

**SAN DIEGO GAS AND ELECTRIC COMPANY
SOUTHERN CALIFORNIA GAS COMPANY
2013 TRIENNIAL COST ALLOCATION PROCEEDING (A.11-11-002)
(7th DATA REQUEST FROM CLEAN ENERGY FUELS CORPORATION)**

QUESTION 1:

In response to Question 1.1 of Clean Energy's 4th Data Request, SoCalGas and SDG&E stated: "*We are determining incremental costs on a fully-allocated cost basis. That means that indirect and overhead costs are used in determining the incremental costs of making a station public; and, fully allocated costs were also used to determine the cost of all stations (public & private).*"

1.1 Please clearly and completely describe the methodology that was used for each of SoCalGas and SDG&E "*in determining the incremental costs of making a station public.*"

1.2 By "incremental cost," do SoCalGas and SDG&E mean the incremental or variable costs of providing an additional therm of public access refueling throughput at each utility's public access refueling stations? If the answer is yes, please identify the categories of costs that were included as "incremental costs."

1.3 By "incremental cost," do SoCalGas and SDG&E mean only those additional capital-related, O&M and overhead costs that are incurred to make a fleet refueling facility capable of providing public access refueling services?

1.3.1 If the answer is no, please explain why not.

1.3.2 If the answer to Question 1.3 is yes, please describe in detail the method used for estimating those total additional capital-related, O&M and overhead costs associated with providing public access refueling at company bases.

1.3.3 If the answer to Question 1.3 is yes, please describe in detail the method used for estimating those total additional capital-related, O&M and overhead costs associated with providing public access refueling at a company base.

1.3.4 If the answer to Question 1.3 is yes, were the estimated total additional capital-related, O&M and overhead costs based on a sample of SoCalGas' and SDG&E's stations that provide both fleet and public access refueling or on all of the utility stations that provide both public access and fleet refueling?

1.3.5 If based on a sample, how many stations for each of SoCalGas and SDG&E were included in the sample?

1.3.6 If based on a sample, how did SoCalGas and SDG&E determine that the stations included in the sample are accurately representative of all of the SoCalGas and SDG&E stations that provide public access refueling services?

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1.3.7 If the answer to Question 1.3 is yes, how are these “incremental” costs reflected in the Table on page 1 of the 6/1/12 workpapers of Mr. Jason Bonnett, Section 2, “NGV Compression Rate Adder Model”?

1.4 In the aggregate, are the “incremental” per station capital-related, O&M and overhead costs identified in response to Question 1.3, that are incurred in providing public access refueling higher than the corresponding per station costs that SoCalGas and SDG&E each incur in providing fleet refueling at the same facility?

1.4.1 If the answer is yes, approximately how much higher on a percentage basis are the aggregate per station capital-related, O&M and overhead costs that are incurred in providing public access refueling for each of SoCalGas and SDG&E in comparison to the comparable costs incurred in providing just fleet refueling?

1.4.2 If the answer to Question 1.3 is yes, how were those higher costs calculated and factored in when SoCalGas and SDG&E disaggregated the costs incurred in providing public access refueling from the total costs of providing both fleet and public access refueling (as shown on the Table on page 1 of the 6/1/12 workpapers of Mr. Jason Bonnett, Section 2, “NGV Compression Rate Adder Model”)?

RESPONSE 1:

1.1 The incremental costs incurred to provide public access service (i.e., the cost used to determine the compression adder) include (i) capital related cost of building “public access only” stations; (ii) capital-related cost for providing public access at “dual-use” stations; and, (iii) the O&M and electric power charges required to provide the public access service.

Capital-related costs are the return on invested capital, depreciation (or return of capital) and taxes on the return. These capital-related costs were based on the ratio of the Net Book Value of Public Access Stations to total Utility Net Book Value. This ratio was applied to the Utility’s Total Return, Total Depreciation and Total Taxes to arrive at the capital related costs incurred to make a station public.

The Net Book Value (NBV) of Public Access Stations used in this ratio is based on the recorded NBV of stations that serve the Public and, the extra costs incurred to convert a “private only” station to a “dual-use” public/private access station.

The extra cost to convert to a dual-use station is determined as the Public Access Percentage applied to the NBV of Dual-Use stations. The Public Access Percentage is the difference between the Gross Plant of dual-use stations *less* the Gross Plant of Utility-use-only stations *divided by* Gross Plant of Dual Use stations. This percentage represents the portion of the capital related costs of a dual-use station that are the result of providing public access service.

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The O&M costs were determined on a volumetric basis by using a “per-therm” O&M rate applied to the forecasted volumes of the Public access stations. This “per-therm” O&M rate was arrived at by taking the total NGV station O&M expenses recorded in year 2010 divided by the recorded volumes of all NGV stations that O&M was provided for in year 2010.

The electric costs were also determined on a volumetric basis by applying an electric rate to the forecasted volumes of the Public Access stations. The “per-therm” electric rate was arrived at by taking the recorded electric cost data of those stations having a separate electric meter in year 2010 *divided by* the recorded volumes of those stations for year 2010.

1.2 By “incremental cost” SoCalGas and SDG&E mean the incremental costs incurred to provide public access service and includes (i) capital related cost of building “public access only” stations; (ii) the capital-related costs for providing public access for “dual-use” stations; and, (iii) the O&M and electric power charges required to operate the public access service for the stations. (See response 1.1)

1.3 Yes, if by “to make a fleet refueling facility capable of providing public access” you include cost of building new public access only stations along with the cost of converting existing stations to dual-use service. (See Response 1.1)

1.3.1 N/A

1.3.2 See Response 1.1

1.3.3 See Response to 1.3.2, above.

1.3.4 Capital-Related costs were based on recorded cost of all NGV stations that only serve public vehicles and the recorded extra cost required to convert a Private-Only station into a dual-use public/private station. This extra cost required to convert a Private-Only station into a dual-use public/private station was based on applying the Public Access percentage to all dual-use stations. The Public Access Percentage was derived using dual-station and utility-use-only stations. (See Response 1.1)

The O&M expenses were based on a rate that was derived from all NGV stations, including those serving public and private vehicles. The electric charges are based on a rate that was derived using only the stations which have separately metered electric service. (See Response 1.1)

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1.3.5 The stations used in determining the Public Access Percentage, which is used to determine the extra cost to convert to a dual-use station, are as follows:

	Private Only	Dual Use
SoCalGas	7	2
SDG&E	1	1
Total	8	3

Separately metered electric data was available from 4 stations at SoCalGas and 3 stations at SDG&E.

1.3.6 The stations used in the calculations were all of the stations originally built with private access only and all of the stations that were originally built fully integrated with both private and public access. SoCalGas and SDG&E determined that these stations provide an accurate representation of providing public access because it is a comparison of the actual cost differences between stations built exclusively for private use and stations built exclusively for public/private access.

1.3.7 Column 3 of the table on page 1 of the 6/1/2012 workpapers of Mr. Jason Bonnett, Section 2, "NGV compression rate adder model" contains the incremental costs of providing public access service that was used to calculate the compression rate adder for public access stations.

1.4 In response to this question SoCalGas and SDG&E compared the public access portion to the utility use portion of existing dual use stations. As can be seen on the tables below, the overall revenue requirement is higher for the public access portion of dual use stations due to the higher gas throughput associated with public use. However, the O&M and electricity costs are based on a per therm basis and are identical for both public access and utility use. Additionally, the capital related revenue requirement is higher for the utility use portion due to the public access portion only being charged the incremental costs required to make a station available for public use. Thus, the overall compression rate is higher for SoCalGas and SDG&E.

1.4.1 As shown on the tables below the NGV station revenue requirement is approximately 198% and 282% higher for public access. However, the compression rate (pre-Sempra wide) for public access service is 51% of that for private access service at SoCalGas. There is no difference in the rate for SDG&E stations.

1.4.2 The utilities assume the question references 1.4. The costs associated with public and private use are contained within the costs shown in section 2, page 1 of Mr. Bonnett's workpapers.

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SCG 2013TCAP
NGV Compression Adder Revenue Requirement
For only Dual Use NGV Stations Only
v10-04-2012

NGV Station Costs \$000's	Total Dual Use Stations Only (Public & Private) Access		Public Access Only of Dual Use Stations		Private Access Only of Dual Use Stations		Public Access % Increase Over Private
	\$000's/yr	\$/th	\$000's/yr	\$/th	\$000's/yr	\$/th	
NGV Station Rate Base	\$835	\$0.64	\$207	\$0.20	\$628	\$2.34	
Rate of Return %	8.68%		8.68%		8.68%		
Return on Ratebase	\$72	\$0.06	\$18	\$0.02	\$54	\$0.20	
Income Taxes	\$46	\$0.04	\$5	\$0.00	\$14	\$0.05	
Ad Valorem Taxes	\$30	\$0.02	\$3	\$0.00	\$9	\$0.03	
Depreciation Expense	\$216	\$0.17	\$54	\$0.05	\$162	\$0.61	
Capital Related Revenue Requirement	\$364	\$0.28	\$79	\$0.08	\$240	\$0.90	
NGV Station Throughput in CCF	1,272,247		1,010,759		268		
O&M Expense	\$849	\$0.65	\$674	\$0.65	\$174	\$0.65	
Electricity Expense	\$171	\$0.13	\$136	\$0.13	\$35	\$0.13	
Customer Related O&M	\$1,019	\$0.78	\$810	\$0.78	\$210	\$0.78	
NGV Station Revenue Requirement	\$1,383	\$1.06	\$889	\$0.86	\$449	\$1.68	198%
Total NGV Station Throughput in CCF	1,272,247		1,010,759		261,488		
Compression Throughput Mth/year	1,302	1,302	1,035	1,035	268	268	
Compression Rate \$/therm	\$1.06		\$0.86		\$1.68		51%

Notes:

- Total Public & Private Access is the total of only the Dual Use Stations, public & private.
- Public Access Station Costs is based only on the incremental capital needed to make an other wise private station available to the public.

SDG&E 2013TCAP
NGV Compression Adder Revenue Requirement
For only Dual Use NGV Stations Only
v10-03-2012

NGV Station Costs \$000's	Total Dual Use Stations Only (Public & Private) Access		Public Access Only of Dual Use Stations		Private Access Only of Dual Use Stations		Public Access % Increase Over Private
	\$000's/yr	\$/th	\$000's/yr	\$/th	\$000's/yr	\$/th	
NGV Station Rate Base	\$0	\$0.00	\$0	\$0.00	\$0.00	\$0.00	
Rate of Return %	8.40%		8.40%		8.40%		
Return on Ratebase	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	
Income Taxes	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	
Ad Valorem Taxes	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	
Depreciation Expense	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	
Capital Related Revenue Requirement	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	
NGV Station Throughput in CCF	216,079		159,454		56,625		
O&M Expense	\$154	\$0.70	\$113	\$0.70	\$40	\$0.70	
Electricity Expense	\$91	\$0.41	\$67	\$0.41	\$24	\$0.41	
Customer Related O&M	\$245	\$1.11	\$181	\$1.11	\$64	\$1.11	282%
NGV Station Revenue Requirement	\$245	\$1.11	\$181	\$1.11	\$64	\$1.11	
Total NGV Station Throughput in CCF	216,079		159,454		56,625		
Compression Throughput Mth/year	1,0194		1,0194		1,0194		
Compression Throughput Mth/year	220	220	163	163	58	58	
Compression Rate \$/therm	\$1.11		\$1.11		\$1.11		

Notes:

- Total Public & Private Access is the total of only the Dual Use Stations, public & private.
- Public Access Station Costs is based only on the incremental capital needed to make an other wise private station available to the public.
- Since Public Access Stations have been fully depreciated there is no Capital Related Revenue Requirement.

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QUESTION 2:

How many public access NGV refueling stations do each of SoCalGas and SDG&E currently own and operate?

2.1.2 How many of these public access refueling stations are operated by third parties?

2.1.3 Do either SoCalGas or SDG&E operate public access NGV refueling stations that the utility does not own?

2.2 If either SoCalGas or SDG&E own public access refueling stations that are operated by third parties, what categories of costs are charged by the third-party and, for each utility, how are they incorporated into the calculation of the compression rate adders proposed in the TCAP?

2.3 If so, how were these costs measured and determined?

2.4 How many NGV refueling stations do each of SoCalGas and SDG&E currently own and operate that provide only fleet refueling?

RESPONSE 2:

SoCalGas owns and operates 10 public access compressed natural gas (CNG) vehicle refueling stations.

SDG&E owns and operates 3 public access CNG vehicle refueling stations.

2.1.2 None

2.1.3 No

2.2 N/A

2.3 N/A

2.4 SoCalGas owns and operates 8 private CNG vehicle refueling stations that fuel the utility fleet.

SDG&E owns and operates 3 private CNG vehicle refueling stations that fuel the utility fleet.

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QUESTION 3:

What are the per therm amounts for franchise fees and uncollectibles that are included in the proposed compression rate adders for each of SoCalGas and SDG&E?

RESPONSE 3:

The calculation is done a percentage of cost basis not on a per therm amount. As shown in page 87 of 154 of Mr. Bonnett's workpapers the current California Public Utilities Commission approved FF&U rate is used in construction of the proposed compression rate adders for both SoCalGas and SDG&E.

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QUESTION 4:

4.1 With reference to SoCalGas' and SDG&E's answer to Clean Energy's Data Request #3, Question 25, are the compression rate adders for providing public access refueling services when calculated on a fully allocated average cost basis approximately \$1.19 and \$1.20 per therm for SoCalGas and SDG&E, respectively?

4.2 If this is not a correct interpretation, what are the compression rate adders per therm for each of SoCalGas and SDG&E, and on a Sempra-wide basis, that would recover the fully loaded, fully allocated average costs the utilities incur in providing public access refueling services?

RESPONSE 4:

4.1 Pursuant to a conversation with Clean Energy, it was clarified that the referenced data request above should have been Question 13 of Clean Energy's third data request. SoCalGas and SDG&E have based their response on the clarification below.

No, the response to Question 13 of Clean Energy's third data request calculated the Sempra-wide compression rate adder based upon the data found in column 1 of the NGV compression adder model which contains costs for both public and private NGV stations.

4.2 As shown in section 2, page 1, column 3, of Mr. Bonnett's workpapers the Sempra-wide compression rate adder is \$0.95311 for SoCalGas and \$0.95858 for SDG&E. Additionally, as discussed in response to Question 1.1 and 1.2 of Clean Energy's fourth data request the utilities determine incremental costs on a fully-allocated cost basis.