

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

)
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)

SUPPLEMENTAL DIRECT TESTIMONY
OF JASON BONNETT
SAN DIEGO GAS & ELECTRIC COMPANY
AND
SOUTHERN CALIFORNIA GAS COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

March 16, 2012

TABLE OF CONTENTS

I. PURPOSE1

**II. RATIONALE FOR NEW SDG&E NATURAL GAS RESIDENTIAL
CUSTOMER CHARGE1**

A. Threshold Issue3

B. Conflict with CPUC Code.....3

C. Rate Impacts on Low-Income and Baseline Only Customers4

D. Conservation Price Signals5

III. NGV COMPRESSION COST6

A. Illustrative SoCalGas Rates7

B. Illustrative SDG&E Rates.....8

Appendix A10

Appendix B.....11

**SUPPLEMENTAL DIRECT TESTIMONY
OF JASON BONNETT**

I. PURPOSE

The purpose of this supplemental direct testimony is to update my direct testimony in response to the direction provided by Commissioner Florio in his February 24, 2012 Assigned Commissioner’s Scoping Memo and Ruling (Scoping Memo).¹ Specifically, this supplemental testimony explains and justifies any distinctions between San Diego Gas & Electric’s (SDG&E’s) proposed Residential Customer Charge and Pacific Gas and Electric Company’s (PG&E) proposed charge rejected in D.11-05 047 (Issue 7).

Additionally, supplemented testimony is also provided regarding the NGV Compression Rate Adder for both Southern California Gas Company (SoCalGas) and SDG&E. The utilities committed to providing supplemental testimony on this topic in a prior data response.

II. RATIONALE FOR NEW SDG&E NATURAL GAS RESIDENTIAL CUSTOMER CHARGE

In direct testimony, SDG&E has proposed to institute a monthly residential customer charge for its natural gas customers. In response, the Division of Ratepayer Advocates (DRA) and The Utility Reform Network (TURN) filed protests which, in part, discussed SDG&E’s proposal to institute a natural gas residential monthly customer charge. DRA stated that it “intends to review the appropriateness of imposing a customer charge on the residential class of service and present its own recommendations.”² TURN’s protest referenced the Commission’s decision (D.11-05-047) denying PG&E’s request to implement a monthly residential customer

¹ Page 10 of the Scoping Memo identifies seven issues/topic areas where intervenors have requested additional justification and calculations, and directs SoCalGas and SDG&E to update and expand their testimony and workpapers to address the concerns identified in the protests.

² DRA Protest at 5.

1 charge in its electric GRC Phase II application.³ TURN also requests that SDG&E include “an
2 analysis of the impact that its customer charge would have on the rates and bills of customers
3 who use only baseline amounts of gas and of low-income customers, and on the conservation
4 price signals to all its gas customers.”⁴ As mentioned above, the Scoping Memo required
5 SDG&E to “explain and justify any distinctions between SDG&E’s proposed Residential
6 Customer Charge and Pacific Gas & Electric Company’s proposed charge rejected in D.11-05-
7 047.”⁵

8 In D.11-05-047, the Commission evaluated PG&E’s proposal to implement a monthly
9 customer charge for its residential electric customers, and ultimately decided to reject PG&E’s
10 proposal.⁶ The Commission’s rationale for the decision can be found at pages 18 through 35 of
11 D.11-05-047. The issues discussed by the Commission fall into four categories. First, as a
12 threshold issue, the Commission considered whether PG&E was legally prohibited from seeking
13 a residential electric customer charge. Ultimately, the Commission determined that there was no
14 statutory prohibition preventing PG&E from implementing a residential customer charge.⁷
15 Second, the Commission determined whether the implementation of a customer charge
16 conflicted with applicable Commission rules. The Commission determined that PG&E’s
17 proposal conflicted with California Public Utilities Code (CPUC code) §.739.1(b)(2) and
18 §739.9(a) which provide annual rate limitations applicable to electric usage. The Commission
19 interpreted Sections 739.1(b)(2) and 739.9(a) as including fixed customer charges within the
20 limitations on allowable percentage increases in “rates for usage,” and therefore decided that it
21 was prohibited by law from approving PG&E’s customer charge to the extent the total bill

³ TURN Protest at 4-5.

⁴ TURN Protest at 5.

⁵ Scoping Memo at 10.

⁶ D.11-05-047, mimeo., at 86 (Ordering Paragraph No. 4).

1 impacts exceed these statutory limitations on baseline rate increases.⁸ Third, the Commission
2 concluded that “PG&E’s proposed customer charge would produce unacceptable rate impacts on
3 those customers least able to afford it.”⁹ Fourth, the Commission determined that the proposed
4 customer charge “would conflict with price signals that encourage conservation and utilization of
5 alternate resources such as solar.”¹⁰ In response to the Scoping Memo’s requirement to “explain
6 and justify” any distinctions between PG&E’s proposal and our own, SDG&E addresses these
7 four points below.

8 **A. Threshold Issue**

9 The threshold issue discussed in D.11-05-047 pertained to the implementation of a
10 customer charge by an electric utility. Ultimately, the Commission determined that there was no
11 statutory prohibition against a residential customer charge for electric utilities. SDG&E has
12 reviewed the applicable regulatory language pertaining to natural gas utilities and found no
13 restriction against implementation of a residential customer charge for natural gas utilities.
14 Additionally, in its direct testimony, SDG&E noted that the Commission has approved such
15 proposals in the past for SoCalGas and Southwest Gas Corporation (Southwest Gas).¹¹ Because
16 both SoCalGas and Southwest Gas already have monthly charges for natural gas customers that
17 are similar to the monthly charge proposed for SDG&E, we are comfortable that there is no
18 statutory prohibition on such charges.

19 **B. Conflict with CPUC Code**

20 As noted above, in D.11-05-047 the Commission considered whether PG&E’s proposed
21 electric residential customer charge complies with CPUC code §739.1(b)(2) and §739.9(a).

⁷ Id. at 24.

⁸ Id.

⁹ Id.

¹⁰ Id.

1 These provisions apply to electric service, not natural gas service. Accordingly, the
2 Commission's discussion and determinations with respect to these electric-only provisions are
3 not applicable to the proposed customer charge for SDG&E's residential natural gas customers.

4 **C. Rate Impacts on Low-Income and Baseline Only Customers**

5 In D.11-05-047, the Commission discussed the impact of PG&E's proposed residential
6 customer charge on CARE customers as well as non-CARE customers using 100 percent of
7 baseline usage. In that discussion the Commission noted that these customers "would see an
8 increase of almost 10 percent..." Thus, the Commission concluded the customer charge
9 proposal should be denied on "policy grounds."¹² SDG&E's data shows that low income natural
10 gas customers on its system would experience very limited increases from the adoption of a new
11 monthly residential customer charge, and thus SDG&E concludes that the Commission's policy
12 determination with respect to PG&E's electric proposal should not be applied to SDG&E's
13 current natural gas proposal.

14 On SDG&E's natural gas system, a low-income customer uses approximately 307 therms
15 per year on average which breaks down to approximately 25.58 therms per month.¹³ As shown
16 in Appendix A, the low-income customer will see a monthly decrease in their winter bills of
17 approximately \$1.45 and an increase in their summer bills of approximately \$1.59, which
18 averages out to approximately \$0.07 monthly increase on an annual basis. Therefore, the typical
19 low-income customer will see an overall annual increase of approximately 0.28%.

20 As for a baseline only customer, SDG&E includes Appendix B which shows a customer
21 that matches 100 percent of baseline usage which works out to an annual monthly average of
22 30.75 therms. This customer would see a decrease in their winter bills ranging from \$3.34 to

¹¹ Direct testimony of Jason Bonnett at 6.

¹² Id. at 33-34.

1 \$4.30 while seeing an increase in their summer bills of \$2.09, which averages out to \$0.96
2 monthly decrease on an annual basis. Thus, the baseline only customer will see an overall
3 annual decrease of approximately 2.62%.

4 These limited increases and decreases are much lower than the 10 percent increase to the
5 bills of low income PG&E electric customers contemplated by the Commission in D.11-05-047.
6 For this reason, SDG&E concludes that the Commission's determination with respect to PG&E's
7 electric proposal should not be applied to SDG&E's current natural gas monthly customer charge
8 proposal. Additionally, the fact that SoCalGas and Southwest Gas already have similar monthly
9 charges for their residential natural gas customers is additional strong evidence that such charges
10 do not provide an undue burden on low-income customers.

11 **D. Conservation Price Signals**

12 In D.11-05-047, the Commission also mentioned the potential negative effect of PG&E's
13 proposed electric residential customer charge on price signals for customers, and appeared to
14 make this potential one of the grounds for denying PG&E's proposal.¹⁴ Whatever the potential
15 effect of PG&E's proposal, SDG&E concludes that there will not be a negative effect on
16 conservation as a result of its proposed monthly natural gas residential customer charge.

17 In fact, under SDG&E's customer charge proposal the incremental difference between
18 the residential baseline (BL) rate and non-baseline (NBL) rate will increase, which would
19 potentially promote conservation rather than reduce it. Currently, the incremental difference
20 between the BL and NBL rates is \$0.15/therm. As discussed in direct testimony, should the
21 Commission approve the proposed residential monthly customer charge the difference between

¹³ Actual usage data from January 2011 through December 2011 for low-income residential customers.

¹⁴ See Id. at 33-35. It is not clear, however, to SDG&E that the Commission actually relied upon the potential for negative effect on conservation as an independent reason for denying PG&E's proposal. The issue of price signals

1 BL and NBL rates would increase due to customer charge revenues being included in BL rate
2 revenues. Thus, under SDG&E's proposal the difference would rise to \$0.26/therm, increasing
3 the "conservation price signal" for residential customers.

4 Additionally, SDG&E provided a table in its direct testimony that showed the current
5 monthly customer charges of natural gas utilities in the state of California. In that table, SDG&E
6 explained that Long Beach Gas & Oil,¹⁵ SoCalGas,¹⁶ and Southwest Gas¹⁷ each have a natural
7 gas residential monthly customer charge of \$5.00. When it adopted the SoCalGas and Southwest
8 Gas monthly customer charges, the Commission did not express any conservation-related
9 concerns. In fact, the Commission approved SoCalGas' proposal to increase its monthly
10 customer charge despite TURN's opposition due to conservation concerns.¹⁸ SDG&E concludes
11 that the existing \$5 monthly residential customer charges are additional strong evidence that a
12 new \$5 monthly customer charge for SDG&E's residential natural gas customers would be
13 reasonable, and would not have a significant negative effect on conservation price signals.

14 **III. NGV COMPRESSION COST**

15 Pursuant to a data request from Clean Energy Fuels Corporation in this proceeding,
16 SoCalGas and SDG&E discovered that the costs used to calculate the O&M rate in direct
17 testimony did not include all costs.¹⁹ To remedy this situation, the NGV Compression Rate
18 Adders for both SoCalGas and SDG&E have been supplemented with the following cost studies:

was only briefly raised by the Commission, and is included as part of an overall discussion on the potential negative effect of the proposal on PG&E's low income customers.

¹⁵ Long Beach Gas & Oil is a municipal utility and its rates are not regulated by the Commission.

¹⁶ SoCalGas received Commission approval to raise its residential monthly customer charge to \$5.00 in D.94-12-052.

¹⁷ Southwest Gas received Commission approval to raise its residential monthly customer charge to \$5.00 in D.04-03-034.

¹⁸ D.94-12-052, mimeo., at 36.

¹⁹ See SDG&E's and SoCalGas' response to the Third Data Request from Clean Energy Fuels Corporation dated January 23, 2012, posted at: <http://www.socalgas.com/regulatory/A1111002.shtml> and <http://sdge.com/node/2192>.

1 (i) a supplemented O&M cost study, and (ii) supplemented capital-related cost study.

2 Additionally, the demand forecast of volumes used in direct testimony is updated.

3 For the SoCalGas O&M rate, labor overhead and vehicle costs were included in the
4 calculation. For SDG&E, labor overhead was included in the calculation. For the capital-related
5 costs (return, depreciation and taxes), the Net Book Value ratio has been updated. Net Book
6 Value ratio is the ratio of compressor station assets as percent of total utility assets and is used to
7 allocate ratebase to NGV stations.

8 For the demand forecast, the forecasted throughput for compression volumes will be
9 based on a three-year forecast for the TCAP period instead of prior year actual as was originally
10 presented in direct testimony. This demand forecast uses the proposed forecast presented in the
11 workpapers to the testimony of Ms. Payan (Page 184 for SoCalGas and page 101 for SDG&E).
12 The demand forecast is then allocated between public and private stations based on recorded
13 usage.

14 The compression revenue requirement for SoCalGas presented in the initial application of
15 \$670,000 is being updated to \$1,150,000, a net change of \$480,000. For SDG&E, the
16 compression revenue requirement in the initial application of \$128,000 is being updated to
17 \$181,000, a net change of \$53,000.

18 **A. Illustrative SoCalGas Rates**

19 The proposed supplemental changes in SoCalGas' class-average transportation rates are
20 shown below in Table 1.

| Table 1: Class Average Rates (\$/therm) | | | | | | | |
|---|-----------------|------------------------------------|------------------------------|-----------------------|-------------------------|---------------------------------|-----------------------------|
| | 2011 Current | 2013 TCAP As Filed 11/1/2011 | \$/th Change from 2011 | % Change from 2011 | 2013 TCAP Supplement | \$/th Change from 2011 | % Change from 2011 |
| SCG: | | | | | | | |
| Res | \$0.525 | \$0.559 | \$0.034 | 7% | \$0.559 | \$0.034 | 7% |
| CCI CA | \$0.305 | \$0.256 | (\$0.050) | -16% | \$0.256 | (\$0.050) | -16% |
| Gas A/C | \$0.075 | \$0.080 | \$0.005 | 7% | \$0.080 | \$0.005 | 7% |
| GasEngine | \$0.096 | \$0.102 | \$0.006 | 7% | \$0.102 | \$0.006 | 7% |
| NGV Uncompressed post-SW | \$0.068 | \$0.072 | \$0.004 | 6% | \$0.072 | \$0.004 | 6% |
| NGV Compressor Adder | \$0.916 | \$0.660 | (\$0.256) | (28%) | \$0.953 | \$0.037 | 4% |
| Core Class Average \$/th | \$0.449 | \$0.455 | \$0.006 | 1% | \$0.455 | \$0.006 | 1% |
| NCCI-D CA | \$0.065 | \$0.051 | (\$0.014) | -21% | \$0.051 | (\$0.014) | -21% |
| EG-D Tier 1 post-SW | \$0.056 | \$0.062 | \$0.006 | 10% | \$0.062 | \$0.006 | 10% |
| EG-D Tier 2 post-SW | \$0.024 | \$0.026 | \$0.002 | 10% | \$0.026 | \$0.002 | 10% |
| TLS CA Rate csitma/efba exempt | \$0.016 | \$0.014 | (\$0.002) | -13% | \$0.014 | (\$0.002) | -13% |
| TLS CA Rate csitma/efba non-exempt | \$0.016 | \$0.015 | (\$0.001) | -8% | \$0.015 | (\$0.001) | -8% |
| UBS \$1,000/yr | \$26,470 | \$26,425 | (\$45) | 0% | \$26,425 | (\$45) | 0% |
| BTS w/BTBA \$/dth/d | \$0.110 | \$0.154 | \$0.044 | 40% | \$0.154 | \$0.044 | 40% |
| SAR w/ BTS \$/th | \$0.201 | \$0.202 | \$0.001 | 0% | \$0.202 | \$0.001 | 0% |

1 The proposed supplemental rates reflect an increase of \$480,000 in the compression
2 adder revenue requirement. While this increases the NGV Compressor adder, it is an
3 insignificant amount compared to total system costs and has a de minimis impact on other rates.

4 **B. Illustrative SDG&E Rates**

5 The proposed supplemental changes in SDG&E's class-average transportation rates are
6 shown below in Table 2.

Table 2: Class Average Rates (\$/therm)

| | 2011 Current | 2013 TCAP Proposed | \$/th Change | % Change | 2013 TCAP Supplement | \$/th Change from 2011 | % Change from 2011 |
|------------------------------------|-----------------|-----------------------|-----------------|-------------|-------------------------|---------------------------|-----------------------------|
| <u>SDGE:</u> | | | | | | | |
| Res | \$0.664 | \$0.708 | \$0.044 | 7% | \$0.708 | \$0.044 | 7% |
| CCI CA | \$0.240 | \$0.215 | (\$0.024) | -10% | \$0.215 | (\$0.024) | -10% |
| NGV Uncompressed post-SW | \$0.070 | \$0.077 | \$0.007 | 10% | \$0.077 | \$0.007 | 10% |
| NGV Compressor Adder | \$0.921 | \$0.664 | (\$0.257) | -28% | \$0.959 | \$0.038 | 4% |
| Core Class Average | \$0.512 | \$0.514 | \$0.003 | 1% | \$0.514 | \$0.003 | 1% |
| NCCI-D | \$0.145 | \$0.160 | \$0.015 | 10% | \$0.160 | \$0.015 | 10% |
| EG-D Tier 1 post-SW | \$0.056 | \$0.062 | \$0.006 | 10% | \$0.062 | \$0.006 | 10% |
| EG-D Tier 2 post-SW | \$0.024 | \$0.026 | \$0.002 | 10% | \$0.026 | \$0.002 | 10% |
| TLS CA Rate csitma/efba exempt | \$0.016 | \$0.014 | (\$0.002) | -13% | \$0.014 | (\$0.002) | -13% |
| TLS CA Rate csitma/efba non-exempt | \$0.018 | \$0.019 | \$0.002 | 10% | \$0.019 | \$0.002 | 10% |
| SAR | \$0.226 | \$0.226 | \$0.000 | 0% | \$0.226 | \$0.000 | 0% |

1 The proposed supplemental rates reflect an increase of \$53,000 in the compression adder
2 revenue requirement. While this increases the NGV Compressor adder, it is an insignificant
3 amount compared to total system costs and has a de minimis impact on other rates.

4 This concludes my supplemental direct testimony.

5

Appendix A

Bill Impact of Customer Charge on Typical CARE Customer

| | Monthly Average | Annual Charges | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|
| SDG&S Residential - Rates w/o customer Charge: | | | | | | | | | | | | | | |
| Customer Charge \$/mo = | \$0.00000 | | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 |
| BL Rate \$/th = | \$0.52732 | | \$0.52732 | \$0.52732 | \$0.52732 | \$0.52732 | \$0.52732 | \$0.52732 | \$0.52732 | \$0.52732 | \$0.52732 | \$0.52732 | \$0.52732 | \$0.52732 |
| NBL Rate \$/th = | \$0.66618 | | \$0.66618 | \$0.66618 | \$0.66618 | \$0.66618 | \$0.66618 | \$0.66618 | \$0.66618 | \$0.66618 | \$0.66618 | \$0.66618 | \$0.66618 | \$0.66618 |
| G-CPC \$/th = | \$0.36615 | | \$0.36615 | \$0.36615 | \$0.36615 | \$0.36615 | \$0.36615 | \$0.36615 | \$0.36615 | \$0.36615 | \$0.36615 | \$0.36615 | \$0.36615 | \$0.36615 |
| PPFS \$/th = | \$0.04557 | | \$0.04557 | \$0.04557 | \$0.04557 | \$0.04557 | \$0.04557 | \$0.04557 | \$0.04557 | \$0.04557 | \$0.04557 | \$0.04557 | \$0.04557 | \$0.04557 |
| G-SRF \$/th = | \$0.00068 | | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 |
| BL Usage limit th/day = | 1.0195 | | 1.546 | 1.546 | 1.546 | 1.546 | 0.493 | 0.493 | 0.493 | 0.493 | 0.493 | 0.493 | 1.546 | 1.546 |
| # days in month = | 30.42 | 365.00 | 31 | 28 | 31 | 30 | 31 | 30 | 31 | 31 | 30 | 31 | 30 | 31 |
| BL usage limit th/mo = | 30.75 | 369.00 | 48 | 43 | 48 | 46 | 15 | 15 | 15 | 15 | 15 | 15 | 46 | 48 |
| Total th used th/mo = | 25.58 | 306.96 | 35 | 35 | 35 | 35 | 16 | 16 | 16 | 16 | 16 | 16 | 35 | 35 |
| BL therms = | 25.09 | 301.04 | 35.17 | 35.17 | 35.17 | 35.17 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 35.17 | 35.17 |
| NBL therms = | 0.49 | 5.92 | 0.00 | 0.00 | 0.00 | 0.00 | 0.99 | 0.99 | 0.99 | 0.99 | 0.99 | 0.99 | 0.00 | 0.00 |
| Customer Charge \$/mo = | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| BL charges \$/mo = | \$13.23 | \$158.74 | \$18.55 | \$18.55 | \$18.55 | \$18.55 | \$7.91 | \$7.91 | \$7.91 | \$7.91 | \$7.91 | \$7.91 | \$18.55 | \$18.55 |
| NBL charge \$/mo = | \$0.33 | \$3.95 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.66 | \$0.66 | \$0.66 | \$0.66 | \$0.66 | \$0.66 | \$0.00 | \$0.00 |
| Commodity Charge \$/mo = | \$9.37 | \$112.39 | \$12.88 | \$12.88 | \$12.88 | \$12.88 | \$5.85 | \$5.85 | \$5.85 | \$5.85 | \$5.85 | \$5.85 | \$12.88 | \$12.88 |
| PPFS charge \$/mo = | \$1.17 | \$13.99 | \$1.60 | \$1.60 | \$1.60 | \$1.60 | \$0.73 | \$0.73 | \$0.73 | \$0.73 | \$0.73 | \$0.73 | \$1.60 | \$1.60 |
| G-PUC Regulatory Fee \$/mo = | \$0.02 | \$0.21 | \$0.02 | \$0.02 | \$0.02 | \$0.02 | \$0.01 | \$0.01 | \$0.01 | \$0.01 | \$0.01 | \$0.01 | \$0.02 | \$0.02 |
| Total Charge \$/mo = | \$24.11 | \$289.28 | \$33.05 | \$33.05 | \$33.05 | \$33.05 | \$15.16 | \$15.16 | \$15.16 | \$15.16 | \$15.16 | \$15.16 | \$33.05 | \$33.05 |
| SDG&S Residential - Rates w/customer Charge: | | | | | | | | | | | | | | |
| Customer Charge \$/mo = | \$0.13151 | | \$4.00000 | \$4.00000 | \$4.00000 | \$4.00000 | \$4.00000 | \$4.00000 | \$4.00000 | \$4.00000 | \$4.00000 | \$4.00000 | \$4.00000 | \$4.00000 |
| BL Rate \$/th = | \$0.37225 | | \$0.37225 | \$0.37225 | \$0.37225 | \$0.37225 | \$0.37225 | \$0.37225 | \$0.37225 | \$0.37225 | \$0.37225 | \$0.37225 | \$0.37225 | \$0.37225 |
| NBL Rate \$/th = | \$0.58025 | | \$0.58025 | \$0.58025 | \$0.58025 | \$0.58025 | \$0.58025 | \$0.58025 | \$0.58025 | \$0.58025 | \$0.58025 | \$0.58025 | \$0.58025 | \$0.58025 |
| G-CPC \$/th = | \$0.36615 | | \$0.36615 | \$0.36615 | \$0.36615 | \$0.36615 | \$0.36615 | \$0.36615 | \$0.36615 | \$0.36615 | \$0.36615 | \$0.36615 | \$0.36615 | \$0.36615 |
| PPFS \$/th = | \$0.04557 | | \$0.04557 | \$0.04557 | \$0.04557 | \$0.04557 | \$0.04557 | \$0.04557 | \$0.04557 | \$0.04557 | \$0.04557 | \$0.04557 | \$0.04557 | \$0.04557 |
| G-SRF \$/th = | \$0.00068 | | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 |
| BL Usage limit th/day = | 1.0195 | | 1.546 | 1.546 | 1.546 | 1.546 | 0.493 | 0.493 | 0.493 | 0.493 | 0.493 | 0.493 | 1.546 | 1.546 |
| # days in month = | 30.42 | 365.00 | 31 | 28 | 31 | 30 | 31 | 30 | 31 | 31 | 30 | 31 | 30 | 31 |
| BL usage limit th/mo = | 30.75 | 369.00 | 48 | 43 | 48 | 46 | 15 | 15 | 15 | 15 | 15 | 15 | 46 | 48 |
| Total th used th/mo = | 25.58 | 306.96 | 35 | 35 | 35 | 35 | 16 | 16 | 16 | 16 | 16 | 16 | 35 | 35 |
| BL therms = | 25.09 | 301.04 | 35.17 | 35.17 | 35.17 | 35.17 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 35.17 | 35.17 |
| NBL therms = | 0.49 | 5.92 | 0.00 | 0.00 | 0.00 | 0.00 | 0.99 | 0.99 | 0.99 | 0.99 | 0.99 | 0.99 | 0.00 | 0.00 |
| Customer Charge \$/mo = | \$4.00 | \$48.00 | \$4.00 | \$4.00 | \$4.00 | \$4.00 | \$4.00 | \$4.00 | \$4.00 | \$4.00 | \$4.00 | \$4.00 | \$4.00 | \$4.00 |
| BL charges \$/mo = | \$9.34 | \$112.06 | \$13.09 | \$13.09 | \$13.09 | \$13.09 | \$5.58 | \$5.58 | \$5.58 | \$5.58 | \$5.58 | \$5.58 | \$13.09 | \$13.09 |
| NBL charge \$/mo = | \$0.29 | \$3.44 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.57 | \$0.57 | \$0.57 | \$0.57 | \$0.57 | \$0.57 | \$0.00 | \$0.00 |
| Commodity Charge \$/mo = | \$9.37 | \$112.39 | \$12.88 | \$12.88 | \$12.88 | \$12.88 | \$5.85 | \$5.85 | \$5.85 | \$5.85 | \$5.85 | \$5.85 | \$12.88 | \$12.88 |
| PPFS charge \$/mo = | \$1.17 | \$13.99 | \$1.60 | \$1.60 | \$1.60 | \$1.60 | \$0.73 | \$0.73 | \$0.73 | \$0.73 | \$0.73 | \$0.73 | \$1.60 | \$1.60 |
| G-PUC Regulatory Fee \$/mo = | \$0.02 | \$0.21 | \$0.02 | \$0.02 | \$0.02 | \$0.02 | \$0.01 | \$0.01 | \$0.01 | \$0.01 | \$0.01 | \$0.01 | \$0.02 | \$0.02 |
| Total Charge \$/mo = | \$24.17 | \$290.09 | \$31.60 | \$31.60 | \$31.60 | \$31.60 | \$16.75 | \$16.75 | \$16.75 | \$16.75 | \$16.75 | \$16.75 | \$31.60 | \$31.60 |
| Increase (decrease) from Current Rate | \$0.07 | \$0.81 | (\$1.45) | (\$1.45) | (\$1.45) | (\$1.45) | \$1.59 | \$1.59 | \$1.59 | \$1.59 | \$1.59 | \$1.59 | (\$1.45) | (\$1.45) |
| Percentage Difference | 0.28% | 0.28% | | | | | | | | | | | | |

Appendix B

Bill Impact of Customer Charge on Baseline Usage-Only Customer

| | Monthly Average | Annual Charges | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|-----------------|------------------|-----------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|
| SDGEgas Residential - Rates w/o customer Charge: | | | | | | | | | | | | | | |
| Customer Charge \$/mo = | \$0.00000 | | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 | \$0.00000 |
| BL Rate \$/th = | \$0.65915 | | \$0.65915 | \$0.65915 | \$0.65915 | \$0.65915 | \$0.65915 | \$0.65915 | \$0.65915 | \$0.65915 | \$0.65915 | \$0.65915 | \$0.65915 | \$0.65915 |
| NBL Rate \$/th = | #DIV/0! | | \$0.83272 | \$0.83272 | \$0.83272 | \$0.83272 | \$0.83272 | \$0.83272 | \$0.83272 | \$0.83272 | \$0.83272 | \$0.83272 | \$0.83272 | \$0.83272 |
| G-CPC \$/th = | \$0.45769 | | \$0.45769 | \$0.45769 | \$0.45769 | \$0.45769 | \$0.45769 | \$0.45769 | \$0.45769 | \$0.45769 | \$0.45769 | \$0.45769 | \$0.45769 | \$0.45769 |
| PPFS \$/th = | \$0.07560 | | \$0.07560 | \$0.07560 | \$0.07560 | \$0.07560 | \$0.07560 | \$0.07560 | \$0.07560 | \$0.07560 | \$0.07560 | \$0.07560 | \$0.07560 | \$0.07560 |
| G-SRF \$/th = | \$0.00068 | | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 |
| BL Usage limit th/day = | 1.0195 | | 1.546 | 1.546 | 1.546 | 1.546 | 0.493 | 0.493 | 0.493 | 0.493 | 0.493 | 0.493 | 1.546 | 1.546 |
| # days in month = | 30.42 | 365.00 | 31 | 28 | 31 | 30 | 31 | 30 | 31 | 31 | 30 | 31 | 30 | 31 |
| BL usage limit th/mo = | 30.75 | 369.00 | 48 | 43 | 48 | 46 | 15 | 15 | 15 | 15 | 15 | 15 | 46 | 48 |
| Total th used th/mo = | 30.75 | 369.00 | 48 | 43 | 48 | 46 | 15 | 15 | 15 | 15 | 15 | 15 | 46 | 48 |
| BL therms = | 30.75 | 369.00 | 48.00 | 43.00 | 48.00 | 46.00 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 46.00 | 48.00 |
| NBL therms = | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Customer Charge \$/mo = | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| BL charges \$/mo = | \$20.27 | \$243.23 | \$31.64 | \$28.34 | \$31.64 | \$30.32 | \$9.89 | \$9.89 | \$9.89 | \$9.89 | \$9.89 | \$9.89 | \$30.32 | \$31.64 |
| NBL charge \$/mo = | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Commodity Charge \$/mo = | \$14.07 | \$168.89 | \$21.97 | \$19.68 | \$21.97 | \$21.05 | \$6.87 | \$6.87 | \$6.87 | \$6.87 | \$6.87 | \$6.87 | \$21.05 | \$21.97 |
| PPFS charge \$/mo = | \$2.32 | \$27.89 | \$3.63 | \$3.25 | \$3.63 | \$3.48 | \$1.13 | \$1.13 | \$1.13 | \$1.13 | \$1.13 | \$1.13 | \$3.48 | \$3.63 |
| G-PUC Regulatory Fee \$/mo = | \$0.02 | \$0.25 | \$0.03 | \$0.03 | \$0.03 | \$0.03 | \$0.01 | \$0.01 | \$0.01 | \$0.01 | \$0.01 | \$0.01 | \$0.03 | \$0.03 |
| Total Charge \$/mo = | \$36.69 | \$440.26 | \$57.27 | \$51.30 | \$57.27 | \$54.88 | \$17.90 | \$17.90 | \$17.90 | \$17.90 | \$17.90 | \$17.90 | \$54.88 | \$57.27 |
| SDGEgas Residential - Rates w/customer Charge: | | | | | | | | | | | | | | |
| Customer Charge \$/mo = | \$0.16438 | | \$5.00000 | \$5.00000 | \$5.00000 | \$5.00000 | \$5.00000 | \$5.00000 | \$5.00000 | \$5.00000 | \$5.00000 | \$5.00000 | \$5.00000 | \$5.00000 |
| BL Rate \$/th = | \$0.46531 | | \$0.46531 | \$0.46531 | \$0.46531 | \$0.46531 | \$0.46531 | \$0.46531 | \$0.46531 | \$0.46531 | \$0.46531 | \$0.46531 | \$0.46531 | \$0.46531 |
| NBL Rate \$/th = | #DIV/0! | | \$0.72531 | \$0.72531 | \$0.72531 | \$0.72531 | \$0.72531 | \$0.72531 | \$0.72531 | \$0.72531 | \$0.72531 | \$0.72531 | \$0.72531 | \$0.72531 |
| G-CPC \$/th = | \$0.45769 | | \$0.45769 | \$0.45769 | \$0.45769 | \$0.45769 | \$0.45769 | \$0.45769 | \$0.45769 | \$0.45769 | \$0.45769 | \$0.45769 | \$0.45769 | \$0.45769 |
| PPFS \$/th = | \$0.07560 | | \$0.07560 | \$0.07560 | \$0.07560 | \$0.07560 | \$0.07560 | \$0.07560 | \$0.07560 | \$0.07560 | \$0.07560 | \$0.07560 | \$0.07560 | \$0.07560 |
| G-SRF \$/th = | \$0.00068 | | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 | \$0.00068 |
| BL Usage limit th/day = | 1.0195 | | 1.546 | 1.546 | 1.546 | 1.546 | 0.493 | 0.493 | 0.493 | 0.493 | 0.493 | 0.493 | 1.546 | 1.546 |
| # days in month = | 30.42 | 365.00 | 31 | 28 | 31 | 30 | 31 | 30 | 31 | 31 | 30 | 31 | 30 | 31 |
| BL usage limit th/mo = | 30.75 | 369.00 | 48 | 43 | 48 | 46 | 15 | 15 | 15 | 15 | 15 | 15 | 46 | 48 |
| Total th used th/mo = | 30.75 | 369.00 | 48 | 43 | 48 | 46 | 15 | 15 | 15 | 15 | 15 | 15 | 46 | 48 |
| BL therms = | 30.75 | 369.00 | 48.00 | 43.00 | 48.00 | 46.00 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 46.00 | 48.00 |
| NBL therms = | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Customer Charge \$/mo = | \$5.00 | \$60.00 | \$5.00 | \$5.00 | \$5.00 | \$5.00 | \$5.00 | \$5.00 | \$5.00 | \$5.00 | \$5.00 | \$5.00 | \$5.00 | \$5.00 |
| BL charges \$/mo = | \$14.31 | \$171.70 | \$22.33 | \$20.01 | \$22.33 | \$21.40 | \$6.98 | \$6.98 | \$6.98 | \$6.98 | \$6.98 | \$6.98 | \$21.40 | \$22.33 |
| NBL charge \$/mo = | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Commodity Charge \$/mo = | \$14.07 | \$168.89 | \$21.97 | \$19.68 | \$21.97 | \$21.05 | \$6.87 | \$6.87 | \$6.87 | \$6.87 | \$6.87 | \$6.87 | \$21.05 | \$21.97 |
| PPFS charge \$/mo = | \$2.32 | \$27.89 | \$3.63 | \$3.25 | \$3.63 | \$3.48 | \$1.13 | \$1.13 | \$1.13 | \$1.13 | \$1.13 | \$1.13 | \$3.48 | \$3.63 |
| G-PUC Regulatory Fee \$/mo = | \$0.02 | \$0.25 | \$0.03 | \$0.03 | \$0.03 | \$0.03 | \$0.01 | \$0.01 | \$0.01 | \$0.01 | \$0.01 | \$0.01 | \$0.03 | \$0.03 |
| Total Charge \$/mo = | \$35.73 | \$428.73 | \$52.97 | \$47.97 | \$52.97 | \$50.97 | \$19.99 | \$19.99 | \$19.99 | \$19.99 | \$19.99 | \$19.99 | \$50.97 | \$52.97 |
| Increase (decrease) from Current Rate | (\$0.96) | (\$11.53) | (\$4.30) | (\$3.34) | (\$4.30) | (\$3.92) | \$2.09 | \$2.09 | \$2.09 | \$2.09 | \$2.09 | \$2.09 | (\$3.92) | (\$4.30) |
| Percentage Difference | -2.62% | -2.62% | | | | | | | | | | | | |