

SCG-03-WP

**Workpapers Supporting the Prepared Direct Testimony of Jenny Chhuor
(Balancing Account and Revenue Requirement)**

ATTACHMENT A-1
SOUTHERN CALIFORNIA GAS COMPANY
STORAGE INTEGRITY MANAGEMENT PROGRAM BALANCING ACCOUNT (SIMPBA)
Year 2016

(Over) / Under Collection

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Total
Beginning Balance	-	-	-	-	-	-	(955,697)	(823,343)	1,726,274	3,135,398	3,956,460	4,862,201	-
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted Beginning Balance	-	-	-	-	-	-	(955,697)	(823,343)	1,726,274	3,135,398	3,956,460	4,862,201	-
Costs:													
1/ O&M Costs						2,182,191	655,300	3,070,252	1,930,694	1,068,484	1,240,132	1,667,165	11,814,218
Capital-Related Costs													
Depreciation										49,384	42,832	48,903	141,119
Income Taxes										55,104	40,597	26,106	121,807
Return										169,107	102,632	137,386	409,125
Property Taxes													-
Total Costs:	-	-	-	-	-	2,182,191	655,300	3,070,252	1,930,694	1,342,079	1,426,193	1,879,560	12,486,269
Revenues:													
1/ Authorized Cost						3,135,500	522,583	522,583	522,583	522,583	522,583	522,583	6,270,998
Amortization						-	-	-	-	-	-	-	-
Total Revenues:	-	-	-	-	-	3,135,500	522,583	522,583	522,583	522,583	522,583	522,583	6,270,998
Net Cost / (Revenue)	-	-	-	-	-	(953,309)	132,717	2,547,669	1,408,111	819,496	903,610	1,356,977	6,215,271
1/ Current Month Interest**	-	-	-	-	-	(2,388)	(363)	1,948	1,013	1,566	2,131	2,863	6,770
Current Month Activity	-	-	-	-	-	(955,697)	132,354	2,549,617	1,409,124	821,062	905,741	1,359,840	6,222,041
Ending Balance	-	-	-	-	-	(955,697)	(823,343)	1,726,274	3,135,398	3,956,460	4,862,201	6,222,041	6,222,041

** Interest applied to average monthly balance as follows: $((\text{Beg. Bal.} + (\text{Beg. Bal.} + \text{Current Month Adjustment}) / 2) * (\text{Int. Rate} / 12))$

Interest rate:	0.36%	0.47%	0.47%	0.47%	0.48%	0.48%	0.49%	0.46%	0.50%	0.53%	0.58%	0.62%
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Notes:

SIMPBA is authorized to track costs back to January 2016 per GRC 2016 Implementation.

1/ **June:** Includes Jan-May true-up adjustment due to GRC implementation:

August: Include adjustment of newly identified SIMP orders' costs for Apr-Jul.

ATTACHMENT A-2
SOUTHERN CALIFORNIA GAS COMPANY
STORAGE INTEGRITY MANAGEMENT PROGRAM BALANCING ACCOUNT (SIMPBA)
Year 2017
(Over) / Under Collection

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total
Beginning Balance	6,222,041	7,171,776	8,351,341	9,671,188	11,188,388	11,920,708	14,233,413	16,312,777	17,692,524	18,568,831	20,002,651	21,938,799	6,222,041
1/ Prior Period Adjustment						17,198						(422,036)	(404,838)
Adjusted Beginning Balance	6,222,041	7,171,776	8,351,341	9,671,188	11,188,388	11,937,906	14,233,413	16,312,777	17,692,524	18,568,831	20,002,651	21,516,763	5,817,203
Costs:													
2/ O&M Costs	1,199,469	1,386,372	1,467,258	1,634,079	711,656	2,318,430	1,942,359	1,394,486	799,021	1,261,192	1,759,197	512,904	16,386,423
Capital-Related Costs													
Depreciation	68,315	76,012	87,389	95,602	120,645	125,010	147,332	132,650	135,432	156,539	161,031	162,054	1,468,011
Income Taxes	57,721	74,846	90,285	97,310	131,757	119,680	149,879	114,366	133,088	155,405	157,261	140,582	1,422,180
Return	160,976	178,036	210,009	223,524	300,281	262,906	341,939	237,814	307,085	357,868	353,663	370,548	3,304,649
Property Taxes							24,735	24,735	24,735	24,735	24,735	24,735	148,410
Total Costs:	1,486,481	1,715,266	1,854,941	2,050,515	1,264,339	2,826,026	2,606,244	1,904,051	1,399,361	1,955,739	2,455,887	1,210,823	22,729,673
Revenues:													
Authorized Cost	540,874	540,874	540,874	540,874	540,874	540,874	540,874	540,874	540,874	540,874	540,874	540,874	6,490,488
Amortization													-
Total Revenues:	540,874	540,874	540,874	540,874	540,874	540,874	540,874	540,874	540,874	540,874	540,874	540,874	6,490,488
Net Cost / (Revenue)	945,607	1,174,392	1,314,067	1,509,641	723,465	2,285,152	2,065,370	1,363,177	858,487	1,414,865	1,915,013	669,949	16,239,185
Current Month Interest**	4,128	5,173	5,780	7,559	8,855	10,355	13,994	16,570	17,820	18,955	21,135	23,309	153,633
Current Month Activity	949,735	1,179,565	1,319,847	1,517,200	732,320	2,295,507	2,079,364	1,379,747	876,307	1,433,820	1,936,148	693,258	16,392,818
Ending Balance	7,171,776	8,351,341	9,671,188	11,188,388	11,920,708	14,233,413	16,312,777	17,692,524	18,568,831	20,002,651	21,938,799	22,210,021	22,210,021

** Interest applied to average monthly balance as follows: (((Beg. Bal.+(Beg. Bal.+Current Month Adjustment))/2)*(Int.Rate/12)

Interest rate:	0.74%	0.80%	0.77%	0.87%	0.92%	0.95%	1.10%	1.17%	1.18%	1.18%	1.21%	1.28%
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Notes:

1/ **June:** Adjustment is for SIMP costs charged to an internal order in prior year that was not correctly coded with a SIMP refundable code, and as a result was not balanced in the month incurred.

December: Adjustment to transfer materials from O&M costs to excess inventory.

2/ **July:** Adjustment to true-up costs that should have been capitalized since January 2017.

	<u>Tax expense</u>	<u>Return</u>	<u>Depreciation</u>	<u>Property Tax</u>
Recorded	578,006	1,331,146	572,972	0
Revised	727,885	1,673,085	720,304	24,735
Current Month Activity:	149,879	341,939	147,332	24,735

ATTACHMENT A-3
SOUTHERN CALIFORNIA GAS COMPANY
STORAGE INTEGRITY MANAGEMENT PROGRAM BALANCING ACCOUNT (SIMPBA)
Year 2018
(Over) / Under Collection

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total
1/ Beginning Balance	22,210,021	22,914,549	24,263,696	25,567,514	26,962,898	28,675,894	30,798,222	32,197,048	34,006,651	35,762,152	37,316,300	38,944,838	22,210,021
Prior Period Adjustment	422,036											(578,809)	(156,773)
Adjusted Beginning Balance	22,632,057	22,914,549	24,263,696	25,567,514	26,962,898	28,675,894	30,798,222	32,197,048	34,006,651	35,762,152	37,316,300	38,366,029	22,053,248
Costs:													
O&M Costs	119,119	1,089,981	1,044,664	1,094,343	1,347,762	1,701,793	882,067	1,263,494	1,798,218	1,022,929	979,123	1,277,979	13,621,472
Capital-Related Costs													
Depreciation	201,874	226,023	229,959	237,747	256,872	270,901	286,125	296,019	308,204	314,417	344,647	351,817	3,324,605
Income Taxes	75,248	103,084	102,302	107,730	117,404	125,031	132,259	135,387	139,290	139,619	141,138	137,259	1,455,751
Return	392,644	432,339	425,343	447,525	478,146	507,855	536,902	549,351	571,332	573,175	652,914	639,772	6,207,298
Property Taxes	24,735	24,735	24,735	24,735	24,735	24,735	65,174	65,174	65,174	65,174	65,174	65,174	539,454
2/ Software Tax Benefit									(625,851)	(69,539)	(69,539)	(314,239)	(1,079,168)
Total Costs:	813,620	1,876,162	1,827,003	1,912,080	2,224,919	2,630,315	1,902,527	2,309,425	2,256,367	2,045,775	2,113,457	2,157,762	24,069,412
Revenues:													
Authorized Cost Amortization	558,250	558,250	558,250	558,250	558,250	558,250	558,250	558,250	558,250	558,250	558,250	558,250	6,699,000
Total Revenues:	558,250	558,250	558,250	558,250	558,250	558,250	558,250	558,250	558,250	558,250	558,250	558,250	6,699,000
Net Cost / (Revenue)	255,370	1,317,912	1,268,753	1,353,830	1,666,669	2,072,065	1,344,277	1,751,175	1,698,117	1,487,525	1,555,207	1,599,512	17,370,412
2/ Current Month Interest**	27,122	31,235	35,065	41,554	46,327	50,263	54,549	58,428	57,384	66,623	73,331	81,145	623,026
Current Month Activity	282,492	1,349,147	1,303,818	1,395,384	1,712,996	2,122,328	1,398,826	1,809,603	1,755,501	1,554,148	1,628,538	1,680,657	17,993,438
Ending Balance	22,914,549	24,263,696	25,567,514	26,962,898	28,675,894	30,798,222	32,197,048	34,006,651	35,762,152	37,316,300	38,944,838	40,046,686	40,046,686

** Interest applied to average monthly balance as follows: (((Beg. Bal.+(Beg. Bal.+Current Month Adjustment))/2)*(Int.Rate/12)

Interest rate:	1.43%	1.59%	1.69%	1.90%	2.00%	2.03%	2.08%	2.12%	2.12%	2.19%	2.31%	2.45%
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Notes:

<u>Spending and Recovery Analysis</u>	
Costs Balanced to Date	<u>58,723,743</u>
Recovery:	
3 Year Authorized Costs (2016-2018)	19,460,486
Tier 3 Advice Letter	6,817,698 Recovery for costs in excess of 3 YR Rev Req up to 135%
Separate Application	32,445,559 Recovery for costs in excess of 135%*
Total	<u>58,723,743</u>
* 135% of Authorized Costs	<u>26,271,656</u>

- 1/ **January:** Reversal of December 2017's adjustment to transfer materials from O&M costs to excess inventory.
December: Adjustment for 2017 Software Tax Benefit.
2/ **September:** Software Tax Benefit includes January to August true-ups.