

**SAN DIEGO GAS AND ELECTRIC COMPANY
SOUTHERN CALIFORNIA GAS COMPANY
2013 TRIENNIAL COST ALLOCATION PROCEEDING (A.11-11-002)
(DATA REQUEST DRA-PZS-11)**

QUESTION PZS11-1:

On November 8, 2012, DRA received from SoCalGas a set of excel files on CD pursuant to DRA's own request to witness Gary Lenart to run the above models for DRA and reflect changes to these rate models consistent with DRA's assumptions on the PSEP costs, the DRA throughput forecast, and the use of the default cost allocation based on the NCO. DRA made an urgent request for SoCalGas assistance on November 5, 2012 because of persistent difficulties and problems encountered by DRA's witnesses in running the rate models and cost allocation models which were all linked to each other. In examining the results of the model runs based on the default allocation as requested by DRA, it was observed from the rate table shown in the Table 1 of the Rate Table tab of the 2013 TCAP SCG RD model, that the subscribers to the SoCalGas backbone transportation service who are on Schedule G-BTS did not appear to receive any allocation of the PSEP revenue requirements for Phase 1A. A subsequent phone call discussion followed on November 14, 2012 between DRA witness Sabino and Sempra witnesses Gary Lenart and Joseph Mock regarding this observation. In that conversation, Sempra witnesses confirmed to DRA that based on the rate models, the BTS subscribers received no PSEP cost allocation and that the BTS rate shown in Table 1 includes only the allocation of the embedded costs of backbone transmission consistent with the testimony of Sempra witness Fung in the 2013 TCAP. Both confirmed that the rate models are configured to generate rates to customers at the end-use level only even though these rate models use the default cost allocation. In this regard, DRA requests that the Applicants (i.e. SoCalGas/SDG&E) provide a revised rate model for the default cost allocation (based on NCO) that would include the appropriate amount of PSEP costs associated with backbone transmission (and any other users of the SoCalGas/SDG&E transmission system) who are being treated as exempted from any PSEP cost allocation. DRA asks that the revised rate model and all relevant files that are linked to these models be provided on a CD.

RESPONSE PZS11-1:

SoCalGas and SDG&E object to this question to the extent that it implies that DRA's proposed rate model is "appropriate" and our model, therefore, is not. SoCalGas and SDG&E believe that the model they used is indeed appropriate. Without waiving these objections, and subject thereto, SoCalGas and SDG&E respond as follows.

Please see attached CD. Also, please note that the columns labeled "DRA Proposal" have not been updated to allocate PSEP to BTS because DRA is using their own version of PSEP revenue requirements. To allocate to BTS SoCalGas and SDG&E would we need PSEP revenue requirements for Local-T; Backbone-T; and High Pressure Distribution. DRA only provided SoCalGas and SDG&E us with a single transmission revenue requirement.