



Natural Gas Financial Analysis and Rate Study

For

City of Coalinga

October 26, 2021

Dan Bergmann, P.E.

Principal

I. Overview: Purpose, Approach, and Proposed Rate Options

The purpose of this rate study is to evaluate the natural gas enterprise fund to assess expenses, especially wholesale natural gas costs, and to reset rates such that revenue is adequate for operations over the next few years.

Audited financials have been reviewed to observe the history of revenues, expenses, and changing fund balances. Additionally, accounting reports have been examined in order to bridge the gap between the end of the last audit and the current fiscal year. Operating expense projections have been developed for the next three years through FY24/25. Revenues are adjusted upward to cover rising operating costs, primarily the increased cost of wholesale natural gas.

Three rate options are proposed based on increasing revenue 35 percent, 40 percent, or 45 percent. If chosen, the 35 percent option will likely require a subsequent increase next summer. Whereas as the 45 percent option would most likely be adequate to cover limited capital improvement over the next few years.

Procedurally, increases in natural gas rates are exempt from the noticing requirements of Proposition 218. This means letters are not required by law to be sent to customers, there is no 45-day waiting period, and no formal protest process. However, in the event a rate increase is approved by City Council, customers should be notified, at a minimum, with a note on their monthly billing statements.

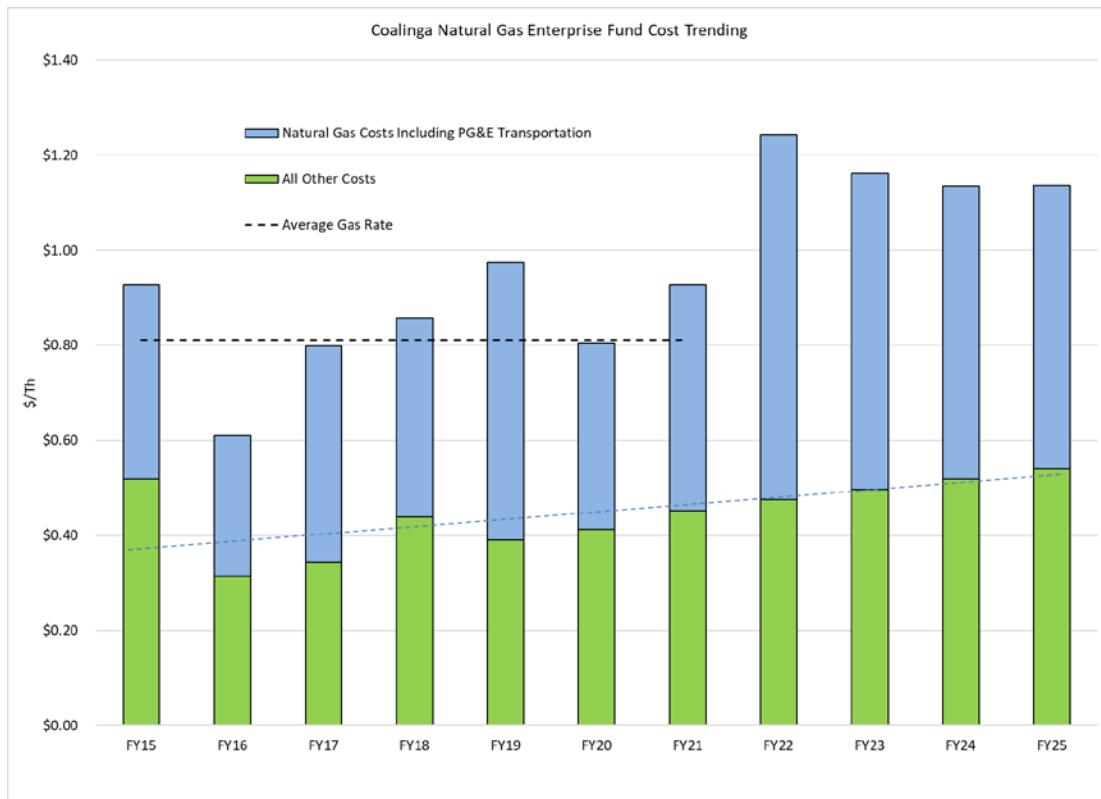
II. Background

Natural gas rates in Coalinga have been constant for the past 10 years. Rates were last *decreased* by 25 percent in October 2011, and before that, *decreased* by 17 percent in November of 2009. The aim of these decreases in rates was to lower cash in the natural gas fund from its approximate \$2.5 million balance, toward a more reasonable balance of \$1 million. However, over the past 10 years wholesale natural gas prices have stayed historically low and Coalinga's natural gas system has needed little capital investment. The result of this combination is that additional time, beyond what was expected has passed, benefiting Coalinga gas customers. However, mainly due to a spike in wholesale gas costs, there is now a need to evaluate and reset gas prices. Coalinga is a wholesale gas customer on the PG&E gas system. PG&E provides gas transportation for the city, but not gas supply. The city purchases all gas supply through Shell Energy on the wholesale market. This gives the city the option to structure its purchases. As market prices have been low with little volatility for so long, all gas has been purchased at monthly and daily market prices, taking full advantage of ongoing low rates.

III. Wholesale Gas Status

During the peak of Covid, wholesale natural gas prices reached historical lows due to very low demand. As a result, producers curtailed production and reduced drilling. Then, in February 2021, “The Great Texas Freeze” hit, creating a huge demand for natural gas and revealing the extent of elasticity in the gas market, which resulted in gas prices skyrocketing. Further, in August 2021, an El Paso Natural Gas pipeline explosion occurred near Coolidge, Arizona, removing a 30-inch transmission line from service for months to come. These combined factors have caused near-term gas prices in the West to increase significantly, especially this winter. For Coalinga, the average wholesale gas cost of the past three years has been \$720,000, or \$0.32 per Therm, not including PG&E transportation. In contrast, the projected cost for this fiscal year 21/22 is \$1,256,000, or \$0.57 per Therm. This is a 76 percent increase for gas only. Fortunately, for the following fiscal years, prices move lower, yet higher than the historical trend. See Attachments 1 and 2 for detail.

The bar chart below illustrates cost trending for the gas enterprise. The bottom section includes all fixed costs for operation such as labor, parts, and equipment. The top section includes variable costs, which are wholesale gas costs and PG&E transportation. The chart reveals a reasonably gradual increase in fixed costs, on top of which is the unpredictable nature of variable gas costs, mostly driven by the wholesale gas market, not PG&E. Specifically, FY22 shows the large increase in wholesale gas costs. Finally, the chart shows the average gas rate collected over the past seven years, which has approximated total operating costs.



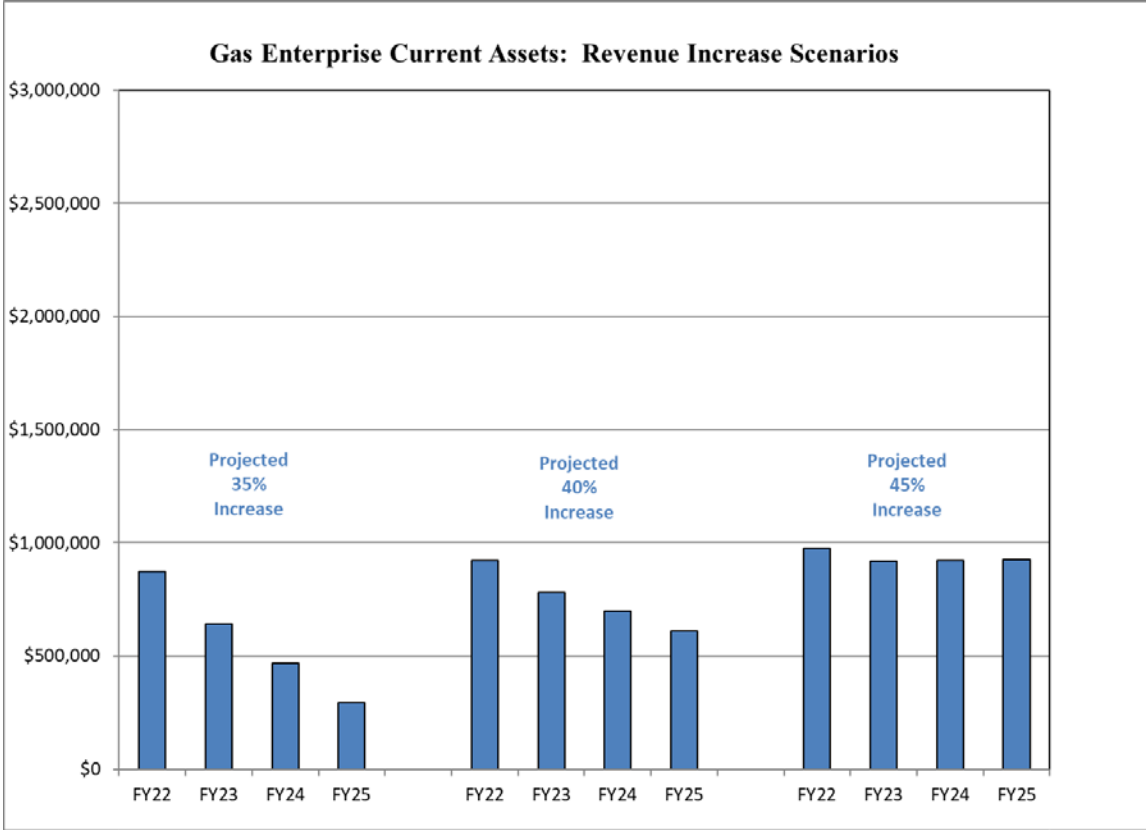
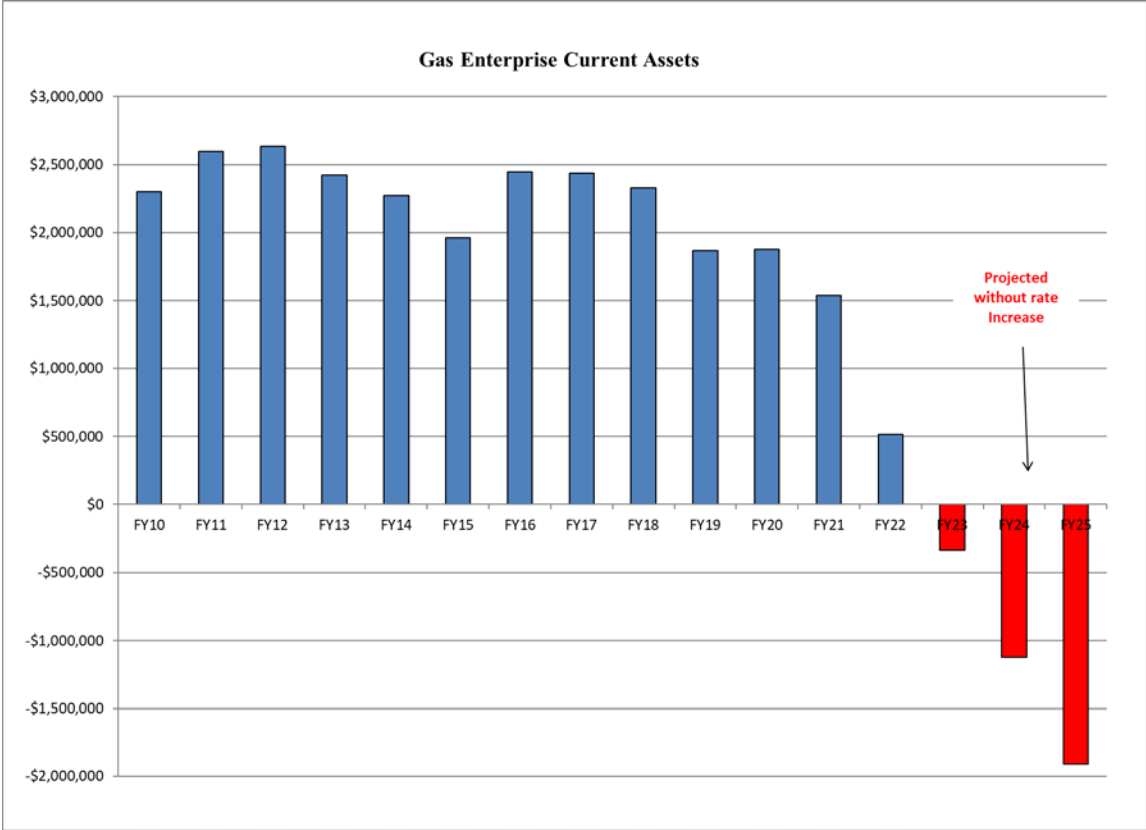
IV. Natural Gas Revenue, Expense, and Fund Balance

Historical and projected annual revenues, expenses, and fund balances are shown in Attachments 3, 4, 5, and 6, each of which shows a different revenue and fund balance scenario, as follows.

<u>Attachment</u>	<u>Revenue Increase Scenario</u>	<u>Fund Balance FYE 22</u>	<u>Fund Balance FYE 23</u>
3	None	\$510,000	(\$330,000)
4	35%	\$870,000	\$640,000
5	40%	\$920,000	\$780,000
6	45%	\$975,000	\$919,000

Regarding expenses, the gas enterprise fund has no debt. Conversely, it has provided a loan to police and fire for \$378,000, which is owed back to natural gas. The gas enterprise has not incurred significant capital costs over the past decade but is expected to incur capital costs in the next several years for replacement of anode beds for cathodic protection steel gas pipes. Accordingly, \$100,000 per year is allowed going forward for capital expenses. Depreciation is shown as an annual expense item such that the presentation reconciles with audited financial statements, but then depreciation is backed out in the bottom of the table since it is not a cash operating expense. Values for FY21 are based on trial balance reports provided by the city. Wholesale gas values for FY22 are based on actual costs through October and detailed projections from market data for the remainder of the year. Wholesale gas values for FY23, FY24, and FY25 are based on NYMEX gas futures data, combined with basis adjustments to translate the NYMEX prices to the PG&E Citygate delivery point. Other operating costs are escalated annually at three percent, with the exception of personnel costs, which are escalated at five percent.

The bar chart below illustrates the outcome without any rate increase. It shows how the fund balance has remained healthy over the past 10 years, above \$1M, but that it will dive quickly from high gas costs this winter and continuing. Using the same scale for comparison purposes, the next bar chart shows the projections for 35, 40, and 45 percent increases. In summary, the 35 percent scenario will require a subsequent rate adjustment next summer to protect the fund balance. The 40 percent scenario could be sustained in the event wholesale gas prices drop through this winter. The 45 percent scenario maintains the fund balance at roughly \$1 million assuming the relatively high, current gas futures outlook. All the increase scenarios assuming the increase is effective with the November/December billing cycle. (The revenue worksheets show lower annual values because the rate increase is in place in FY221/22 for only six billing cycles in the fiscal year.)



V. Existing Natural Gas Rates and Increase Options

The existing gas rate structure is straightforward as the cost of service for gas system customers is essentially the same. The gas system serves residential and small commercial customers within the city limit. All customers tend to be winter peaking from heating load.

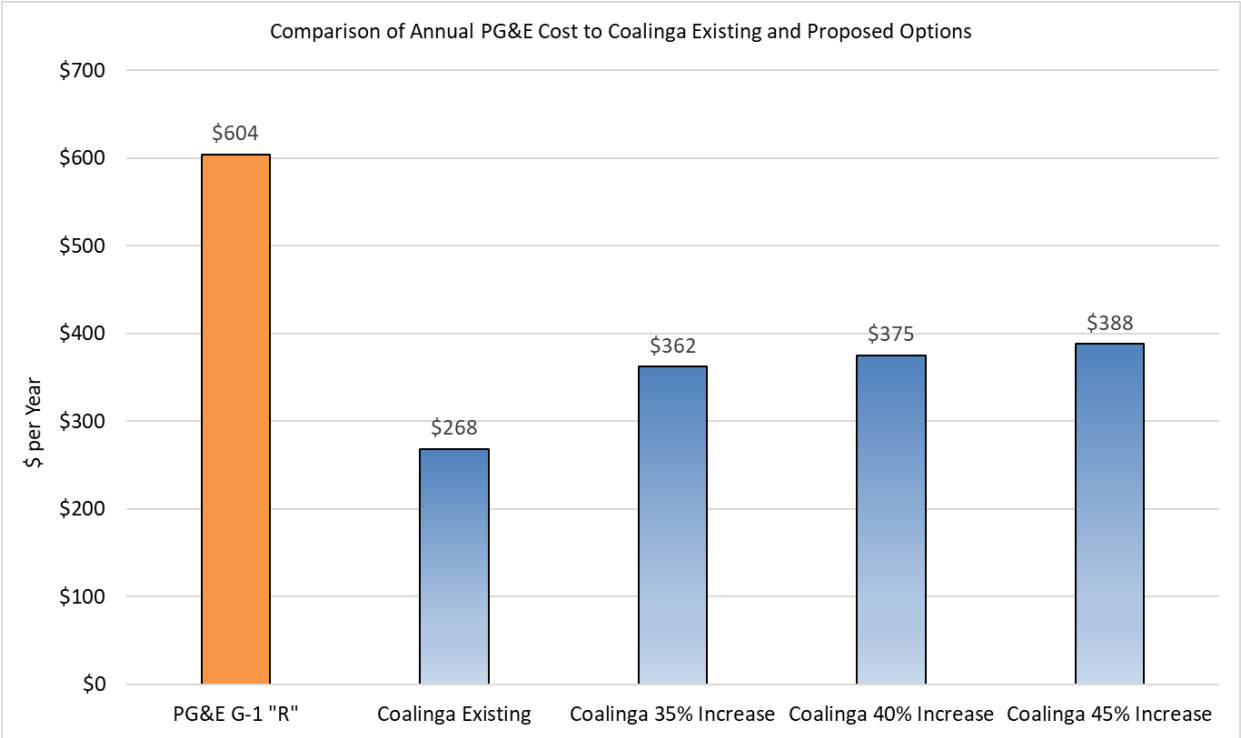
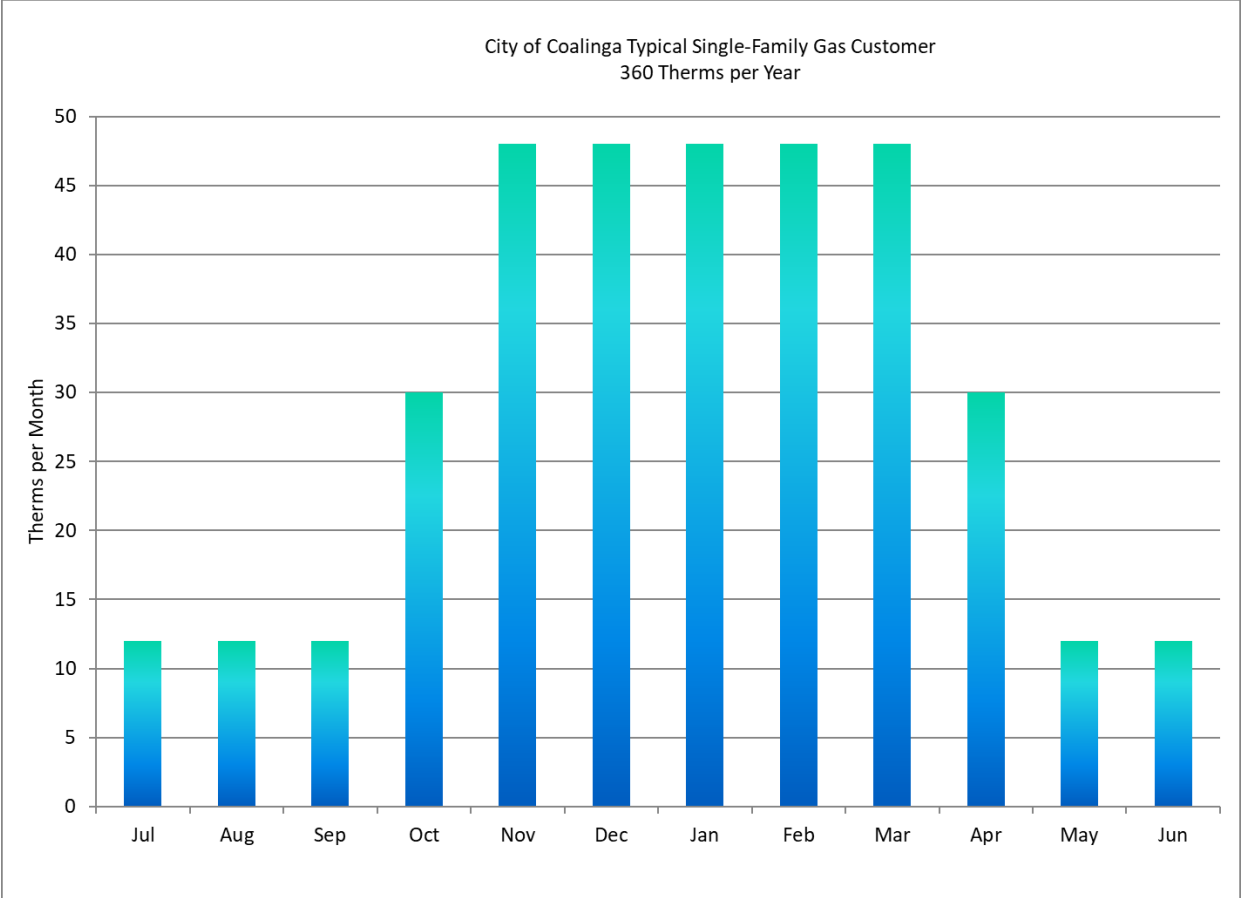
The proposed rate design is unchanged, such that most customers always pay the lower baseline rates. The summer allocation of 15 Therms per month covers water heating, cooking, and clothes drying needs in a typical home. Similarly, the winter allocation of 50 Therms per month covers the added demand of heating in a typical home.

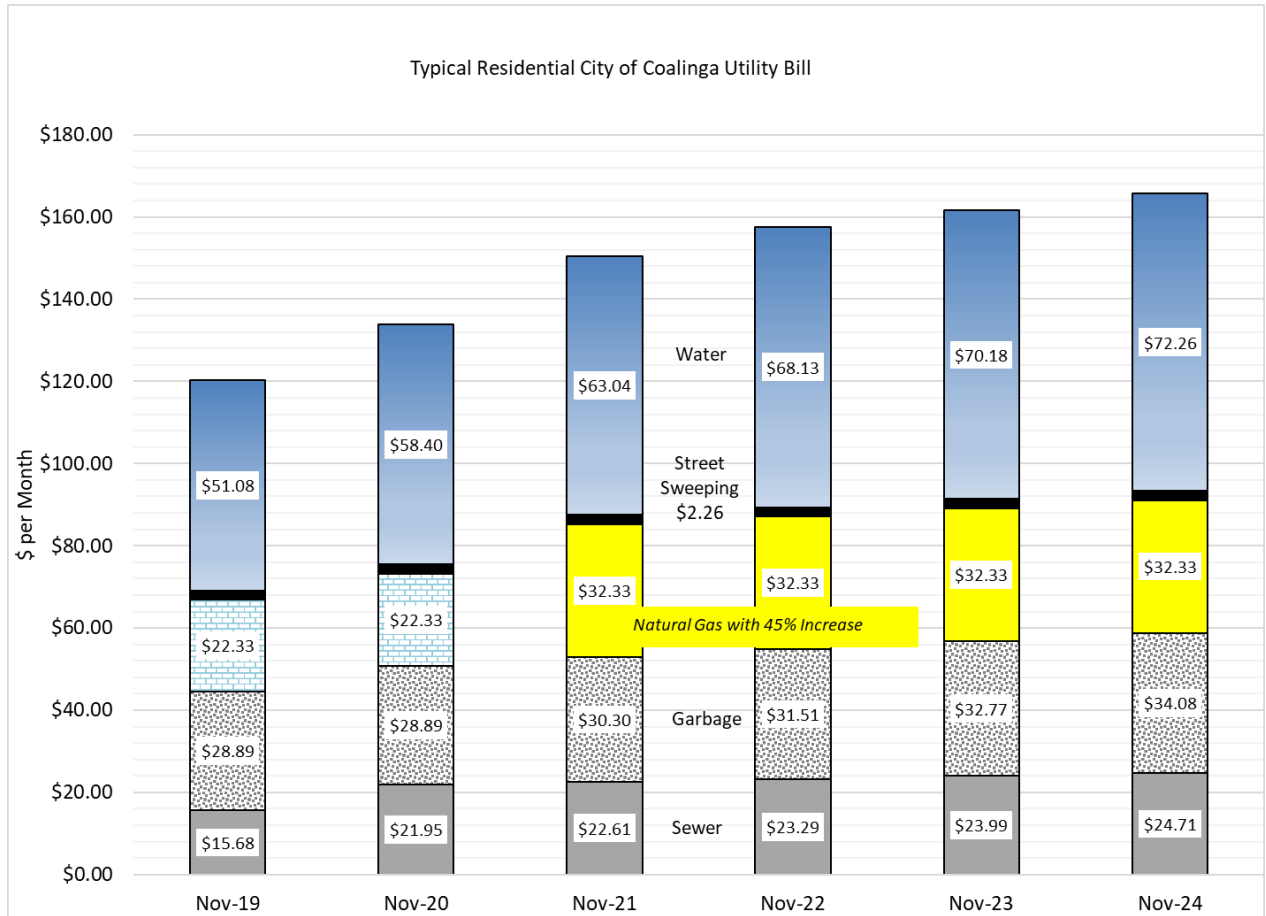
The following table shows the current gas rates, which have been in place since November 2011. The table also includes options for rate increases to meet the revenue scenarios above. All existing rate components are increased uniformly by the percentages shown.

City of Coalinga Existing Gas Rates and Increase Options						
	Summer Therms	Winter Therms	Existing Rates	Rate Increase Options		
				35%	40%	45%
Monthly Charge (\$/Mo)			\$7.00	\$9.45	\$9.80	\$10.15
Residential Single-Family Baseline (\$/Th)	15	50	\$0.50	\$0.68	\$0.70	\$0.73
Residential Single-Family Excess (\$/Th)	Over 15	Over 50	\$0.75	\$1.01	\$1.05	\$1.09
Commercial and All Other (\$/Th)	All Supply		\$0.75	\$1.01	\$1.05	\$1.09

VI. Effect on a Residential Customer and Comparison to PG&E

Based on existing rates, a typical single-family residential customer uses 360 Therms per year, is winter peaking, and pays \$268 per year for natural gas service. The annual increases in natural gas cost for each scenario for a typical residential customer are shown below, also compared to what would be paid on the PG&E system. This comparison is important to demonstrate that Coalinga rates are drastically lower; in fact, existing rates are 56 percent lower than PG&E (Attachment 7). The proposed 45 percent increase rate scenario is still 36 percent lower than PG&E. The final bar chart below illustrates the combined average monthly utility costs for a typical single-family resident; the 45 percent gas rate increase scenario increases the average monthly gas cost of a typical single-family resident by about \$10.





VII. Recommendation of this report

The 45 percent increase is recommended; however, the 35 and 40 percent increases are also options. The higher increase of 45 percent is recommended because the difference in customer impact is minimal, and 45 percent is justified by the analysis in the rate study, based on:

- The projected increased gas cost of \$536,000 for FY22
- Projected elevated gas costs for FY23, FY24, and FY25
- Maintaining the cash balance in the gas enterprise fund at approximately \$1 million
- The need to provide some funding for future capital improvements
- The average of \$10 per month per single family home is bearable
- The 45 percent increase is still 36 percent more affordable than PG&E

Attachment 2: FY22/23, 23/24, and 24/25 Gas Cost Forecast

	MMBtu Projected		NYMEX plus Premium		Malin		Citygate		Gas Cost Forecast			
	Malin	CG	NYMEX 10/19/21	Prem.	NYMEX + Prem	Malin Basis	Malin Price	CG Basis	CG Price	Malin Cost	CG Cost	Total Cost
Jul-22	6,800	0	\$3.92	\$0.10	\$4.02	\$0.00	\$4.02			\$27,336		\$27,336
Aug-22	6,700	0	\$3.92	\$0.10	\$4.02	\$0.01	\$4.03			\$27,001		\$27,001
Sep-22	8,000	0	\$3.90	\$0.10	\$4.00	\$0.00	\$4.00			\$32,000		\$32,000
Oct-22	11,800	0	\$3.94	\$0.10	\$4.04	-\$0.14	\$3.91			\$46,079		\$46,079
Nov-22	16,560	7,040	\$4.01	\$0.10	\$4.11	\$0.25	\$4.36	\$1.28	\$5.39	\$72,119	\$37,946	\$110,064
Dec-22	17,112	18,088	\$4.18	\$0.10	\$4.28	\$0.65	\$4.93	\$1.34	\$5.62	\$84,362	\$101,655	\$186,017
Jan-23	17,112	20,888	\$4.29	\$0.10	\$4.39	\$0.65	\$5.04	\$1.28	\$5.67	\$86,244	\$118,435	\$204,679
Feb-23	15,456	16,644	\$4.19	\$0.10	\$4.29	\$0.49	\$4.78	\$1.30	\$5.59	\$73,880	\$93,040	\$166,920
Mar-23	16,560	10,140	\$3.95	\$0.10	\$4.05	\$0.11	\$4.16	\$1.12	\$5.17	\$68,890	\$52,424	\$121,313
Apr-23	13,600	0	\$3.30	\$0.10	\$3.40	-\$0.27	\$3.13			\$42,568		\$42,568
May-23	10,400	0	\$3.23	\$0.10	\$3.33	-\$0.29	\$3.04			\$31,616		\$31,616
Jun-23	7,400	0	\$3.30	\$0.10	\$3.40	-\$0.27	\$3.13			\$23,162		\$23,162
Jul-23	6,800	0	\$3.30	\$0.10	\$3.40	-\$0.14	\$3.26			\$22,168		\$22,168
Aug-23	6,700	0	\$3.30	\$0.10	\$3.40	-\$0.12	\$3.28			\$21,976		\$21,976
Sep-23	8,000	0	\$3.30	\$0.10	\$3.40	-\$0.08	\$3.32			\$26,560		\$26,560
Oct-23	11,800	0	\$3.38	\$0.10	\$3.48	-\$0.20	\$3.28			\$38,704		\$38,704
Nov-23	16,560	7,040	\$3.46	\$0.10	\$3.56	\$0.20	\$3.76	\$1.15	\$4.71	\$62,266	\$33,158	\$95,424
Dec-23	17,112	18,088	\$3.66	\$0.10	\$3.76	\$0.51	\$4.27	\$1.15	\$4.91	\$73,068	\$88,812	\$161,880
Jan-24	17,112	20,888	\$3.76	\$0.10	\$3.86	\$0.50	\$4.36	\$1.15	\$5.01	\$74,608	\$104,649	\$179,257
Feb-24	15,456	16,644	\$3.70	\$0.10	\$3.80	\$0.50	\$4.30	\$1.15	\$4.95	\$66,461	\$82,388	\$148,849
Mar-24	16,560	10,140	\$3.50	\$0.10	\$3.60	\$0.10	\$3.70	\$1.15	\$4.75	\$61,272	\$48,165	\$109,437
Apr-24	13,600	0	\$3.10	\$0.10	\$3.20	-\$0.20	\$3.00			\$40,800		\$40,800
May-24	10,400	0	\$3.10	\$0.10	\$3.20	-\$0.20	\$3.00			\$31,200		\$31,200
Jun-24	7,400	0	\$3.10	\$0.10	\$3.20	-\$0.20	\$3.00			\$22,200		\$22,200
Jul-24	6,800	0	\$3.10	\$0.10	\$3.20	-\$0.20	\$3.00			\$20,400		\$20,400
Aug-24	6,700	0	\$3.10	\$0.10	\$3.20	-\$0.20	\$3.00			\$20,100		\$20,100
Sep-24	8,000	0	\$3.10	\$0.10	\$3.20	-\$0.20	\$3.00			\$24,000		\$24,000
Oct-24	11,800	0	\$3.10	\$0.10	\$3.20	-\$0.20	\$3.00			\$35,400		\$35,400
Nov-24	16,560	7,040	\$3.10	\$0.10	\$3.20	\$0.20	\$3.40	\$0.75	\$3.95	\$56,304	\$27,808	\$84,112
Dec-24	17,112	18,088	\$3.60	\$0.10	\$3.70	\$0.50	\$4.20	\$0.75	\$4.45	\$71,870	\$80,492	\$152,362
Jan-25	17,112	20,888	\$3.60	\$0.10	\$3.70	\$0.50	\$4.20	\$0.75	\$4.45	\$71,870	\$92,952	\$164,822
Feb-25	15,456	16,644	\$3.50	\$0.10	\$3.60	\$0.50	\$4.10	\$0.75	\$4.35	\$63,370	\$72,401	\$135,771
Mar-25	16,560	10,140	\$3.50	\$0.10	\$3.60	\$0.10	\$3.70	\$0.75	\$4.35	\$61,272	\$44,109	\$105,381
Apr-25	13,600	0	\$3.10	\$0.10	\$3.20	-\$0.20	\$3.00			\$40,800		\$40,800
May-25	10,400	0	\$3.10	\$0.10	\$3.20	-\$0.20	\$3.00			\$31,200		\$31,200
Jun-25	7,400	0	\$3.10	\$0.10	\$3.20	-\$0.20	\$3.00			\$22,200		\$22,200
												\$898,000
												\$1,019,000
												\$837,000

City of Coalinga Natural Gas Revenue and Expense Model									
	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	
	Audited	Audited	Audited	Unaudited	Projected	Projected	Projected	Projected	Projected
Operating Revenue				Revenue Increases:	0%	0%	0%	0%	0%
Natural Gas Sales		1,730,518	1,845,219	1,708,227	1,760,000	1,760,000	1,760,000	1,760,000	1,760,000
Other Customer Revenue		75,310	15,956	693	50,000	50,000	50,000	50,000	50,000
Totals	1,675,386	1,805,828	1,861,175	1,708,920	1,810,000	1,810,000	1,810,000	1,810,000	1,810,000
Operating Expenses									
Wholesale Gas Cost	543,714	916,329	570,220	679,156	1,256,000	1,019,000	898,000	837,000	From Worksheet
PG&E Transportation	311,803	338,815	335,358	376,979	433,000	446,000	459,000	473,000	3% Inflation
Personnel Services	590,171	532,503	629,660	671,618	705,000	740,000	777,000	816,000	5% Inflation
Bad Debt Expense	23,610	0	17,815	20,000	21,000	22,000	23,000	24,000	3% Inflation
Contract Svc	148,572	152,252	185,842	154,761	159,000	164,000	169,000	174,000	3% Inflation
Supplies and Materials	134,771	154,192	118,000	159,519	164,000	169,000	174,000	179,000	3% Inflation
Depreciation	44,425	48,821	62,087	60,000	60,000	60,000	60,000	60,000	Estimates
Totals	1,797,066	2,142,912	1,918,982	2,122,033	2,798,000	2,620,000	2,560,000	2,563,000	
Operating Income	(121,680)	(337,084)	(57,807)	(413,113)	(988,000)	(810,000)	(750,000)	(753,000)	
Nonoperating revenue									
Interest	12,790	19,739	10,069	2,515	3,000	3,000	3,000	3,000	
Adjustments for Balance Sheet									
Total Income w/Depreciation	(108,890)	(317,345)	(47,738)	(410,598)	(985,000)	(807,000)	(747,000)	(750,000)	
Remove Depreciation	44,425	48,821	62,087	60,000	60,000	60,000	60,000	60,000	
Capital/Adjust to Bal Sheet	(74,232)	(97,693)	(2,180)	10,321	(100,000)	(100,000)	(100,000)	(100,000)	
Yr End Current Cash Asset	2,427,432	1,866,403	1,878,572	1,538,295	513,295	(333,705)	(1,120,705)	(1,910,705)	
DTh Sales	204,379	214,877	230,588	222,403	220,300	220,300	220,300	220,300	
Therm Sales	2,043,790	2,148,770	2,305,880	2,224,030	2,203,000	2,203,000	2,203,000	2,203,000	
Average Cost of Supply (\$/Th)*	\$0.27	\$0.43	\$0.25	\$0.31	\$0.57	\$0.46	\$0.41	\$0.38	
* Not including PG&E Transportation									

City of Coalinga Natural Gas Revenue and Expense Model									
	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	
	Audited	Audited	Audited	Unaudited	Projected	Projected	Projected	Projected	Projected
Operating Revenue				Revenue Increases:					
Natural Gas Sales		1,730,518	1,845,219	1,708,227	2,118,000	2,376,000	2,376,000	2,376,000	35% Effective Nov/Dec 2021
Other Customer Revenue		75,310	15,956	693	50,000	50,000	50,000	50,000	
Totals	1,675,386	1,805,828	1,861,175	1,708,920	2,168,000	2,426,000	2,426,000	2,426,000	
Operating Expenses									
Wholesale Gas Cost	543,714	916,329	570,220	679,156	1,256,000	1,019,000	898,000	837,000	From Worksheet
PG&E Transportation	311,803	338,815	335,358	376,979	433,000	446,000	459,000	473,000	Inflation 3%
Personnel Services	590,171	532,503	629,660	671,618	705,000	740,000	777,000	816,000	Inflation 5%
Bad Debt Expense	23,610	0	17,815	20,000	21,000	22,000	23,000	24,000	Inflation 3%
Contract Svc	148,572	152,252	185,842	154,761	159,000	164,000	169,000	174,000	Inflation 3%
Supplies and Materials	134,771	154,192	118,000	159,519	164,000	169,000	174,000	179,000	Inflation 3%
Depreciation	44,425	48,821	62,087	60,000	60,000	60,000	60,000	60,000	Estimates
Totals	1,797,066	2,142,912	1,918,982	2,122,033	2,798,000	2,620,000	2,560,000	2,563,000	
Operating Income	(121,680)	(337,084)	(57,807)	(413,113)	(630,000)	(194,000)	(134,000)	(137,000)	
Nonoperating revenue									
Interest	12,790	19,739	10,069	2,515	3,000	3,000	3,000	3,000	
Adjustments for Balance Sheet									
Total Income w/Depreciation	(108,890)	(317,345)	(47,738)	(410,598)	(627,000)	(191,000)	(131,000)	(134,000)	
Remove Depreciation	44,425	48,821	62,087	60,000	60,000	60,000	60,000	60,000	
Capital/Adjust to Bal Sheet	(74,232)	(97,693)	(2,180)	10,321	(100,000)	(100,000)	(100,000)	(100,000)	
Yr End Current Cash Asset	2,427,432	1,866,403	1,878,572	1,538,295	871,295	640,295	469,295	295,295	
DTh Sales	204,379	214,877	230,588	222,403	220,300	220,300	220,300	220,300	
Therm Sales	2,043,790	2,148,770	2,305,880	2,224,030	2,203,000	2,203,000	2,203,000	2,203,000	
Average Cost of Supply (\$/Th)*	\$0.27	\$0.43	\$0.25	\$0.31	\$0.57	\$0.46	\$0.41	\$0.38	
* Not including PG&E Transportation									

City of Coalinga Natural Gas Revenue and Expense Model									
	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	
	Audited	Audited	Audited	Unaudited	Projected	Projected	Projected	Projected	Projected
Operating Revenue				Revenue Increases:	23%	14%	0%	0%	40% Effective Nov/Dec 2021
Natural Gas Sales		1,730,518	1,845,219	1,708,227	2,170,000	2,464,000	2,464,000	2,464,000	2,464,000
Other Customer Revenue		75,310	15,956	693	50,000	50,000	50,000	50,000	50,000
Totals	1,675,386	1,805,828	1,861,175	1,708,920	2,220,000	2,514,000	2,514,000	2,514,000	
Operating Expenses									
Wholesale Gas Cost	543,714	916,329	570,220	679,156	1,256,000	1,019,000	898,000	837,000	From Worksheet
PG&E Transportation	311,803	338,815	335,358	376,979	433,000	446,000	459,000	473,000	Inflation 3%
Personnel Services	590,171	532,503	629,660	671,618	705,000	740,000	777,000	816,000	Inflation 5%
Bad Debt Expense	23,610	0	17,815	20,000	21,000	22,000	23,000	24,000	Inflation 3%
Contract Svc	148,572	152,252	185,842	154,761	159,000	164,000	169,000	174,000	Inflation 3%
Supplies and Materials	134,771	154,192	118,000	159,519	164,000	169,000	174,000	179,000	Inflation 3%
Depreciation	44,425	48,821	62,087	60,000	60,000	60,000	60,000	60,000	Estimates
Totals	1,797,066	2,142,912	1,918,982	2,122,033	2,798,000	2,620,000	2,560,000	2,563,000	
Operating Income	(121,680)	(337,084)	(57,807)	(413,113)	(578,000)	(106,000)	(46,000)	(49,000)	
Nonoperating revenue									
Interest	12,790	19,739	10,069	2,515	3,000	3,000	3,000	3,000	
Adjustments for Balance Sheet									
Total Income w/Depreciation	(108,890)	(317,345)	(47,738)	(410,598)	(575,000)	(103,000)	(43,000)	(46,000)	
Remove Depreciation	44,425	48,821	62,087	60,000	60,000	60,000	60,000	60,000	
Capital/Adjust to Bal Sheet	(74,232)	(97,693)	(2,180)	10,321	(100,000)	(100,000)	(100,000)	(100,000)	
Yr End Current Cash Asset	2,427,432	1,866,403	1,878,572	1,538,295	923,295	780,295	697,295	611,295	
DTh Sales	204,379	214,877	230,588	222,403	220,300	220,300	220,300	220,300	
Therm Sales	2,043,790	2,148,770	2,305,880	2,224,030	2,203,000	2,203,000	2,203,000	2,203,000	
Average Cost of Supply (\$/Th)*	\$0.27	\$0.43	\$0.25	\$0.31	\$0.57	\$0.46	\$0.41	\$0.38	
* Not including PG&E Transportation									

City of Coalinga Natural Gas Revenue and Expense Model									
	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	
	Audited	Audited	Audited	Unaudited	Projected	Projected	Projected	Projected	Projected
Operating Revenue				Revenue Increases:	26%	15%	0%	0%	45% Effective Nov/Dec 2021
Natural Gas Sales	1,730,518	1,845,219	1,708,227	1,708,227	2,221,000	2,552,000	2,552,000	2,552,000	2,552,000
Other Customer Revenue	75,310	15,956	693	693	50,000	50,000	50,000	50,000	50,000
Totals	1,675,386	1,805,828	1,861,175	1,708,920	2,271,000	2,602,000	2,602,000	2,602,000	2,602,000
Operating Expenses									
Wholesale Gas Cost	543,714	916,329	570,220	679,156	1,256,000	1,019,000	898,000	837,000	From Work sheet
PG&E Transportation	311,803	338,815	335,358	376,979	433,000	446,000	459,000	473,000	3% Inflation
Personnel Services	590,171	532,503	629,660	671,618	705,000	740,000	777,000	816,000	5% Inflation
Bad Debt Expense	23,610	0	17,815	20,000	21,000	22,000	23,000	24,000	3% Inflation
Contract Svc	148,572	152,252	185,842	154,761	159,000	164,000	169,000	174,000	3% Inflation
Supplies and Materials	134,771	154,192	118,000	159,519	164,000	169,000	174,000	179,000	3% Inflation
Depreciation	44,425	48,821	62,087	60,000	60,000	60,000	60,000	60,000	Estimates
Totals	1,797,066	2,142,912	1,918,982	2,122,033	2,798,000	2,620,000	2,560,000	2,563,000	
Operating Income	(121,680)	(337,084)	(57,807)	(413,113)	(527,000)	(18,000)	42,000	39,000	
Nonoperating revenue									
Interest	12,790	19,739	10,069	2,515	3,000	3,000	3,000	3,000	
Adjustments for Balance Sheet									
Total Income w/Depreciation	(108,890)	(317,345)	(47,738)	(410,598)	(524,000)	(15,000)	45,000	42,000	
Remove Depreciation	44,425	48,821	62,087	60,000	60,000	60,000	60,000	60,000	
Capital/Adjust to Bal Sheet	(74,232)	(97,693)	(2,180)	10,321	(100,000)	(100,000)	(100,000)	(100,000)	
Yr End Current Cash Asset	2,427,432	1,866,403	1,878,572	1,538,295	974,295	919,295	924,295	926,295	
DTh Sales	204,379	214,877	230,588	222,403	220,300	220,300	220,300	220,300	
Therm Sales	2,043,790	2,148,770	2,305,880	2,224,030	2,203,000	2,203,000	2,203,000	2,203,000	
Average Cost of Supply (\$/Th)*	\$0.27	\$0.43	\$0.25	\$0.31	\$0.57	\$0.46	\$0.41	\$0.38	
* Not including PG&E Transportation									

Attachment 7: PG&E Comparison

PG&E G-1, Territory R, Last 12 Months (As of Oct 2021)												
Month	Therms	G-PPPS	Base Th/d Allowed	Base Th	Excess Th	Baseline Rate	Excess Rate	Baseline Cost	Excess Cost	Total Transport	Procurement Charge (\$)	Mo Total
Nov-20	48	0.03651	1.28	38.4	9.60	\$1.13416	\$1.65280	\$43.55	\$15.87	\$59.42	\$0.46046	\$83.27
Dec-20	48	0.03651	1.97	48.00	0.00	\$1.13416	\$1.65280	\$54.44	\$0.00	\$54.44	\$0.48474	\$79.46
Jan-21	48	0.07021	1.97	48.00	0.00	\$1.09586	\$1.53752	\$52.60	\$0.00	\$52.60	\$0.49332	\$79.65
Feb-21	48	0.07021	1.28	35.84	12.16	\$1.09586	\$1.53752	\$39.28	\$18.70	\$57.97	\$0.49073	\$84.90
Mar-21	48	0.07021	1.28	39.68	8.32	\$1.19868	\$1.68034	\$47.56	\$13.98	\$61.54	\$0.42316	\$85.23
Apr-21	30	0.07021	0.36	10.80	19.20	\$1.19868	\$1.68034	\$12.95	\$32.26	\$45.21	\$0.22304	\$54.01
May-21	12	0.07021	0.36	11.16	0.84	\$1.19868	\$1.68034	\$13.38	\$1.41	\$14.79	\$0.21063	\$18.16
Jun-21	12	0.07021	0.36	10.80	1.20	\$1.20019	\$1.68243	\$12.96	\$2.02	\$14.98	\$0.21778	\$18.44
Jul-21	12	0.07021	0.36	11.16	0.84	\$1.20019	\$1.68243	\$13.39	\$1.41	\$14.81	\$0.19109	\$17.94
Aug-21	12	0.07021	0.36	11.16	0.84	\$1.20019	\$1.68243	\$13.39	\$1.41	\$14.81	\$0.22551	\$18.36
Sep-21	12	0.07021	0.36	10.80	1.20	\$1.20019	\$1.68243	\$12.96	\$2.02	\$14.98	\$0.44379	\$21.15
Oct-21	30	0.07021	0.36	11.16	18.84	\$1.20019	\$1.68243	\$13.39	\$31.70	\$45.09	\$0.68120	\$67.63
	360			360						\$450.64	\$155.51	\$628.19
	360										Less annual CARB Credit	-\$24.62
Procurement		\$155.51										\$603.57
Transport		\$450.64										\$335.82
G-PPPS		\$22.04										56%
CARB Credit		-\$24.62										
Total PG&E		\$603.57										