

**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-018)

DATA RECEIVED: 11-20-18

DATE RESPONDED: 12-05-18

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

QUESTION 1:

Please provide a complete copy of both of SoCalGas and SDG&E's 2016 FERC Form 2 as referenced in witness Sim-Cheng Fung's testimony on embedded cost.

RESPONSE 1:



2016 SCG FERC
Form 2.pdf



2016 FERC SDG&E
Form 1 & 2.pdf

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QUESTION 2:

In Appendix G of witness Sim-Cheng Fung's testimony on embedded cost, witness Fung states that "combining the percentage allocation of capital-related and O&M costs of existing storage assets with ACTR's capital-related cost resulted in the percentage allocation of injection, withdrawal and inventory functions of 44.6%, 26.2%, 29.2% respectively, shown in Appendix G, Table 1."

- (a) Please provide the calculation used to arrive at the percentage allocation of 44.6%, 26.2% and 29.2% for injection, withdrawal and inventory, respectively.
- (b) How, if at all, do the inventory, injection, and withdrawal allocations vary from those used in the last TCAP?

RESPONSE 2:

- (a) Calculated percentage allocations are contained in active worksheet Chapter 8 workpaper tab "Appendix G, Table 1". The source of the net book values (NBV) is tab "2016 SoCalGas NBV" Underground Storage FERC Accounts.

The source of O&M expenses is tab " SoCalGas T&S Emb Costs" Storage accounts, which originated from SoCalGas FERC form 2, shown in response 1.

- (b) Total storage costs in the 2016 TCAP were allocated one-third to inventory, one-third to injection, and one-third to withdrawal. See D.16-06-039, p. 67, Ordering Paragraph 29. SoCalGas was ordered to perform a storage functionalized cost causation study for this TCAP similar to that performed in 2008. See Id., Ordering Paragraph 31. Appendix G is the new cost causation study, which resulted in percentage allocations of 44.6%, 26.2% and 29.2% for injection, withdrawal, and inventory respectively.

The 44.6% allocation being proposed for the injection function is attributed to the Aliso Canyon Turbine Replacement storage costs. Because 44.6% was allocated to the injection function, the remaining allocations were less than one-third each for the two remaining functions. Withdrawal is proposed to be allocated 26.2%; and, inventory is proposed to be allocated 29.2%. See Ch.8 workpaper tab "Appendix G, Table 1.