

**SAN DIEGO GAS AND ELECTRIC COMPANY
SOUTHERN CALIFORNIA GAS COMPANY
2013 TRIENNIAL COST ALLOCATION PROCEEDING (A.11-11-002)
(2nd SET OF DATA REQUESTS FROM SOUTHERN CALIFORNIA EDISON)**

QUESTION 1:

SoCalGas is asking for \$8.77 M (\$57.75 – 48.98) in additional cost recovery for the Honor Rancho Expansion Project, if one includes the costs of cushion gas (Direct testimony of Joel Mumford and Todd Van De Putte, p.4 lines 17-19), or \$13.8 million if one excludes it (Ibid. p. 14 lines 10-11).

Please describe fully and in detail how these additional costs would be reflected in rates and/or the sharing mechanism:

- a. What would be the dollar impact on the Bundled Storage Program?
- b. What would be the dollar impact on the Unbundled Storage Program?
- c. What would be the dollar impact on the sharing mechanism described in paragraph 15 of the Phase I Settlement in A. 08-02-001?

RESPONSE 1a:

Table 23 in Ms. Fung's testimony includes the impact of the additional \$8.77 million on the core. Core storage costs would be \$1.1 million lower in each year of the TCAP period without the request for additional cost recovery contained in the testimony of Mumford/Van de Putte.

RESPONSE 1b:

Table 23 in Ms. Fung's testimony includes the impact of the additional \$8.77 million on the unbundled storage program. Unbundled storage costs would be \$0.6 million lower in each year of the TCAP period without the request for additional cost recovery contained in the testimony of Mumford/Van de Putte.

RESPONSE 1c:

The sharing mechanism described in paragraph 15 of the Phase I Settlement in A.08-02-001 deals with net revenues (revenues minus embedded cost). Response 1b shows the increase in embedded cost for the unbundled storage program is \$0.6 million. Unbundled storage revenues from 2013-2015 are not available; therefore, this question cannot be fully answered.

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QUESTION 2:

A.09-07-014 called for 7 BCF in expansions to take place through 2014 (p. 3). However, the testimony of Joel Mumford and Todd Van de Putte (p.4 line 1) indicates “the final well needed for the project will be completed in 2011,” and covers only 5 BCF. Please clarify, when will the first 5 BCF project (as referred to in the testimony) be completed and when will the last 2 BCF in additions called for in A.09-09-014 be in service?

RESPONSE 2:

The first 2 BCF of this 7 BCF project was made available in 2010. The referenced testimony refers to the remaining 5 BCF.

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QUESTION 3:

Table 2 (on page 5) of Mumford and Van de Putte's Direct Testimony is labeled "Current Estimated HR Expansion Project Cost Breakdown" [emphasis added.]

- a. When will the cost breakdown be finalized?
- b. If the final costs of the project vary from the current \$57.75 M estimate, how will the additional (or reduced) costs be handled?

RESPONSE 3 a:

SoCalGas anticipates finalizing the construction cost breakdown approximately 2-3 months after completion of the final well (C7), which is currently scheduled to occur in February 2012. Purchase of cushion gas is planned to follow the liquid production and will be completed in 2015.

RESPONSE 3 b:

SoCalGas will update the parties on the construction costs once the final well goes into service through a posting on the TCAP section of SoCalGas' website. If these costs are finalized prior to TCAP hearings, SoCalGas will also seek to update its TCAP testimony with the actual costs. If the construction costs are not finalized prior to TCAP hearings, SoCalGas will track any additional well cost variance in the Honor Rancho Cost Recovery Memorandum Account (HRCRMA). The cost of the cushion gas will continue to be tracked in the Honor Rancho Storage Memorandum Account (HRSMA) as purchased.