

**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-19)

QUESTION 1:

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

On page 9 of the above subject, Mr. Chaudhury states that “The direct testimony of Ms. Fung and Mr. Watson in the TCAP Phase 1 Application, A.14-12-017, described the cost and allocation of storage assets.” In Revised Workpapers for SoCalGas Cost Allocation, Mr. Chaudhury shows total storage costs per embedded cost method of \$110.585 million, with \$68.742 million allocated to total core customers.

(a) Please provide the basis of the cost allocation of the total storage costs to the various core customer classes and cite the reference Commission decision for this allocation.

(b) Please provide the corresponding amount of Core gas firm storage capacity for inventory, gas injection, and gas withdrawal capacity for the stated total storage costs of \$110.585 million, with \$68.742 million allocated to total core customers.

(c) Please provide the corresponding TCAP term of your response to item (b).

(d) Please clarify whether the stated SoCalGas total storage costs of \$110.585 million is expected to be decided in Phase1 in A.14-12-017. If a Commission decision has been issued for this purpose, then please so indicate and cite the relevant Commission order.

RESPONSE 1:

- (a) The basis of the cost allocation of the total storage costs to the various core customer classes is provided in the Revised Prepared TCAP Phase 1 Direct Testimony of Mr. Sharim Chaudhury at page 3, Table 2. (<https://www.socalgas.com/regulatory/A1412017.shtml>). The cost allocation of the total storage costs to the various customer classes was authorized by the Commission in D.14-06-007 (Attachment IV, 19), with the exception of load balancing inventory which is pending in the 2016 TCAP Phase I Proceeding.

Note: the core’s allocated cost included in Mr. Steve Watson’s workpapers shows SoCalGas and SDG&E core customers’ cost of \$65.73 MM. The difference between \$68.742 - \$65.73 = \$3.01 MM, is based on Mr. Chaudhury’s workpapers, which

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include SoCalGas' core customers' share of load balancing inventory costs allocated to SoCalGas and SDG&E core customers.

- (b) The corresponding Core gas firm storage inventory, gas injection, and withdrawal capacities are shown in the 2016 TCAP Phase I Direct Testimony of Mr. Steve Watson at page 10, Table 3. (<https://www.socalgas.com/regulatory/A1412017.shtml>).
- (c) The TCAP term is Years 2017-2019.
- (d) The stated SoCalGas total storage costs of \$110.585 million is expected to be decided in Phase 1 in A.14-12-017.