SAN DIEGO GAS AND ELECTRIC COMPANY
SOUTHERN CALIFORNIA GAS COMPANY
2013 TRIENNIAL COST ALLOCATION PROCEEDING (A.11-11-002)
(9th DATA REQUEST FROM CLEAN ENERGY FUELS CORPORATION)

QUESTION 1:

In response to Question #1 of Clean Energy's Data Request #7, SoCalGas and SDG&E said: "Capital-related costs are the return on invested capital, depreciation (or return of capital) and taxes on the return. These capital-related costs were based on the ratio of the Net Book Value of Public Access Stations to total Utility Net Book Value. This ratio was applied to the Utility's Total Return, Total Depreciation and Total Taxes to arrive at the capital related costs incurred to make a station public." (Second paragraph of Response 1.1).

1.1. Why is it appropriate to calculate the "Utility's Total Return" on the invested capital associated with providing public access refueling services on "…the ratio of the Net Book Value of Public Access Stations to total Utility Net Book Value" rather than solely on the "Net Book Value of Public Access Stations?"

RESPONSE 1:

Utility rates are derived based on the rate base of the particular utility not the net book value. Net book value is an accounting term used to measure the cost of a particular asset whereas rate base is the amount of investment on which a regulated public utility is entitled to an opportunity to earn a fair and reasonable return.

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QUESTION 2:

In question 1.3.5 of Data Request #7, Clean Energy asked: "If based on a sample, how many stations for each of SoCalGas and SDG&E were include in the sample." In their response, SoCalGas and SDG&E indicated that the sample included 2 "Dual Use" and 7 "Private Only" stations for SoCalGas and 1 "Dual Use" and 1 "Private Only" station for SDG&E.

2.1. Is it accurate to conclude that the incremental capital investment and corresponding capital-related expenses to provide public access refueling services that were estimated in calculating the proposed compression rate adder for SoCalGas were based on only 2 of the 10 SoCalGas stations that provide public access refueling services?

2.2. On a per station and average basis, what is the original incremental capital investment that SoCalGas estimated for the 2 "Dual Use" stations?

2.3. On a per station and average basis, what was the net book value associated with the capital investment for these 2 "Dual Use" stations in 2010?

2.4. On a per station and average basis, what is the original capital investment that SoCalGas estimated for the 7 "Private Only" stations that SoCalGas included in its sample?

2.5. On a per station and average basis, what was the net book value associated with the capital investment for these 7 "Private Only" stations in 2010?

RESPONSE 2:

2.1 No, the capital related revenue requirement is based on actual costs for all stations serving the public. The 2 stations discussed in response to Question 1.3.5 of Clean Energy's seventh data request addressed the issue of how the Public Access Percentage was calculated. As discussed in response to Question 1.1 of Clean Energy's seventh data request, the Public Access Percentage was used to calculate how much of the dual use stations' capital costs should be allocated to public access refueling services. If a station was classified as entirely public access then the entire capital expense for that station was allocated to the public access refueling services.

2.2

NGV Station	Original Cap. Invest.
Azusa	$975,972
Santa Barbara	$562,118
Avg. Total	$769,045

2.3

NGV Station	Net Book Value
Azusa	$467,217
Santa Barbara	$205,437
Avg. Total	$336,327

2.4

NGV Station	Original Cap. Invest.
Crenshaw	$276,482
Huntington	$468,713
182nd St.	$428,048
San Bernadino	$441,501
Chino	$807,495
Palm Desert	$547,404
Yukon	$547,862
Avg. Total	$502,501

2.5

NGV Station	Net Book Value
Crenshaw	$120,317
Huntington	$212,992
182nd St.	$184,825
San Bernadino	$178,225
Chino	$456,226
Palm Desert	$240,515
Yukon	$286,049
Avg. Total	$239,879

QUESTION 3:

In Question 1.3.6 of Data Request #7, Clean Energy asked: "If based on a sample, how did SoCalGas and SDG&E determine that the stations included in the sample are accurately representative of all of the SoCalGas and SDG&E stations that provide public access refueling services." In their response, SoCalGas and SDG&E said: "The stations used in the calculations were all of the stations originally built fully integrated with both private and public access. SoCalGas and SDG&E determined that these stations provide an accurate representation of providing public access because it is a comparison of the actual cost differences between stations built exclusively for private use and stations built exclusively for public/private access."

3.1. How is it possible that a sample consisting of two stations "originally built fully integrated with both private and public access" can be accurately representative of 10 stations, 8 of which were "…not originally built fully integrated with both private and public access?"

3.2. Please identify the location of each of the 2 "Dual Use" and 7 "Private Access" stations that SoCalGas included in its sample.

3.3. When were each of the 2 "Dual Use" and 7 "Private Access" stations first placed into service?

3.4. When were each of the 8 "Dual Use" and 1 "Private Access" stations that were not included in SoCalGas' sample first placed into service?

3.5. What is the current net book value for each of the 8 "Dual Use" and 1 "Private Access" stations that were not included in SoCalGas sample?

RESPONSE 3:

3.1 The sample represents 20% of the population and all CNG stations that were originally built fully integrated with both private and public access. As such, when compared to all CNG stations originally built to provide private access, the difference in cost provides an "apples to apples" incremental cost required to provide public access. All CNG stations developed by the utility follow a similar engineering approach, so the incremental cost calculated from the sample is applicable to those stations.

3.2 The location of the 2 "Dual Use" stations are: Asuza and Santa Barbara
The location of the 7 "Private Access" stations are: Crenshaw, Huntington, 182nd St., San Bernardino, Chino, Palm Desert, and Yukon.

3.3

NGV Station	In-service Date
Azusa	2003
Santa Barbara	1998
Crenshaw	1996
Huntington	2002
182nd St.	2001
San Bernardino	2001
Chino	2005
Palm Desert	2002
Yukon	2004

3.4

NGV Station	In-service Date
Compton	1992
Downey	1996
Garden Grove	1992
Oxnard	1993
Pico Rivera	1993
Riverside	1993
San Pedro	1993
Van Nuys	1992
Chatsworth	1996

3.5

NGV Station	Net Book Value
Compton	$131,309
Downey	$238,951
Garden Grove	$266,890
Oxnard	$165,170
Pico Rivera	$225,480
Riverside	$201,663
San Pedro	$183,935
Van Nuys	$164,228
Chatsworth	$0
Total	$1,413,398

QUESTION 4:

In Question #3 of Data Request #7, Clean Energy asked: "What are the per therm amounts for franchise fees and uncollectibles that are included in the proposed compression rate adders for each of SoCalGas and SDG&E? In their response, SoCalGas and SDG&E said: "The calculation is done a (sic) percentage of cost basis not on a per therm amount. As shown in page 87 of 154 of Mr. Bonnett's workpapers the current California Public Utilities Commission approved FF&U rate is used in construction of the proposed compression rate adders for both SoCalGas and SDG&E."

4.1. SoCalGas' and SDG&E's answer is not responsive to the question. What are the per therm amounts for franchise fees and uncollectibles that are included in the proposed compression rate adders for each of SoCalGas and SDG&E?

4.2. If the franchise fees and uncollectibles to be recovered from the compression rate adders are fixed dollar amounts, what are the annual such amounts for each of SoCalGas and SDG&E?

RESPONSE 4:

4.1 The current California Public Utilities Commission (CPUC) approved FF&U factor for SoCalGas and SDG&E are 1.73% and 2.31%, respectively. The proposed compression rate adders include the FF&U for each utility. The FF&U amount of the proposed compression adder is $0.01645/therm and $0.02214/therm for SoCalGas and SDG&E, respectively.

4.2 N/A

QUESTION 5:

Is it accurate to say that the net book value of a used and useful capital investment by SoCalGas and SDG&E is also the amount that is included in the utilities' ratebase for that investment?

RESPONSE 5:

No. As discussed in our response to Question 1 above, net book value and utility rate base are two different things. Net book value measures the remaining cost to be recovered, through depreciation expense, for a particular asset, whereas ratebase is the amount of the utilities investment that realizes a fair and reasonable rate of return established by the California Public Utilities Commission.

QUESTION 6:

What additional charges (e.g., fuel use taxes, sales taxes, etc.) on a gasoline gallon equivalent (GGE) basis are currently recovered from retail customers that utilize the public access refueling services provided by SoCalGas and SDG&E, above and beyond the compression rate adders and the transportation rates?

RESPONSE 6:

Additional charges included in the SoCalGas public access CNG station price, above and beyond the G-NGV compression surcharge and the G-NGV transportation charge, include the G-NGV procurement charge, other applicable utility tariffs (Schedule G-PPPS, Schedule G-SRF), applicable utility user tax (varies by geographic location), state fuel tax, and federal excise tax.

QUESTION 7:

Please provide the recorded throughput for the refueling of SoCalGas' and SDG&E's NGV fleets for the past 5 years for which recorded data is available.

RESPONSE 7:

Please see the response to Question 2 of Clean Energy's second data request.