

Application of San Diego Gas & Electric Company (U902M) for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2012.

A.10-12-005
(Filed December 15, 2010)

Application of Southern California Gas Company (U904G) for authority to update its gas revenue requirement and base rates effective on January 1, 2012.

A.10-12-006
(Filed December 15, 2010)

Application 10-12-006
Exhibit No.: (SCG-40-R)

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

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

JULY 2011



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AND RATES 1

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CHANGE LOG

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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 Errata and Update
 (\$ millions)

Line No.	Customer Class	Total Revenues		Change		Line No.
		Present	Proposed	\$	%	
1	Residential	\$2,956	\$3,124	\$168	5.7%	1
2	Core Commercial & Industrial	\$933	\$972	\$40	4.3%	2
3	Other	\$94	\$96	\$1	1.6%	3
4	Total Core	\$3,983	\$4,192	\$209	5.3%	4
5	Noncore C&I	\$134	\$145	\$11	8.5%	5
6	Sempra-Wide EG	\$76	\$86	\$10	13.6%	6
7	Noncore Average	\$210	\$232	\$22	10.4%	7
8	Wholesale	\$19	\$21	\$3	13.6%	8
9	Other	\$66	\$70	\$4	5.3%	9
10	SYSTEM TOTALS	\$4,278	\$4,515	\$237	5.5%	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 Errata and Update
 (\$/therm)

Line No.	Customer Class	Total Revenues		Change		Line No.
		Present	Proposed	\$	%	
1	Residential	\$1.19011	\$1.25773	\$0.06762	5.7%	1
2	Core Commercial & Industrial	\$0.96090	\$1.00190	\$0.04100	4.3%	2
3	Core Average	\$1.10912	\$1.16739	\$0.05827	5.3%	3
4	Noncore C&I	\$0.09293	\$0.10087	\$0.00794	8.5%	4
5	Sempra-Wide EG	\$0.02687	\$0.03052	\$0.00365	13.6%	5
6	Noncore Average	\$0.04916	\$0.05427	\$0.00510	10.4%	6
7	Wholesale	\$0.01172	\$0.01332	\$0.00160	13.6%	7
8	SYSTEM TOTALS	\$0.45231	\$0.47738	\$0.02507	5.5%	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 \$2.58 per month, or 5.8%.

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TABLE SCG-GL-3

Southern California Gas Company
Typical Monthly Residential Gas Bill at Present and Proposed Rates
2012 General Rate Case Application Errata and Update

Line No.	Typical Usage	Average Monthly Bill		Change		Line No.
		2011	2012	\$	%	
1	38	\$44.53	\$47.10	\$2.58	5.8%	1

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This concludes my prepared direct testimony.

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.

CHANGE LOG

Errata Only

Page	Line	Errata Item
GL-1	14	Added “(i.e., January 1, 2011) after “current.”
GL-1	22-27	<p>Deleted text: The transportation rates and revenues reflect the allocation of costs and sales volumes adopted in SCG’s most recent Biennial Cost Allocation Proceeding decision and implemented on February 1, 2010. For illustrative purposes, the commodity price and PPP surcharge reflected in these tables also reflect the rates in effect on February 1, 2010.</p> <p>Replaced with: The transportation rates and revenues reflect the allocation of costs and sales volumes adopted in SCG’s most recent Biennial Cost Allocation Proceeding decision and implemented on February 1, 2010, and updated for the January 1, 2011 Consolidated Rate Update (pursuant to the January 15 update performed according to the Rate Case Plan). The PPP surcharge also reflects the rates in effect on January 1, 2011. For illustrative purposes, the commodity price reflected in these tables reflects the rates in effect on February 1, 2010.</p>
GL-1	Fn.1	<p>Deleted text: See Decision (“D.”) 09-11-006. Transportation rates and revenues reflect adjustments for System Integration, Firm Access Rights, and Sempra-wide rate adjustments.</p> <p>Replaced with: See BCAP Decision (“D.”) 09-11-006 and Advice Letter No.4190. Transportation rates and revenues reflect adjustments for System Integration, Firm Access Rights, and Sempra-wide rate adjustments. The January 15 update is prescribed by the Rate Case Plan D.07-07-004, Appendix A, p. A-30, Item 3.</p>
GL-1	Fn.2	Changed Advice Letter No. 4032 to 4163.

Tax Relief Act Updates

(combined with Errata Items where applicable)

Page	Line	Errata Item (Interim Step)	Tax Relief Act Item (Final)
GL-2	1	Table SCG-GL-1 was changed to reflect corrected data.	Table SCG-GL-1 was changed and replaced to incorporate impacts from Tax Relief Act.
GL-2	4	Table SCG-GL-2 was changed to reflect corrected data.	Table SCG-GL-2 was changed and replaced to incorporate impacts from Tax Relief Act.
GL-3	6	Changed \$3.35 to \$2.70; 7.7% to 6.1%.	Changed \$2.70 to \$2.58; 6.1% to 5.8%.
GL-3	8	Table SCG-GL-3 was changed to reflect corrected data.	Table SCG-GL-3 was changed and replaced to incorporate impacts from Tax Relief Act.