

Application of Southern California Gas Company
(U 904G) for authority to update its gas revenue
requirement and base rates effective on January 1,
2012.

Application 10-12-____
Exhibit No.: (SCG-40)

**PREPARED DIRECT TESTIMONY OF
GARY LENART
ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY**

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

DECEMBER 2010



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TABLE SCG-GL-1

Southern California Gas Company
 Summary of Gas Revenue by Major Customer Class
 2012 General Rate Case Application
 (\$ millions)

Line No.	Customer Class	Total Revenues		Change		Line No.
		Present	Proposed	\$	%	
1	Residential	\$2,880	\$3,098	\$218	7.6%	1
2	Core Commercial & Industrial	\$923	\$975	\$52	5.6%	2
3	Other	\$93	\$95	\$2	2.1%	3
4	Total Core	\$3,896	\$4,168	\$272	7.0%	4
5	Noncore C&I	\$122	\$136	\$15	12.2%	5
6	Sempra-Wide Electric Generation	\$67	\$80	\$13	20.3%	6
7	Total Retail Noncore	\$188	\$216	\$28	15.1%	7
8	Wholesale	\$15	\$18	\$3	21.6%	8
9	Other	\$70	\$75	\$5	6.5%	9
10	SYSTEM TOTALS	\$4,170	\$4,478	\$308	7.4%	10

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TABLE SCG-GL-2

Southern California Gas Company
 Summary of Gas Class Average Bundled Rates by Major Customer Class
 2012 General Rate Case Application
 (\$/therm)

Line No.	Customer Class	Total Revenues		Change		Line No.
		Present	Proposed	\$	%	
1	Residential	\$1.15935	\$1.24727	\$0.08791	7.6%	1
2	Core Commercial & Industrial	\$0.95094	\$1.00421	\$0.05327	5.6%	2
3	Core Average	\$1.08489	\$1.16063	\$0.07574	7.0%	3
4	Noncore C&I	\$0.08438	\$0.09469	\$0.01030	12.2%	4
5	Sempra-Wide Electric Generation	\$0.02355	\$0.02832	\$0.00477	20.3%	5
6	Retail Noncore Average	\$0.04408	\$0.05072	\$0.00664	15.1%	6
7	Wholesale	\$0.00951	\$0.01156	\$0.00205	21.6%	7
8	SYSTEM TOTALS	\$0.44088	\$0.47347	\$0.03259	7.4%	8

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1 **III. RESIDENTIAL CUSTOMER BILL IMPACTS**

2 The following table provides estimates of residential bundled customer average monthly
3 gas bill for commodity and transportation. This is based on the average residential customer
4 usage of 38 therms per month.

5 As shown on Table SCG-GL-3, the bill amount for the typical customer that uses an
6 average of 38 therms per month would increase by \$3.35 per month, or 7.7%.

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8 **TABLE SCG-GL-3**

Southern California Gas Company
9 Typical Monthly Residential Gas Bill at Present and Proposed Rates

Line No.	Typical Usage	Average Monthly Bill		Change	
		2010	2012	\$	%
1	38	\$43.39	\$46.74	\$3.35	7.7%

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12 This concludes my prepared direct testimony.
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1 **IV. WITNESS QUALIFICATIONS**

2 My name is Gary Lenart. My business address is 555 West Fifth Street, Los Angeles,
3 California, 90013-1011. I am employed by the Southern California Gas Company (“SoCalGas”)
4 as the Gas Rates Manager in the Regulatory Affairs Department for SoCalGas and SDG&E.

5 I hold a Bachelor of Science degree in Business Finance and Computer Science from
6 Bradley University in Peoria, Illinois and a Master of Business Administration from California
7 State University at Northridge, California. I have been employed by SoCalGas since 1988, and
8 have held positions of increasing responsibilities in the Accounting, Strategic Planning, New
9 Product Development, Customer Service & Information, and Regulatory Affairs departments. I
10 have been in my current position as Gas Rates Manager since August, 2010. In my current
11 position, I am responsible for cost allocation and rate design for both utilities.

12 I have previously testified before the Commission.