



DRA

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DATA REQUEST RESPONSE

Application (A.10-03-028) of SoCalGas/SDG&E Updating Firm Access Rights Services and Rates

Date: October 26, 2010

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Question:

1. (a) Does DRA believe that some noncore end-use customers and distribution system customers are currently being served directly off SoCalGas/ SDG&E's backbone pipelines? If the answer is no, please explain.

Response:

1. (a) Yes.

Question:

(b) If the answer to 1(a) is yes; by functional definition, does that mean that some portions of backbone pipelines are performing the function of a local pipeline which transports gas from a backbone pipeline to noncore end-use customers and/or distribution system customers? If the answer is no, please explain.

Response:

1. (b) No, it would be more accurate to characterize those customers who take service from backbone transmission lines as not using the local transmission function.

Question:

(c) If the answer to 1(b) is yes, is it accurate to allocate some portion of backbone transmission costs to the local transmission function? If the answer is no, please explain.

Response:

1. (c) No. Although some customers may only utilize the backbone function, this is not a reason to re-allocate costs associated with the backbone function to a local transmission function. D.06-12-031 directed SoCalGas and SDG&E to include a cost study of the backbone transmission system and a proposal for a new cost based FAR in its 2007 BCAP application. A reallocation of backbone costs to local transmission is inconsistent with achieving a cost-based FAR rate as directed by D.06-12-031.

Question:

(d) What percentage of backbone transmission costs is allocated to local transmission by DRA? What is the rationale supporting your position? Please explain.

1. (d) In this FAR Update proceeding, DRA did not allocate any portion of backbone transmission costs to the local transmission function. SoCalGas and SDG&E provided evidence and studies identifying the costs of backbone function on its systems. DRA has not disputed the backbone costs developed by SoCalGas and SDG&E in its studies and has utilized these costs to develop its proposed cost-based FAR rate. Also see Response 1 (b) and (c).