

**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)**

(2ND DATA REQUEST FROM THE INDICATED SHIPPERS)

DATA RECEIVED: 11-01-18

DATE RESPONDED: 11-16-18

QUESTION 2-1:

Please expand upon your response to IS Set 1, Question No. 7c, by providing the specific allocation currently among core, balancing and unbundled storage for the 21 Bcf that SoCalGas proposes to assign to a new “reliability” function.

RESPONSE 2-1:

There is no specific allocation of inventory to functions in the current TCAP period for the proposed 21 Bcf for the new reliability function. Inventory is allocated from the total available capacity, and the 21 Bcf is part of the current total inventory of 138.1 Bcf allocated to core, balancing, and unbundled.

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QUESTION 2-2:

IS Set 1, Question No. 9, asked for an explanation (along with supporting analytics) of the assignments of the cost of storage assets and operation and maintenance expense accounts among the categories of injection, withdrawal and inventory and requested any supporting analysis for those assignments. SoCalGas's response states, in part:

“Aside from Appendix G itself, there were no supporting analytics used or prepared.”

With respect to that response:

- a. Please provide SoCalGas's definition of “analytics” as used in responding to this question.
- b. Please identify what material in Appendix G SoCalGas regards as “analytics.”
- c. Please identify the specific basis for the assignment of each percentage to injection, withdrawal and inventory for each of the asset and O&M expense accounts shown in Appendix G.

RESPONSE 2-2:

- a. The term “analytics” was introduced by Indicated Shippers in IS Set 1 (Question 9). Therefore, SoCalGas doesn't have a definition of “analytics” as used or intended by Indicated Shippers. In answering that question, SoCalGas generally interpreted that term to mean calculations or numerical data.
- b. Subject to the clarification provided in response to (a) above, please refer to Chapter 8 (Fung), Appendix G, Table 1.
- c. Each FERC account allocation percentage was determined on the basis of the judgement and experience of the storage operations group with respect to the function of specific storage assets. Please see Chapter 8, pp. G-3 through G-7, for the description and rationale for the functional allocation of each FERC Account.

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QUESTION 2-3:

The following statement appears on page 3 of Appendix G: “In many instances, these functional allocations remain unchanged from the 2008 study, as the allocation percentages are still accurate. In other instances, these functional allocations are adjusted to reflect their current and anticipated future operational use.” In regard to that statement, please identify which assignments changed, the basis for the change, and provide the referenced 2008 study along with all analytics and workpapers supporting that study.

RESPONSE 2-3:

See attached file: “IS-02-3 Functional Assignments.xls,” which presents the functional allocations from the 2008 study compared to the updated functional allocations. A comments column describes the basis of the updated assignment allocation, where these assignments have changed from the prior study.



IS-02-3 Functional
Assignments.xlsx

To clarify the reference to the 2008 study, the three shaded columns were consulted when preparing Appendix G. Costs reflected in the attached file are from 2007 FERC Form 2. See attached file.



IS2_Q3 (2008
Study).pdf

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QUESTION 2-4:

In response to IS Set 1, Question No. 20, SoCalGas suggests that the question is meant to refer to Table 6 on Page 28 and IS acknowledges that SoCalGas is correct. SoCalGas also suggests that when IS used the term “classification” in its question, IS really meant customer classes. That is an incorrect inference on the part of SoCalGas. The term “classification” as used by IS in this question was intended to distinguish classifications of costs among the conventional categories of customer-related, demand related and volume-related. Given that clarification, please indicate whether SoCalGas’ response to Question 20 of IS Set 1 would be different; and, if so, please provide a supplemental response.

RESPONSE 2-4:

To clarify, SoCalGas interprets from this question that IS acknowledges that the Question 20 of IS data request Set 1 actually pertains to Table 5 (i.e., there is no Table 6 in Chapter 9). SoCalGas’ response to Question 20 of IS Set 1 would not be different given IS’s clarification that the term “classification,” as used by IS, in that question was intended to distinguish classifications of costs among the conventional categories of customer-related, demand-related and volume-related.