SAN DIEGO GAS AND ELECTRIC COMPANY
SOUTHERN CALIFORNIA GAS COMPANY
2013 TRIENNIAL COST ALLOCATION PROCEEDING (A.11-11-002)
(10th DATA REQUEST FROM CLEAN ENERGY FUELS CORPORATION)

QUESTION 1:

In response to Question #2 of Clean Energy's Data Request #3, SoCalGas indicated that its estimate of the electricity expense associated with providing public access refueling used in developing its proposed compression rate adder was based on data from 4 of the 10 SoCalGas stations that provide public access refueling. The average public access throughput at these 4 stations in 2010 was 164,044 CCF, while the average public access throughput at the other 6 SoCalGas public access refueling stations in 2010 was only 77,217 CCF (derived from the answers to Question #2 and Question #11 of Data Request #3).

1.1 From which electric utility does SoCalGas receive electricity service at each of the 4 stations that were relied on in calculating the portion of its proposed compression rate adder intended to reflect electricity expense?
1.2 Please identify the location of each and every of the 4 SoCalGas stations taken into account in estimating its electricity expense component of its TCAP proposed compression rate adder where electricity use to provide public access refueling was separately metered so that electricity expense included only the electricity costs incurred to provide public access refueling and not any electricity use for fleet-only refueling or other facility usage.
1.3 The SEUs' response to Question #6 of Clean Energy's Data Request #1 said: "The electricity expense is incurred to operate the compressors which compress the natural gas for use in vehicles and contains both fixed and variable cost components. Thus, since SoCalGas has more throughput to help offset the fixed costs of operating the compressors its per unit cost is lower than SDG&E (sic)." For the reasons explained by SoCalGas in its response to Question #6 of Clean Energy's Data Request #1, if SoCalGas had calculated the electricity expense component of its TCAP proposed compression rate adder based on electricity use and expense at all 10 of its public access stations, rather than just on the sample of 4, wouldn't the proposed electricity expense component that is included in its proposed compression rate adder be higher than what is proposed?
1.4 Since the average public access refueling throughput at the 6 stations that were not considered by SoCalGas in estimating its proposed electricity expense compression rate adder component for public access refueling is significantly less that the average public access refueling throughput at the 4 stations which were considered, rather than the $0.13 cent per therm component of its proposed compression rate adder to recover public access refueling electricity expense, what would the corresponding per therm amount be if the electricity expense component was calculated based on electricity costs and throughput at all 10 of SoCalGas' public access refueling stations?
1.5 At how many of the 4 stations that SoCalGas relied on in estimating the electricity expense to be taken into account in developing its proposed compression rate adder was total electricity use at the facility (including electricity use for fleet refueling and to meet other facility electricity needs) exclusively relied on?

RESPONSE 1:

1.1 San Pedro – LADWP
Garden Grove – SCE
Azusa – Azusa Power & Electric
Saticoy - LADWP

1.2 As previously provided in response to Questions 2 & 11 of Clean Energy's third data request, following are the locations of the 4 SoCalGas stations taken into account in calculating its electricity expense component of its TCAP proposed compression rate adder where electricity use to provide public access refueling was separately metered .

Station	Address	Total Compressed Throughput (CCF)	Electrical Cost	
			Total ($)	Average ($/CCF)
Azusa	950 Todd Ave., Azusa, CA 91702	348,635	$31,618	$0.09
Garden Grove	12631 S. Monarch St., Garden Grove, CA 92843	135,832	$22,172	$0.16
San Pedro	755 W. Capital Dr., San Pedro, CA 90731	73,245	$17,173	$0.23
Saticoy	16645 Saticoy St., Van Nuys, CA 91406	106,463	$18,154	$0.17
Total		**664,175**	**$89,117**	**$0.13**

1.3 It is not known what the change in the electricity rate would be if the 6 additional stations were included because electricity expense information for those 6 stations are not separately metered.

1.4 The information requested is unavailable due to separately metered electric data only being available from 4 stations. It is not appropriate to calculate electricity expense component based on electricity costs and throughput at all 10 of SoCalGas' public access refueling stations since 6 of the stations also include electricity expense for other uses than vehicle refueling.

1.5 None. The 4 NGV stations were separately metered from the other facility needs.

QUESTION 2:

In its response to Clean Energy's Data Request #4, Question #1.1, SoCalGas says: "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 and private)."

2.1. What is the amount of non-labor overhead costs that were included by each of SoCalGas and SDG&E in calculating their proposed compression rate adders?

RESPONSE 2:

Non-labor overhead costs are embedded in the capital related cost of the compression rate adder but not in O&M related costs. Because capital related costs are allocated based on total ratebase amounts authorized for SDG&E and SoCalGas to the total system, the exact amount of non-labor overhead costs that were included in the capital related cost of the compression rate adder is not available.

QUESTION 3:

In their response to Questions 2.5 and 4.4 of Clean Energy's Data Request #6, SoCalGas and SDG&E said: "Consistent with past practice, there are no allocations of corporate overhead costs allocated to the Public or Private NGV Access Station services." What is the justification for the SEUs' "past practice," and why should past practice justify ignoring the allocation of corporate overhead costs in calculating the TCAP proposed compression rate adders for SoCalGas and SDG&E?

RESPONSE 3:

The methodology used by SoCalGas/SDG&E in our testimony was first approved by the Commission in 1996 in Resolution G-3191, and used continuously since that time. The most recent Commission approval of our proposed NGV rate compression surcharge methodology was in D.09-11-006, the 2009 BCAP, during which the methodology was not contested by any party. SoCalGas and SDG&E believe that it is reasonable for us to continue to use the same methodology the Commission has authorized for the past 16 years, and we are not aware of any changes in the Commission's or the Legislature's policies with respect to natural gas-fueled low-emission vehicles that would justify us in departing from this established treatment and loading additional costs into this particular rate.

QUESTION 4:

In their responses to Clean Energy's Data Request #6, Questions 2.3 and 4.2, the SEUs indicated that for SoCalGas the economic life for depreciation purposes for NGV station investments was 11 years. SDG&E indicated that the economic life for depreciation purposes for its NGV station investments was 9 years. Given that the depreciation methods for both SoCalGas and SDG&E are apparently the same:

4.1 Are the depreciation periods identified in the SEUs' response accurate?

4.2 If not, what are the correct depreciation lives?

RESPONSE 4:

4.1 Yes.

4.2 N/A

QUESTION 5:

5.1 Please clarify whether and the extent to which overhead costs have been reflected in the proposed public access station compression rate adders for each of SoCalGas and SDG&E, identifying separately any corporate, non-labor and labor overheads that were taken into account in developing the proposed compression rate adders for each utility and the amounts of those corporate, non-labor and labor overheads.

5.2 Please clarify whether and the extent to which overhead costs have been reflected in the proposed private station compression rate adders for each of SoCalGas and SDG&E, identifying separately any corporate, non-labor and labor overheads and the amounts of those corporate, non-labor and labor overheads.

RESPONSE 5:

5.1 As discussed in response to Questions 5 & 6 of Clean Energy's third data request, labor overhead totaling approximately $252,253 for SoCalGas and $145,001 for SDG&E was used in calculating the O&M expense. For capital costs, there are non-labor overhead costs embedded in the capital related cost of the compression rate adder but not in O&M. Due to capital related costs being allocated based on total ratebase amounts authorized for SDG&E and SoCalGas to the total system, the exact amount is not available.

5.2 Neither SoCalGas nor SDG&E is proposing a private station compression rate adder.

QUESTION 6:

6.1 Please identify any and all categories of costs reflected in the private station revenue requirement, for each of SoCalGas and SDG&E as identified in response to Question 4 of Clean Energy's 4th Data Request, that represent a cost common both to private and public refueling.

6.2 Please identify any and all categories of costs reflected in the public access station revenue requirement for each of SoCalGas and SDG&E, as identified in response to Question 4 of Clean Energy's 4th Data Request, that represent a cost common both to private and public refueling.

RESPONSE 6:

6.1 As discussed in response to Questions 1.3 and 5 of Clean Energy's sixth data request and Question 5 of Clean Energy's eighth data request, common costs are not separately identified in the NGV compression rate model. However, O&M and electricity rates were developed based on total costs of all the stations dual use and private only.

6.2 As discussed in response to Questions 1.3 and 5 of Clean Energy's sixth data request and Question 5 of Clean Energy's eighth data request common costs are not separately identified in the NGV compression rate model.

QUESTION 7:

7.1 Please state whether the NGV station capital expenditures forecast in GRC Exhibit 14, pages DGT-12 to DGT-13, are reflected in the TCAP revenue requirements with which the compression rate adder for each of SoCalGas and SDG&E were developed.

7.2 If the answer to 7.1 is "no", please specify the cost category and the amount by which such expenditures would increase each element of the compression rate cost for each of SoCalGas and SDG&E, separately identifying these changes for public access and private refueling.

7.3 If SoCalGas' request for additional funding in the GRC proceeding for new public access refueling stations is approved by the Commission, will the changes in NGV public access refueling throughput that results from those additional stations be reflected in the compression rate adders adopted in the TCAP for public access stations? If not, when will they be reflected in SoCalGas' compression rate adder? .

RESPONSE 7:

7.1 No.

7.2 Since the proposed GRC capital expenditures have yet to be approved, SoCalGas is unable to definitively specify what cost categories the amounts should be imputed for. However, in an attempt to be responsive, SoCalGas divided the amount contained in GRC Exhibit 14, table DGT-5 for 2010 between public and private access using the Public Access Percentage which was previously discussed in response to Question 1.3.5 of Clean Energy's seventh data request. The result of the inputting of the additional capital expenditures would be to increase the compression rate adder to $0.97038 for SoCalGas and $0.97595 for SDG&E.

7.3 No. Any additional funding approved in the GRC would appear in the next TCAP application assuming any new stations/equipment was in service at the time of the next TCAP application.

QUESTION 8:

8.1 Does the $804,000 in O&M expense for public access refueling shown in the table provided by SoCalGas in response to Question #5 of Clean Energy's Data Request #4, include all of O&M expenses associated with providing public access refueling at all of SoCalGas' refueling stations which provide public access refueling or is it extrapolated from a smaller sample of the public access refueling stations?

8.2. Does the $804,000 figure represent a direct measure of all of the O&M costs associated with providing public access refueling based on $2010 recorded cost data or is it based on an estimate?

8.3 If based on a sample, how many stations were included in the sample?

8.4 Does the $113,000 in O&M expense for public access refueling shown in the table provided by SDG&E in response to Question #5 of Clean Energy's Data Request #4, include all of O&M expenses associated with providing public access refueling at all of SDG&E's refueling stations which provide public access refueling or is it extrapolated from a smaller sample of the public access refueling stations?

8.5. Does the $113,000 figure represent a direct measure of all of the O&M costs associated with providing public access refueling based on $2010 recorded cost data or is it based on an estimate?

8.6 If based on a sample, how many stations were included in the sample?

RESPONSE 8:

8.1 The O&M expense for public access was based on an O&M rate derived from all stations, public and private.

8.2 The figure is based on 2010 actual expenses for all refueling stations, public and private.

8.3 N/A

8.4 The O&M expense for public access was based on an O&M rate derived from all stations, public and private.

8.5 The figure is based on 2010 actual expenses for all refueling stations, public and private.

8.6 N/A

QUESTION 9:

Are the TCAP adopted compression rate adders for each of SoCalGas and SDG&E normally adjusted upwards or downwards based on the changes in authorized margin resulting from GRC, Cost of Capital, “attrition” proceedings, or other proceedings in which changes in the level of authorized margin are adopted?

RESPONSE 9:

SoCalGas and SDG&E are not proposing to adjust the compression rate adder due to decisions in other proceedings.