

**APPLICATION OF SOUTHERN CALIFORNIA GAS COMPANY
AND SAN DIEGO GAS & ELECTRIC COMPANY
FOR AUTHORITY TO REVISE THEIR NATURAL GAS RATES
EFFECTIVE JANUARY 1, 2017 IN THEIR
TRIENNIAL COST ALLOCATION PROCEEDING - PHASE 2**

(A.15-07-014)

(DATA REQUEST ORA-TCAP2-SCG-20)

QUESTION 1:

Subject: Revised Prepared Testimony of Mr. Bonnett and Follow-Up Questions on SoCalGas/SDG&E Response to ORA-10

In Response to ORA-10 Question 5(d) and 5(f) regarding the negative rates of % change to the class average shown in the last column of SoCalGas' Table 1 and SDG&E's Table 2 presented in Mr. Bonnet's Revised Testimony, the Applicants' stated the following for the two questions, respectively: "Yes, the class average rate reduction shown in Table 1 is solely attributable to the regulatory account balances as discussed in the testimony of Mr. Ahmed" and "Yes, the class average rate reduction shown in Table 2 is solely attributable to the regulatory account balances as discussed in the testimony of Ms.Niederle."

(a) Had the regulatory account balances referenced in the statements above responses been hypothetically with zero or close to zero account balances, then please fully explain whether the % change to the class average shown in the last column of SoCalGas' Table 1 and SDG&E's Table 2 presented in Mr. Bonnet's Revised Testimony would still show negative rates of % change to the class average? If not, please explain your response.

(b) Please provide ORA with runs of the Applicants' rate model on the basis of a hypothetical scenario where the regulatory account balances are zero or close to zero and the cost allocation is based on the SoCalGas/SDG&E's proposal to use the Rental Method.

(c) Please compare the results with those currently shown in Tables 1 and 2 and provide ORA with electronic copies of the active excel spreadsheets for this hypothetical scenario.

(d) Please do similar hypothetical scenario runs where the regulatory account balances are zero or close to zero and the cost allocation is based on the NCO method (with replacement adder) and (without replacement adder).

(e) Please provide ORA with a comparison of the results with those currently shown in Table 1 and 2 and provide ORA with electronic copies of the active excel spreadsheets for these hypothetical scenarios.

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RESPONSE 1:

- a) In response to ORA’s request, SoCalGas and SDG&E kept the regulatory account balances unchanged from 1/1/15 rates. Thus, there is zero impact on proposed rates from the regulatory account balances. SoCalGas and SDG&E believe this was the intent behind the “with zero or close to zero account balances” portion of the question.

With the above understanding, the following tables show that a number of rates would continue to experience a rate decrease.

Response to ORA-20 Q. 1(a) Table 1: Class Average Rates (\$/therm)				
	1/1/2015	TCAP \$/th		
		Proposed	Change	% Change
<u>SCG:</u>				
Res	\$0.716	\$0.699	(\$0.016)	-2%
CCI CA	\$0.340	\$0.283	(\$0.057)	-17%
Gas A/C	\$0.141	\$0.132	(\$0.009)	-6%
Gas Engine	\$0.122	\$0.122	\$0.000	0%
NGV Uncompressed post-SW	\$0.130	\$0.124	(\$0.006)	-5%
Core Class Average	\$0.586	\$0.554	(\$0.032)	-5%
NCCI-D CA	\$0.070	\$0.062	(\$0.008)	-11%
EG-D Tier 1 post-SW	\$0.107	\$0.094	(\$0.013)	-13%
EG-D Tier 2 post-SW	\$0.036	\$0.037	\$0.001	2%
TLS-CI CA Rate (w / csitma & carb adders)	\$0.018	\$0.020	\$0.002	10%
TLS-EG CA Rate (w /carb adder)	\$0.016	\$0.018	\$0.002	13%
UBS \$1,000/yr	\$26,476	\$17,020	(\$9,456)	-36%
BTS w /BTBA \$/dth/d	\$0.158	\$0.187	\$0.029	19%
System Average Rate w / BTS	\$0.248	\$0.252	\$0.004	2%

Response to ORA-20 Q. 1(a) Table 2: Class Average Rates (\$/therm)				
	1/1/2015	TCAP \$/th		
		Proposed	Change	% Change
<u>SDGE:</u>				
Res	\$0.921	\$0.930	\$0.009	1%
CCI CA	\$0.349	\$0.309	(\$0.040)	-11%
NGV Uncompressed post-SW	\$0.132	\$0.126	(\$0.006)	-5%
Core Class Average	\$0.705	\$0.685	(\$0.020)	-3%
NCCI-D	\$0.054	\$0.040	(\$0.014)	-25%
EG-D Tier 1 post-SW	\$0.106	\$0.093	(\$0.013)	-12%
EG-D Tier 2 post-SW	\$0.036	\$0.036	\$0.001	2%
TLS-CI CA Rate (w / csitma & carb adders)	\$0.019	\$0.021	\$0.002	9%
TLS-EG CA Rate (w /carb adder)	\$0.015	\$0.017	\$0.002	13%
System Average Rate	\$0.305	\$0.301	(\$0.003)	-1%

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- b) Please see attached zip file, which contains a set of cost allocation and rate design models that corresponds to this data request, with the requested scenario as the active scenario.



Q. 1b.zip

- c) The tables below show tables 1 and 2 of Mr. Bonnett's revised testimony and tables 1 and 2 with the regulatory account changes discussed in response to 1.a, above.

Table 1: Class Average Rates (\$/therm)				
	1/1/2015	TCAP		
		Proposed	\$/th Change	% Change
SCG:				
Res	\$0.716	\$0.646	(\$0.070)	-10%
CCI CA	\$0.340	\$0.241	(\$0.099)	-29%
Gas A/C	\$0.141	\$0.095	(\$0.046)	-33%
Gas Engine	\$0.122	\$0.122	\$0.000	0%
NGV Uncompressed post-SW	\$0.130	\$0.077	(\$0.053)	-41%
Core Class Average	\$0.586	\$0.505	(\$0.081)	-14%
NCCI-D CA	\$0.070	\$0.059	(\$0.011)	-16%
EG-D Tier 1 post-SW	\$0.107	\$0.086	(\$0.021)	-19%
EG-D Tier 2 post-SW	\$0.036	\$0.031	(\$0.005)	-13%
TLS-CI CA Rate (w / csitma & carb adders)	\$0.018	\$0.016	(\$0.002)	-11%
TLS-EG CA Rate (w /carb adder)	\$0.016	\$0.014	(\$0.002)	-12%
UBS \$1,000/yr	\$26,476	\$17,020	(\$9,456)	-36%
BTS w /BTBA \$/dth/d	\$0.158	\$0.187	\$0.029	19%
System Average Rate w / BTS	\$0.248	\$0.231	(\$0.017)	-7%

Table 2: Class Average Rates (\$/therm)				
	1/1/2015	TCAP		
		Proposed	\$/th Change	% Change
SDGE:				
Res	\$0.921	\$0.742	(\$0.179)	-19%
CCI CA	\$0.349	\$0.165	(\$0.184)	-53%
NGV Uncompressed post-SW	\$0.132	\$0.076	(\$0.056)	-42%
Core Class Average	\$0.705	\$0.518	(\$0.187)	-27%
NCCI-D	\$0.054	\$0.017	(\$0.038)	-69%
EG-D Tier 1 post-SW	\$0.106	\$0.086	(\$0.020)	-19%
EG-D Tier 2 post-SW	\$0.036	\$0.031	(\$0.005)	-14%
TLS-CI CA Rate (w / csitma & carb adders)	\$0.019	\$0.014	(\$0.005)	-25%
TLS-EG CA Rate (w /carb adder)	\$0.015	\$0.013	(\$0.002)	-12%
System Average Rate	\$0.305	\$0.228	(\$0.077)	-25%

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Response to ORA-20 Q. 1(a) Table 1: Class Average Rates (\$/therm)				
	1/1/2015	TCAP		
		Proposed	\$/th Change	% Change
<u>SCG:</u>				
Res	\$0.716	\$0.699	(\$0.016)	-2%
CCI CA	\$0.340	\$0.283	(\$0.057)	-17%
Gas A/C	\$0.141	\$0.132	(\$0.009)	-6%
Gas Engine	\$0.122	\$0.122	\$0.000	0%
NGV Uncompressed post-SW	\$0.130	\$0.124	(\$0.006)	-5%
Core Class Average	\$0.586	\$0.554	(\$0.032)	-5%
NCCI-D CA	\$0.070	\$0.062	(\$0.008)	-11%
EG-D Tier 1 post-SW	\$0.107	\$0.094	(\$0.013)	-13%
EG-D Tier 2 post-SW	\$0.036	\$0.037	\$0.001	2%
TLS-CI CA Rate (w/ csitma & carb adders)	\$0.018	\$0.020	\$0.002	10%
TLS-EG CA Rate (w /carb adder)	\$0.016	\$0.018	\$0.002	13%
UBS \$1,000/yr	\$26,476	\$17,020	(\$9,456)	-36%
BTS w/BTBA \$/dth/d	\$0.158	\$0.187	\$0.029	19%
System Average Rate w / BTS	\$0.248	\$0.252	\$0.004	2%

Response to ORA-20 Q. 1(a) Table 2: Class Average Rates (\$/therm)				
	1/1/2015	TCAP		
		Proposed	\$/th Change	% Change
<u>SDGE:</u>				
Res	\$0.921	\$0.930	\$0.009	1%
CCI CA	\$0.349	\$0.309	(\$0.040)	-11%
NGV Uncompressed post-SW	\$0.132	\$0.126	(\$0.006)	-5%
Core Class Average	\$0.705	\$0.685	(\$0.020)	-3%
NCCI-D	\$0.054	\$0.040	(\$0.014)	-25%
EG-D Tier 1 post-SW	\$0.106	\$0.093	(\$0.013)	-12%
EG-D Tier 2 post-SW	\$0.036	\$0.036	\$0.001	2%
TLS-CI CA Rate (w/ csitma & carb adders)	\$0.019	\$0.021	\$0.002	9%
TLS-EG CA Rate (w /carb adder)	\$0.015	\$0.017	\$0.002	13%
System Average Rate	\$0.305	\$0.301	(\$0.003)	-1%

A comparison of the two scenarios shows that even with keeping the regulatory account balances unchanged from 1/1/15 rates a number of customer classes will still see a rate decrease.

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d) Please see attached zip file, which contains a set of cost allocation and rate design models that corresponds to this data request, with the requested scenario as the active scenario.



Q. 1d - NCO with
RCA.zip



Q. 1d - NCO wo
RCA.zip

e) Please see the tables below.

Response to ORA-20 Q. 1(d) NCO w/o RCA Table 1: Class Average Rates (\$/therm)				
	1/1/2015	TCAP Proposed	\$/th Change	% Change
SCG:				
Res	\$0.716	\$0.680	(\$0.036)	-5%
CCI CA	\$0.340	\$0.310	(\$0.030)	-9%
Gas A/C	\$0.141	\$0.151	\$0.010	7%
Gas Engine	\$0.122	\$0.122	\$0.000	0%
NGV Uncompressed post-SW	\$0.130	\$0.144	\$0.014	11%
Core Class Average	\$0.586	\$0.550	(\$0.036)	-6%
NCCI-D CA	\$0.070	\$0.071	\$0.001	2%
EG-D Tier 1 post-SW	\$0.107	\$0.162	\$0.055	52%
EG-D Tier 2 post-SW	\$0.036	\$0.042	\$0.006	17%
TLS-CI CA Rate (w/ csitma & carb adders)	\$0.018	\$0.020	\$0.002	8%
TLS-EG CA Rate (w/carb adder)	\$0.016	\$0.017	\$0.002	10%
UBS \$1,000/yr	\$26,476	\$17,020	(\$9,456)	-36%
BTS w/BTBA \$/dth/d	\$0.158	\$0.197	\$0.039	25%
System Average Rate w/ BTS	\$0.248	\$0.253	\$0.005	2%

Response to ORA-20 Q. 1(d) NCO w/o RCA Table 2: Class Average Rates (\$/therm)				
	1/1/2015	TCAP Proposed	\$/th Change	% Change
SDGE:				
Res	\$0.921	\$0.892	(\$0.029)	-3%
CCI CA	\$0.349	\$0.361	\$0.012	4%
NGV Uncompressed post-SW	\$0.132	\$0.147	\$0.014	11%
Core Class Average	\$0.705	\$0.681	(\$0.024)	-3%
NCCI-D	\$0.054	\$0.065	\$0.011	21%
EG-D Tier 1 post-SW	\$0.106	\$0.162	\$0.056	53%
EG-D Tier 2 post-SW	\$0.036	\$0.042	\$0.006	18%
TLS-CI CA Rate (w/ csitma & carb adders)	\$0.019	\$0.021	\$0.001	7%
TLS-EG CA Rate (w/carb adder)	\$0.015	\$0.017	\$0.002	11%
System Average Rate	\$0.305	\$0.301	(\$0.003)	-1%

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Response to ORA-20 Q. 1(d) NCO w/ RCA Table 1: Class Average Rates (\$/therm)				
	1/1/2015	TCAP		
		Proposed	\$/th Change	% Change
<u>SCG:</u>				
Res	\$0.716	\$0.703	(\$0.013)	-2%
CCI CA	\$0.340	\$0.276	(\$0.064)	-19%
Gas A/C	\$0.141	\$0.129	(\$0.012)	-9%
Gas Engine	\$0.122	\$0.122	\$0.000	0%
NGV Uncompressed post-SW	\$0.130	\$0.123	(\$0.007)	-6%
Core Class Average	\$0.586	\$0.555	(\$0.031)	-5%
NCCI-D CA	\$0.070	\$0.059	(\$0.011)	-15%
EG-D Tier 1 post-SW	\$0.107	\$0.119	\$0.013	12%
EG-D Tier 2 post-SW	\$0.036	\$0.034	(\$0.002)	-6%
TLS-CI CA Rate (w/ csitma & carb adders)	\$0.018	\$0.019	\$0.001	7%
TLS-EG CA Rate (w /carb adder)	\$0.016	\$0.017	\$0.001	9%
UBS \$1,000/yr	\$26,476	\$17,020	(\$9,456)	-36%
BTS w /BTBA \$/dth/d	\$0.158	\$0.197	\$0.039	25%
System Average Rate w / BTS	\$0.248	\$0.253	\$0.005	2%

Response to ORA-20 Q. 1(d) NCO w/ RCA Table 2: Class Average Rates (\$/therm)				
	1/1/2015	TCAP		
		Proposed	\$/th Change	% Change
<u>SDGE:</u>				
Res	\$0.921	\$0.962	\$0.041	4%
CCI CA	\$0.349	\$0.263	(\$0.086)	-25%
NGV Uncompressed post-SW	\$0.132	\$0.125	(\$0.007)	-6%
Core Class Average	\$0.705	\$0.689	(\$0.016)	-2%
NCCI-D	\$0.054	\$0.022	(\$0.032)	-60%
EG-D Tier 1 post-SW	\$0.106	\$0.119	\$0.013	12%
EG-D Tier 2 post-SW	\$0.036	\$0.033	(\$0.002)	-6%
TLS-CI CA Rate (w/ csitma & carb adders)	\$0.019	\$0.020	\$0.001	6%
TLS-EG CA Rate (w /carb adder)	\$0.015	\$0.016	\$0.001	9%
System Average Rate	\$0.305	\$0.302	(\$0.002)	-1%

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QUESTION 2:

On pp.11-12 of above subject testimony, Mr. Bonnet includes an analysis which aims to show that CARE and low-usage baseline-only customers would experience limited impact from the adoption of SoCalGas' and SDG&E's residential customer charge. According to Mr. Bonnet, it is the same analysis used by the Applicant utilities in the 2013 TCAP A.11-11-002. In Table 5 of the above subject testimony, Mr. Bonnet listed the bill impact for various customer groups.

(a) Please fully explain how the regulatory account balances referenced in the statements in Question 1 above would have affected Mr. Bonnet's results in Table 5 of his Revised Testimony and whether the results shown in Table 5 would have been different if the regulatory account balances were hypothetically with zero account balances or close to zero.

(b) If you responded in item (a) that the results in Table 5 would have been different if the regulatory account balances were hypothetically with zero or close to zero account balances, then please provide ORA with runs of Table 5 on the basis of a hypothetical scenario of zero or close to zero regulatory account balances and the cost allocation is based on the SoCalGas/SDG&E proposal to use the Rental Method.

(c) Please compare the results with those currently shown in Table 5 of the above subject testimony and provide ORA with electronic copies of the active excel spreadsheet for this hypothetical scenario.

RESPONSE 2:

- a) Changing the regulatory account balances will impact the overall revenue requirement used to calculate rates which will change the bill impacts of the various scenarios. However, as shown on the following tables, the overall percentage change between the proposed rates with and without the customer charge remains relatively the same.

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Table 5: Bill Impact of Proposed Residential Customer Charge (\$/month)					
	1/1/2015	TCAP	TCAP	\$ Change	% Change
		Proposed w/o cust. chg.	Proposed w/ cust. chg.		
	A	B	C	D=(C-B)	E=(D/B)
SCG:					
Residential Class Average	\$41.54	\$39.89	\$39.78	(\$0.12)	-0.29%
Residential CARE	\$26.77	\$25.70	\$26.38	\$0.68	2.66%
Residential Baseline Only	\$33.02	\$31.69	\$32.56	\$0.87	2.74%
SDG&E:					
Residential Class Average	\$34.28	\$29.87	\$30.34	\$0.47	1.57%
Residential CARE	\$23.88	\$20.74	\$21.93	\$1.19	5.72%
Residential Baseline Only	\$32.45	\$28.11	\$28.96	\$0.85	3.04%

Response to ORA-20 Q. 2(a) Table 5: Bill Impact of Proposed Residential Customer Charge (\$/month)					
	1/1/2015	TCAP	TCAP	\$ Change	% Change
		Proposed w/o cust. chg.	Proposed w/ cust. chg.		
	A	B	C	D=(C-B)	E=(D/B)
SCG:					
Residential Class Average	\$41.54	\$41.91	\$41.79	(\$0.12)	-0.28%
Residential CARE	\$26.77	\$27.00	\$27.69	\$0.68	2.53%
Residential Baseline Only	\$33.02	\$33.32	\$34.19	\$0.87	2.61%
SDG&E:					
Residential Class Average	\$34.28	\$34.67	\$35.33	\$0.66	1.89%
Residential CARE	\$23.88	\$24.16	\$25.49	\$1.32	5.48%
Residential Baseline Only	\$32.45	\$32.63	\$33.69	\$1.06	3.25%

b) N/A

c) N/A