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1 Table 1 below provides the illustrative BTS Straight Fixed Variable (SFV) rate impact of
 2 the Project.³ The rates shown assume the forecasted revenue requirements included in Mr. Yee’s
 3 testimony.⁴ As Mr. Yee explains, the revenue requirements to be ultimately collected in rates
 4 will be trued-up for actual costs at the conclusion of the Project. The first year’s revenue
 5 requirement, if placed in rates on a date other than January 1, will be adjusted to ensure it is fully
 6 collected over the remaining months in the year. Mr. Ahmed’s testimony proposes to establish
 7 the North-South Infrastructure Memorandum Account (NSIMA), which is also proposed to be
 8 allocated to the BTS rate.

TABLE 1
Illustrative BTS Revenue and Rate Impacts

	Current BTS Revenue Requirement \$ Millions	North-South Project Revenue Requirement \$ Millions	Total BTS Revenue Requirement \$ Millions	Current BTS SFV Rate \$/dth/d	North-South Project BTS Rate Impact \$/dth/d	Total BTS SFV Rate \$/dth/d
	A	B	C = A + B	D	E	F = D + E
2020	\$164.4	\$133.6	\$298.0	\$0.154	\$0.125	\$0.279
2021	\$164.4	\$120.5	\$284.9	\$0.154	\$0.113	\$0.267
2022	\$164.4	\$118.7	\$283.1	\$0.154	\$0.111	\$0.265
2023	\$164.4	\$114.4	\$278.8	\$0.154	\$0.107	\$0.261
2024	\$164.4	\$110.5	\$274.9	\$0.154	\$0.104	\$0.258

9 Customers who directly purchase firm BTS capacity from SoCalGas will be impacted as
 10 shown in Table 1.⁵ However, most end-use customers do not directly pay the BTS rate. Core
 11 customers indirectly pay for BTS through the core procurement tariff. Core Aggregation
 12 Transportation and noncore customers who procure their gas commodity from a marketer or at
 13 the Citygate indirectly pay for BTS as it is a likely cost of business for market participants

³ The rate impact is calculated using the same BTS denominator of 2,924 Mdth/day that is used for the current BTS rate. This denominator is updated annually to reflect actual BTS capacity utilization.

⁴ Table 1 shows the rate impact for only the first five years after the estimated in-service date of the Project. As Mr. Yee’s testimony shows, the Project will have corresponding revenue requirements beyond this period.

⁵ Short term firm as well as interruptible service is available at market based prices up to the full tariffed rates listed in Table 1.

1 providing gas commodity to them. Since these customers' transportation (i.e. "Citygate-to-
 2 meter") rates are not impacted by this proposal, an alternative method of illustrating the rate
 3 impact of the Project on them is to observe bundled rate impacts that include a proxy gas
 4 commodity price. The proposed peak BTS rate impact (Year 2020) from Table 1 of \$0.125 per
 5 decatherm (converted to \$0.013 per therm for Table 2) is added to these bundled rates to
 6 approximate the Project's impact. These illustrative rates are provided below in Table 2.⁶

TABLE 2
Illustrative Bundled Rate Impacts of North-South Project

	Current Class- Average Transportation Rates*	Gas Commodity Price**	Bundled Rate/Bill	North-South Project BTS Rate Impact***	% impact on bundled rates/bills	
	A	B	C = A+B	D	E = D / C	
1	<u>SoCalGas</u>					
2	Residential \$/th	\$0.663	\$0.488	\$1.151	\$0.013	1.1%
3	Average Residential Bill \$/month (39 th)	\$24.53	\$18.94	\$43.47	\$0.488	1.1%
4	Core C&I \$/th	\$0.306	\$0.488	\$0.795	\$0.013	1.6%
5	NGV \$/th	\$0.106	\$0.488	\$0.594	\$0.013	2.1%
6						
7	Noncore C&I - Distribution \$/th	\$0.067	\$0.488	\$0.555	\$0.013	2.3%
8	Noncore C&I - TLS \$/th	\$0.014	\$0.488	\$0.503	\$0.013	2.5%
9	Electric Generation - Distribution \$/th	\$0.038	\$0.488	\$0.527	\$0.013	2.4%
10	Electric Generation - TLS \$/th	\$0.013	\$0.488	\$0.501	\$0.013	2.5%
11						
12	<u>SDG&E</u>					
13	Residential \$/th	\$0.802	\$0.489	\$1.291	\$0.013	1.0%
14	Average Residential Bill \$/month (28 th)	\$20.66	\$13.51	\$34.17	\$0.350	1.0%
15	Core C&I \$/th	\$0.243	\$0.489	\$0.732	\$0.013	1.7%
16	NGV \$/th	\$0.121	\$0.489	\$0.610	\$0.013	2.0%
17						
18	Noncore C&I - Distribution \$/th	\$0.063	\$0.489	\$0.552	\$0.013	2.3%
19	Noncore C&I - TLS \$/th	\$0.022	\$0.489	\$0.510	\$0.013	2.5%
20	Electric Generation - Distribution \$/th	\$0.041	\$0.489	\$0.530	\$0.013	2.4%
21	Electric Generation - TLS \$/th	\$0.013	\$0.489	\$0.502	\$0.013	2.5%

* Transportation rates effective July 1, 2014, as approved in AL 4586 at SoCalGas and AL 2302-G at SDG&E.

** Gas price is the prior twelve month average of the core procurement tariff (November 2013 - October 2014).

*** This is the impact to the BTS Tariff. Individual customers may have impacts that differ due to how they purchase gas.

⁶ Table 2 reflects a direct impact to end-use customers based on the proposed increase in the BTS rate, and is for discussion purposes only. Since the BTS rate and the Gas Commodity price are market based rates, each customer's impact will be unique to their situation.

1 **III. QUALIFICATIONS**

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5 I hold a Bachelor of Science degree in Business Administration from Mankato State
6 University, a Juris Doctorate from Hamline University School of Law, and a Master of Arts in
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8 Prior to joining SDG&E, I was employed by the Minnesota Department of Commerce,
9 Energy Division, as a Public Utilities Rates Analyst from May 1998 through July 2007.

10 This concludes my updated prepared direct testimony.