

**APPLICATION OF SOUTHERN CALIFORNIA GAS COMPANY & SAN DIEGO GAS &
ELECTRIC COMPANY FOR AUTHORITY TO REVISE THEIR NATURAL GAS
RATES AND IMPLEMENT STORAGE PROPOSALS IN THE 2024 COST
ALLOCATION PROCEEDING
(A.22-09-015)**

DATA REQUEST SET 7 FROM CLEAN ENERGY DATED JUNE 26, 2023

SOCALGAS RESPONSE DATED: JULY 11, 2023

- 7-1. Please provide all data responses and associated attachments and working Excel Spreadsheets provided to intervenors in this proceeding. (Note: The version on the SoCalGas website is .pdf. The Excel spreadsheets embedded in the final .pdf cannot be accessed from within the files on-line.)

As used in this data request, working Excel spreadsheets contain all data used and all formulas employed to derive the tables and charts shown in the testimony and workpapers, or otherwise support figures stated or conclusions drawn in the testimony and workpapers. Working Excel spreadsheets contain all links to other Excel spreadsheets in active format.

Response 7-1:

Please see response to Clean Energy-06 Question, 6-1 submitted on June 26, for working Excel spreadsheets for the following testimonies:

- Chapter 8: Frank Seres
- Chapter 9: Marjorie Schmidt-Pines
- Chapter 13: Sharim Chaudhury

In the following, the highlighted files contain confidential information and are being provided pursuant to the non-disclosure agreement executed on March 19, 2023, between SoCalGas and Clean Energy in A.22-09-015:

- a) Please refer to the following list of executable versions of SoCalGas and SDG&E's supporting workpapers in native format:
- Protected Material_Ch 3 Payan Gas Price Forecast 2024 to 2027
(Confidentiality Declaration provided)
 - Protected Material_Ch 3 Payan Gas Price Forecast Feb 2023
(Confidentiality Declaration provided)
 - Ch 1 Rincon-Yen Storage Overview and Proposal
 - Ch 2 Guo_SCG_weather_design
 - Ch 2 Guo_SCG_peak_day_design
 - Ch 2 Guo_SDGE_weather_design
 - Ch 2 Guo_SDGE_peak-day_design
 - Ch 4 Huang Large EG Cogen
 - Ch 5 Guo_Scg_MDM_Summary_wp

- Ch 5 Guo_Scg_noncore_Com_wp
 - Ch 5 Guo_Scg_noncore_Ind_wp
 - Ch 5 Guo_ScgRefinery_wp
 - Ch 5 Guo_ScgSmCoGen_wp
 - Ch 5 Guo_Sdge_MDM_Summary_wp
 - Ch 10_SDG&E Cost Allocation
 - Ch 10_SDGE 2024TCAP LRMC Customer Costs
 - Ch 10_SDGE 2024TCAP LRMC Customer Costs Min
 - Ch 10_SDGE 2024TCAP LRMC Distribution Costs
 - Ch 10_SDGE 2024TCAP LRMC OM Loader
 - Ch 10_SDGE 2024TCAP Misc Data
 - Ch 10_SDGE Rate Base – 2021 SRM
 - Ch 12 Harte H2 Fueling Station Rate
- b) Please refer to the following list of executable files for California Manufacturers & Technology Association (CMTA):
- CMTA-01 3c ii and iii
 - CMTA-01 3c i SDG&E
 - CMTA-01 3c i SoCalGas
 - CMTA-01 Q3 a and b
 - CMTA-DR-01 Q2
- c) Please refer to the following executable file for Indicated Shippers (IS):
- IS-03_Q3-13
- d) Please refer to the following list of executable files for Southern California Gas Coalition (SCGC):
- Protected Material_SCGC-04_Q3
 - Protected Material_SCGC-04_Q4
 - Protected Material_SCGC-05_Q3_Final Report Phase A1 – August 29, 2022
 - SCGC DR-07_Q7.1-SDG&E Capacity Reports (10 reports)
 - SCGC-02_Q1
 - SCGC-06_Q6.1.1
 - SCGC-06_Q6.3.3_FERC O&M A&G
 - SCGC-08_Q2
 - SCGC 12.1 & 12.2 2024 CAP Escalation Factors
- e) Please refer to the following list of executable files for TURN:
- Protected Material_TURN-02_Supplemental2_Q27-Q29
 - TURN 2 -Q3

- TURN 2 -Q23
- TURN 2 -Q2
- TURN 2 -Q4
- TURN 2 -Q6
- TURN 2 -Q25
- TURN 2 -Q27
- TURN 2 -Q28
- TURN 2 -Q5
- TURN-04_Q12
- TURN-04_Q20b
- TURN04_Q14-SCG_Storage
- ferc_scg_annual_rpt_2022
- SDG&E – Form 1 & 2 2022

f) Please refer to the following list of digital files for Cal Advocates:

- Cal Advocates-001
 - _Introduction to Elasticities for ARB_Revised 3 12 13
 - AGA paper on Elasticities_Joutz Frederick Trost Robert
 - Bohi Douglas 1981 Publication
 - Dave Costello Paper on Elasticities 2006
 - Jessee Buchsbaums_short and long run elasticities_2022_job_market_paper
 - Maximilian Auffhammer and Edward Rubin January 2018 Elasticity Study_UCBerkley HAAS working paper
 - Rand paper on Elasticities 2005
 - Cal Advocates-001_Q8b
 - Cal_Advocates-001_Q2b
 - Cal_Advocates-001_Q2c
- Cal Advocates-002
 - CalAdvocates-002_Q1Ch13_GasRates SCG-TCAP-pink
 - CalAdvocates-002_Q1Ch13_GasRates SDGE-TCAP-pink
 - CalAdvocates-002_Q15a_2021_Service_prices
 - CalAdvocates-002_Q16b_Fung2020TCAP_Emb_Final
 - CalAdvocates-002_Q16b_Seres2024TCAP_Emb_Final
 - CalAdvocates-002_Q17a

7-2. The proposals by TURN and Cal Advocates will change the allocation of margin. Equal Percent Marginal Cost is one of the common allocators of Regulatory Accounts.

- a. Cal Advocates has provided illustrative rate tables for their proposal. Has SoCalGas confirmed the final rates based on Cal Advocates proposal?

Response 7-2a:

SoCalGas objects to this request on the ground that it is beyond the scope of the witness's testimony inasmuch as SoCalGas is not responsible for Cal Advocates proposals.

- b. TURN provided a comparison of the Base Margin Allocation using 2024 GRC as the assumed revenue requirement. Please provide the illustrative cost allocation and rate tables using TURN's proposal consistent with SoCalGas' CAP revenue requirement.
 - i. Specifically Chapter 9 Tables 11, 12 and 13
 - ii. Chapter 13, Tables 1-4.

Response 7-2b:

SoCalGas objects to this request on the ground that it is beyond the scope of the witness's testimony inasmuch as SoCalGas is not responsible for TURN's proposals.

- 7-3. When was the last time SoCalGas evaluated embedded costs for Customer and Distribution costs?
- a. Please provide the most recent embedded cost study.

Response 7-3a.:

The last time SoCalGas evaluated embedded costs for Customer and Distribution costs was in A.08-02-001 – 2009 Biennial Cost Allocation Proceeding - [Prepared Direct Testimony of Mee Mee Hom and Herb Emmrich](#).

- b. Can SoCalGas provide an estimate from the most recent FERC Form 2 of proportion of capital-related costs that fall into the following categories:
 - i. Customer-related
 - ii. High Pressure Distribution
 - iii. Medium Pressure Distribution

Response 7-3b.:

SoCalGas objects to this request on the ground that it is beyond the scope of the witness's testimony inasmuch as the capital-related costs in SoCalGas' testimony does not include the most recent FERC form 2 data for an embedded cost study and SoCalGas further objects that undergoing such a study at this time is unduly burdensome.

- c. Please describe how the costs in 3.b. were derived.

Response 7-3c.:

See Response 7-3b.

7-4. If TURN's proposal to remove all capital costs from the marginal customer cost were adopted, how would SoCalGas recover its existing investment in meters, regulators and service line?

Response 7-4:

As stated in Chapter 13 Testimony, Prepared Direct Testimony of Iftekharul (Sharim) Chaudhury, the cost allocation proposals in this proceeding allocate each utility's authorized base margin across customer classes, as well as the demand forecast proposals in this proceeding to determine rates. Base margin is authorized by the California Public Utilities Commission (Commission) in the General Rate Case (GRC) or equivalent cost of service proceedings. TURN's proposal to remove all capital costs from the marginal customer cost were adopted would not impact SoCalGas cost recovery of its existing investment in meters, regulators and service line; however, it would impact cost allocation.

7-5. SoCalGas ran calculations for TURN-SEU-1 to calculate the Cost Allocation of base margin using the Revenue Requirement in SoCalGas' GRC request, A.22-05-015.

- a. Did SoCalGas run these assumptions through Frank Seres' model to determine the embedded Transmission and Storage costs?

Response 7-5a.:

No.

- b. If yes, please provide.

Response 7-5b.:

Not Applicable.

- c. If no, why not?

Response 7-5c.:

The embedded transmission and storage cost of Frank Seres for the base year 2021 remains unaffected by the 2024 base margin.

7-6. Is TURN's interpretation on how Transmission and Storage costs are treated in 2024 and beyond correct?

- a. What happens to the difference between the GRC authorized Revenue Requirement and the CAP adopted revenue requirement for embedded Transmission and Storage costs? Does it end up in Scalar, with the majority of those costs allocated EPAM?

Response 7-6a.:

Costs are not allocated by EPAM, but instead, the costs end up in Scalar and would be allocated to Distribution and Customer Costs.

- b. TURN notes that if embedded costs were adopted, there would be no way to reconcile the CAP adopted rates to the GRC authorized Rev Req. How would SoCalGas propose to address this issue?

Response 7-6b.:

The total GRC authorized Revenue Requirement is included in adopted rates. TURN recommends using the GRC Authorized Revenue Requirement by function, such as transmission, storage, distribution and customer costs. This data is not available from the GRC.