

Application No: A.11-11-002
Exhibit No.: _____
Witness: _____

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In the Matter of the Application of San Diego Gas &)
Electric Company (U 902 G) and Southern California)
Gas Company (U 904 G) for Authority to Revise)
Their Rates Effective January 1, 2013, in Their)
Triennial Cost Allocation Proceeding)
_____)

A.11-11-002
(Filed November 1, 2011)

**REVISED UPDATED PREPARED DIRECT SAFETY ENHANCEMENT COST
ALLOCATION TESTIMONY
OF GARY LENART
SAN DIEGO GAS & ELECTRIC COMPANY
AND
SOUTHERN CALIFORNIA GAS COMPANY**

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

February 22, 2013

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1 **REVISED UPDATED PREPARED DIRECT SAFETY ENHANCEMENT COST**

2 **ALLOCATION TESTIMONY OF GARY LENART**

3 **I. QUALIFICATIONS**

4 My name is Gary G. Lenart. My business address is 555 West Fifth Street, Los Angeles,
5 California, 90013-1011. I am employed by the Southern California Gas Company (SoCalGas) as
6 Natural Gas Rate Manager for SoCalGas and San Diego Gas and Electric Company (SDG&E).

7 I hold a Bachelor of Science degree in Business Finance and Computer Science from
8 Bradley University in Peoria, Illinois and a Master of Business Administration from California
9 State University at Northridge, California. I have been employed by SoCalGas since 1988, and
10 have held positions of responsibilities as a General Ledger Accountant for Pacific Interstate
11 Company (an interstate pipeline affiliate), a Financial Analyst for Pacific Enterprises Oil & Gas
12 Company (an oil exploration and production affiliate), as an analyst in the Strategic Planning &
13 Economic Analysis department, as the Financial Analyst for the New Product Development
14 department, as a Market Advisor for the Customer Service & Information department, and as
15 Principle Economic Analyst for the Regulatory Affairs department. I have been in my current
16 position as Natural Gas Transportation Rates Manager since June, 2010.

17 As Manager of Gas Transportation Rates, I am responsible for managing the gas
18 transportation rates for both SoCalGas and for SDG&E. This includes allocating authorized
19 revenue requirements to customer rate classes; and, developing the design of the rate for each
20 class; and, managing the impact on customers' monthly bills.

21 I have previously testified before the California Public Utilities Commission
22 (Commission).

23

1 **II. PURPOSE AND OVERVIEW**

2 The purpose of this testimony is to present the customer rate impacts resulting from the
3 proposals in Phase 1 of the TCAP proceeding, which addresses SoCalGas and SDG&E's
4 Pipeline Safety Enhancement Plan (PSEP), and proposals in Phase 2 regarding allocation of costs
5 and demand forecast. These rates are for illustrative purposes only and will be adjusted to
6 reflect actual costs and schedules when placed into rates.

7 **III. RATES**

8 **A. Introduction and Summary**

9 In this Section, SoCalGas and SDG&E propose to recover all Pipeline Safety
10 Enhancement Plan costs through a PSEP Surcharge. The surcharge will be comprised of the
11 estimated revenue requirements for that year, which in the initial year will include costs planned
12 through 2013, combined with the balance in the Pipeline Safety Reliability Memo Account (to
13 be incorporated into rates, as appropriate. The PSEP Surcharge will be implemented upon
14 Commission approval and updated on January 1st of each year as part of SoCalGas and
15 SDG&E's respective Annual Consolidated Rate Update Filings.

16 The costs to be recovered each year through the PSEP Surcharge will be allocated to
17 customer classes using the Equal Percent Authorized Margin method. The PSEP Surcharge will
18 be a separate line item on customers' bills. The illustrative surcharges at the end of Phase 1A are
19 summarized in Table 2.

20 **B. Review of Current Rates**

21 The following is a brief description of existing transportation rates and recent relevant
22 filings.

23 **1. Authorization**

24 The Commission is responsible for regulating investor-owned electric, natural gas,
25 telecommunications, and water utilities. The Commission sets retail natural gas rates and

1 allocates costs for different categories of gas customers through traditional General Rate Cases
2 and/or cost allocation proceedings.

3 **2. 2009 Cost Allocation Proceeding Decision**

4 Pursuant to D.09-11-006, SoCalGas and SDG&E established the currently-effective
5 natural gas transportation rates. The rate design models for SoCalGas and SDG&E allocate to
6 customer classes, the authorized revenue requirements that are determined in General Rate
7 Cases. The rate design models then further incorporate transmission system integration and
8 other costs incurred by SoCalGas and SDG&E to provide basic transportation services to their
9 customers during the forecasted cost allocation period. These other costs include Fuel Use,
10 Advanced Meter Infrastructure, and Commission-authorized regulatory account amortizations.

11 **3. 2011 year-end Consolidated Advice Letter Filing**

12 Advice letters are commonly used by utilities to make changes to their tariffs. The
13 purpose of a consolidated advice letter filing is to consolidate several previously-filed advice
14 letters and Commission decisions that reflect gas rate changes for the upcoming calendar year.
15 These are primarily for updating the regulatory account amortizations and updating the
16 authorized revenue requirement.

17 Consolidated Advice Letters AL-4314 (for SoCalGas), and AL-2082-G (for SDG&E)
18 established the following class-average rates in Table 1:

Table 1
Current Natural Gas Transportation Rates
Class Average Rates for SoCalGas and SDG&E
(\$/therm except as noted)

	SoCalGas	SDG&E
Core Rates		
Residential	\$0.54427	\$0.59205
Average Residential Bill \$/month	\$38.82	\$35.70
Commercial & Industrial	\$0.29905	\$0.19144
Natural Gas Vehicles	\$0.06886	\$0.06597
Gas Engine	\$0.08848	N/A
Gas Air Conditioning	\$0.06682	N/A
Non-Core Rates		
Commercial & Industrial – Distribution	\$0.06810	\$0.12163
Electric Generation – Distribution	\$0.02955	\$0.02908
Transmission Level Service	\$0.01728	\$0.01720
Backbone Transmission Service \$/dth/day	\$0.11042	N/A
SDG&E	\$0.01027	N/A
Enhanced Oil Recovery	\$0.02359	N/A
System Average Rates		
	\$0.20634	\$0.19957

4. Firm Access Rights Update Filing

In D.06-12-031, the Commission approved the request of SoCalGas and SDG&E to establish a system of Firm Access Rights and, among other things, required the utilities to file a joint application eighteen months after the initial Open Season concluded in order to initiate a review of the Firm Access Rights system to assess how it has been working, and whether any changes or modifications are needed.

On March 29, 2010, SoCalGas and SDG&E filed a joint application to initiate Commission review of Firm Access Right service implemented pursuant to D.06-12-031. On April 19, 2011 in D.11-04-032, the Commission issued a decision that assessed the performance of the Firm Access Right system, adopted operational changes to improve the system, and

1 established the revenue requirement, rate design, and rates for natural gas Backbone
2 Transportation Service for the period from October 1, 2011 until the effective date of rates
3 established in the next Triennial Cost Allocation Proceeding.

4 The Backbone Transportation Service rate was implemented on October 1, 2011.

5 **5. 2012 General Rate Case**

6 Our 2012 General Rate Case Applications are currently before the Commission and are
7 not reflected in this filing.

8 **6. 2016 General Rate Case¹**

9 We anticipate filing our General Rate Case Applications for test year 2016 in late 2014.
10 It is estimated that a decision in our 2016 General Rate Cases will be implemented on around
11 January 1, 2016. While these rate cases are not directly reflected in this filing, they are
12 referenced as proceedings to request funding beyond 2015.

13 **C. PSEP Surcharge**

14 The PSEP Surcharge will include Pipeline Safety Enhancement Plan costs based upon:

- 15 i. The Pipeline Safety Enhancement Plan revenue requirements, , which include
16 costs to be tracked in the Pipeline Safety and Reliability Memorandum
17 Account proposed in our joint motion filed May 4, 2011 and most recently in
18 Advice Letter 4359;
- 19 ii. Any balance in the Pipeline Safety and Reliability Memorandum Account to
20 be incorporated into rates, as appropriate.

21 These Pipeline Safety Enhancement Plan costs will be incorporated into rates upon
22 implementation of the Commission's decision; and on January 1st of each subsequent year, as
23 part of the Annual Consolidated Update Filing. Costs will be allocated among customer classes

¹ The reference to the next rate case cycle as having a 2016 test year is based on a proposal by SoCalGas and SDG&E in their 2012 General Rate Case Applications now pending before the Commission, and subject to Commission approval.

1 via the Equal Percent Authorized Margin method,² which is also being updated in Phase 2, and
2 recovered through the PSEP Surcharge.

3 SoCalGas and SDG&E propose to charge a flat monthly surcharge for residential
4 customers and a volumetric surcharge for non-residential customers. Since it is not practical to
5 develop a single flat-monthly or volumetric surcharge that would apply to all customers in all
6 rate classes using an Equal Percent Authorized Margin allocation, a different surcharge is
7 required to be calculated for each customer class. The surcharges for customers within each
8 customer class may be flat monthly surcharges, volumetric surcharges, or a combination. Since
9 the residential market is a relatively homogeneous market in terms of natural gas demand,
10 SoCalGas and SDG&E determined that a fixed monthly PSEP Surcharge is reasonable for this
11 class. Due to the wide range of demand profiles among the non-residential customer classes, a
12 volumetric surcharge is more reasonable for these customers. Wholesale customers, along with
13 others on the transmission-level service rate, will be charged the PSEP Surcharge, however,
14 SDG&E will not be charged the PSEP Surcharge as part of wholesale service. This is due to the
15 integration of the Pipeline Safety Enhancement Plan between the two utilities, with the
16 Surcharge being determined on a combined cost and demand basis.

17 As stated earlier, rates will be adjusted on January 1st each year as part of our proposed
18 Annual Consolidated Rate Update Filings. See Appendix A for illustrative PSEP Surcharges for
19 each year of Phase 1. We propose to apply this PSEP Surcharge methodology until the assets are
20 fully recovered.

21 Table 2 below shows an illustrative PSEP Surcharge for the year 2015. A summary rate
22 table showing the PSEP Surcharges resulting from the proposed Pipeline Safety Enhancement
23 Plan revenue requirements through the year 2022 is shown in Appendix A. Also, Table 5, which
24 summarizes the consolidated rate impacts of the proposed Pipeline Safety Enhancement Plan,
25 shows that the allocation of Phase 1A costs is fairly even among residential and non-residential

² Pursuant to D.09-11-006 Equal Percent Authorized Margin (EPAM) is defined as the percent of base margin, on a post-system integration and post-Firm Access Rights unbundled basis, allocated to each class.

1 classes. During the four-year period of Phase 1A, most rates will increase by approximately
 2 seven to 14 percent.

3
 4 **Table 2**
 5 ***SoCalGas and SDG&E PSEP Surcharges for Phase 1A³***
 6

	Proposed Case	Base Case
<u>SoCalGas</u>		
Monthly PSEP Surcharge (\$/mo)		
Residential	\$2.91	\$2.45
Volumetric PSEP Surcharges (\$/th)		
Core Commercial & Industrial	\$0.03272	\$0.02760
Gas Air-Conditioning	\$0.01038	\$0.00876
Gas Engine	\$0.01369	\$0.01155
Natural Gas Vehicle	\$0.00982	\$0.00829
Noncore C&I - Distribution Level Service	\$0.00688	\$0.00581
Electric Generation Distribution Level Service	\$0.00370	\$0.00312
EOR - Distribution Level Service	\$0.00370	\$0.00312
Transmission Level Service	\$0.00117	\$0.00099
<u>SDG&E Gas</u>		
Monthly PSEP Surcharge (\$/mo)		
Residential	\$2.91	\$2.46
Volumetric PSEP Surcharges (\$/th)		
Core C&I	\$0.03273	\$0.02760
Natural Gas Vehicle	\$0.00986	\$0.00832
Noncore C&I - Distribution Level Service	\$0.00692	\$0.00584
Electric Generation-Distribution Level Service	\$0.00372	\$0.00314
Transmission Level Service	\$0.00118	\$0.00100

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 8 **1. CARE Applicability for Low Income Customers and Illustrative PSEP**
 9 **Surcharge**

10 We propose to apply the 20% rate discount to the PSEP Surcharge for those customers on
 11 the California Alternate Rate for Energy (CARE) rate schedule. The discounted amounts shall
 12 be included in the CARE program costs and recovered through the Public Purpose Program
 13 Surcharge rate. An example of the calculation of the PSEP Surcharge applicable to CARE

³ Surcharges reflected are for 2015. See Appendix A for ten-year rate schedule.

1 participants is shown in Table 3 for the year 2015. A summary of the CARE rate table through
 2 2022, showing the PSEP Surcharges resulting from the proposed Pipeline Safety Enhancement
 3 Plan revenue requirements, is shown in Appendix B. As discussed above, upon approval of
 4 proposed Pipeline Safety Enhancement Plan, an advice letter will be filed to implement the
 5 Commission’s decision. The advice letter will include an update to the applicable Public
 6 Purpose Program Surcharge rate.

7 **Table 3**
 8 **CARE PSEP Surcharge and Discounted Amounts for Phase 1A⁴**
 9

	Proposed Case	Base Case
SoCalGas		
Non-Care PSEP Surcharge \$/mo	\$2.91	\$2.45
* 20% CARE Discount	(\$0.58)	(\$0.49)
= CARE PSEP Surcharge \$/mo	\$2.33	\$1.96
* # CARE Participants	1,708,706	1,708,706
* 12 months	12	12
= CARE Discount \$ million/yr	\$11.9	\$10.1
SDG&E		
Non-Care PSEP Surcharge \$/mo	\$2.91	\$2.46
* 20% CARE Discount	(\$0.58)	(\$0.49)
= CARE PSEP Surcharge \$/mo	\$2.33	\$1.96
* # CARE Participants	203,547	203,547
* 12 months	12	12
= CARE Discount \$ million/yr	\$1.4	\$1.2

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2. Impact on Existing Public Purpose Program Surcharge Rate

An example of the impact of the discounted amounts recovered through the Public Purpose Program Surcharge rate is shown in Table 4 for 2015. Additionally, a summary rate table showing the impacts of the Pipeline Safety Enhancement Plan on the Public Purpose Program Surcharge rates through 2022 is shown in Appendix C.

⁴ Impact reflected is for 2015. See Appendix B for ten-year rate schedule.

Table 4
Public Purpose Program Surcharge for Phase 1A⁵

	Current Rates \$/th	Proposed Case \$/th	Base Case \$/th
<u>SoCalGas</u>			
Residential	\$0.08231	\$0.08513	\$0.08469
Core C&I	\$0.06983	\$0.07265	\$0.07221
NGV	\$0.03104	\$0.03386	\$0.03342
Noncore C&I	\$0.03520	\$0.03802	\$0.03758
<u>SDG&E</u>			
Residential	\$0.07985	\$0.08292	\$0.08244
Core C&I	\$0.11770	\$0.12077	\$0.12029
NGV	\$0.03781	\$0.04088	\$0.04040
Noncore C&I	\$0.11118	\$0.11425	\$0.11376

3. Illustrative Residential Bill Impact and Non-Residential Rate Impacts

Combining the charges described above for the PSEP Surcharge with the Public Purpose Program Surcharge rate impact will result in the illustrative Residential monthly bills and Non-Residential class average volumetric rates shown in Table 5. The Residential bills are based on system-wide average monthly usage for SoCalGas of 38 therms/month and SDG&E of 33 therms/month, using current transportation rates and core procurement rates. The Non-Residential rates are based on current class-average transportation rates, excluding Firm Access Rights charges and gas commodity. Table 5 below shows the residential bill impact and the non-residential customer rate impact. Additionally, a summary rate table showing the consolidated impacts of the Pipeline Safety Enhancement Plan through 2022 is provided in Appendix D.

⁵ Impact reflected is for 2015. See Appendix C for ten-year rate schedule.

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Table 5
Consolidated Rate Impacts for Phase 1A⁶

	Current	Proposed Case		Base Case	
<u>SoCalGas</u>			% Change		% Change
Residential Avg Monthly Bill - \$/mo	\$38.82	\$41.83	7.8%	\$41.36	6.6%
Avg Monthly Bill w/out G-CP - \$/mo	\$22.40	\$25.42	13.5%	\$24.95	11.4%
Non-res Rates (\$/th)					
Core C&I	\$0.36888	\$0.40442	9.6%	\$0.39886	8.1%
NGV	\$0.09989	\$0.11254	12.7%	\$0.11056	10.7%
Noncore C&I – Distribution	\$0.10329	\$0.11300	9.4%	\$0.11148	7.9%
EG – Distribution	\$0.02955	\$0.03325	12.5%	\$0.03267	10.6%
Transmission Level Service	\$0.01728	\$0.01845	6.8%	\$0.01827	5.7%
<u>SDG&E</u>					
Residential Avg Monthly Bill - \$/mo	\$35.70	\$38.71	8.4%	\$38.24	7.1%
Avg Monthly Bill w/out G-CP - \$/mo	\$21.44	\$24.45	14.0%	\$23.98	11.8%
Non-res Rates (\$/th)					
Core C&I	\$0.30914	\$0.34494	11.6%	\$0.33933	9.8%
NGV	\$0.10378	\$0.11670	12.5%	\$0.11468	10.5%
Noncore C&I – Distribution	\$0.23280	\$0.24279	4.3%	\$0.24123	3.6%
EG – Distribution	\$0.02908	\$0.03280	12.8%	\$0.03222	10.8%
Transmission Level Service	\$0.01720	\$0.01838	6.9%	\$0.01819	5.8%

4 This concludes my revised updated prepared direct safety enhancement cost
5 allocation testimony.

⁶ Impact reflected is for 2015. See Appendix D for ten-year rate schedule.

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Appendix A Illustrative PSEP Surcharge for Phase 1

Proposed Case

	2012	Phase 1A			Phase 1A & 1B							
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
SoCalGas												
Monthly PSEP Surcharges (\$/mo)												
Residential	0.00	1.79	2.17	2.91	2.91	3.46	3.98	4.63	4.72	4.97	5.16	
Volumetric PSEP Surcharges (\$/th)												
Core Commercial & Industrial	0.000	0.020	0.024	0.033	0.033	0.039	0.045	0.052	0.053	0.056	0.058	
Gas Air Conditioning	0.000	0.006	0.008	0.010	0.010	0.012	0.014	0.017	0.017	0.018	0.018	
Gas Engine	0.000	0.008	0.010	0.014	0.014	0.016	0.019	0.022	0.022	0.023	0.024	
Natural Gas Vehicle	0.000	0.006	0.007	0.010	0.010	0.012	0.013	0.016	0.016	0.017	0.017	
Noncore C&I - Distribution	0.000	0.004	0.005	0.007	0.007	0.008	0.009	0.011	0.011	0.012	0.012	
Electric Generation - Distribution	0.000	0.002	0.003	0.004	0.004	0.004	0.005	0.006	0.006	0.006	0.007	
Enhanced Oil Recovery - Distribution	0.000	0.002	0.003	0.004	0.004	0.004	0.005	0.006	0.006	0.006	0.007	
Transmission Level Service	0.000	0.001	0.001	0.001	0.001	0.001	0.002	0.002	0.002	0.002	0.002	
SDG&E												
Monthly PSEP Surcharges (\$/mo)												
Residential	0.00	1.79	2.17	2.91	2.92	3.47	3.99	4.64	4.73	4.98	5.17	
Volumetric PSEP Surcharges (\$/th)												
Core Commercial & Industrial	0.000	0.020	0.024	0.033	0.033	0.039	0.045	0.052	0.053	0.056	0.058	
Natural Gas Vehicle	0.000	0.006	0.007	0.010	0.010	0.012	0.014	0.016	0.016	0.017	0.017	
Noncore C&I - Distribution	0.000	0.004	0.005	0.007	0.007	0.008	0.009	0.011	0.011	0.012	0.012	
Electric Generation - Distribution	0.000	0.002	0.003	0.004	0.004	0.004	0.005	0.006	0.006	0.006	0.007	
Transmission Level Service	0.000	0.001	0.001	0.001	0.001	0.001	0.002	0.002	0.002	0.002	0.002	

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Base Case

	2012	Phase 1A			Phase 1A & 1B							
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
SoCalGas												
Monthly PSEP Surcharges (\$/mo)												
Residential	0.00	1.76	1.81	2.45	2.35	2.56	2.78	3.14	2.97	2.96	2.91	
Volumetric PSEP Surcharges (\$/th)												
Core Commercial & Industrial	0.000	0.020	0.020	0.028	0.026	0.029	0.031	0.035	0.033	0.033	0.033	
Gas Air Conditioning	0.000	0.006	0.006	0.009	0.008	0.009	0.010	0.011	0.011	0.011	0.010	
Gas Engine	0.000	0.008	0.009	0.012	0.011	0.012	0.013	0.015	0.014	0.014	0.014	
Natural Gas Vehicle	0.000	0.006	0.006	0.008	0.008	0.009	0.009	0.011	0.010	0.010	0.010	
Noncore C&I - Distribution	0.000	0.004	0.004	0.006	0.006	0.006	0.007	0.007	0.007	0.007	0.007	
Electric Generation - Distribution	0.000	0.002	0.002	0.003	0.003	0.003	0.004	0.004	0.004	0.004	0.004	
Enhanced Oil Recovery - Distribution	0.000	0.002	0.002	0.003	0.003	0.003	0.004	0.004	0.004	0.004	0.004	
Transmission Level Service	0.000	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	
SDG&E												
Monthly PSEP Surcharges (\$/mo)												
Residential	0.00	1.76	1.82	2.46	2.35	2.56	2.78	3.14	2.97	2.96	2.91	
Volumetric PSEP Surcharges (\$/th)												
Core Commercial & Industrial	0.000	0.020	0.020	0.028	0.026	0.029	0.031	0.035	0.033	0.033	0.033	
Natural Gas Vehicle	0.000	0.006	0.006	0.008	0.008	0.009	0.009	0.011	0.010	0.010	0.010	
Noncore C&I - Distribution	0.000	0.004	0.004	0.006	0.006	0.006	0.007	0.007	0.007	0.007	0.007	
Electric Generation - Distribution	0.000	0.002	0.002	0.003	0.003	0.003	0.004	0.004	0.004	0.004	0.004	
Transmission Level Service	0.000	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	

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Appendix B
Illustrative PSEP Surcharge for CARE Participants for Phase 1

Proposed Case

	2012	Phase 1A			Phase 1A & 1B						
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Monthly CARE PSEP Surcharges											
SoCalGas - Residential \$/mo	0.00	1.43	1.73	2.33	2.33	2.77	3.19	3.71	3.78	3.98	4.13
SDG&E - Residential \$/mo	0.00	1.43	1.74	2.33	2.33	2.77	3.19	3.71	3.78	3.98	4.13

Base Case

	2012	Phase 1A			Phase 1A & 1B						
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Monthly CARE PSEP Surcharges											
SoCalGas - Residential \$/mo	0.00	1.41	1.45	1.96	1.88	2.05	2.22	2.51	2.38	2.37	2.32
SDG&E - Residential \$/mo	0.00	1.41	1.45	1.96	1.88	2.05	2.23	2.51	2.38	2.37	2.33

Appendix C
Illustrative Public Purpose Program Surcharge Rates for Phase 1

Proposed Case

	2012	Phase 1A			Phase 1A & 1B						
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
SoCalGas - \$/th											
Residential	0.082	0.084	0.084	0.085	0.085	0.086	0.086	0.087	0.087	0.087	0.087
Core Commercial & Industrial	0.070	0.072	0.072	0.073	0.073	0.073	0.074	0.074	0.074	0.075	0.075
Natural Gas Vehicle	0.031	0.033	0.033	0.034	0.034	0.034	0.035	0.036	0.036	0.036	0.036
Noncore C&I	0.035	0.037	0.037	0.038	0.038	0.039	0.039	0.040	0.040	0.040	0.040
SDG&E - \$/th											
Residential	0.080	0.082	0.082	0.083	0.083	0.084	0.084	0.085	0.085	0.085	0.085
Core Commercial & Industrial	0.118	0.120	0.120	0.121	0.121	0.121	0.122	0.123	0.123	0.123	0.123
Natural Gas Vehicle	0.038	0.040	0.040	0.041	0.041	0.041	0.042	0.043	0.043	0.043	0.043
Noncore C&I	0.111	0.113	0.113	0.114	0.114	0.115	0.115	0.116	0.116	0.116	0.117

Base Case

	2012	Phase 1A			Phase 1A & 1B						
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
SoCalGas - \$/th											
Residential	0.082	0.084	0.084	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.085
Core Commercial & Industrial	0.070	0.072	0.072	0.072	0.072	0.072	0.073	0.073	0.073	0.073	0.073
Natural Gas Vehicle	0.031	0.033	0.033	0.033	0.033	0.034	0.034	0.034	0.034	0.034	0.034
Noncore C&I	0.035	0.037	0.037	0.038	0.037	0.038	0.038	0.038	0.038	0.038	0.038
SDG&E - \$/th											
Residential	0.080	0.082	0.082	0.082	0.082	0.083	0.083	0.083	0.083	0.083	0.083
Core Commercial & Industrial	0.118	0.120	0.120	0.120	0.120	0.120	0.121	0.121	0.121	0.121	0.121
Natural Gas Vehicle	0.038	0.040	0.040	0.040	0.040	0.041	0.041	0.041	0.041	0.041	0.041
Noncore C&I	0.111	0.113	0.113	0.114	0.114	0.114	0.114	0.114	0.114	0.114	0.114

Appendix D
Consolidated Impact of Pipeline Safety Enhancement Plan Phase 1

Proposed Case

	2012	Phase 1A			Phase 1A & 1B						
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
SoCalGas											
Residential Avg Monthly Bill - \$/mo (1)	38.82	40.68	41.07	41.83	41.84	42.41	42.95	43.62	43.71	43.97	44.17
Non-res Rates (\$/th) (2)											
Core Commercial & Industrial	0.369	0.391	0.395	0.404	0.404	0.411	0.418	0.426	0.427	0.430	0.432
Natural Gas Vehicle	0.100	0.108	0.109	0.113	0.113	0.115	0.117	0.120	0.120	0.122	0.122
Noncore C&I - Distribution	0.103	0.109	0.111	0.113	0.113	0.115	0.117	0.119	0.119	0.120	0.121
Electric Generation - Distribution	0.030	0.032	0.032	0.033	0.033	0.034	0.035	0.035	0.036	0.036	0.036
Transmission Level Service	0.017	0.018	0.018	0.018	0.018	0.019	0.019	0.019	0.019	0.019	0.019
SDG&E											
Residential Avg Monthly Bill - \$/mo (1)	35.70	37.55	37.94	38.71	38.72	39.29	39.82	40.50	40.59	40.85	41.04
Non-res Rates (\$/th) (2)											
Core Commercial & Industrial	0.309	0.331	0.336	0.345	0.345	0.352	0.358	0.366	0.367	0.370	0.373
Natural Gas Vehicle	0.104	0.112	0.113	0.117	0.117	0.119	0.121	0.124	0.125	0.126	0.127
Noncore C&I - Distribution	0.233	0.239	0.240	0.243	0.243	0.245	0.246	0.249	0.249	0.250	0.251
Electric Generation - Distribution	0.029	0.031	0.032	0.033	0.033	0.034	0.034	0.035	0.035	0.035	0.036
Transmission Level Service	0.017	0.018	0.018	0.018	0.018	0.019	0.019	0.019	0.019	0.019	0.019

(1) Residential Average Monthly Bill includes transportation rates, commodity charges, commission fees, PSEP surcharge, and PPPS rates.
(2) Non-res Rates are current class-average transportation rate plus volumetric PSEP surcharge and PPPS rates.

Base Case

	2012	Phase 1A			Phase 1A & 1B						
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
SoCalGas											
Residential Avg Monthly Bill - \$/mo (1)	38.82	40.64	40.70	41.36	41.26	41.47	41.70	42.07	41.90	41.89	41.83
Non-res Rates (\$/th) (2)											
Core Commercial & Industrial	0.369	0.390	0.391	0.399	0.398	0.400	0.403	0.407	0.405	0.405	0.404
Natural Gas Vehicle	0.100	0.108	0.108	0.111	0.110	0.111	0.112	0.114	0.113	0.113	0.113
Noncore C&I - Distribution	0.103	0.109	0.109	0.111	0.111	0.112	0.113	0.114	0.113	0.113	0.113
Electric Generation - Distribution	0.030	0.032	0.032	0.033	0.033	0.033	0.033	0.034	0.033	0.033	0.033
Transmission Level Service	0.017	0.018	0.018	0.018	0.018	0.018	0.018	0.019	0.018	0.018	0.018
SDG&E											
Residential Avg Monthly Bill - \$/mo (1)	35.70	37.52	37.58	38.24	38.13	38.35	38.58	38.95	38.77	38.77	38.71
Non-res Rates (\$/th) (2)											
Core Commercial & Industrial	0.309	0.331	0.331	0.339	0.338	0.341	0.343	0.348	0.346	0.346	0.345
Natural Gas Vehicle	0.104	0.112	0.112	0.115	0.114	0.115	0.116	0.118	0.117	0.117	0.117
Noncore C&I - Distribution	0.233	0.239	0.239	0.241	0.241	0.242	0.242	0.244	0.243	0.243	0.243
Electric Generation - Distribution	0.029	0.031	0.031	0.032	0.032	0.032	0.033	0.033	0.033	0.033	0.033
Transmission Level Service	0.017	0.018	0.018	0.018	0.018	0.018	0.018	0.018	0.018	0.018	0.018

(1) Residential Average Monthly Bill includes transportation rates, commodity charges, commission fees, PSEP surcharge, and PPPS rates.
(2) Non-res Rates are current class-average transportation rate plus volumetric PSEP surcharge and PPPS rates.