

**SAN DIEGO GAS AND ELECTRIC COMPANY
SOUTHERN CALIFORNIA GAS COMPANY
2013 TRIENNIAL COST ALLOCATION PROCEEDING (A.11-11-002)
(4th DATA REQUEST FROM CLEAN ENERGY)**

QUESTION 1:

In its response to Question #1 in Clean Energy's third data request, SoCalGas says: *As a result of the 2003 and 2005 BCAP Applications being dismissed, SoCalGas filed Advice Letter 3475-A requesting approval to update its compression rate adder due to the length of time since a compression rate adder was updated in an approved BCAP. SoCalGas received Commission approval of AL 3475-A to update its Compression rate adder to \$0.75/therm. The \$0.75 cents/therm adder was developed using the incremental cost of public access.* (emphasis added)

1.1. In light of the Commission's policy direction in D.95-11-035 (page 108) that the "fully allocated...costs" be used in setting the compression surcharges or compression rate adders, identify the Commission policy direction that authorizes SoCalGas and SDG&E to use the "incremental cost" of providing public access refueling services in setting the proposed compression rate adders in the current TCAP?

1.2. On page 3 (fourth line in the second paragraph under the section heading "Proposal") of AL 3475-A, SoCalGas states: "*SoCalGas proposes to revise the Compression Surcharge upward to \$0.74624 per therm as an interim approach to update this rate until the next BCAP. The proposed rate has been calculated using the 2002 cost information presented in A.03-09-008 and reflects the fully allocated costs for this service.* (emphasis added) Which statement is correct? The statement from AL 3475-A explaining that the proposed \$0.75 per therm compression rate adder was based on "...the fully allocated costs for this service" or the statement provided in response to Question #1 of Clean Energy's Third Data Request quoted above which states that "The \$0.75 cents per therm adder was developed using the incremental cost of public access"?

RESPONSE 1:

1.1 SoCalGas and SDG&E proposed methodology is in compliance with Commission decisions and policies. As discussed in its response to Question 1 of Clean Energy's third data request, SoCalGas and SDG&E proposed methodology is the same methodology approved by the Commission in D.09-11-006. Additionally, SoCalGas' and SDG&E's methodology has remained constant since the Commission approval of AL 3475-A.

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It appears that there may be confusion over terminology. We are determining incremental costs on a fully-allocated cost basis. That means that indirect and overhead costs are used in determining the incremental costs of making a station public; and, fully allocated costs were also used to determine the cost of all stations (public & private).

- 1.2** Please see the response above. The terms “fully allocated costs” and “incremental costs” are not mutually exclusive. In other words, an incremental cost may be quoted on a “direct-cost only basis” or on a “fully allocated cost basis”. Similarly, the total of all stations, public & private, may also be quoted on either a “direct-cost only basis” or on a “fully allocated cost basis”. In this Application, fully allocated costs have been used.

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QUESTION 2:

Is the \$1.17 per therm compression rate shown for SoCalGas and the \$1.32 per therm compression rate shown for SDG&E under the first column heading of "*Total Public & Private Access*" on page 1 of Section 2 of Mr. Bonnett's 6/1/2012 workpapers the average fully allocated cost, or the average incremental cost?

RESPONSE 2:

They are the average fully allocated per-unit costs of all of SoCalGas' and SDG&E's public and private NGV stations. The \$0.93 and \$1.11/therm, SoCalGas and SDG&E respectively, unit costs shown in the same tables are the average fully allocated per-unit costs for the portion of the stations that allow for public access.

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QUESTION 3:

The first column of the table on page 1 in Section 2 of Jason Bonnett's 6/1/2012 workpapers has the heading "Total Public and Private Access" and provides cost information both on an aggregate and per therm basis.

3.1. What refueling activities are included within the heading of "Private Access?"

3.2. Does the aggregate and per therm cost data, which are reported under the "Total Public and Private Access" column heading, exclusively provide the NGV refueling costs and throughput associated with the refueling of SoCalGas' fleet vehicles at the company facilities where SoCalGas' NGV fleet vehicles are refueled? If not, what other data is being included as "Private Access?"

RESPONSE 3:

3.1 There is no column in Mr. Bonnett's workpapers with the heading "Private Access."

3.2 The aggregate and per therm cost data reported under the "Total Public & Private Access" column contains the costs associated with providing BOTH public access to the stations along with the refueling activities of SoCalGas' fleet vehicles.

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QUESTION 4:

The first column of the table on page 1 of Section 2 of Jason Bonnett's 6/1/12 SoCalGas and SDG&E workpapers reflects a "Compression Rate \$/therm" for "Total Public & Private Access" stations of \$1.17 and \$1.32, respectively. Please revise the data in both tables (for SoCalGas and SDG&E separately) to show the comparable numbers listed on this table for "Total Public" and "Total Private Access" stations on a disaggregated basis. If the resulting figures in the "Total Public Access" column would be exactly the same as those shown for the "Public Access Station" column, please so indicate and provide the disaggregated information for the "Total Private Access" column.

RESPONSE 4 - SoCalGas:

Note that the Public Access Station numbers presented below have not changed from Jason Bonnett's 6/01/12 workpapers.

NGV Station Costs \$000's	Total Public & Private Access		Public Access Station		Private Access Station	
	\$000's/yr	\$/th	\$000's/yr	\$/th	\$000's/yr	\$/th
NGV Station Rate Base	\$2,047	\$1.21	\$545	\$0.44	\$1,502	\$3.28
Rate of Return %	8.68%		8.68%		8.68%	
Return on Ratebase	\$178	\$0.11	\$47	\$0.04	\$130	\$0.28
Income Taxes	\$46	\$0.03	\$12	\$0.01	\$33	\$0.07
Ad Valorem Taxes	\$30	\$0.02	\$8	\$0.01	\$22	\$0.05
Depreciation Expense	\$409	\$0.24	\$118	\$0.10	\$291	\$0.64
Capital Related Revenue Requirement	\$662	\$0.39	\$185	\$0.15	\$477	\$1.04
NGV Station Throughput in CCF	1,651,479		1,204,547		446,932	
O&M Expense \$/ccf = \$0.667	\$1,102	\$0.65	\$804	\$0.65	\$298	\$0.65
Electricity Expense \$/ccf = \$0.134	\$222	\$0.13	\$162	\$0.13	\$60	\$0.13
Customer Related O&M	\$1,323	\$0.78	\$965	\$0.78	\$358	\$0.78
NGV Station Revenue Requirement	\$1,985	\$1.17	\$1,150	\$0.93	\$835	\$1.83
Total NGV Station Throughput in CCF	1,651,479 1,0235		1,204,547 1,0235		446,932 1,0235	
Compression Throughput Mth/year	1,690	1,690	1,233	1,233	457	457
Compression Rate \$/therm	\$1.17		\$0.93		\$1.83	

Sempra Wide Compressor Adder \$/therm

\$0.95311

Notes:

- 1) Total Public & Private Access is the total of all NGV compressor stations, public & private.
- 2) Public Access Station Costs is based only on the incremental capital needed to make an other wise private station available to the public.

RESPONSE 4 – SDG&E:

Note that the Public Access Station numbers presented below have not changed from Jason Bonnett's 6/01/12 workpapers.

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NGV Station Costs \$000's	Total Public & Private Access		Public Access Station		Private Access Station	
	\$000's/yr	\$/th	\$000's/yr	\$/th	\$000's/yr	\$/th
NGV Station Rate Base	\$28	\$0.12	\$0	\$0.00	\$28	\$0.41
Rate of Return %	8.40%		8.40%		8.40%	
Return on Ratebase	\$2	\$0.01	\$0	\$0.00	\$2	\$0.03
Income Taxes	\$2	\$0.01	\$0	\$0.00	\$2	\$0.03
Ad Valorem Taxes	\$1	\$0.00	\$0	\$0.00	\$1	\$0.01
Depreciation Expense	\$42	\$0.18	\$0	\$0.00	\$42	\$0.62
Capital Related Revenue Requirement	\$47	\$0.21	\$0	\$0.00	\$47	\$0.69
NGV Station Throughput in CCF	226,611		159,454		67,157	
O&M Expense \$/ccf = \$0.711	\$161	\$0.70	\$113	\$0.70	\$48	\$0.70
Electricity Expense \$/ccf = \$0.421	\$95	\$0.41	\$67	\$0.41	\$28	\$0.41
Customer Related O&M	\$257	\$1.11	\$181	\$1.11	\$76	\$1.11
NGV Station Revenue Requirement	\$304	\$1.32	\$181	\$1.11	\$123	\$1.80
Total NGV Station Throughput in CCF	226,611		159,454		67,157	
	1.0194		1.0194		1.0194	
Compression Throughput Mth/year	231	231	163	163	68	68
Compression Rate \$/therm	\$1.32		\$1.11		\$1.80	

Sempra Wide Compressor Adder \$/therm

\$0.95858

Notes:

- 1) Total Public & Private Access is the total of all NGV compressor stations, public & private.
- 2) Public Access Station Costs is based only on the incremental capital needed to make an other wise private station available to the public.
- 3) Since Public Access Stations have been fully depreciated there is no Capital Related Revenue Requirement.

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QUESTION 5:

Please provide tables comparable to those on page 1 of Section 2 of Jason Bonnett's 6/1/12 SoCalGas and SDG&E workpapers showing the aggregate cost and per therm figures for "Total Public," "Total Private Access," and "Public Access Station" when measured and calculated on a fully allocated cost basis rather than an incremental cost basis. Please also calculate the corresponding Sempra-wide rate for the "Public Access Station" column for each utility. If the resulting figures in the "Total Public" and "Public Access Station" columns would be exactly the same in the requested table, please so indicate and provide the requested information for the "Total Private Access" and "Public Access Station" columns.

RESPONSE 5:

See Response to Question #2 and #4, they are all fully-allocated costs. Note that the Public Access Station numbers did not change from Jason Bonnett's 6/01/12 workpapers.

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QUESTION 6:

SoCalGas' and SDG&E's response to Question 11 of Clean Energy's First Data states that: "*In 2012 and 2013, it is expected that SoCalGas will operate 11 public access compressed natural gas vehicle refueling stations....*," This reflects an increase of one station over the 10 that were operating from 2009-2011.

6.1. Were the costs of the new SoCalGas public access refueling station taken into account in developing the compression rate adder proposed for SoCalGas in the current TCAP? If not, why not?

6.2. Was the additional public refueling throughput of this station included in the volume figure that was used to develop SoCalGas' per therm compression rate adder?

6.2.1. If so, what is the expected annual public access throughput for this additional station that was incorporated into the development of the compression rate adder proposed in the TCAP for SoCalGas?

RESPONSE 6:

6.1 No, in accordance with the methodology used for other rates in the TCAP, costs are based on actual 2010 historical costs. Pursuant to SoCalGas response to Question 11 of Clean Energy's First Data Request, SoCalGas operated 10 public access stations in 2010.

6.2 No.

6.2.1 N/A