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 TURN-SEU-4)
DATA RECEIVED: May 5, 2023
DATE RESPONDED: May 19, 2023

Question 1.

1. For each table included in Chapter 13, Tables 1 – 11, please provide a specific reference to the Excel workpaper(s) that include functional cells calculating each data point in the table, where the specific reference includes the workpaper file name, tab name, and the cell column and row.

Response 1.

- Table 1 – SoCalGas Natural Gas Transportation Rates (2022-2024) – Ch13_Gas Rates SCG – TCAP, tab: Rate Summary 2024
- Table 2 – SDG&E Natural Gas Transportation Rates (2022-2024) – Ch13_Gas Rates SDGE – TCAP, tab: Rate Summary 2024
- Table 3 – SoCalGas Natural Gas Transportation Rates (2025-2027) - Ch13_Gas Rates SCG – TCAP, tab: Rate Summary 2025-2027
- Table 4 – SDG&E Natural Gas Transportation Rates (2025-2027)- - Ch13_Gas Rates SDGE – TCAP, tab: Rate Summary 2025-2027
- Table 5: Current and Proposed Residential Fixed Customer Charge 2 and Volumetric Rates Ch13_Table 5. Ch13_Gas Rates SCG – TCAP, tab: Rates, rows 105 - 106
- Chart 1: Partial Electrification Scenario: CARE Bill Impacts Now And 2035 - Ch13_ Partial Electrification, Fixed Charge and CARE Bill – SoCalGas, Ch 13 SCG TCAP Bill Impact Summary - CARE - Half Vol 10% Cust Red, cells J5, K5, J18, K18, AC5, AD5, AC18, AD18
- Table 6: SoCalGas's Residential Minimum Connection Cost Per Month - Ch 9_SCG 2024TCAP LRMC Customer Costs with SC Summary, tab: Summary Table for SC Testimony, rows 28 and 29
- Table 7 - SDG&E's Residential Minimum Connection Cost Per Month - Ch 10_SDGE 2024TCAP LRMC Customer Costs Min, tab: For Testimony, rows 17 - 20
- Table 8 – SoCalGas Average Residential Bills – Ch 13 Tables 8 and 9, lines 8 -13, Ch13_Gas Rates SCG – TCAP, tab: Res Bill Zone 1, Rows 199 and 538
- Chart 2: Illustrative SoCalGas Annual Bill Impacts - Ch13_SCG TCAP Bill Impact Summary – CARE
- Table 9 – SDG&E Average Residential Bills - – Ch 13 Tables 8 and 9, Rows 30 -34, Gas Rates SDGE – TCAP, tab: Res Bill, rows 99 and 538
- Table 10: SoCalGas SGIP Cost Allocation – Ch 13 SoCalGas SGIP Allocation Data, Tab: Summary, Rows: 3 -9

- Table 11: Ch 13 SDG&E SGIP Cost Allocation, Ch 13 SDG&E SGIP Data Request, Tab: Incentives Summary, Rows 22: 26

Question 2.

2. Please provide the calculation equation and all calculation inputs used to derive the Rental method calculation of "the capital component of marginal customer-related cost as the incremental cost of hooking up an additional customer," as explained on lines 1-14 on page 22, resulting in the Rental method connection cost in Tables 6 and 7. Include a narrative explanation of this calculation beyond the level of specificity in Appendix C.

For Table 6, please see Ch 9_SCG 2024TCAP LRMC Customer Costs with SC Summary.xls, tab: Cust MUC, cells: E9:E25. The capital component calculation equation is shown in Chapter 9, Direct Testimony of Marjorie Schmidt-Pines, page 10, and below:

[CAPEX per customer x RECC]
CAPEX refers to capital expenditures for marginal MSA and service line capital costs.
RECC refers to real economic carrying charge. RECC is applied to annualize marginal capital costs.

For Table 6, please see Ch 10__SDGE 2024TCAP LRMC Customer Costs.xls, tab: Cust LRMC, cells: D10. The capital component calculation equation is shown above and described in Chapter 10, Direct Testimony of Michael Foster, pages 4 – 5.

a. In addition, please explain how cells F7, F8, F9 on tab RD Format of Ch9_SCG 2024TCAP LRMC Customer Costs.xlsx relate to Table 6.

Response 2a.
For Table 6, for the Adjusted Rental Method, see Ch 9_SCG 2024TCAP LRMC Customer Costs with SC Summary.xls, tab: Summary Table for SC Testimony, cells E18, E20. The RD Format tab has the Rental Method of Ch9_SCG 2024TCAP LRMC Customer Costs.xlsx.

b. Please explain how cells E25, F25, E11, and E81 on tab cust MUC of Ch9_SCG 2024TCAP LRMC Customer Costs.xlsx relate to Table 6.

Response 2b.
See Response 2a. See Ch 9_SCG 2024TCAP LRMC Customer Costs with SC Summary.xls.

Question 3.

3. In response to TURN-SEU-1, Question 15, Applicants stated that as a result of D.22-09-026, "the capital component of residential customer costs should be reduced to near zero" under the long-run marginal cost (LRMC) method, noting that this policy change "further dissociat[es] this methodology from the actual cost of service." Applicants also noted that line extension allowances will continue to be available to builders that have already signed up for the program before July 1, 2023. Regarding this response:

a. Please identify all categories of costs, as well as their amount, included in the calculation of the Rental method connection cost in Tables 6 and 7 that will be recoverable from residential ratepayers for new customers that sign connection contracts after July 1, 2023.

   Response 3a.
   SoCalGas and SDG&E object to these requests on the ground that it is beyond the scope of the witness's testimony inasmuch as the Residential Minimum Connection Costs in SoCalGas and SDG&E' testimony does not include analysis of D.22-09-026, Phase III Decision Eliminating Gas Line Extension Allowances, Ten-Year Refundable Payment Option, and Fifty Percent Discount Payment Option Under Gas Line Extension Rules, and SoCalGas and SDG&E further object that undergoing such a study at this time is unduly burdensome.

b. Revise Tables 6 and 7 based on the following scenarios (for all of these responses, please provide in Excel workable format so that calculation of the entries for the tables are clear and direct):

   i. All residential connections in 2024-2027 will result from connection requests after July 1, 2023;
   ii. Fifty percent of residential connections in 2024-2027 will result from connection requests after July 1, 2023, with the remainder before July 1, 2023;
   iii. Twenty-five percent of residential connections in 2024-2027 will result from connection requests after July 1, 2023, with the remainder before July 1, 2023.
   iv. Use the gas customer forecasts recommended by TURN for SoCalGas and SDG&E in the SoCalGas/SDG&E 2024 GRC, assuming that all new customers in 2024 in TURN's customer forecast result from

applications/requests after July 1, 2023. TURN's recommended gas forecasts compared to the Applicants' are shown in the following figures reproduced from Ex. TURN-14 in the 2024 GRC.

Figure 1.

SoCalGas

	Actual	Annual Average Residential Single Family Active Gas Customers			Total Change	
	2021	2022	2023	2024	2021-2024	
SCG	3,790,736	3,814,617	3,839,406	3,863,332	72,596	1.9%
TURN	3,790,736	3,806,370	3,825,413	3,839,730	48,871	1.3%
TURN-SCG	-	(8,247)	(5,747)	(9,608)	(23,725)	

	Actual	Annual Average Residential Multi Family Active Gas Customers			Total Change	
	2021	2022	2023	2024	2021-2024	
SCG	1,839,450	1,857,865	1,875,644	1,893,115	53,665	2.9%
TURN	1,839,450	1,852,369	1,863,463	1,871,826	32,376	1.8%
TURN-SCG	-	(5,496)	(6,684)	(9,109)	(21,289)	

Figure 2.

SDG&E

	Actual	Annual Average Residential Gas Customers			Total Change	
	2021	2022	2023	2024	2021-2024	
SDGE GAS	873,304	880,418	888,738	896,990	23,686	2.70%
TURN	873,304	877,962	883,307	885,996	12,692	1.45%
TURN-SDGE GAS	-	(2,456)	(5,431)	(10,994)		

v. Assume that the base margin increases requested by SoCalGas and SDG&E in the 2024 GRC are granted in full, as in TURN-SEU-1, Q13 Supplemental1.

Response 3b.
Please see Response 3a.

<u>Question 4.</u>

4. Regarding the NCO method values in Tables 6 and 7:

a. Please explain the effect of reducing the number of new customer connections used to derive the NCO method "connection cost per month" value in Tables 6 and 7, in terms of the magnitude and direction of change. For example, what percentage change (+/-) would result from reducing the new customer connections forecast by 10%, all else being equal?

Response 4a.
In SoCalGas' Table 6, a -0.5% percentage change would result from reducing the new customer connections forecast by 10%, all else being equal.

In SDG&E's Table 7, a -1% percentage change would result from reducing the new customer connections forecast by 10%, all else being equal.

b. Please explain the effect of increasing the number of new customer connections used to derive the NCO method "connection cost per month" value in Tables 6 and 7, in terms of the magnitude and direction of change. For example, what percentage change (+/-) would result from increasing the new customer connections forecast by 10%, all else being equal?

Response 4b.
In SoCalGas' Table 6, a +0.5% percentage change would result from increasing the new customer connections forecast by 10%, all else being equal.

In SDG&E's Table 7, a +1% percentage change would result from increasing the new customer connections forecast by 10%, all else being equal.

Question 5.

5. Please provide the same information as provided in response to Question 4 for ARM1 and ARM2 values in Tables 6 and 7.

Response 5.

The new customer connections do not impact the ARM1and ARM2 values in Tables 6 and 7.

Question 6.

6. Re: page 3, lines 20-22 ("Applicants have used four-year average gas demand forecasts (2024 through 2027) for allocating costs across customer classes"): Please provide the residential four year average demand forecasts (2024-27) used by Applicants, segmented by the number of gas appliances used by the customer.

Response 6.

SoCalGas did not segment its residential four-year average demand forecasts for 2024-2027 by the number of gas appliances used by the customer.

<u>Question 7.</u>

7. Re: page 4, lines 6-12, where the Applicants refer to "updated cost studies":

a. Do the updated cost studies incorporate the Commission's decision in D.22-09-026 to disallow line extension allowances after July 1, 2023?

Response 7a.
No

b. Are the Applicants performing new marginal cost studies that reflect D.22-09-026? If so, please provide the expected date of the studies' availability.

Response 7b.
No.

c. Do Applicants anticipate revising their proposals in this proceeding to reflect D.22-09-026. Why or why not?

Response 7c.
The Cost Allocation Proceeding Application was submitted in September 2022 with the most updated cost studies.

SoCalGas and SDG&E's testimony does not include analysis of D.22-09-026, Phase III Decision Eliminating Gas Line Extension Allowances, Ten-Year Refundable Payment Option, and Fifty Percent Discount Payment Option Under Gas Line Extension Rules, and Applicants further note that undergoing such a study at this time is unduly burdensome.

d. Please explain how Applicants' updated cost studies are more accurate than previous cost studies if they include escalation of capital costs that will now be "near zero" per TURN-SEU-01, Question 15.

Response 7d.
Not applicable.

Question 8:

8. Regarding customer costs for non-core customers:

a. Do non-core customers pay their own customer-specific costs (meter, gas line, regulator and other customer specific capital) or have they at any time in the past 10 years?

Response 8a.
Yes, for Transmission level noncore customers. Other distribution noncore customer receive allowances to cover meter, and gas line extensions to receive service. Beginning July 1, 2023, allowances will no longer be provided and all customers will have to pay for these costs.

b. Are any non-core customer costs currently allocated to the core?

Response 8b.
No.

c. Do Applicants' proposals in this proceeding allocate any non-core customer costs to the core? Provide a specific reference to a workpaper(s) demonstrating your response.

Response 8c.
No.

Question 9.

9. In Table 1 on page 5 and Table 2 on page 6, NonCore customer volumes, rates and revenues are broken out into Transmission level service and Distribution level service. Please provide the same breakout for Core Customers (it is understood that volumes may be the same for both categories, but TURN would like to see the rates and total revenues by class broken out by transmission and storage). Provide this information in the same format as provided for non-core customers in Tables 1 and 2.

Response 9.

The majority of Core Customers are served from the Distribution level service and charged the same rate regardless of Distribution or Transmission level service. Noncore customers are broken down into Transmission level service and Distribution level service for rates purposes.

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Question 10.

10. In Chart 2, SoCalGas provides a demonstration of bill impacts to CARE customers by usage percentiles. Please provide an analogous demonstration for

a. medical baseline customers;
b. customers at AR20 (as reported in the PUMA);1
c. customers at AR50 (as reported in the PUMA);
d. customers separated by multifamily and single-family residential customers;
e. by each of the Climate Zones:
 i. High Mountain
 ii. High Desert
 iii. Low Desert
 iv. Coastal
 v. Valley and Inland Valley

Response 10 a., d., and e.
SoCalGas and SDG&E object to these requests on the ground that it is beyond the scope of the witness's testimony inasmuch as the bill impacts in their testimony do not include those requested bill impacts and that performing such an analysis is unduly burdensome.

Response 10 b. and c.
This data is not readily available.

Question 11.

11. In Chart 2, SoCalGas provides a demonstration of bill impacts to CARE customers by usage percentiles. Please explain the relationship of essential usage to the SoCalGas CARE percentiles.[2]

Response 11.

There is no direct relationship between essential usage (baseline usage) and CARE usage. Essential usage is not shown in Chart 2. CARE 10th percentile usage refers to the actual usage of CARE customers that fall in the 10th percentile of usage. CARE median usage refers to the actual usage of CARE customers that fall in the 50th percentile of usage. CARE 90th percentile usage refers to the actual usage of CARE customers that fall in the 90th percentile of usage. Essential usage (baseline usage) is defined as the amounts of therms that customers are allowed to be charged at the baseline rate in a given month.

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Question 12.

12. Re: page 6, line 4 ("higher updated transmission and storage costs"), and page 7, lines 6-9 ("local transmission and storage embedded costs are higher in 2024 compared to 2023"): Please explain the drivers behind higher transmission and storage costs. Address in your response whether this higher cost is due to higher costs per unit of storage and transmission volume, or increases in volumes, or both. Additionally, please clarify:

Response 12.

Please see excel file, TURN-04_Q12, columns K and L.

a. Have the applicants built new storage since the last TCAP? If yes, please explain.

Response 12a.
No. In addition, see Response 14b.

b. If transmission and/or storage volumes have increased under this CAP relative the prior TCAP, please explain how that is consistent with the statement on page 7, that demand forecasts are lower for customer classes in this CAP relative to the last TCAP.

Response 12b.
Not applicable.

Question 13.

13. Re: page 7, line 6: The Applicants state that demand forecasts are lower for customer classes in this CAP relative to the prior TCAP. Are demand forecasts also lower than current actual demand?

a. Please provide annual demand by customer class for

i. Actual 2020, 2021, 2022;

Response 13ai.
See Response 20b.

ii. Forecasted (TCAP) 2020, 2021, 2022;

Response 13aii.
See Chapter 5 page 8 of A.18-07-024- SoCalGas and SDG&E 2020 Triennial Cost Allocation Proceeding (TCAP) at https://www.socalgas.com/regulatory/documents/a-18-07-024/testimony/Ch%205%20Guo%20Direct%20[2020%20TCAP]%20PDF-A.pdf.

iii. Forecasted (CAP) 2024, 2025, 2026.

Response 13aiii.
See Chapter 5 page 9 of A.22-09-015- SoCalGas and SDG&E 2024 Cost Allocation Proceeding on https://www.socalgas.com/regulatory/cpuc, or https://www.socalgas.com/sites/default/files/Chapter_5-Wei_Bin_Guo_Noncore_and_Consolidated_Demand_Forecasts.pdf.

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Question 14.

14. Please provide a map of all gas storage, overlayed with the Applicants' service territories and transmission hubs.

Response 14.

SoCalGas and SDG&E object to the request on the ground the term "transmission hub" is vague and ambiguous. Subject to and without waiving the foregoing, SoCalGas and SDG&E respond as follows:

a. Please provide a legend.

   Response 14a.
   See digital file, TURN04_Q14-SCG_Storage.pdf.

b. Please include labels and dates that the storage facilities came online.

   Response 14b.
   See Response 14a.

Question 15.

15. Has either Applicant, in the past ten years ever invested in pressure betterment for an individual customer? If so, please provide the utility, date of service, and specify whether the customer is still operating. If not, please provide date of termination of service.

Response 15.

Yes, SoCalGas and SDG&E invests in pressure betterment that's initiated due to a single New Business (NB) project, which could be a single Commercial & Industrial customer or a residential tract development or a group of independent New Business projects. There isn't a systematic way to identify the specific NB projects that required a pressure betterment versus those that did not.

Question 16:

16. Re: page 14, line 15 through page 15, line 2 ("… SoCalGas's fixed customer charge proposal adheres to the same guidelines [as adopted in D.17-09-035 for electric utilities], while enhancing the proposal to reflect concerns enumerated in the 2020 TCAP decision as well as advancements in ratemaking policy"):

a. Do the advancements referred to above include the Commission's decision to disallow line extensions, D.22-09-026?

Response 16a.
No.

b. Please explain whether and how SoCalGas's fixed customer charge proposal adheres to the guidelines adopted in D.17-09-035, considering the impact of D.22-09-026.

Response 16b.
As shown in Table 6: SoCalGas's Residential Minimum Connection Cost Per Month on page 22 (of Chapter 13), assuming the rental method the guidelines in D.17-09-035 (as shown in Appendix C (of Chapter 13)) would support a fixed customer charge of $22.69 in 2024. As shown in Table 5, on page 17 (of Chapter 13), SoCalGas is proposing an income differentiated fixed customer charge with an effective average charge well below that threshold, even in 2027 when the fixed charge reaches its peak. Applicants have not conducted analysis to determine the level of fixed customer charge that would be supported within the guidelines of D.17-09-035, if line extension allowances were removed as per D.22-09-026, See discussion on pages 14 at line 15 to page 19 at line 14 (of Chapter 13 – Rate Design). In addition, D.22-09-026 was issued on September 20, 2023. Applicants did not have considerable time to consider the impact of D.22-09-026 on the fixed customer charge proposal in A.22-09-15 which was to be filed on September 30, 2022 (and was filed on September 30, 2022).

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Question 17.

17. If no line extension allowances for customer specific costs are permitted, does SoCalGas maintain that residential customers should be required to pay a fixed customer charge each month? Explain why or why not.

Response 17.

Yes. Line extension allowances only represent a portion of the costs included in SoCalGas's residential minimum connection cost study, and the minimum connection cost study does not include all costs, such as Operation and Maintenance costs (Customer Services, Customer Accounts, Meter Set Assembly, Service Line), that could be considered candidates for recovery in a fixed customer charge. Further, as shown in direct testimony, SoCalGas' fixed residential customer charge proposal is an important tool in the state's energy transition goals. Implementation of a larger residential fixed customer charge can help soften bill shock associated with potential load and customer loss driven by California's electrification goals. See discussion on pages 14 at line 15 to page 21 at line 4 (of Chapter 13 – Rate Design).

a. Is SoCalGas's position the same for CARE customers? Explain the basis for any difference.

   Response 17a.
   Yes.

b. If SoCalGas maintains that fixed customer charges are appropriate in the absence of line extension allowances, please explain what costs incurred by the utility the fixed customer charge should contribute to or cover.

   Response 17b.
   Any cost that does not vary by usage is a candidate to be recovered as part of a fixed customer charge. These include customer related O&M, non-marginal medium-pressure and high-pressure distribution costs and public purpose program costs.

Question 18.

18. Re: page 18, lines 16-18 ("Transitions in the gas industry with forthcoming significant residential gas load and customer departure to electrification …"):

a. When does SoCalGas anticipate that this customer departure will begin?

Response 18a.
It is unclear where, when, or to what degree electrification will happen, and it will be dependent on several variables including policy changes, market factors, and customer behavior, but our forecast does incorporate one of the CEC's AAFS scenarios, which includes 2% amount of core load electrification over the CAP period.

b. Does SoCalGas anticipate that this customer departure will begin during this cost allocation period?

Response 18b.
See Response 18a.

c. Please reconcile the Applicants' forecast of "significant residential gas load and customer departure" with SoCalGas's and SDG&E's forecasts of gas customer growth in the 2024 GRC– A.22-05-015 et al., in Exhibits SCG-35 (Wilder) and SDG&E-39 (Wilder).

Response 18c.
SoCalGas assumes that total residential customer counts will continue to grow on net despite efficiency gains and partial electrification that will reduce residential load.

d. If a significant departure of residential customers in the future results in transmission and storage assets not being fully utilized, do Applicants maintain that this change in utilization should impact the allocation of transmission and storage costs to the residential customer class ?

Response 18d.
The relationship between load and customer decline and utilization of the system will be complex and is not well understood, especially for transmission and storage (T&S) assets. These assets will continue to be used to serve remaining gas customers, and any capacity that is freed up by the departure of residential customers will likely continue providing value in the form of increased resiliency and dampened volatility, among other things. Additionally, the T&S capacity will indirectly support departed customers through dispatchable electric generation - which is likely to see more volatility and enhanced ramping needs as it is relied upon to balance a grid with growing loads and increased intermittent renewable supplies.

See Chapter_14-N_Jonathan_Peress_Long-Term_Policy_and_Energy_Transition.pdf (socalgas.com) regarding the need for more significant changes to ratemaking philosophies in the future to better align with this evolving utilization/value. These issues are scoped into the Gas Planning OIR (R.20-01-007) and accordingly we elected not to propose enacting substantial changes (e.g., beneficiary pays instead of/hybridized with cost causation) in this CAP.

Question 19.

19. Does either Applicant have a policy regarding prudency of investments in capacity expansion and pressure betterment for temporary or seasonal customers? As part of your response, explain how, under current regulation, the allowances for customer specific capital investments are calculated, and detail how these allowances depend on expected duration of seasonal or temporary customer demand and volume.

Response 19.

For SoCalGas, please refer to Tariff Rules 20 (GAS_G-RULES_20.pdf (socalgas.com)) and 21 GAS_G-RULES_21.pdf (socalgas.com). Seasonal load is considered permanent load, so any applicable allowances would apply.

For SDG&E, please refer to Tariff Rules 15 (GAS_GAS-RULES_GRULE15.pdf (sdge.com) and 16 GAS_GAS-RULES_GRULE16.pdf (sdge.com). Seasonal load is considered permanent load, so any applicable allowances would apply.

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Question 20.

20. Please provide for the past 20 years

a. SoCalGas's Peak capacity transmission use by customer class

Response 20a.
Peak capacity transmission use by customer class is unavailable.

b. SoCalGas's Annual load by customer class

Response 20b.
Please see attached file "TURN-04_Q20b" for requested data.

c. SoCalGas's Annual gas storage volume by customer class.

Response 20c.
This data is not readily available.

Question 21.

21. Please explain in detail how Applicants allocate base gas costs by customer class in storage, where "base gas" refers to the quantity of gas owned by the company and not available for withdrawal by any customer.

Response 21.
Cushion gas also known as base gas is part of capital related costs, see Chapter 8, Prepared Direct Testimony of Frank Seres at Appendix A, Table 1, Underground Storage function, line 25, account 117.1 Cushion Gas. The Total Embedded Storage Cost including capital related costs, Table 22, page 21 gets allocated to Table 23, page. 22. The allocation is explained on pages 21-22 section VI. B. Underground Storage Allocation section.

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Question 22.

22. Please explain how Applicants allocate the working gas costs by customer class in storage, where "working gas" refers to the actual quantity of gas eligible to be withdrawn from a storage location.

Response 22.

The 2021 embedded storage cost allocation by Core Reservation, Load Balancing, and Balancing + function can be found in Chapter 8, Prepared Direct Testimony of Frank Seres, at pages 21 and 22. The explanation of the percentage allocation for injection, inventory, and withdrawal can also be found on page 21, and Appendix G.

Core Reservation allocation is discussed in Chapter 5, Direct Prepared Testimony of Wei Bin Guo, at pages 18 and 19. "These allocations are based on the monthly core demand forecasts presented in the testimony of Rose-Marie Payan (Chapter 3). These core storage capacity allocations are used to allocate storage costs among SoCalGas' and SDG&E's core customers."

Balancing function gets allocated based on the Average Years 2024-2027 forecast, as shown in Table 5 at Chapter_5-Wei_Bin_Guo_Noncore_and_Consolidated_Demand_Forecasts.pdf (socalgas.com). Detailed data and calculations of core storage asset allocation are available on pages 159-164 of Chapter 5 workpapers.

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Question 23.

23. Re: page 21, please break down numerically and categorically what SDG&E's current $4 residential minimum bill covers.

Response 23.

The residential minimum bill covers a portion of the SDG&E residential transportation revenue requirement. Costs are not specifically assigned to the residential minimum bill.

Question 24.

24. Please provide the depreciation schedules for the capital components of the Rental method in the residential customer connection costs shown in Tables 6 and 7 including:

Depreciation schedules are used in the capital components of the Adjusted Rental Methods 1 and 2 in the residential customer connection costs shown in Tables 6 and 7. The

a. supply line

Response 24a.

- For Table 6 - Please see Ch 9_SCG Rate Base 2021 – SRM.xls, tab: 3. Detailed Reports, For service, G-380, cell B60, Accumulated Depreciation Reserve
- For Table 7 - Please see Ch 10_SDGE Rate Base – 2021 SRM.xls, tab: 3. Detailed Reports, For service, G-380, cell B60, Accumulated Depreciation Reserve

b. Regulator

Response 24b.

- For Table 6 - Please see Ch 9_SCG Rate Base 2021 – SRM.xls, tab: 3. Detailed Reports, For Regulator, G-383, cell E60, Accumulated Depreciation Reserve
- For Table 7 - Please see Ch 10_SDGE Rate Base – 2021 SRM.xls, tab: 3. Detailed Reports, Regulator is together with meter, , G-381, see c. below.

c. meter.

Response 24c.

- For Table 6 - Please see Ch 9_SCG Rate Base 2021 – SRM.xls, tab: 3. Detailed Reports, For meter, G-381 and G-382, cells C60 and D60, Accumulated Depreciation Reserve
- For Table 7 - Please see Ch 10_SDGE Rate Base – 2021 SRM.xls, tab: 3. Detailed Reports, For meter and Regulator, G-381.00, G-381.01, G-382.00, G-382.01, Cells C60: F60, Accumulated Depreciation Reserve

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 TURN-SEU-4)
DATA RECEIVED: May 5, 2023
DATE RESPONDED: May 19, 2023

Question 25.

25. Re: pages 22-23, Tables 6 and 7:

a. Please specify the replacement costs included in each of the four methods, as applicable.

Response 25a.
In SoCalGas' Table 6, only the NCO Method includes the replacement costs of $76.26 annually or $6.35 monthly. The other methods do not include replacement costs.

In SDG&E's Table 7, only the NCO Method includes the replacement costs of $204.54 annually or $17.02 monthly. The other methods do not include replacement costs.

b. Given D.22-09-026, should replacement costs be excluded from the calculation of customer connection costs? Why or why not?

Response 25b.
SoCalGas and SDG&E object to these requests on the ground that it is beyond the scope of the witness's testimony inasmuch as SoCalGas and SDG&E's testimony does not include analysis of D.22-09-026, Phase III Decision Eliminating Gas Line Extension Allowances, Ten-Year Refundable Payment Option, and Fifty Percent Discount Payment Option Under Gas Line Extension Rules. SoCalGas and SDG&E further object to the extent the question calls for a legal conclusion.