

Application No.: A.08-09-023
Exhibit No.: SCG – 8
Date: January 6, 2009
Witness: Allison F. Smith

SOUTHERN CALIFORNIA GAS COMPANY
ADVANCED METERING INFRASTRUCTURE

CHAPTER VIII
SOCALGAS AMI COST RECOVERY AND RATE IMPACTS

Errata to

Prepared Direct Testimony

of

Allison F. Smith

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

January 6, 2009

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1 **I. INTRODUCTION**

2 The purpose of my direct testimony is to present the following: (1) describe the
3 regulatory balancing account treatment for Southern California Gas' ("SoCalGas") proposed
4 advanced metering infrastructure ("AMI") revenue requirements, and (2) provide estimates of
5 gas rate impacts for 2009 through 2015, the gas AMI deployment years proposed by SoCalGas,
6 based on the changes to gas transportation revenue requirements.

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8 **II. REGULATORY BALANCING ACCOUNT TREATMENT**

9 **A. Proposal**

10 SoCalGas proposes the establishment of a new interest bearing balancing account,
11 Advanced Metering Infrastructure Balancing Account ("AMIBA"), to record the difference
12 between the authorized revenue requirement and actual O&M and capital-related costs
13 associated with SoCalGas' full deployment of advanced meters effective with the expedited
14 approval for pre-deployment funding as described in the testimonies of Mr. Mark Serrano,
15 Chapter III and Mr. Christopher Olmsted, Chapter IV. The revenue requirement and actual costs
16 are net of the adopted forecasted and actual benefits realized, respectively, as calculated in the
17 manner described in Section D below. Each month, SoCalGas will record into the AMIBA the
18 following:

- 19 1. One-twelfth of the annual AMI revenue requirement (credit)
20 2. AMI O&M costs (debit)
21 3. AMI capital-related costs (debit)
22 4. AMI O&M benefits based on estimated savings per actual meter installed (credit)

23 In connection with SoCalGas' annual regulatory account balance update filing, the
24 forecasted year-end balance in the AMIBA will be incorporated in the following year's revenue
25 requirement associated with the AMI deployment project as necessary to ensure adequate
26 funding in the following year of the project cycle and to amortize any residual balance in the
27 AMIBA at the completion of the project.

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AMI revenue requirements are proposed to be allocated in proportion to meter count per class. These percentages are as follows:

Residential	95.26%
Core C&I	4.72%
NR AC	0.00%
Gas Eng	0.02%
NGV	0.00%
Total Core	100.00%
NonCore C&I	0.00%
System Total	100.00%

Class average rate impacts resulting from the change in gas transportation revenue requirements are presented in Attachment ~~VIII-1~~ AS-1. Results are shown for years 2009 through 2015.

1 **IV. QUALIFICATIONS**

2 My name is Allison F. Smith. My business address is 555 West Fifth Street, Los
3 Angeles, California 90013-1011.

4 I am employed by the SoCalGas as the Gas Analysis Manager in the California
5 Regulatory Affairs Department for SoCalGas and San Diego Gas & Electric (SDG&E). I hold a
6 Bachelor of Science degree in Mechanical Engineering from the University of California at
7 Berkeley. I have been employed by SoCalGas since 1990, and have held positions of increasing
8 responsibilities in the engineering, customer service, and regulatory departments. I have been in
9 my current role as Analysis Manager since March 30, 2002. In my current position, I am
10 responsible for developing rate design policies and establishing gas rates for both utilities.

11 I have previously testified before the Commission.

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13 This concludes my prepared direct testimony.

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ATTACHMENT

ATTACHMENT AS-1
Southern California Gas Company
Summary of Gas Revenue Rates by Major Customer Class
Proposed Advanced Metering Infrastructure Filing Effective January 1, 2009
(¢/therm)

Customer Class	9/1/2008 ¢/therm	1/1/2009 ¢/therm	1/1/2010 ¢/therm	1/1/2011 ¢/therm	1/1/2012 ¢/therm	1/1/2013 ¢/therm	1/1/2014 ¢/therm	1/1/2015 ¢/therm
Residential	44.654	44.365	44.235	46.634	47.562	48.133	48.672	49.041
C&I	28.477	28.385	28.344	29.107	29.403	29.584	29.756	29.873
NGV	8.811	8.810	8.809	8.819	8.823	8.826	8.828	8.830
Non-Core C&I	6.223	6.223	6.223	6.223	6.223	6.223	6.223	6.223
EG	3.516	3.516	3.516	3.516	3.516	3.516	3.516	3.516
System	17.155	17.069	17.031	17.741	18.015	18.184	18.344	18.453