.5 |
| Non-Core Supplies | | | | | |
| Non-core purchases & WACOG | 159,554 | 2.5395 | | | 405,184.4 |
| Pipeline Demand Charges (fixed) | | | | | |
| El Paso | | | | 74,315.0 | |
| Transwestern | | | | 73,659.0 | |
| PITCO - Pan Alberta | | | | 102,300.0 | |
| POPCO - Hondo | | | | 37,996.0 | 288,270.0 |
| PIOC - Pitas Point | 15,108 | | | | 36,108.0 |

TABLE 5 (cont'd)

SOUTHERN CALIFORNIA GAS COMPANY
ADOPTED COSTS

Forecast Period: October 1, 1990 to September 30, 1991

| FLAG | ROTARY (# of dth) | VOLUMES (Mmbbls) | PRICE (\$/dth) | COSTS (000's of \$) |
|--|----------------------|---------------------|-------------------|------------------------|
| Transition costs | | | | |
| Direct bills: | | | | |
| El Paso Liquids | 6000.0 | 780,000 | Exceeding 61.0 | 0.0 |
| Take-or-Pay | 1000.0 | 608,688 | 62.42 | 63,400.0 |
| FERC Account 191 | 1000.0 | 840,611 | 53.53 | 33,518.4 |
| Southland/Chevron | 6000.0 | 841,000 | Memo: 45,081.6 | (33,518.4) |
| Subtotal | 18000.0 | 2,230,300 | | 63,400.0 |
| MPO Transition Cost Adj. | | | | 11,373.8 |
| Excess Purch. Gas Costs (carried over from 1988) | | | 2,994.0 | 77,767.8 |
| Balancing/Tracking accounts: Core: 9/30/90 recorded amounts, except core EORA; Noncore & core EORA 17/31/90 recorded amounts. | | | | |
| Core Purchased Gas Account (CPGA) | | | | |
| Core: | | | 148,968.1 | |
| Core-elect | | | 716.9 | |
| | | | | 149,685.0 |
| Other Core accounts: | | | | |
| Core Fixed Cost Account (CFCA) | | | 145,317.0 | |
| Core Implementation Account (CIA) | | | (74,927.0) | |
| Conservation Cost Adjustment (CCA) | | | (40,470.0) | |
| Enhanced Oil Recovery Account (EORA) | | | (23,968.0) | 5,952.0 |
| Non-Core accounts: | | | | |
| Negotiated Revenue Stability Account (NRSA) | | | (8,087.0) | |
| Enhanced Oil Recovery Account (EORA) | | | (7,533.0) | |
| Noncore Implementation Account (NIA) | | | (73,245.0) | |
| Minimum Purchase Obligation (MPO) | | | 3,859.0 | |
| Pipeline Demand Charges (PDC) | | | (5,643.0) | |
| Noncore Transition Cost Account (NTCA) 1/ | | | 0.0 | |
| Cogeneration Shortfall Account (CSA) | | | 0.0 | |
| Carrying Cost of Storage | | | (1,052.0) | |
| Take-or-Pay | | | 14,139.0 | |
| Fixed Cost Acct. (NFCA) Marg. Shortfall 1/ | | | 0.0 | |
| Conservation Cost Adjustment (CCA) | | | (9,199.0) | (86,761.0) |

1/ NCTA and NFCA consolidated into the NIA.

TABLE 25B (cont'd)

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SOUTHERN CALIFORNIA GAS COMPANY
ADOPTED COSTS

Forecast Period: October 1, 1990 to September 30, 1991

| | Q1800 (\$ to \$'000) | MILLION VOLUMES (MMBtu) (Mdth) | PRICE (\$/dth) | COSTS (000's of \$) |
|--|-------------------------|-----------------------------------|-------------------|------------------------|
| Company use and Unaccounted for | | | | |
| Core Company Use | \$01,404 | 2,846 | 2.5397 | 7,227.8 |
| Core Unaccounted For | \$1 | 4,516 | 2.5397 | 11,470.0 |
| Total | \$01,405 | 7,362 | | 18,697.9 |
| Non-core Company Use | | 4,048 | 2.5397 | 10,280.1 |
| Non-core Unaccounted For | | (6,423) | 2.5397 | 16,313.7 |
| Total | | 10,471 | | 26,593.7 |

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(END OF APPENDIX B)

**SOUTHERN CALIFORNIA GAS COMPANY
ADOPTED PORTFOLIO PRICES**

Forecast Period: October 1, 1990 to September 30, 1991

| DEMAND (000's of MMBtu) | PRICE (\$/MMBtu) | MILLION VOLUMES (MMBtu) | COSTS (000's of \$) |
|--|---------------------|----------------------------|------------------------|
| Core & Core-elect Portfolio | | | |
| Adj. Core Purchases | \$0.985 | 404,706 | 404,706 |
| Net storage | 3.1076% | 12 | 30.5 |
| Core & Core-elect portfolio demand | 404,718 | | 1,027,902.5 |
| Less: Company use & unaccounted for | 7,284 | | 18,499.4 |
| Add: Core Purchased Gas Account (CPGA) 2/ | | | 148,968.1 |
| Subtotal | | | 1,158,371.3 |
| Add: FF&U at | 2.1076% | | 24,413.8 |
| CORE & CORE-ELECT SALES | | 397,434 | 1,182,785.1 |
| CORE & CORE-ELECT PORTFOLIO PRICE | | \$2.9761 /dth | |
| Non-Core Portfolio | | | |
| Non-core portfolio demand | | 159,554 | 405,184.4 |
| Less: Company use & unaccounted for | | 2,872 | 7,293.1 |
| Add: Pitas Point | | | 36,108.0 |
| Subtotal | | | 433,999.3 |
| Add: FF&U at | 2.1076% | | 9,147.0 |
| Subtotal | | | 443,146.3 |
| Less: Pitas Point | | | 36,108.0 |
| NON-CORE PORTFOLIO SALES | | 156,683 | 407,038.0 |
| NON-CORE PORTFOLIO PRICE (\$/dth) | | \$2.5979 /dth | |

(END OF APPENDIX B)

A.90-03-018

APPENDIX C

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SOUTHERN CALIFORNIA GAS COMPANY: ADOPTED REVENUE REQUIREMENTS
 Forecast Period: October 1, 1990 to September 30, 1991
 (000's of \$)

PROCUREMENT REVENUE REQUIREMENT

| | |
|--|--------------------|
| Total Core Procurement Revenue 1/ | \$1,182,785.1 |
| Total Non-core Procurement Revenue 1/ | 407,038.3 |
| TOTAL PROCUREMENT REVENUE REQUIREMENT | 1,589,823.4 |

TRANSMISSION REVENUE REQUIREMENT

| | |
|--|-----------|
| Auth. gas margin (As adopted in D.90-01-016) less brokerage fees | |
| Common distribution | 370,122.0 |
| Demand related transmission | 113,828.0 |
| Demand related storage | 98,490.0 |
| Customer related | 648,682.0 |
| Commodity related | 0.0 |
| 50% Administrative & General | 139,566.0 |
| | ----- |
| Pipeline demand charges | 288,270.0 |
| Add: FF&U | 5,893.3 |
| | ----- |
| Transition costs | 77,767.6 |
| Add: FF&U | 1,592.3 |
| | ----- |

294,163.3

79,360.1

| | |
|--|------------|
| Women Minority Business Enterprises (WMBE) | 249.0 |
| Mutual Assistance Agreement (MMA) | 3,777.0 |
| Migration Losses | 307.0 |
| Gas Loss Memo Account (GLMA) | 264.0 |
| Carrying cost of storage | 2,359.0 |
| Other Core Balancing/tracking accounts | 5,952.0 |
| Non-Core Balancing/tracking accounts | (86,761.0) |
| Add: FF&U | (1,556.7) |
| | ----- |

(75,409.7)

| | |
|--|----------|
| Core Company use and unaccounted for gas | 18,697.9 |
| Non-Core Company use and unaccounted for gas | 26,593.7 |
| Add: FF&U | 931.1 |
| | ----- |

46,222.7

(1,621.6)

(8,431.0)

(609.0)

| | |
|--|-------|
| Storage banking rev.: Pilot Program (ext. per D.90-10-038) | |
| Exchange revenues | |
| Interutility transportation revenues | |
| | ----- |

| | |
|---|--------------------|
| TOTAL TRANSMISSION REVENUE REQUIREMENT | 1,704,362.7 |
| Brokerage Fees | 3,960.0 |
| LIRA Benefit | (21,110.3) |
| LIRA Surcharge | 20,622.1 |
| Net LIRA increase in revenue requirements | (488.2) |
| | ----- |

| | |
|-----------------------------------|----------------------|
| NET REVENUE REQUIREMENT 2/ | \$3,294,186.2 |
|-----------------------------------|----------------------|

| | |
|--|----------------------|
| NET REVENUE REQUIREMENT (INCLUDING LIRA & BROKERAGE FEES) | \$3,297,658.0 |
|--|----------------------|

1/ Does not include Core-elect PGA which is amortized in monthly postings
 2/ Revenue requirement used for cost allocation and rate design

SOUTHERN CALIFORNIA GAS COMPANY
COST ALLOCATION SUMMARY

Forecast Period: October 1, 1990 to September 30, 1991

| FORECAST PERIOD COSTS | CORE COST (\$000) | NON-CORE COST (\$000) | WHOLESALE COST (\$000) | SYSTEM COST (\$000) |
|---|-------------------------|-----------------------------|------------------------------|---------------------------|
| TRANSPORTATION REVENUE REQUIREMENT | | | | |
| Common distribution | 331,707 | 38,415 | 18,486 | 370,122 |
| Demand related transmission | 55,918 | 39,424 | 15,685 | 113,828 |
| Demand related storage | 60,247 | 22,558 | 3,703 | 98,690 |
| Customer related | 636,983 | 7,996 | 648,682 | 648,682 |
| Commodity related | 0 | 0 | 0 | 0 |
| 50% Administrative & General | 73,967 | 62,579 | 3,020 | 139,566 |
| SUBTOTAL - Base (margin) | 1,158,822 | 170,972 | 40,893 | 1,370,688 |
| Net EOR Adjustment | (50,964) | 54,425 | (3,461) | (0) |
| Interutility transport rev. | (299) | (211) | (99) | (609) |
| Exchange revenues | (4,142) | (2,920) | (1,369) | (8,431) |
| Storage Banking Revenue | 0 | (931) | (690) | (1,622) |
| TOTAL - Adjusted Base | 1,103,417 | 221,335 | 35,274 | 1,360,026 |
| Pipeline demand charges | 144,598 | 101,945 | 47,620 | 296,163 |
| Co. use & unaccounted for (t/p) | 17,436 | 22,635 | 6,151 | 46,223 |
| Women Min. Busi. Ent. (WMBE) | 116 | 98 | 41 | 256 |
| Mutual Assist. Agree. Gas (MAA) | 0 | 3,857 | 0 | 3,857 |
| Carry Cost Storage Inv (CCSI) | 1,473 | 552 | 382 | 2,407 |
| Migration Losses | 192 | 72 | 50 | 313 |
| Gas Loss Memo Account (GLMA) | 165 | 62 | 43 | 269 |
| Transition costs | | | | |
| Direct bills: | 29,423 | 26,893 | 10,380 | 64,697 |
| EPO Transition Cost Adj. | 5,278 | 4,466 | 1,862 | 11,606 |
| Excess Purch. Gas Costs (carried over from 1988) | 0 | 3,057 | 0 | 3,057 |
| TOTAL - Forecast Period Costs | 1,302,099 | 382,971 | 101,803 | 1,786,873 |
| AMORTIZATION OF BALANCING ACCOUNTS: INCLUDES ADJUSTMENT FOR BALANCING ACCOUNT CONSOLIDATION 1/ | | | | |
| Core Fixed Cost Account (CFFCA) | 148,380 | 0 | 0 | 148,380 |
| Core Implementation Account (CIA) | (76,506) | 0 | 0 | (76,506) |
| Conservation Cost Adjustment (CCA) | (41,323) | 0 | 0 | (41,323) |
| Enhanced Oil Recovery Account (EORA) | (19,160) | (4,012) | (1,296) | (24,468) |
| Negotiated Revenue Stability Account (NRSA) | 0 | (5,821) | (2,427) | (8,248) |
| Enhanced Oil Recovery Account (EORA) | (6,022) | (1,261) | (407) | (7,690) |
| Noncore Implementation Account (NIA) 1/ | 0 | (75,984) | 0 | (75,984) |
| Minimum Purchase Obligation (MPO) | 0 | 2,778 | 1,158 | 3,936 |
| Pipeline Demand Charges (PDC) | 0 | (3,923) | (1,832) | (5,755) |
| Noncore Transition Cost Account (NTCA) 1/ | 0 | 0 | 1,435 | 1,435 |
| Cogeneration Shortfall Account (CSA) | 0 | 0 | 0 | 0 |
| Carrying Cost of Storage | 0 | (634) | (439) | (1,072) |
| Take-or-Pay | 0 | 10,177 | 6,264 | 14,421 |
| Fixed Cost Acct. (NFCA) Marg. Shortfall 1/ | 0 | 0 | (242) | (242) |
| Conservation Cost Adjustment (CCA) | 0 | (9,393) | 0 | (9,393) |
| SUBTOTAL - Forecast Account Balances | 5,369 | (88,072) | 193 | (82,510) |
| TOTAL - Transportation Revenue Requirement | 1,307,467 | 294,900 | 101,995 | 1,704,363 |
| ALLOCATION ADJUSTMENTS | | | | |
| Long-term contract shortfall | 0 | (4,960) | 0 | (4,960) |
| Long-term contract spread | 2,293 | 1,855 | 812 | 4,960 |
| CCSI Credit to wholesale | 0 | 0 | (955) | (955) |
| CCSI Whl. Credit Spread | 695 | 260 | 0 | 955 |
| TRANSPORTATION COSTS | 1,310,455 | 292,055 | 101,852 | 1,704,363 |

1/ NCTA and NFCA adjustments to wholesale shown for informational purposes.
These adjustments were incorporated into rate design to consolidate the balancing accounts into the NIA.

SOUTHERN CALIFORNIA GAS COMPANY
CORE CUSTOMER COST ALLOCATION

Forecast Period: October 1, 1990 to September 30, 1991

| | RESIDENTIAL (\$000) | COMMERCIAL (\$000) | TOTAL (\$000) |
|---|------------------------|-----------------------|------------------|
| FORECAST PERIOD COSTS | | | |
| TRANSPORTATION REVENUE REQUIREMENT | | | |
| Common distribution | 259,376 | 72,331 | 331,707 |
| Demand related transmission | 40,902 | 15,016 | 55,918 |
| Demand related storage | 46,359 | 13,688 | 60,247 |
| Customer related | 587,425 | 49,558 | 636,983 |
| Commodity related | 0 | 0 | 0 |
| SG&A Administrative & General | 53,002 | 20,965 | 73,967 |
| SUBTOTAL - Base (margin) | 987,264 | 171,558 | 1,158,822 |
| Net EOR Adjustment | (42,738) | (8,226) | (50,964) |
| Interutility transport rev. | (219) | (80) | (299) |
| Exchange revenues | (3,030) | (1,112) | (4,142) |
| Storage Banking Revenue | 0 | 0 | 0 |
| TOTAL - Adjusted Base | 941,278 | 162,139 | 1,103,417 |
| Pipeline demand charges | 105,767 | 38,830 | 144,598 |
| Co. use & unaccounted for (t/p) | 12,494 | 4,962 | 17,436 |
| Women Min. Bus. Ent. (WMBE) | 83 | 33 | 116 |
| Mutual Assist. Agree. Gas (MAA) | 0 | 0 | 0 |
| Carry Cost Storage Inv (CCSI) | 1,139 | 335 | 1,473 |
| Migration Losses | 148 | 44 | 192 |
| Gas Loss Memo Account (GLMA) | 127 | 37 | 165 |
| Transition costs | 21,084 | 8,340 | 29,423 |
| Direct bills: | 3,782 | 1,496 | 5,278 |
| MPO Transition Cost Adj. | 0 | 0 | 0 |
| Excess Purch. Gas Costs (carried over from 1988) | | | |
| TOTAL - Forecast Period Costs | 1,085,903 | 216,196 | 1,302,099 |
| AMORTIZATION OF BALANCING ACCOUNTS: INCLUDES ADJUSTMENT FOR BALANCING ACCOUNT CONSOLIDATION | | | |
| Core Fixed Cost Account (CFCA) | 106,324 | 42,056 | 148,380 |
| Core Implementation Account (CIA) | (56,822) | (21,684) | (76,506) |
| Conservation Cost Adjustment (CCA) | (29,611) | (11,712) | (41,323) |
| Enhanced Oil Recovery Account (EORA) | (16,067) | (3,093) | (19,160) |
| Negotiated Revenue Stability Account (NRSA) | 0 | 0 | 0 |
| Enhanced Oil Recovery Account (EORA) | (5,050) | (972) | (6,022) |
| Noncore Implementation Account (NIA) | 0 | 0 | 0 |
| Minimum Purchase Obligation (MPO) | 0 | 0 | 0 |
| Pipeline Demand Charges (PDC) | 0 | 0 | 0 |
| Noncore Transition Cost Account (NTCA) | 0 | 0 | 0 |
| Cogeneration Shortfall Account (CSA) | 0 | 0 | 0 |
| Carrying Cost of Storage | 0 | 0 | 0 |
| Take-or-Pay | 0 | 0 | 0 |
| fixed Cost Acct. (NFCA) Marg. Shortfall | 0 | 0 | 0 |
| Conservation Cost Adjustment (CCA) | 0 | 0 | 0 |
| SUBTOTAL - Forecast Account Balances | 774 | 4,594 | 5,369 |
| TOTAL - Transportation Revenue Requirement | 1,086,677 | 220,790 | 1,307,467 |
| ALLOCATION ADJUSTMENTS | | | |
| Long-term contract shortfall | 0 | 0 | 0 |
| Long-term contract spread | 1,643 | 650 | 2,293 |
| CCSI Credit to Wholesale | 0 | 0 | 0 |
| CCSI Whl. Credit Spread | 537 | 158 | 695 |
| TRANSPORTATION COSTS | 1,088,857 | 221,598 | 1,310,455 |

Forecast Period: October 1, 1990 to September 30, 1991

| | 10/1/90 | 10/1/90 | LARGE INDUSTRIAL (\$000) | CONTRACT INDUSTRIAL (\$000) | EOC/ EOC COGEN (\$000) |
|--|------------------------------|------------------------------|--------------------------------|-----------------------------------|------------------------------|
| FORECAST PERIOD COSTS | P28 (\$000) | P28 (\$000) | | | |
| TRANSPORTATION REVENUE REQUIREMENT | | | | | |
| Common distribution | 5,656 | 23,910 | 869 | 1,000 | 0 |
| Demand related transaction | 2,247 | 8,972 | 346 | 1,000 | 0 |
| Demand related storage | 1,567 | 6,489 | 240 | 1,000 | 0 |
| Customer related | 719 | 3,079 | 119 | 1,000 | 0 |
| Commodity related | 0 | 0 | 0 | 1,000 | 0 |
| 50% Administrative & General | 3,292 | 13,109 | 508 | 1,000 | 0 |
| SUBTOTAL - Base (margin) | 13,279 | 55,558 | -2,081 | 5,000 | 0 |
| Net EOC Adjustment | (762) | (746) | (3,079) | (116) | 65,096 |
| Interutility transport rev. | (62) | (12) | (48) | (2) | 0 |
| Exchange revenues | (67) | (166) | (665) | (26) | 0 |
| Storage Banking Revenue | (69) | (286) | 0 | 0 | 0 |
| TOTAL - Adjusted Base | 12,285 | 51,480 | 1,938 | 55,096 | 0 |
| Pipeline demand charges | 5,811 | 23,200 | 895 | 1,000 | 0 |
| Co. use & unaccounted for (t/p) | 786 | 3,136 | 120 | 1,000 | 7,828 |
| Women Min. Bus. Ent. (WMBE) | 5 | 20 | 0 | 0 | 0 |
| Mutual Assist. Agree. Gas (MAGA) | 365 | 1,458 | 56 | 1,000 | 0 |
| Carry Cost Storage Inv (CCSI) | 38 | 159 | 6 | 1,000 | 0 |
| Migration Losses | 5 | 21 | 1 | 1,000 | 0 |
| Gas Loss Memo Account (GLMA) | 4 | 18 | 1 | 1,000 | 0 |
| Transition costs | | | | | |
| Direct bills: | 1,309 | 5,214 | 202 | 1,000 | 0 |
| MPO Transition Cost Adj. | 235 | 935 | 36 | 1,000 | 0 |
| Excess Purch. Gas Costs (carried over from 1988) | 161 | 640 | 25 | 1,000 | 0 |
| TOTAL - Forecast Period Costs | 21,005 | 86,282 | 3,279 | 72,924 | 0 |
| AMORTIZATION OF BALANCING ACCOUNTS: INCLUDES ADJUSTMENT FOR BALANCING ACCOUNT CONSOLIDATION | | | | | |
| Core Fixed Cost Account (CFFCA) | 0 | 0 | 0 | 0 | 0 |
| Core Implementation Account (CIA) | 0 | 0 | 0 | 0 | 0 |
| Conservation Cost Adjustment (CCA) | 0 | 0 | 0 | 0 | 0 |
| Enhanced Oil Recovery Account (EORA) | (281) | (1,158) | (44) | 1,000 | 0 |
| Negotiated Revenue Stability Account (NRSAA) | (306) | (1,219) | (47) | 1,000 | 0 |
| Enhanced Oil Recovery Account (EORA) | (88) | (364) | (14) | 1,000 | 0 |
| Noncore Implementation Account (NTIA) | (3,996) | (15,918) | (617) | 1,000 | 0 |
| Minimum Purchase Obligation (MPO) | 146 | 582 | 23 | 1,000 | 0 |
| Pipeline Demand Charges (PDC) | (224) | (893) | (34) | 1,000 | 0 |
| Noncore Transition Cost Account (NTICA) | 0 | 0 | 0 | 1,000 | 0 |
| Cogeneration Shortfall Account (CSA) | 0 | 0 | 0 | 1,000 | 0 |
| Carrying Cost of Storage | (46) | (182) | (7) | 1,000 | 0 |
| Take-or-Pay | 535 | 2,132 | 83 | 1,000 | 0 |
| Fixed Cost Acct. (NFCA) Marg. Shortfall | 0 | 0 | 0 | 1,000 | 0 |
| Conservation Cost Adjustment (CCA) | (1,829) | (7,282) | (282) | 1,000 | 0 |
| SUBTOTAL - Forecast Account Balances | (6,086) | (24,302) | (939) | 1,000 | 0 |
| TOTAL - Transportation Revenue Requirement | 14,919 | 61,980 | 2,339 | 72,924 | 0 |
| ALLOCATION ADJUSTMENTS | | | | | |
| Long-term contract shortfall | 0 | 0 | (397) | 1,000 | 0 |
| Long-term contract spread | 102 | 406 | 0 | 1,000 | 0 |
| CCSI Credit to Wholesale | 0 | 0 | 0 | 1,000 | 0 |
| CCSI Whl. Credit Spread | 75 | 75 | 3 | 1,000 | 0 |
| TRANSPORTATION COSTS | 15,096 | 62,461 | 1,946 | 72,924 | 0 |

SOUTHERN CALIFORNIA GAS COMPANY
NON-CORE CUSTOMER COST ALLOCATION

Page 4

Forecast Period: October 3, 1990 to September 30, 1991

| NRB # 1000 - 2000 FORECAST PERIOD COSTS (\$000) | 1001 # 2001 COGEN (\$/MMBtu) | 1002 # 2002 COGEN (\$/MMBtu) | CONTRACT COGEN (\$000) | NON-EOR COGEN (\$000) | 2100 UEG (\$000) | NON-CORE TOTAL (\$000) |
|--|--|--|------------------------------|-----------------------------|------------------------|------------------------------|
| TRANSPORTATION REVENUE REQUIREMENT | | | | | | |
| Common distribution | 100,765 | 100,765 | 1,536 | 6,647 | 0 | 38,415 |
| Demand related transmission | 100,765 | 100,765 | 1,513 | 6,796 | 19,551 | 39,624 |
| Demand related storage | 100,765 | 100,765 | 1,158 | 4,421 | 8,643 | 22,558 |
| Customer related | 100,765 | 100,765 | 433 | 1,947 | 1,699 | 7,996 |
| Commodity related | 100,765 | 100,765 | 0 | 0 | 0 | 0 |
| 50% Administrative & General | 100,765 | 100,765 | 2,220 | 9,973 | 33,479 | 62,579 |
| SUBTOTAL - Base (margin) | | | 6,860 | 29,783 | 63,411 | 170,972 |
| Net EOR Adjustment | (100,765) | (100,765) | (421) | (1,852) | (4,656) | 56,425 |
| Interutility transport rev. | 100,765 | 100,765 | (8) | (36) | (105) | (211) |
| Exchange revenues | 100,765 | 100,765 | (112) | (503) | (1,448) | (2,920) |
| Storage Banking Revenue | 100,765 | 100,765 | 0 | (195) | (382) | (931) |
| TOTAL - Adjusted Base | | | 6,319 | 27,197 | 57,020 | 221,335 |
| Pipeline demand charges | | | 3,912 | 17,573 | 50,556 | 101,945 |
| Co. use & unaccounted for (t/p) | | | 523 | 2,351 | 7,892 | 22,635 |
| Women Min. Bus. Ent. (WMBE) | | | 3 | 16 | 52 | 98 |
| Mutual Assist. Agree. Gas (MAG) | | | 243 | 1,093 | 340 | 3,857 |
| Carry Cost Storage Inv (CCSI) | | | 28 | 108 | 212 | 552 |
| Migration Losses | | | 6 | 16 | 28 | 72 |
| Gas Loss Memo Account (GLMA) | | | 3 | 12 | 24 | 62 |
| Transition costs | | | | | | |
| Direct bills: | | | 883 | 3,967 | 13,318 | 24,893 |
| MPO Transition Cost Adj. | | | 158 | 712 | 2,389 | 4,466 |
| Excess Purch. Gas Costs (carried over from 1988) | | | 108 | 487 | 1,636 | 3,057 |
| TOTAL - Forecast Period Costs | | | 12,185 | 53,529 | 133,767 | 382,971 |
| AMORTIZATION OF BALANCING ACCOUNTS: INCLUDES ADJUSTMENT FOR BALANCING ACCOUNT CONSOLIDATION | | | | | | |
| Core Fixed Cost Account (CFFA) | | | 0 | 0 | 0 | 0 |
| Core Implementation Account (CIA) | | | 0 | 0 | 0 | 0 |
| Conservation Cost Adjustment (CCA) | | | 0 | 0 | 0 | 0 |
| Enhanced Oil Recovery Account (EORA) | | | (158) | (696) | (1,675) | (4,012) |
| Negotiated Revenue Stability Account (NRSA) | | | (206) | (928) | (3,116) | (5,821) |
| Enhanced Oil Recovery Account (EORA) | | | (50) | (219) | (527) | (1,261) |
| Noncore Implementation Account (NTIA) | | | (2,696) | (12,110) | (40,648) | (75,984) |
| Minimum Purchase Obligation (MPO) | | | 99 | 443 | 1,486 | 2,778 |
| Pipeline Demand Charges (PDC) | | | (151) | (676) | (1,945) | (3,923) |
| Noncore Transition Cost Account (NTCA) | | | 0 | 0 | 0 | 0 |
| Cogeneration Shortfall Account (CSA) | | | 0 | 0 | 0 | 0 |
| Carrying Cost of Storage | | | (33) | (124) | (244) | (634) |
| Take-or-Pay | | | 361 | 1,622 | 5,445 | 10,177 |
| Fixed Cost Acct. (NFCA) Marg. Shortfall | | | 0 | 0 | 0 | 0 |
| Conservation Cost Adjustment (CCA) | | | 0 | 0 | 0 | (9,393) |
| SUBTOTAL - Forecast Account Balances | | | (2,834) | (12,688) | (41,222) | (88,072) |
| TOTAL - Transportation Revenue Requirement | | | 9,352 | 40,841 | 92,565 | 294,900 |
| ALLOCATION ADJUSTMENTS | | | | | | |
| Long-term contract shortfall | | | (4,563) | 0 | 0 | (4,960) |
| Long-term contract spread | | | 0 | 309 | 1,038 | 1,855 |
| CCSI Credit to Wholesale | | | 0 | 0 | 0 | 0 |
| CCSI Whl. Credit Spread | | | 13 | 51 | 100 | 260 |
| TRANSPORTATION COSTS | | | 4,802 | 41,201 | 93,682 | 292,055 |

SOUTHERN CALIFORNIA GAS COMPANY
WHOLESALE CUSTOMER COST ALLOCATION

YARDAGE 262 AT 100% YARDAGE
Forecast Period: October 1, 1990 to September 30, 1991

FEET OF YARDAGE OR GGE (LONG BEACH) (SOLOMONS) (BOLTON) (TOTAL)
FORECAST PERIOD COSTS (\$000) (\$000) (\$000)

TRANSPORTATION REVENUE REQUIREMENT

| | | | |
|--|---------------|---------------|----------------|
| Common distribution | 0 | 0 | 0 |
| Demand related transmission | 3,256 | 15,230 | 18,486 |
| Demand related storage | (2,362) | 13,323 | 15,685 |
| Customer related | (163) | 3,560 | 3,703 |
| Commodity related | 0 | 0 | 0 |
| 50% Administrative & General | 206 | 2,655 | 3,020 |
| SUBTOTAL - Base (margin) | 6,325 | 34,568 | 40,893 |
| Net EOR Adjustment | (575) | (2,886) | (3,461) |
| Interutility transport rev. | (17) | (81) | (99) |
| Exchange revenues | (241) | (1,128) | (1,369) |
| Storage Banking Revenue | (104) | (586) | (690) |
| TOTAL - Adjusted Base | 5,387 | 29,887 | 35,274 |
| Pipeline demand charges | 8,387 | 39,233 | 47,620 |
| Co. use & unaccounted for (t/p) | 1,190 | 6,961 | 6,151 |
| Women Min. Bus. Ent. (WMBE) | 8 | 33 | 41 |
| Mutual Assist. Agree. Gas (MAA) | 0 | 0 | 0 |
| Carry Cost Storage Inv (CCSI) | 58 | 325 | 382 |
| Migration Losses | 7 | 42 | 50 |
| Gas Loss Memo Account (GLMA) | 6 | 36 | 43 |
| Transition costs: | | | |
| Direct bills: | 2,008 | 8,372 | 10,380 |
| MPO Transition Cost Adj. | 360 | 1,502 | 1,862 |
| Excess Purch. Gas Costs (carried over from 1988) | 0 | 0 | 0 |
| TOTAL - Forecast Period Costs | 17,411 | 84,391 | 101,803 |

AMORTIZATION OF BALANCING ACCOUNTS: INCLUDES ADJUSTMENT FOR BALANCING ACCOUNT CONSOLIDATION

| | | | |
|---|------------|-----------|------------|
| Core Fixed Cost Account (CFCIA) | 0 | 0 | 0 |
| Core Implementation Account (CIA) | 0 | 0 | 0 |
| Conservation Cost Adjustment (CCA) | 0 | 0 | 0 |
| Enhanced Oil Recovery Account (EORA) | (215) | (1,081) | (1,296) |
| Negotiated Revenue Stability Account (NRSA) | (469) | (1,958) | (2,427) |
| Enhanced Oil Recovery Account (EORA) | (68) | (340) | (407) |
| Noncore Implementation Account (NIA) 1/ | 0 | 0 | 0 |
| Minimum Purchase Obligation (MPO) | 224 | 934 | 1,158 |
| Pipeline Demand Charges (PDC) | (323) | (1,510) | (1,832) |
| Noncore Transition Cost Account (NTCA) 1/ | 271 | 1,165 | 1,435 |
| Cogeneration Shortfall Account (CSA) | 0 | 0 | 0 |
| Carrying Cost of Storage | (66) | (373) | (439) |
| Take-or-Pay | 821 | 3,423 | 4,244 |
| Fixed Cost Acct. (NFCA) Marg. Shortfall 1/ | (46) | (197) | (242) |
| Conservation Cost Adjustment (CCA) | 0 | 0 | 0 |
| SUBTOTAL - Forecast Account Balances | 129 | 64 | 193 |

TOTAL - Transportation Revenue Requirement

| | | | |
|------------------------------|---------------|---------------|----------------|
| ALLOCATION ADJUSTMENTS | | | |
| Long-term contract shortfall | 0 | 0 | 0 |
| Long-term contract spread | 157 | 655 | 812 |
| CCSI Credit to wholesale | (101) | (854) | (955) |
| CCSI Whl. Credit Spread | 0 | 0 | 0 |
| TRANSPORTATION COSTS | 17,596 | 84,257 | 101,852 |

1/ NCTA and NFCA adjustments to wholesale shown for informational purposes. These adjustments were incorporated into rate design to consolidate the balancing accounts into the NIA.

APPENDIX D

TABLE 5
PREDICTION 1990-1991 DISCOUNT

SOUTHERN CALIFORNIA GAS COMPANY
DISCOUNT ADJUSTMENT CALCULATION

Forecast Period: October 1, 1990 to September 30, 1991

(000's) (000's) (000's)

Parameters

| | P2B: | Other Industrial: |
|-------------|---------|-------------------|
| Elasticity: | | Elasticity: |
| Commercial | -0.504 | -0.504 |
| Other Ind. | -0.674 | -0.674 |
| NC WACOG: | 0.25395 | 0.25395 |
| CEILING: | 0.08490 | 0.08855 |
| FLOOR | 0.05691 | 0.05691 |
| PERIOD | | |

P2B COMMERCIAL

| RATE | DEMAND (Mdth) | INCREMENTAL REVENUE |
|-------------------|------------------|------------------------|
| 33.8851 | 1,433.3 | 1,216.9 |
| 32.8851 | 1,455.1 | 16.3 |
| 31.8851 | 1,478.0 | 14.8 |
| 31.0855 | 1,497.0 | 10.8 |
| TOTAL REV. | | 1,258.9 |

OTHER COMMERCIAL

| RATE | DEMAND (Mdth) | INCREMENTAL REVENUE |
|-------------------|------------------|------------------------|
| 34.2495 | 13,552.5 | 12,000.3 |
| 33.2495 | 13,756.4 | 160.2 |
| 32.2495 | 13,969.8 | 146.3 |
| 31.0855 | 14,231.0 | 148.7 |
| TOTAL REV. | | 12,455.4 |

P2B Target Revenue
Forecast volume * Default rate

P2B INDUSTRIAL

| RATE | DEMAND (Mdth) | INCREMENTAL REVENUE |
|-------------------|------------------|------------------------|
| 33.8851 | 14,486.2 | 12,299.2 |
| 32.8851 | 14,781.7 | 221.3 |
| 31.8851 | 15,092.5 | 201.8 |
| 31.0855 | 15,353.1 | 148.3 |
| TOTAL REV. | | 12,870.6 |

OTHER INDUSTRIAL

| RATE | DEMAND (Mdth) | INCREMENTAL REVENUE |
|-------------------|------------------|------------------------|
| 34.2495 | 48,621.5 | 43,052.8 |
| 33.2495 | 49,602.3 | 770.4 |
| 32.2495 | 50,633.8 | 707.1 |
| 31.0855 | 51,904.0 | 722.8 |
| TOTAL REV. | | 45,253.2 |

Discount Adjustment

98.76%

Other Industrial Target Revenue
Forecast volume * Default rate

57,708.6

58,560.6

Discount Adjustment

98.55%

SOUTHERN CALIFORNIA GAS COMPANY
CORE BUNDLED RATES AND REVENUES

Forecast Period: October 1, 1990 to September 30, 1991

| CORE CUSTOMER CLASS | THROUGHPUT (MTH) | PRESENT RATES (\$/TH) | PRESENT REVENUES (\$) | ADOPTED RATE (\$/TH) | | ADOPTED RATE (\$/TH) | | REVENUE (\$/TH) | | REVENUE (\$/TH) | | TOTAL CHG (\$) | |
|---------------------------|---------------------|-----------------------------|-----------------------------|----------------------------|----------------|----------------------------|------------------|--------------------|------------------|--------------------|---------|-------------------|--------|
| | | | | NON-GAS | GAS | NON-GAS | GAS | TOTAL | NON-GAS | GAS | TOTAL | NON-GAS | CHANGE |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) | (N) |
| RESIDENTIAL | | | | | | | | | | | | | |
| Customer Charge | | 3.10 | 164,612 | | | 3.10 | | 164,612 | | | 164,612 | 0.0% | |
| Submetering Discount | | | (3,747) | | | | | | | | (5,311) | -1.7% | |
| Subtotal | | | 160,865 | | | | | | | | 159,301 | -1.0% | |
| Tier 1 | 1,840,933 | 0.39480 | 726,800 | 0.16237 | 0.29761 | 0.45997 | 0.298,911 | 1547,871 | 846,782 | 16.5% | | | |
| Tier 2 | 1,013,237 | 0.75013 | 758,559 | 0.47547 | 0.29761 | 0.77308 | 680,816 | 300,949 | 781,766 | 13.1% | | | |
| Residential Avg/Total | 2,852,170 | 0.57718 | 1,645,224 | 0.32923 | 0.29761 | 0.62684 | 939,028 | 848,821 | 1,787,848 | 8.6% | | | |
| CORE COMMERCIAL | | | | | | | | | | | | | |
| Customer Charges | | | 26,308 | | | | | | | | 26,308 | 0.0% | |
| Summer | | | | | | | | | | | 26,308 | 0.0% | |
| Tier 1 | 424,743 | 0.52669 | 223,708 | 0.28083 | 0.29761 | 0.57844 | 119,281 | 126,406 | 245,686 | 9.8% | | | |
| Tier 2 | 216,954 | 0.46169 | 99,242 | 0.21583 | 0.29761 | 0.51344 | 66,394 | 63,971 | 110,365 | 11.2% | | | |
| Winter | | | | | | | | | | | 110,365 | 11.2% | |
| Tier 1 | 325,918 | 0.65966 | 214,996 | 0.61380 | 0.29761 | 0.71147 | 134,884 | 96,994 | 231,859 | 7.8% | | | |
| Tier 2 | 121,753 | 0.50170 | 61,084 | 0.25584 | 0.29761 | 0.55345 | 31,149 | 36,234 | 67,384 | 10.3% | | | |
| Commercial Avg/Total | 1,087,366 | 0.57509 | 625,335 | 0.32923 | 0.29761 | 0.62684 | 357,996 | 323,606 | 681,602 | 9.0% | | | |
| Transport Rate | 17,449 | 0.27344 | 4,771 | 0.32923 | 0.00000 | 0.32923 | 5,745 | | 0 | 5,745 | 20.4% | | |
| CORE AVERAGE/TOTAL | 3,956,985 | 0.57527 | 2,276,331 | 0.32923 | 0.29629 | 0.62553 | 1,302,769 | 1,172,426 | 2,475,195 | 8.7% | | | |

| LIRA RATES/DISCOUNTS | THROUGHPUT (MTH) | LIRA RATE (\$/TH) | NON-LIRA RATE (\$/TH) | RATE DISCOUNT (\$/TH) | REVENUE DISCOUNT (\$) |
|------------------------|---------------------|-------------------------|-----------------------------|-----------------------------|-----------------------------|
| Customer Charge | | 3.10 | 2.64 | 0.46 | 1,932 |
| Submetering Adjustment | | | | | 59 |
| Tier 1 | 144,079 | 0.45997 | 0.39098 | 0.06900 | 9,941 |
| Tier 2 | 79,144 | 0.77308 | 0.65712 | 0.11595 | 9,178 |
| Total | 223,223 | | | | 21,110 |

LIRA Surcharge Calculation

| | |
|---------------------|------------------|
| LIRA Benefit | 21,110 (\$M) |
| LIRA A&G | 731 (\$M) |
| LIRA Balancing Acct | (1,219)(\$M) |
| Total LIRA Cost | 20,622 (\$M) |
| Nonexempt Volumes | 4,616,298 (Mth) |
| LIRA Surcharge | 0.004467 (\$/th) |

SOUTHERN CALIFORNIA GAS COMPANY
NONCORE TRANSPORT RATES AND REVENUES

Forecast Period: October 1, 1990 to September 30, 1991

| NONCORE CUSTOMER CLASS | BILLED THROUGHPUT | PRESENT & PRESENT AS RATES OR REVENUES | ADOPTED | | ADOPTED | | ADOPTED REVENUES (M\$) | CHANGE (%) | SOLD REVENUES (M\$) |
|-----------------------------|----------------------|---|------------|------------|------------|------------|------------------------------|---------------|---------------------------|
| | | | (A) (B) | (C) (D) | (E) (F) | (G) (H) | | | |
| PRIORITY P28 | | | | | | | | | |
| Customer Charge | 61,134 | 0.01114 | 467 | | 530 | 63 | 13.6% | | |
| 61 - 011,134 | 177,134 | 0.01114 | 1,973 | 0.00000 | 0 | -1,973 | -100.0% | | |
| 62 - 103,463 | | | | | | | | | |
| Summer | 167,612 | 0.01487 | 2,195 | 0.01489 | 2,198 | 3 | 0.1% | | |
| Winter | 73,806 | 0.03181 | 2,348 | 0.02946 | 2,174 | -173 | -7.4% | | |
| Volumetric Charge | 177,134 | 0.05587 | 9,896 | 0.05723 | 10,137 | 240 | 2.6% | | |
| TOTAL/AVG P28 | 177,134 | 0.09529 | 16,879 | 0.08490 | 15,039 | -1840 | -10.9% | | |
| INDUSTRIAL P28 | | | | | | | | | |
| Customer Charge | | | 2,211 | | 2,274 | 63 | 2.8% | | |
| 61 - 011,134 | 705,402 | 0.01061 | 7,484 | 0.00000 | 0 | -7,484 | -100.0% | | |
| 62 - 103,463 | | | | | | | | | |
| Summer | 587,835 | 0.01559 | 9,164 | 0.01640 | 9,640 | 475 | 5.2% | | |
| Winter | 293,917 | 0.03439 | 10,108 | 0.03155 | 9,273 | -835 | -8.3% | | |
| Volumetric Charge | 705,402 | 0.05593 | 39,453 | 0.05851 | 61,275 | 1822 | 4.6% | | |
| Ind. Net LT Contract | 705,402 | 0.09700 | 68,421 | 0.08855 | 62,461 | -5959 | -8.7% | | |
| Ind. LT Contract | 27,320 | | 2,280 | | 1,966 | -334 | -14.7% | | |
| TOTAL INDUSTRIAL | 732,722 | 0.09649 | 70,701 | 0.08790 | 64,407 | -6294 | -8.9% | | |
| P28 & INDUSTRIAL | 909,856 | 0.09626 | 87,580 | 0.08732 | 79,446 | -8134 | -9.3% | | |
| UTILITY ELECTRIC GEN | | | | | | | | | |
| Demand Charge | 1,801,577 | 0.03241 | 58,389 | 0.01843 | 33,200 | -25189 | -43.1% | | |
| Volumetric Charge | | | | | | | | | |
| Tier 1 | 374,816 | 0.13743 | 51,511 | 0.07398 | 27,730 | -23781 | -46.2% | | |
| Tier 2 | 1,426,761 | 0.01663 | 23,727 | 0.02915 | 41,592 | 17865 | 75.3% | | |
| UEG Minus Igniter | 1,801,577 | 0.07417 | 133,627 | 0.05691 | 102,522 | -31105 | -23.3% | | |
| Igniter | 23,350 | 0.29625 | 6,917 | 0.32231 | 7,526 | 609 | 8.8% | | |
| TOTAL UEG | 1,824,927 | 0.07701 | 140,544 | 0.06030 | 110,048 | -30496 | -21.7% | | |
| COGENERATION | | | | | | | | | |
| Cogen Net LT Contra | 536,645 | 0.07475 | 40,114 | 0.06030 | 32,361 | -7753 | -19.3% | | |
| Cogen LT Contracts | 119,450 | | 4,678 | | 4,802 | 124 | 2.6% | | |
| TOTAL/AVG COGEN | 656,095 | 0.06827 | 44,792 | 0.05664 | 37,163 | -7629 | -17.0% | | |
| NONCORE SUBTOTAL | | | | | | | | | |
| Net of LT Contracts | 3,220,758 | 0.08043 | 259,041 | 0.06828 | 219,910 | -39131 | -15.1% | | |
| Include LT Contract | 3,367,528 | 0.08104 | 272,917 | 0.06731 | 226,658 | -46259 | -16.9% | | |
| WHOLESALE | | | | | | | | | |
| Long Beach | | | | | | | | | |
| Demand Charge | 272,622 | 0.03837 | 10,461 | 0.02606 | 7,106 | -3355 | -32.1% | | |
| Volumetric Charg | 272,622 | 0.03897 | 10,624 | 0.03848 | 10,490 | -134 | -1.3% | | |
| Total Long Beach | 272,622 | 0.07734 | 21,085 | 0.06454 | 17,596 | -3489 | -16.5% | | |
| SDG&E | | | | | | | | | |
| Demand Charge | 1,136,917 | 0.04519 | 51,377 | 0.06123 | 69,616 | 18238 | 35.5% | | |
| Tier 1 Rate | | | | 0.00785 | 6,229 | | | | |
| Tier 2 Rate | | | | 0.02697 | 8,061 | | | | |
| Tier 3 Rate | | | | 0.00785 | 351 | | | | |
| Total Vol. Charg | 1,136,917 | 0.03897 | 44,306 | 0.01288 | 16,641 | -29665 | -67.0% | | |
| Total SDG&E | 1,136,917 | 0.08416 | 95,683 | 0.07411 | 84,257 | -11426 | -11.9% | | |
| TOTAL WHOLESALE | 1,409,540 | 0.08284 | 116,768 | 0.07226 | 101,852 | -14915 | -12.8% | | |
| TOTAL NONCORE | | | | | | | | | |
| Net of LT Contracts | 4,630,297 | 0.08116 | 375,809 | 0.06949 | 321,763 | -54046 | -14.4% | | |
| Include LT Contract | 4,777,067 | 0.08157 | 389,684 | 0.06877 | 328,510 | -61174 | -15.7% | | |
| Brokerage Fee | 1,588,666.7 | 0.00196 | 3,113.8 | 0.00249 | 3,960 | 846 | 27.2% | | |

Southern California Gas Company
1989 Tracking Accounts Surcharge
Effective until January 14, 1991

| <u>Class of Service</u> | <u>Surcharge Amount - c/th⁽²⁾</u> |
|--------------------------------------|--|
| Core, all | .327 |
| Noncore | |
| P-23 D-1 Demand Charge | (.408) |
| Volumetric | .803 |
| Other Industrial - D-1 Demand Charge | (.415) |
| Volumetric | .803 |
| Cogeneration ⁽³⁾ | .486 |
| UEG ⁽³⁾ Ignitor Service | .327 |
| Demand Charge | (.317) |
| Tier I Volumetric | 4.339 |
| Long Beach - Demand Charge | (.417) (4) |
| Volumetric | .803 |
| SDG&E - Demand Charge | (.454) (4) |
| Volumetric | .803 |

- (1) There are four tracking accounts:
 (a) Interstate Pipeline Demand Charges
 (b) MPO's
 (c) CCSI
 (d) Take-or-pay.

The Surcharge is to be effective from the date of 1990 ACAP implementation through January 14, 1991 in order to complete the 12 month recovery cycle.

- (2) Additive to SoCalGas proposed rates.

- (3) Includes parity adjustment.

- (4) Average UEG Volumetric Surcharge Rate based on total of Tier I and Tier II volumes.