**Question 1:**

For how many customers has SoCalGas provided higher than standard delivery pressure services downstream of the customer’s utility meter on customer property, at a higher pressure than provided at the customer’s utility meter, pursuant to the provisions of SoCalGas’ Rule 2?

1. If any, what was the reason claimed by each such customer for its request for higher than standard delivery pressure provided downstream of the utility meter on customer property by SoCalGas?
2. For each such customer, please provide the NAICS codes for its primary line of business.
3. For each such customer, what was the higher than standard delivery pressure provided by SoCalGas on customer property downstream of the utility meter used by the customer?

**Response 1:**

SoCalGas currently provides no customers with compression services downstream of the customer meter at a higher pressure than provided at the customers’ utility meter. However, we note that there is also no regulatory prohibition on owning assets on the customer side of the meter. SoCalGas has signed one contract for provision of compression service on the customer side of the meter at a pressure higher than that at the revenue meter pursuant to Rule 2 with certain deviations as authorized and general order 96-B.

**Question 2:**

For how many customers has SoCalGas provided higher than standard delivery pressure services at or upstream of the customer’s utility meter pursuant to the provisions of SoCalGas’ Rule 2?

1. If any, what was the reason claimed by each such customer for its request for higher than standard delivery pressure?
2. For each such customer, please provide the NAICS codes for its primary line of business.
3. For each such customer, what was the higher than standard delivery pressure provided by SoCalGas to the customer?

**Response 2:**

SoCalGas provides higher than standard delivery pressure to approximately 14,000 Commercial and Industrial (C&I) customers under the terms specified by Section C of Rule 2.

1. Typical reasons are that customers have end-use equipment which require higher than standard natural gas pressure (greater than 8 inches water column) and/or that their gas volume requirements are so large that standard delivery pressure is not practical.
2. Any C&I customer meeting the requirements of Rule 2 Section C is eligible for higher than standard pressure. SoCalGas objects to providing NAICS codes for each customer due to customer confidentiality.
3. Over 9,000 C&I customers who are provided higher than standard delivery pressure receive natural gas at 5 psig. Almost 5,000 other C&I customers who are provided higher than standard delivery pressure receive natural gas at pressure greater than 5 psig or at fluctuating line pressure on an as-available basis.

**Question 3**

In his rebuttal testimony, SoCalGas witness Reyes says: “DRA claims that SoCalGas will be piggybacking on the insurance policy that ratepayers are funding for other purposes. DRA, however, neglects to recognize that SoCalGas has accounted for and charged the Compression Service Tariff customers specifically for insurance costs. An allocation of the cost of providing insurance coverage has been charged to the specific customer through the Public Liability and Property Damage (‘PLPD’) overhead. The PLPD overhead represents the cost of expected payments to third parties for liability and property damage claims submitted to the company plus the cost of insurance premiums to cover claims over a certain dollar limit. As such, SoCalGas’ accounting practices account for and charge Compression services Tariff customers for insurance coverage.” (Reyes Rebuttal Testimony, page 6).

* Does the cited insurance coverage compensate SoCalGas for the loss of economic value of compression services equipment that may result (a) if the Compression Services Customer becomes insolvent or files for bankruptcy during the term of its agreement with SoCalGas and (b) where that loss of economic value is greater than “…the uncollectible revenue charge and contingencies imbedded in the rate?” (Reed Rebuttal Testimony, page 2, lines 17-18)
* If not, who bears the costs associated with this loss of economic value, SoCalGas’ non-participating ratepayers or SoCalGas’ shareholders?

**Response 3**

SoCalGas’ Public Liability and Property Damage (“PLPD”) overhead does not cover economic loss if a Compression Services Customer becomes insolvent or files for bankruptcy. If a Compression Services Tariff customer files for bankruptcy and is unable to pay for the infrastructure installed on its behalf, SoCalGas will first exhaust all commercial and legal remedies to collect the remaining balance due and the required costs to remove and redeploy the asset from the customer premises. If not redeployed the asset will be retired. SCG shareholders bear the economic loss between GRCs until the undepreciated capital invested is rolled-in to ratebase along with miscellaneous revenues forecasts associated with compression services tariff for approval in the subsequent GRC.

**Question 4**

What is the specific nature of the information that was redacted from the Rebuttal Testimony of Jeff Reed?

**Response 4**

Exhibit 1, redacted from Mr. Reed’s rebuttal testimony, contains confidential customer information regarding the share of current throughput for NGV applications provided Clean Energy and Integrys.

**Question 5**

In SoCalGas’ Rule 2, Section C, is the intended “point of delivery” the utility meter?

**Response 5**

No, there is no stated or intended ‘point of delivery’ in Rule 2, Section C.

**Question 6**

SoCalGas’ Rule 2, Section O., subsection 4 says: “Applicant requesting special facilities will be required to execute a written contract prior to Utility performing its work to install or dedicate special facilities. The general form of such contract shall be on file with the Commission.” Please provide a copy of the general form of such contract that is on file with the Commission.

**Response 6**

The general form for the Special Facilities contract is available at the following link on the SoCalGas website:

<http://www.socalgas.com/regulatory/tariffs/tm2/pdf/Special_Faciliti.pdf>

**Question 7:**

On page 17 lines 20-21 of his rebuttal testimony, Mr. Reed states that “SoCalGas is prohibited from promoting a particular service or service provider over others.” Please identify all authorities or requirements upon which Mr. Reed bases this statement.

**Response 7:**

The statement referenced is based on Public Utilities Code 453(a), which states “…No public utility shall, as to rates, charges, service, facilities, or in any other respect, make or grant any preference or advantage to any corporation or person or subject any corporation or person to any prejudice or disadvantage…”