**QUESTION 7.1:**

In A.11-11-002, SoCalGas/SDG&E provided the following response to SCGC in response to SCGC-03:

 **QUESTION 3.1:**

Please provide 2010 and 2011 customer billing data for each of SoCalGas/SDG&E’s TLS customers. Customer information should be removed, substituted with a masked identification number. Please provide this data electronically in Excel format (any Excel format is ok) or comma separate variables (csv). Please provide the data in flat files using the following format:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Id. No. | Tariff  | Rate Design Option | Year | Month | Monthly Total Metered Volumes (Therms) | Max Hourly Volume per Month (Therms) | No of Billing Days |

**RESPONSE 3.1:**

Please see the attached Excel file. Data were not provided separately by SoCalGas and SDG&E so as to not violate the “15/15” rule on customer data confidentiality pursuant to Commission decision no. 97-10-031 which provides that "... information should be made up of at least 15 customers, and a customers load must be less than 15 percent of an aggregation category." . In limited instances, “Max Hourly Volume per Month” data were not available.



Please update SoCalGas/SDG&E’s response to SCGC-03, Q.3.1, by providing similar data for the most current 24 month period available.

**RESPONSE 7.1:**

Please see the attached Excel file. Data was not provided separately by SoCalGas and SDG&E so as to not violate the “15/15” rule on customer data confidentiality pursuant to Commission Decision 97-10-031 which provides that "... information should be made up of at least 15 customers, and a customer’s load must be less than 15 percent of an aggregation category." In limited instances, “Max Hourly Volume per Month” data was not available. Zero means zero volumes and blank means that the data is not yet available. “Not available” means the data is not available because the facility does not have a communicating electronic measurement device. Without the device, SoCalGas does not possess hourly measurement data.



**QUESTION 7.2:**

With respect to Table 6, page 16:

7.2.1. Please update the table to include months through December 2015.

7.2.2. Please calculate an average monthly rate for all of the TLS Reservation Service customers for each month of the period January 2013 through December 2015.

7.2.3. Please calculate the standard deviation of individual TLS RS customers’ average monthly rates relative to the average calculated in response to Q.7.2.2 for each month of the period January 2013 through December 2015.

7.2.4. Please provide the TLS volumetric rate for each month of the period, January 2013 through December 2015.

**RESPONSE 7.2:**

7.2.1 See table below for data through November, 2015. December 2015 data is unavailable and will be provided once data becomes available. In the process of updating the data, corrections were made.

|  |
| --- |
| **Table 6: TLS Reservation Revenue Report** |
| **Intrastate Transmission Level Service Transportation Revenues and Volumes** |
| **Time Period: 01/2013 (TCAP 2013 start) to 11/2015 (for SoCalGas and SDGE)** |
| Reservation Service Transmission Revenue ($000) | $153,797  |
| Volumes Mth | 6,072,337 |

7.2.2 The attachment shows an average monthly rate for all of the TLS Reservation Service customers for each month of the period January 2013 through November 2015.



7.2.3 SoCalGas and SDG&E object to this request on the grounds that it seeks confidential customer information.

7.2.4 The TLS rates for each month of the period, January 2013 through December 2015 are attached.

 

**QUESTION 7.3:**

In the workpapers, 2017 TCAP SCG RD Model.xlsx, at tab, “TLS”, cell N70 states “Per SA.” Please provide the citation to the SA and a complete explanation of what portion of the worksheet is referred to by the contents in cell N70 and why the section of the SA governs or justifies this calculation.

**RESPONSE 7.3:**

The 2013 TCAP settlement agreement section II.B.3.B, removed the requirement to exclude any allocated base margin portions of the ITBA from the Reservation Rate Usage Charge. Specifically, line 74 is impacted by the settlement language.

**QUESTION 7.4:**

In the workpaper, 2017 TCAP SCG RD Model.xlsx, at tab, “TLS”, cell N74 states “Removed per SA.” Please provide the citation to the SA and a complete explanation of what portion of the worksheet is referred to by the contents in cell N74 and why the section of the SA governs or justifies this calculation.

**RESPONSE 7.4:**

See response to 7.3, above.

**QUESTION 7.5:**

In the workpaper, 2017 TCAP SCG RD Model.xlsx, at tab, “TLS”, cells A84:A85 state “Capacity used to determine reservation rate = noncore-T plus portion of remaining capacity. Remaining capacity = system - core - noncore-D - noncore-T multiplied by (noncore-t / core+noncore-D+noncore-T)”:

7.5.1. Please provide an explanation of why it might be appropriate to base a reservation rate for TLS on “remaining [system] capacity” as defined in cells A84:A85.

7.5.2. Please provide all examples of other SoCalGas or SDG&E rates that have demand or reservation charges that are based upon “remaining [system] capacity” as defined in cells A84:A85.

7.5.3. Please provide all examples of other gas utilities or interstate pipelines that have demand or reservation charges that are based upon “remaining [system] capacity” as defined in cells A84:A85.

7.5.4. Now that SoCalGas has had multiple year experience with the TLS rate, RS options, why doesn’t SoCalGas design the reservation charge on customer billing determinants as is done for every other rate schedule?

**RESPONSE 7.5:**

7.5.1 SoCalGas and SDG&E’s figure represents the maximum amount of capacity that can be reserved for TLS customers on an annual, 365-day basis without jeopardizing core service. Part of the interstate pipeline rate making process that was followed in determining the RS rate was to use the total capacity of the pipeline. Interstate pipelines do this because they are not generally obligated to build pipeline capacity beyond that demanded (and contracted for) by its customers.

However, the Utilities are required by the Commission to build their system with sufficient capacity to meet the forecasted peak throughput of all the customers on their system.  While this helps make the Utilities’ service extremely reliable, it also results in an amount of capacity that is available to TLS customers.

Thus, because SoCalGas and SDG&E, unlike an interstate pipeline, are required to have excess capacity on their system, it is appropriate to include “remaining [system] capacity”; and, to continue the current methodology of using the system capacity, the core and noncore distribution demand forecast, and the remaining transmission capacity in determining the proposed RS rate that closes the regulatory gap.

7.5.2 No other rate has a reservation charge based on “remaining [system] capacity”.

7.5.3 As discussed above in response to 7.5.1, the Commission-approved utility rate structure is different than the structure of interstate pipeline rates as interstate pipelines tend not to have the level of excess capacity built into their rates. As discussed in the SI FAR OFF Phase II decision (D.06-12-031, pg. 125), “SoCalGas has the obligation to serve all end-users in its service territory. Those who bypass to take service from a competing pipeline will no longer be paying anything to SoCalGas. Due to the obligation to serve, SoCalGas is required to have a system design that is capable of serving all customers, including those who bypass the system, but may one day call on SoCalGas again to provide full or partial service. As a utility service, certain facilities are needed in order to provide that service.”

7.5.4 The TLS rate is fundamentally different than any other utility rate schedule.  SoCalGas was ordered by the Commission to redesign its rates for the purpose of closing or minimizing the “regulatory gap” created by the use of a volumetric rate design on SoCalGas’ system and the interstate pipelines’ use of rate design that recovers the fixed costs of the pipeline in a fixed charge and the variable costs through a volumetric charge (D.06-12-031, p.128).   As discussed above in response to 7.5.1, the current Commission approved methodology is designed to  mimic the interstate pipeline’s rate structure, with a lower fixed demand charge rate to recover fixed costs of capacity available for those customers with a resulting rate that is comparable to, and in most cases competitive with, an interstate pipeline’s rate.    Thus, because SoCalGas and SDG&E, unlike an interstate pipeline, are required to have excess capacity on their system, it is appropriate to continue the current methodology.

**QUESTION 7.6:**

In the workpaper, 2017 TCAP SCG RD Model.xlsx, at tab, “TLS”, cells C209:F209 show a series of numbers.

7.6.1. Please explain what these numbers represent.

7.6.2. Please provide a derivation of the numbers and identify the source of data from which they were obtained.

7.6.3. Are these figures in anyway based upon recorded customer billing data?

7.6.4. If the answer to the previous question is “yes,” please provide an explanation of how these figures relate to recorded billing data, including a statement of the customers schedules and relevant dates from which the data was taken.

**RESPONSE 7.6:**

7.6.1 These numbers represent various open season scenarios and their impact on TLS revenue collections. These numbers are illustrative and do not have any impact on TLS rates. These numbers are from the 2009 BCAP and are not used.

7.6.2 The numbers are based certain scenarios (e.g., 0%, 25%, 50%, and 75% of reservation capacity sold during open season) of the overall capacity used to set the reservation rate in the initial implementation of the TLS rate in 2010. The highlighted numbers have not been updated and this table is not used to calculate TLS rates.

7.6.3 No, the figures are based on the scenarios listed in response to 7.6.2, above.

7.6.4 N/A.

**QUESTION 7.7:**

In the workpaper, 2017 TCAP SCG RD Model.xlsx, at tab, “TLS”, cells C222:C224 show a series of numbers. SoCalGas claims that cell C224 represents a “usage rate” of volumetric total divided by the proposed expanded reservation capacity.

7.7.1. What is the significance of the figure in cell C224?

7.7.2. What is the actual ratio of TLS RS customer volumetric flow to TLS RS customer reservation capacity based on recorded figures?

**RESPONSE 7.7:**

7.7.1 As discussed in the response to 7.6, this table contains illustrative revenue impacts based on various scenarios. This table is left over from the implementation of the TLS rate in 2010 and is not used to calculate TLS rates. That being said, the figure in cell C224 is the amount of therms per Mtherms of reserved capacity.

7.7.2 Cell M110 of the “TLS Rate” tab of the SCG RD model lists the ratio at 27%.