

**SAN DIEGO GAS AND ELECTRIC COMPANY  
SOUTHERN CALIFORNIA GAS COMPANY  
2013 TRIENNIAL COST ALLOCATION PROCEEDING (A.11-11-002)  
(4th DATA REQUEST FROM EDISON)**

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**QUESTION 1:**

Subject: Transition Adjustment for Non-core Customers Reference:

Direct Testimony of Gary Lenart Table 16 on page 34:

- A) Please confirm that under the unadjusted rates, the NCCI-D Class Average rate would drop from the current \$0.065/th rate to \$0.051/th (a 21% decline in the rate), and the TLS Class Average rate would drop from \$0.016/th to \$0.11/th (a 29% decline in rate) in the SoCalGas service Territory.
- B) Please confirm that under SoCalGas/SDG&E's proposed Transition Adjustment, SoCalGas' TLS customers would experience a \$3,125,000 increase in revenue responsibility while SoCalGas' NCCI-D customers experience no increase in revenue responsibility. (The increase in TLS revenue responsibility being countered by a decrease in EG-D customer revenue responsibility).
- C) Please confirm that under SoCalGas/SDG&E's proposed Transition Adjustment, SoCalGas' TLS customers would experience a smaller rate decline (-13%) than they would in the absence of a rate decline, but that NCCI-D customers would experience the same (-21%) rate decline in either case.
- D) Please explain why SoCalGas/SDG&E chose to propose increasing the revenue responsibilities to SoCalGas' TLS customers but not to SoCalGas' NCCI-D customers.

**RESPONSE 1:**

- A) Yes, that is correct, except for an inadvertent typo on the quoted TLS rate change. The TLS rate decreases from \$0.016/th to \$0.011/th, not \$0.11/therm.
- B) That is correct, except that TLS is a Sempra-wide rate so it is all of the TLS customers of SoCalGas and SDG&E that would see increase in revenue responsibility.
- C) Yes, that is correct.
- D) The reason there is a need for an offsetting adjustment is because of the adjustment required for the Electric Generation-Distribution rate class (EG-D tier 1 & tier 2); and, since TLS is predominantly made up of electric generation customers, the offsetting adjustment was made to the TLS rate class.

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**QUESTION 2:**

Subject: Transition Adjustment and the BTS rate:

Reference: Direct Testimony of Gary Lenart Page 36 lines 8-9 and Table 16 on page 34:

- A) According to Table 16 page 34 the cost of Backbone Transportation Service will increase by 40% (from \$0.110/th to \$0.154/th), and according to page 36, line 8, "There is no adjustment being made to the Backbone Transmission Service (BTS) rate." Please explain why SoCalGas/SDG&E is not concerned about rate shock resulting from a 40% increase in the BTS rate.
- B) Page 36 line 8-9 of Mr. Lenart's Direct Testimony states "There is no adjustment being made to the Backbone Transmission Service (BTS) rate because it is the result of a specific proposal in the testimony of Ms. Fung:

1. Exactly what portion of Ms. Fung's testimony (page and line numbers) is being referred to in this quote.

2. Does Ms. Fung's testimony specifically mention a transition adjustment? If so, please provide a reference to the page and line numbers where the mention is made. If not, please explain where, other than in Mr. Lenart's testimony, there is a discussion justifying the transition adjustments which Mr. Lenart is suggesting in his direct testimony

**RESPONSE 2:**

- A) A transition adjustment was not proposed for the Backbone Transmission rate because the change is due to a specific policy proposal. As stated in Ms. Fung's testimony we are no longer re-allocating costs associated with backbone transmission facilities to the local transmission function (Ms. Fung's Testimony page 14, Line 10). However, transition adjustments were made to rates that had large increases when those increases were largely due to an update of the allocation of costs and not a specific policy change.
- B) 1. Table 20 on page 14 of Ms. Fung 's testimony shows the proposed backbone transmission cost of \$147.5 million and is further discussed on page 14, Line 10. Also, the proposed throughput assumption is found on page 15, Line 7 and on page 17 in Table 21.
2. Transition adjustments are only discussed in the testimony of Mr. Lenart.