**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 TURN-SEU-06)

DATA RECEIVED: 3-5-19

DATE RESPONDED: 3-19-19

QUESTION 1:

For each utility, please identify the amount of customer advances for construction that are related to (a) transmission and (b) distribution as of December 31, 2015, December 31, 2016 and December 31, 2017.

RESPONSE 1:

Listed below are the amount of customer advances for construction that are related to distribution as of December 31, 2015, December 31, 2016 and December 31, 2017. There are no customer advances for construction that are related to (a) transmission.

December 31, 2015 $14,147,897.94

December 31, 2016 $12,398,888.55

December 31, 2017 $16,138,443.66

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QUESTION 2:

Following up on TURN DR 2-2(b) and (c), please provide documentation supporting the assumption that the average length of both steel services and plastic services is 60 feet.

RESPONSE 2:

The 60 ft figure is the system total average, is both PE and Steel services combined. The updated Attachment #2.xls has recalculated the averages from the services data and determined these averages:

Plastic average: 58.32ft
Steel average: 62.48ft

As reported on the DOT-D Company average: 60 ft*

*This figure was calculated based on the total sum of all service lengths in feet divided by the total sum of all services.

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QUESTION 3:

Following up on TURN DR 2-8. Attachment 8b, this document shows that 34% of residential customers (28% of single-family and 57.2% of multifamily) have service costs less than the Rule 20 line extension credit.

a. Please estimate the 20th percentile of service line investment costs using the 17,114 jobs identified in this response.

b. Please provide workpapers supporting the 20th percentile of service costs (including investment costs, RECC for both services and meters) in Ms. Schmidt-Pines' testimony. Identifying the specific page in her workpapers where the specific 20th-percentile cost (not total class cost) is estimated be an adequate response if that 20th-percentile figure actually is shown in those workpapers.

c. Please estimate the average cost of service line investment costs using the 17,114 jobs identified in this response.

RESPONSE 3:

a. The data provided in Response TURN DR 2-8, Attachment 8b of 17,114 jobs represents contracted projects in the planning stage, not completed projects. These contracted projects contain estimated costs, not actual costs. Not all contracted installations are completed in the same year as the contract generation year.

   Based on actual work orders for service work completed during 2015-2017, the 20th percentile of service line investment costs is $1,088.09 per service line, as provided in Response CalPA DR-25, Question 4.

b. The previously-provided workpaper (excel version), "SCG 2020TCAP LRMC Customer Costs 20th percentile min 0618.xls" is supporting the 20th percentile of service costs (including investment costs, RECC for both services and meters) in Chapter 9 (Schmidt-Pines).

c. The average service line investment costs based on actual work orders completed (referenced in Response a.) is $11,302.55 per service line.

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QUESTION 4:

How many storage wells do the Sempra Utilities currently have in service? Of that total number of wells, how many are used for: a) injection; b) withdrawal; c) observation; and/or d) other purposes (please explain such other purposes)? Are observation wells used for other purposes as well? If so, please explain.

RESPONSE 4:

Total Natural Gas Storage Wells in Service:

As of December 31, 2018	Aliso Canyon	La Goleta	Honor Rancho	Playa Del Rey
a) Injection and Withdrawal	59	9	19	16
b) Withdrawal Only	-	-	3	-
c) Observation	3	3	-	17
d) Other*	-	-	2	3
Total	62	12	24	36

D) Other purposes:

- Liquid Removal – Removes liquid from the edge of the storage zone
- Gas migration – Recapture gas from wells at the edge of the storage zone

Observation Wells: Not used for any other purpose.

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QUESTION 5:

With respect to the Storage Allocation by Function shown in Witness Fung's Appendix G:

a. FERC Account 351 – Structures and Improvements. Do the offices and associated buildings included in this account house only personnel involved in the inventory function, or do their activities also relate to injection and withdrawal. If the latter, why are all of these costs allocated to inventory?

b. FERC Account 352 – Wells. Please explain why a quarter of this account is allocated to the inventory function.

c. FERC Account 357 – Other Equipment. Please explain the types of equipment recorded in this account.

d. FERC Account 117.1 – Cushion Gas. Why is this account not allocated 100% to the withdrawal function, since the gas is required to maintain pressure for withdrawal.

e. FERC Account 824 – Other Expenses. Please explain the types of expenses recorded in this account.

RESPONSE 5:

a. FERC Account 351 – These above ground structures consist of the offices and associated buildings required for personnel and equipment that are not specifically purposed for injection or withdrawal operations. Other FERC accounts are utilized for activities related for withdrawal or injection. It is reasonable to allocate 100% of FERC Account 351 to the inventory function.

b. FERC Account 352 – A 2:1 allocation was approximated for the use of wells for withdrawal/injection as typically a higher ratio of wells is required to meet withdrawal rate demands for the gas system in contrast to the number of wells required to meet rates for injection. A remaining quarter of this account allocation is designated to the inventory function.

c. FERC Account 357 – Auxiliary Equipment and Infrastructure such as Electrical systems, Instrumentation systems, Tanks, Valves, Pumps and Vessels

d. FERC Account 117.1 – Cushion gas is the volume of gas intended to serve and establish the permanent inventory within a storage reservoir. It is required to maintain adequate pressure for deliverability and injection rates throughout the year. Subsequently, the 2/3 allocation to the “withdrawal” function and a 1/3 allocation to the “inventory” function is maintained as a reasonable proxy allocation.

e. FERC Account 824 – Security & Fire Protection, Some utility costs such as telecommunications, Environmental and Safety permits and fees, and Miscellaneous costs such as training, labor, materials not specific to any other function.

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QUESTION 6:

Please provide the escalation factors described in the sentence that carries over from page 3 to page 4 of Witness Schmidt-Pines' testimony.

RESPONSE 6:

The escalation factors are listed below from workpaper SCG 2020TCAP LRMC OM loader.xls, tab: Escalation Factors.

2017-20 Factor: Capital	1.1319
2017-20 Factor: O&M	1.0987

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QUESTION 7:

Please explain the difference between the Total Storage Cost of $161.6 million shown in Table 23 of Witness Fung's testimony and the total storage Base Margin of $164,411,000 shown in Table 4 of Witness Schmidt-Pines' testimony.

RESPONSE 7:

The difference between the Total Storage Cost of $161.6 million shown in Table 23 of Chapter 8 (Fung) and the total storage Base Margin of $164,411,000 shown in Table 4 of Chapter 9 (Schmidt-Pines) is the Franchise Fees & Uncollectible Factor (FF&U) ($161.1 million multiplied by 101.737% (FF&U) = $164.4 million).

QUESTION 8:

Is the current Base Margin for SoCalGas still equal to the $2,246,492,000 shown in Table 4 of Witness Schmidt-Pines' testimony? If not, please explain and quantify all changes to the Base Margin subsequent to the preparation of that testimony.

RESPONSE 8:

The current (as of January 1, 2019) Base Margin is different from the Base Margin shown in Table 4 of Chapter 9 (Schmidt-Pines).

The table below shows the Base Margin and the adjustments that lead to the "Base Margin in Transportation Rates" of $2,246,492 (in $000) as filed. This is shown in the previously-provided workpaper (excel version), "2020 TCAP SCG RD Model.xls", tab: Revenue Check.

			($000)
Base Margin			$2,225,608
Adjustments to Base Margin			
AB32 Fees	($4,536)	101.74%	($4,615)
Brokerage Fee			($7,927)
			$2,213,066
			$0
Aliso Canyon Turbine Replacement	$32,856	101.74%	$33,426
Base Margin in Transportation Rates (w/FFU; Pre SI/BTS)			**$2,246,492**

AB32 Fees (after applying FF&U factor) are removed from Base Margin and allocated by Equal Cents Per Therm (ECPT) for AB32 Fee Non-Exempt, shown in the workpaper, "2020 TCAP SCG RD Model.xls", tab: Cost Alloc, line 27. Brokerage Fee is part of the Core Procurement. Aliso Canyon Turbine Replacement is added as explained in Chapter 8 (Fung), pages 17 -18.

The January 1, 2019 Base Margin and "Base Margin in Transportation Rates" are shown in the table below. The changes reflect authorized changes to Alison Canyon Turbine Replacement revenue requirement and the Core Brokerage Fee (based on D16-10-004):

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			($000)
Base Margin			$2,225,608
Adjustments to Base Margin			
AB32 Fees	($4,536)	101.74%	($4,615)
Brokerage Fee			($8,171)
			$2,212,822
Aliso Canyon Turbine Replacement	$23,163	101.74%	$23,566
Base Margin in Transportation Rates (w/FFU; Pre SI/BTS)			**$2,236,388**

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QUESTION 9:

Has the increased Aliso Canyon Turbine Replacement cost of $275.5 million (versus $200.9 million) been approved by the CPUC? If not, is the increased cost being considered in the General Rate Case or some other forum?

RESPONSE 9:

The increased Aliso Canyon Turbine Replacement cost of $275.5 million (versus $200.9 million) has not been approved by the CPUC yet:

(i) $200.9 million ACTR project costs was authorized in D.13-11-023;

(ii) SoCalGas's TY 2019 GRC is the proceeding where SoCalGas is seeking cost recovery for the incremental capital costs of $74.6 million. The Commission has not yet issued a decision in that proceeding. In D.13-11-023 (authorizing the ACTR project), the Commission stated that SoCalGas may seek recovery of project costs above the authorized cap in a subsequent proceeding.