

**SAN DIEGO GAS AND ELECTRIC COMPANY
SOUTHERN CALIFORNIA GAS COMPANY
2013 TRIENNIAL COST ALLOCATION PROCEEDING (A.11-11-002)
(6th DATA REQUEST FROM CLEAN ENERGY FUELS, CORP.)**

QUESTION 1:

1. Following is Question 13 of Clean Energy's Third Data Request and SoCalGas' response to the data request:

QUESTION 13:

According to SoCalGas' answer to Question #25 (A)[of Clean Energy's First Data Request], the third column of data on Page 1 of the Section 2 Workpapers for both SoCalGas and SDG&E shows ". . . the incremental costs of station use by public access customers (i.e. non-Utility fleet vehicles)."

- A. *What would the compression rate adders proposed for SoCalGas and SDG&E be if the compression rate adders were calculated on a fully allocated average cost basis?*

RESPONSE 13:

If the utility refueling costs as shown in column 1 of the same data table on Page 1 of the Section 2 Workpapers for both SoCalGas and SDG&E are included in the compression rate adder calculation; then, the post-Sempra wide compression rate adder would be approximately \$1.19 and \$1.20 for SoCalGas and SDG&E, respectively.

- 1.1. Please update the response to Question 13 of Clean Energy's Third Data Request to be consistent with the cost information that was included in the March 16, 2012, Supplemental Direct Testimony of Mr. Jason Bonnett and in Mr. Bonnett's workpapers dated June 1, 2012.
- 1.2. Please also provide the corresponding utility specific compression rate adders for each of SoCalGas and SDG&E in addition to the Sempra wide compression rate adders.
- 1.3. Please calculate, for each of SoCalGas and SDG&E, what the compression rate per therm would be, if the common costs in the total NGV Station Revenue Requirement (total costs common to both public access and private access) were allocated equally to all NGV throughput, resulting in a single average rate per therm.
- 1.4. Please calculate what the compression rate would be for both utilities for public access if the average incremental cost solely attributed to providing public access were added to the rate provided in Response to Question 1

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RESPONSE 1:

- 1.1 Pursuant to Mr. Bonnett's workpapers dated June 1, 2012, the compression rate adder for column 1, page 1, section 2 are \$1.17 and \$1.32 for SoCalGas and SDG&E, respectively.
- 1.2 The Public Access Station compression rate adders found on page 1, section 2 are \$0.93 and \$1.11, for SoCalGas and SDG&E, respectively. While the Sempra wide compression rate adders are \$0.95311 and \$0.95858, for SoCalGas and SDGE, respectively.
- 1.3 Identification of common costs is not part of the cost study.
- 1.4 In response to this question, the NGV station revenue requirement and total compression throughput for the Public Access Station were replaced with the NGV station revenue requirement and total compression throughput for the total public & private access for both SoCalGas and SDG&E. Therefore, the compression rate adder would be \$1.19067 and \$1.19750, for SoCalGas and SDG&E, respectively.

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QUESTION 2:

2. In “Response 4-SoCalGas” to Clean Energy’s Fourth Data Request, SoCalGas provided a table showing the calculation of the “Compression Rate \$/therm” for all volumes of NGV throughput, Public Access Station volumes and Private Access Station volumes.
 - 2.1. Note 2 states: “Public Access Station Costs is based only on the incremental capital needed to make an otherwise private station available to the public.”
 - 2.1.1. Please identify in detail the types of incremental costs (e.g. canopy, changes to billing system) incurred to make an otherwise private station available to the public.
 - 2.1.2. Please specify for each type of cost identified in response to Question 2.1.1, the line item (e.g. NGV Station Rate Base) in the table in which the cost is reflected.
 - 2.1.3. For each line item listed in the table provided in response to Question 4 of Clean Energy ‘s Fourth Data Request (e.g. NGV Station Rate Base) specify the portion of the costs in Column 1 (entitled “Total Public and Private Access”) attributed solely to providing public access refueling services.
 - 2.2. Please explain in detail the methodology for allocating the \$2,047,000 NGV Station Rate Base between Public Access Station and Private Access Station services.
 - 2.2.1. Explain why this methodology was used, referring specifically to any Commission authority requiring the use of this methodology.
 - 2.2.2. What is the basis for the assumption for SoCalGas that 26.6 percent of the total station rate base is assigned to Public Access Stations?
 - 2.3. Please explain the methodology for calculating the depreciation expense for Public Access Station and Private Access Station services, identifying the depreciation methodology, asset life and any other relevant factors.

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- 2.4. Please explain the methodology for allocating income taxes and ad valorem taxes for Public Access Station and Private Access Station services.
- 2.5. Please identify the amount, in total dollars, of corporate overhead costs allocated to each of Public Access Station and Private Access Station services.
 - 2.5.1. Identify the line item in the table where these costs have been included.
 - 2.5.2. Please identify and then disaggregate the total amount of corporate overhead by category between Public and Private Access stations.
 - 2.5.3. Please explain in detail the methodology for categorizing costs as attributable to NGV public or private access refueling services and quantifying those costs for each of Public Access Station and Private Access Station services.

RESPONSE 2:

- 2.1.1 Types of incremental costs incurred to make an otherwise private station public include, but are not limited to, larger compressor size to handle increased throughput associated with public fuel dispensing, public dispensers capable of fueling at both 3,000 psi and 3,600 psi, storage cylinders to provide or enhance “fast fill” fueling capabilities, public access driveways, additional pads for public access dispensers and storage vessels, higher maintenance costs associated with increased use, higher electrical costs associated with on-peak and/or elevated use, etc.
- 2.1.2 Compressor – NGV Station Rate Base
Dispensers -- NGV Station Rate Base
Storage Cylinders – NGV Station Rate Base
Driveways – NGV Station Rate Base
Pads – NGV Station Rate Base
Maintenance Costs – O&M Expense
Electrical Costs – Electricity Expense
- 2.1.3 The portion of costs in column 1 of the table provided in response to question 4 of Clean Energy’s fourth data request attributed to providing public access refueling services are found in the Public Access Station column of the same table.

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- 2.2.1 Consistent with past practice, this methodology was used to allocate cost of Rate Base to the NGV Stations. This was based on allocating Net Book Value (NBV) of all of the NGV Stations to all Utility Assets at SoCalGas. The allocation was done using the NBV which is similar to the methodology for calculating Rate Base at the overall Utility.
- 2.2.2 The allocation was done based on the ratio of the NBV of the NGV Public Access Stations verses the NBV of all Utility Assets. That ratio was then multiplied by the total Rate Base Assets of SoCalGas. That was how the Rate Base Allocation was done for Public Access Stations. Please see Mr. Bonnett's SoCalGas Workpapers Updated Filing 6/1/2012 Section NGV Compression Rate Adder Model Page 2 of 3 and Page 3 of 3.
- 2.3 SoCalGas uses the straight-line remaining life deprecation method for FERC account 387 – Other Equipment, which includes NGV stations. The deprecation method is in compliance with the California Public Utilities Commission (CPUC) Standard Practice U-4, Determination of Straight-Line Remaining Life Depreciation Accruals. The average service life authorized by the CPUC for this account is 11 years.
- 2.4 Income taxes and ad valorem taxes were allocated to Public Access Station and Private Access Station services using the same allocation method for Rate Base allocation. This was based on the NBV of NGV Station Assets (public and private) compared to total Rate Base assets. That percentage was then applied to the total cost of income taxes and ad valorem taxes. Please see the same reference of Mr. Bonnett's SoCalGas Workpapers noted in response 2.2.2.
- 2.5 Consistent with past practice, there are no allocations of corporate overhead costs allocated to the Public or Private NGV Access Station services.
- 2.5.1 N/A
- 2.5.2 N/A
- 2.5.3 N/A

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QUESTION 3:

3. The Table provided for SDG&E in response to Question #4 of Data Request 4 shows a “NGV Station Revenue Requirement” of \$181,000 for “Public Access Station,” which is just equal to what is identified in the Table as “Customer Related O&M.” The numbers shown for “Return on Rate Base” and the components of “Capital Related Revenue Requirement” are all zeros.
 - 3.1. Explain the methodology used to allocate rate base between Public Access Station and Private Access Station services.
 - 3.2. Explain why this methodology was used, referring specifically to any Commission authority requiring the use of this methodology.
 - 3.3. Why is it assumed that no rate base is associated with providing refueling services at SDG&E’s Public Access Stations?
 - 3.4. Please provide an updated table for SDG&E corresponding to the Table shown in response to Question #4 showing the correct amount of rate base for SDG&E’s Public Access Stations and the values for the “Customer Related O&M” cost components shown in the Table which aggregate to \$181,000, if that is the correct number. If \$181,000 is not the correct number, please update the “Customer Related O&M” subtotal.

RESPONSE 3:

- 3.1 The allocation of Rate Base between Public Access Station and Private Access Station services is based on the NBV of the NGV Stations. In the case of SDG&E, the NBV of the Public Stations is zero as they have been fully depreciated. The Private Stations have NBV. Thus, on the referenced table noted above, the totals for the Public Access Station do not have any allocation of Return on Rate Base as they have been fully recovered and have zero NBV.
- 3.2 This methodology was used for allocating Rate Base to the NGV Stations since part of Rate Base is derived from the NBV of the overall Utility. Thus, when looking at the Public and Private NGV Stations we used a similar methodology for calculating Rate Base at the overall Utility.
- 3.3 As discussed above, no rate base is associated with providing refueling services at SDG&E’s public access stations because those stations have already been fully depreciated.

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- 3.4 The values shown in response to question 4 of Clean Energy's fourth data request are correct.

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QUESTION 4:

4. In “Response 4-SDG&E” to Clean Energy’s Fourth Data Request, SoCalGas/SDG&E provided a table showing the calculation of the “Compression Rate \$/therm” for all volumes of NGV throughput, Public Access Station volumes and Private Access Station volumes.
 - 4.1 Note 2 states: “Public Access Station Costs is based only on the incremental capital needed to make an otherwise private station available to the public.”
 - 4.1.1 Please identify in detail the types of incremental costs (e.g. canopy, changes to billing system) incurred to make an otherwise private station available to the public.
 - 4.1.2 Please specify for each type of cost identified in response to Question 4.1.1, the line item (e.g. NGV Station Rate Base) in the table in which the cost is reflected.
 - 4.1.3 For each line item listed in the table provided in response to Question 4 of Clean Energy ‘s Fourth Data Request (e.g. NGV Station Rate Base) specify the portion of the costs in Column 1 (entitled “Total Public & Private Access”) attributed solely to providing public access services.
 - 4.2 Please explain the methodology for calculating the depreciation expense for Public Access Station and Private Access Station services, identifying the depreciation methodology, asset life and any other relevant factors.
 - 4.3 Please explain the methodology for allocating income taxes and ad valorem taxes for Public Access Station and Private Access Station services.
 - 4.4 Please identify the amount, in total dollars, of corporate overhead costs allocated to each of Public Access Station and Private Access Station services.
 - 4.4.1 Identify the line item in the table where these costs have been included.

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- 4.4.2 Please identify and then disaggregate the total amount of corporate overhead by category between Public and Private Access stations.
- 4.4.3 Please explain in detail the methodology for categorizing costs as attributable to NGV public or private access refueling services and quantifying those costs for each of Public Access Station and Private Access Station services.

RESPONSE 4:

- 4.1.1 Types of incremental costs incurred to make an otherwise private station public include, but are not limited to, larger compressor size to handle increased throughput associated with public fuel dispensing, public dispensers capable of fueling at both 3,000 psi and 3,600 psi, storage cylinders to provide or enhance “fast fill” fueling capabilities, public access driveways, additional pads for public access dispensers and storage vessels, higher maintenance costs associated with increased use, higher electrical costs associated with on-peak and/or elevated use, etc.
- 4.1.2 Compressor – NGV Station Rate Base
Dispensers -- NGV Station Rate Base
Storage Cylinders – NGV Station Rate Base
Driveways – NGV Station Rate Base
Pads – NGV Station Rate Base
Maintenance Costs – O&M Expense
Electrical Costs – Electricity Expense
- 4.1.3 The portion of costs in column 1 of the table provided in response to question 4 of Clean Energy’s fourth data request attributed to providing public access refueling services are found in the Public Access Station column of the same table.
- 4.2 SDG&E uses the straight-line remaining life depreciation method for FERC account 387 – Other Equipment, which includes NGV stations. The depreciation method is in compliance with the California Public Utilities Commission (CPUC) Standard Practice U-4, Determination of Straight-Line Remaining Life Depreciation Accruals. The average service life authorized by the CPUC for this account is 9 years.
- 4.3 Income taxes and ad valorem taxes were allocated to Public Access Station and Private Access Station services using the same allocation method for Rate Base allocation. This was based on the NBV of NGV Station Assets (public and private) compared to total Rate Base assets. That percentage was then applied to the total cost of income taxes and ad valorem taxes. Please see Mr. Bonnett’s

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SDG&E Workpapers from Update Filing 6/1/2012 – Section 2 NGV Compression Rate Adder Page 2 of 3 and Page 3 of 3.

4.4 Consistent with past practice, there are no allocations of corporate overhead costs allocated to the Public or Private NGV Access Station services.

4.4.1 N/A

4.4.2 N/A

4.4.3 N/A

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QUESTION 5:

5 Please complete the following table for each of SoCalGas and SDG&E:

NGV Station Costs \$000's	Total Public & Private Access \$000's/yr	Costs Unique to Public Access Services	Costs Unique to Private Access Services	Common Costs to Public and Private Access Services	Portion of Common Costs Allocated to Public Access Services
NGV Station Rate Base					
Rate of Return %					
Return on Ratebase					
Income Taxes					
Ad Valorem Taxes					
Depreciation Expense					
Capital Related Revenue Requirement					
NGV Station Throughput in CCF					
O&M Expense					
Electricity Expense					
Customer Related O&M					
NGV Station Revenue Requirement					

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RESPONSE 5:

5. The tables for SoCalGas and SDG&E are shown below. The information contained in each of the columns of the tables are described below.

Column 1: “Total Public & Private Access” consists of total costs as shown in the NGV Compression Rate Adder Model found in section 2 of Mr. Bonnett’s workpapers.

Column 2: “Costs Unique to Public Access Services” consists of costs which are incurred to make an NGV station available for public use as shown in the NGV Compression Rate Adder Model found in section 2 of Mr. Bonnett’s workpapers.

Column 3: “Costs Unique to Private Access Services” consists of the difference once public access costs are removed from the total public and private access costs. This information was previously provided in response to question 4 of Clean Energy’s fourth data request.

Column 4: “Common Costs to Public and Private Access Services” is unavailable due to identification of common costs not being part of the study.

Column 5: “Portion of Common Costs to Allocated to Public Access Services” is unavailable due to identification of common costs not being part of the study.

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SoCalGas

NGV Station Costs \$000's	Total Public & Private Access \$000's/yr	Costs Unique to Public Access Services	Costs Unique to Private Access Services	Common Costs to Public and Private Access Services	Portion of Common Costs Allocated to Public Access Services
NGV Station Rate Base	\$2,047	\$545	\$1,502	Not Available	Not Available
Rate of Return %	8.68%	8.68%	8.68%	Not Available	Not Available
Return on Ratebase	\$178	\$47	\$130	Not Available	Not Available
Income Taxes	\$46	\$12	\$33	Not Available	Not Available
Ad Valorem Taxes	\$30	\$8	\$22	Not Available	Not Available
Depreciation Expense	\$409	\$118	\$291	Not Available	Not Available
Capital Related Revenue Requirement	\$662	\$185	\$477	Not Available	Not Available
NGV Station Throughput in CCF	1,651,479	1,204,547	446,932	Not Available	Not Available
O&M Expense	\$1,102	\$804	\$298	Not Available	Not Available
Electricity Expense	\$222	\$162	\$60	Not Available	Not Available
Customer Related O&M	\$1,323	\$965	\$358	Not Available	Not Available
NGV Station Revenue Requirement	\$1,985	\$1,150	\$835	Not Available	Not Available

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SDG&E

NGV Station Costs \$000's	Total Public & Private Access \$000's/yr	Costs Unique to Public Access Services	Costs Unique to Private Access Services	Common Costs to Public and Private Access Services	Portion of Common Costs Allocated to Public Access Services
NGV Station Rate Base	\$28	\$0	\$28	Not Available	Not Available
Rate of Return %	8.40%	8.40%	8.40%	Not Available	Not Available
Return on Ratebase	\$2	\$0	\$2	Not Available	Not Available
Income Taxes	\$2	\$0	\$2	Not Available	Not Available
Ad Valorem Taxes	\$1	\$0	\$1	Not Available	Not Available
Depreciation Expense	\$42	\$0	\$42	Not Available	Not Available
Capital Related Revenue Requirement	\$47	\$0	\$47	Not Available	Not Available
NGV Station Throughput in CCF	226,611	159,454	67,157	Not Available	Not Available
O&M Expense	\$161	\$113	\$48	Not Available	Not Available
Electricity Expense	\$95	\$67	\$28	Not Available	Not Available
Customer Related O&M	\$257	\$181	\$76	Not Available	Not Available
NGV Station Revenue Requirement	\$304	\$181	\$123	Not Available	Not Available