

APPLICATION OF SOUTHERN CALIFORNIA GAS COMPANY & SAN DIEGO GAS & ELECTRIC COMPANY FOR AUTHORITY TO REVISE THEIR NATURAL GAS RATES AND IMPLEMENT STORAGE PROPOSALS IN THE 2024 COST ALLOCATION PROCEEDING

(A.22-09-015)

**DATA REQUEST DR-A2209015-PAO-SCG-01-MPS FROM CAL ADVOCATES
DATED MAY 4, 2023**

SOCALGAS RESPONSE DATED: MAY 12, 2023

Question 1:

1. Please provide a copy in Microsoft Excel format of the Long Run Marginal Cost Study.
 - a. Provide all supporting documentation, including workpapers in Microsoft Excel format that include all formulas, calculations, active cells, and links.

Response 1a:

Please refer to response, DR-2209015-PAO-SCG-SDGE-WP, provided in SoCalGas' response to Data Request 1 of Cal Advocates dated May 11, 2023.

- b. Please provide a copy in Microsoft Excel format of the Long Run Marginal Cost Study updating 2021 with all actual recorded data for 2022.

Response 1b:

SoCalGas object to this request on the ground that it is beyond the scope of the witness's testimony inasmuch as the LRMC in SoCalGas' testimony does not include recorded data for 2022 and SoCalGas further object that undergoing such a study at this time is unduly burdensome.

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Question 2:

2. At the time of the filing, what data was not available to SCG for the LRMCS analysis?
 - a. Please provide a list and a brief description of the data that was not available including the reason.

Response 2a:

2022 data was not available. The Cost Allocation Proceeding Application was filed on September 30, 2022.

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Question 3:

3. How do the results for the Transmission and Storage functions using the NCO and Rental Marginal Cost compared to the Embedded Cost method?
 - a. Please provide the results in Microsoft Excel format that includes all formulas, calculations, active cell, and links.

Response 3a:

This information is not available. D.09-11-006 adopted embedded cost allocation for transmission and storage facilities and long-run marginal cost (“LRMC”) allocation for distribution facilities for both SDG&E and SoCalGas.

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Question 4:

4. How do the results for the customer-related capital costs using the NCO Marginal cost compare to the Rental method?
 - a. Please provide the results in Microsoft Excel format that includes all formulas, calculations, active cell, and links.

Response 4a:

Please refer to response, DR-2209015-PAO-SCG-SDGE-WP, provided in SoCalGas' response to Data Request 1 of Cal Advocates dated May 11, 2023.

See Excel file, "Ch 9_SCG 2024TCAP LRMC Customer Costs.xls", tab, "RD Format", rows 7 and 8.

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Question 5:

5. Please provide the most recent five years (2018-2022) of actual new customer hookups for residential, small core commercial and industrial customers in SCG's service territory.

Response 5:

Please refer to response, DR-2209015-PAO-SCG-SDGE-WP, provided in SoCalGas' response to Data Request 1 of Cal Advocates dated May 11, 2023.

The most recent five years (2017-2021) of actual new customer hookups for residential, small core commercial and industrial customers in SoCalGas's service territory are in Ch 9_SCG 2024TCAP LRMC Customer Costs.xls, tabs: Meter cost detail (rows 31:144), service cost detail (rows 30:116). 2022 data is not readily available.

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Question 6:

6. Please provide actual 2022 Meter Set Assemblies (MSA) cost data.

Response 6:

The actual 2022 Meter Set Assemblies (MSA) cost data is not readily available. The 2021 Meter Set Assemblies (MSA) cost data was used for the LRMC study. This data was escalated to 2024.

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Question 7:

7. Please provide the Marginal Direct O&M Costs for 2022 actual recorded O&M expense for the first four components (1) customer service (2) customer accounts, (3) meters and regulators, (4) service lines.

Response 7:

The 2022 actual O&M expenses are not readily available.

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Question 8:

8. Please provide the linear regression model in Microsoft Excel format for Marginal Capital Cost.
 - a. Please provide all variables and a description and source.
 - b. Please include all formulas, calculations, active cell, and links in addition to all Tables and Figures associated with this model.
 - c. Please provide all the data utilized in this model including actual 2022 recorded data for all variables in this model.

Response 8:

- a. Please refer to response, DR-2209015-PAO-SCG-SDGE-WP, provided in SoCalGas' response to Data Request 1 of Cal Advocates dated May 11, 2023.
 - a. See Ch 9_SCG 2024TCAP LRMC Distribution Costs.xls. The variables are the Cumulative Investment and the Peak Day Cumulative Demand, as shown in tab: Out_MP_LRMC. The Distribution Department provided the historical and forecasted investment. Demand forecasting provided the Peak Day Demand.
- b. Please refer to response, DR-2209015-PAO-SCG-SDGE-WP, provided in SoCalGas' response to Data Request 1 of Cal Advocates dated May 11, 2023.
 - a. See Ch 9_SCG 2024TCAP LRMC Distribution Costs.xls
- c. Actual 2022 recorded data for all variables in this model is not readily available.

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Question 9:

9. Provide a list of all capital projects including which customer groups are expected to be served by the projects, to increase or expand distribution capacity, or just reinforce or replace existing capacity.

Response 9:

SoCalGas object on the ground that the term “capital projects” as used in the question is vague and ambiguous. Subject to this objection, SoCalGas respond as follows:

SoCalGas continuously monitors the pressure data as an indicator of the capacity of the distribution system and evaluates new load proposals from its customers to promote reliability. Because the demand from the system is constantly changing, some pressure betterment projects may be identified and initiated for planning but later deemed as unnecessary, and thus, postponed or even canceled. When a pressure betterment project is initiated due to the proposed load from a specific new business project, the timeline of the betterment project depends on the new business project schedule and is executed only when the new business project has been confirmed for construction, at which point, SoCalGas is confident that the proposed load will be added to the existing system. Until then, the betterment project is placed on hold, and, at times, eventually canceled if the new business project is never executed.

In addition, pressure betterment projects are performed in areas where there is insufficient capacity or pressure to meet load due to unusual cold weather causing increasing demand on the existing infrastructure in areas where a strategic pipeline back-tie would be beneficial for system reliability. While the driver of some betterment projects may be a single proposed load from a new business customer, the enhancement serves all customer groups within the system for reliable delivery of service, and thus, the capital projects in this category benefit all customer groups.

For the reasons above, while there may be numerous projects that are planned based on their respective scopes, providing a list of all known projects does not accurately represent the anticipated investment in pressure betterments. For the anticipated cost forecast of pressure betterments, please refer to the Pressure Betterments workpaper included in Gas Distribution’s witness area in the TY 2024 GRC.

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Question 10:

10. Provide Table 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and Figure 1, 2, in Microsoft Excel format and include all formulas, calculations, active cell, and links for all Tables and Figures associated with this SCG Cost Allocation and Long Run Marginal Cost Study.
- a. Please provide an additional set of the same Tables and Figures and recalculate the formulas and equations with actual recorded 2022 data in Microsoft Excel format that includes all formulas, calculations, active cell, and links.

Response 10a:

Please refer to response, DR-2209015-PAO-SCG-SDGE-WP, provided in SoCalGas' response to Data Request 1 of Cal Advocates dated May 11, 2023, for the following:

- Table 1: Ch 9_SCG 2024TCAP LRMC Customer Costs, tab: Testimony Tables
- Tables 2, 3, 4, 5, Figure 1, 2: Ch 9_SCG 2024TCAP LRMC Distribution Costs, tab: Testimony Tables
- Tables 6, 7, 8 - Ch 9_SCG 2024TCAP LRMC OM loader, tab: Testimony Tables
- Tables 9, 10, 11, 12, 13 - Ch13_Gas Rates SCG – TCAP, tab: TCAP Exhibits

Data for 2022 is not readily available.

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Question 11:

11. Please explain in detail the rationale of why Table 13 shows a decrease in Residential, Core C/I, Gas A/C and Gas Engine for proposed Allocation of Base Margin.

Response 11:

The allocated customer costs and high-pressure distribution costs decreased for the Residential, Core C/I, Gas A/C and Gas Engine.

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Question 12:

12. If SCG is not able to provide the requested information to all the questions above, state the reason(s) in the response.

Response 12:

See Responses 1-11.