

**APPLICATION OF SOUTHERN CALIFORNIA GAS COMPANY &  
SAN DIEGO GAS & ELECTRIC COMPANY FOR AUTHORITY TO REVISE THEIR  
NATURAL GAS RATES AND IMPLEMENT STORAGE PROPOSALS EFFECTIVE  
JANUARY 1, 2020 IN THE TRIENNIAL COST ALLOCATION PROCEEDING**

**(A.18-07-024)**

**(DATA REQUEST CAL ADVOCATES-DR-016)**

**DATA RECEIVED: 11-16-18**

**DATE RESPONDED: 12-3-18**

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**The following questions pertain to Chapter 8 of SoCalGas/SDG&E’s testimony on Embedded Costs, from witness Sim-Cheng Fung.**

**QUESTION 1:**

On pages 7 - 8 of the Chapter 8 testimony, witness Fung states that “Miscellaneous revenues recorded for 2016 and associated with the storage function in 2016 were \$4.8 million and were credited directly to storage expenses. The other \$55 million of miscellaneous revenues are not directly related to any single functional activity.” (p. 7 line 14 and p. 8 lines 1 – 3.) To illustrate the associated transmission and storage O&M, A&G and Miscellaneous Revenues, SoCalGas includes Table 9, which is reproduced below.

<b>Table 9</b>		
<b>2016 SoCalGas O&amp;M, A&amp;G, Miscellaneous Revenue</b>		
	Transmission (\$MM)	Storage (\$MM)
O&M Expenses	101.7	45.8
A&G Expenses	18.8	18.8
Miscellaneous Revenue	(2.3)	(7.1)
Total	118.2	57.5

- a) Please confirm that the table has been accurately reproduced from Table 9 in witness Fung’s testimony. If there are any errors, please identify and correct them.
- b) Regarding the “miscellaneous revenue” row of Table 9, please explain how SoCalGas arrived at a miscellaneous revenue of (2.3) for Transmission and (7.1) for Storage.
  - a. In your response please include a breakdown of the all the credits applied that were used to arrive at these figures.
- c) Please clarify where the “\$4.8 million credited directly to the storage expenses” according to witness Fung’s testimony, can be shown on Table 9.

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- d) Please confirm that “the other \$55 million of miscellaneous revenues” corresponds to the 2016 recorded \$54,576 million in shared assets that is referenced in Appendix B of the Chapter 8 testimony on embedded cost, p. AMS-8 in the table on line 8. If this figure of \$54,576 million is not the totality of the \$55 million reference in witness Fung’s testimony on page 8, please provide a breakdown of all the costs that make up “the other \$55 million of miscellaneous revenues”.

**RESPONSE 1:**

- a) Confirmed.
- b) Please see Chapter 8 workpaper tab “SoCalGas T&S Emb Costs.” Column A, rows 102 to 106, shows the FERC accounts related to miscellaneous revenues; column C shows miscellaneous revenues and their respective sources; and cells D107 and E107 show the total miscellaneous revenues for Storage and Transmission respectively.
- a. The credit breakdown is discussed in Chapter 8, p. 8, lines 1 through 4.
- c) The \$4.8 million is comprised of crude oil sales, Goleta storage emission credit lease, and RECLAIM revenues shown in cells D103, D104, and D105, respectively, in the workpaper location referenced in Response 1(b).
- d) Confirmed.

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**QUESTION 2:**

Please clarify if SDG&E's payroll taxes of \$4.2 million, as described on page 11 of witness Fung's testimony, are embedded in FERC Account 920 listed in Table 15 of Appendix C, p.C-3 which results in a total cost of \$14.230 million. If the payroll taxes of \$4.2 million are not included in FERC Account 920, please identify where the payroll taxes are located.

**RESPONSE 2:**

Yes, FERC Account 920 listed in Table 15 of Appendix C, p.C-3 shows a total cost of \$14.230 million, which includes payroll taxes of \$4.2 million.

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**QUESTION 3:**

On page 17 of Chapter 8, witness Fung states “The incremental \$32.9 million shown in Table 22 is the average of the 2020-2022 revenue requirements [59] based on the ACTR [Aliso Canyon Turbine Replacement] cost of \$275.5 million.” (lines 9 – 11) Footnote 59 states that for 2020 incremental ACTR costs equal \$31.7 million; for 2021, \$32.9 million and for 2022, \$34 million.

- a) Please provide a source for the figures cited in footnote 59 on page 17 of Chapter 8 by including a copy of the document or testimony where these incremental ACTR annual costs were approved.

**RESPONSE 3:**

The figures shown in Footnote 59 do not appear in any other document or testimony, as they are calculated estimated revenue requirement figures. The 2019 estimate was calculated by the GRC Financial Analysis group. The subsequent yearly figures were escalated by 3.5%, which represents the currently authorized attrition factor authorized in Applicants’ 2016 GRC decision, D.16-06-054. Because that factor for 2020 and beyond is subject to update in the ongoing 2019 GRC proceeding, Applicants used the currently authorized factor for illustrative purposes to produce an estimate for the TCAP period.

	2019	2020	2021	2022	Average 2020- 2022
<b>ACTR Estimated Annual Revenue Requirement* (\$000)</b>	30,659**	30,659*1.035	31,732*1.035	32,843*1.035	32,856
		31,732	32,843	33,992	

\* Excluding Franchise Fee & Uncollectible

\*\*Provided by GRC Financial Analysis