

**APPLICATION OF SOUTHERN CALIFORNIA GAS COMPANY  
AND SAN DIEGO GAS & ELECTRIC COMPANY  
FOR AUTHORITY TO REVISE THEIR NATURAL GAS RATES  
EFFECTIVE JANUARY 1, 2017 IN THEIR  
TRIENNIAL COST ALLOCATION PROCEEDING - PHASE 2  
(A.15-07-014)  
(DATA REQUEST ORA-TCAP2-SCG-18)**

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**QUESTION 1:**

**Subject: Revised A.15-07-014 Prepared Direct Testimony of Mr. Chaudhury and Revised Workpapers**

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Please provide ORA with the cost allocation and rate design model scenario runs of the SoCalGas and SDG&E 2017 TCAP and the corresponding results and active excel spreadsheets based on the following assumptions:

(a) The marginal customer-related capital costs are developed using the New Customer Only (NCO) approach based on the NCO numbers presented by SoCalGas and SDG&E in the application without a replacement cost adder. Assume customer and demand forecast and the transmission and storage embedded cost numbers are based on the Applicants' proposed numbers. In addition, continue to assume the authorized base margin used in the Applicants' Revised Workpapers in this TCAP.

- i. With increases in customer charges as proposed by the Applicants;
- ii. Without any increases in the current customer charges by the Applicants.

(b) The marginal customer-related capital costs are developed using the New Customer Only (NCO) approach based on the NCO numbers presented by SoCalGas and SDG&E in the application with a replacement cost adder. Assume customer and demand forecast and the transmission and storage embedded cost numbers are based on the Applicants' proposed numbers. In addition, continue to assume the authorized base margin used in the Applicants' Revised Workpapers in this TCAP.

- i. With increases in customer charges as proposed by the Applicants;
- ii. Without any increases in the current customer charges by the Applicants.

(c) The same assumptions as in Question 1(a) above except that assume the authorized basemargin is based on the adopted GRC Settlement Agreements in A.14-11-004/A.14-11-003 for TY 2016 GRC including attrition years 2017 and 2018.

- i. With increases in customer charges as proposed by the Applicants; and
- ii. Without any increases in the current customer charges by the Applicants.

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(d) The same assumptions as in Question 1(b) above except that assume the authorized base margin is based on the adopted GRC Settlement Agreements in A.14-11-004/A.14-11-003 for TY 2016 GRC including attrition years 2017 and 2018.

- i. With increases in customer charges as proposed by the Applicants; and
- ii. Without any increases in the current customer charges by the Applicants.

Please provide an explanation on why there could be a material difference between the two sets of data on historical gas distribution investment for the period 2005-2010 between the two successive TCAPs as described above. Please provide the necessary information to support the basis of your explanation.

**RESPONSE 1:**

Please see the attached zip files. Each zip file contains a set of cost allocation and rate design models that corresponds to each part of this data request, with the requested scenario set as the active scenario. However, the model is set up to run all 8 scenarios, which can be done on SoCalGas' Model Input tab.



Q. 1ai.zip



Q. 1a.ii.zip



Q. 1bi.zip



Q. 1b.ii.zip



Q. 1ci.zip



Q. 1cii.zip



Q. 1di.zip



Q. 1d.ii.zip