

SOUTHERN CALIFORNIA GAS COMPANY
Compression Services Application
(A.11-11-011)
(3rd DATA REQUEST FROM Clean Energy)

QUESTION 1:

What is SoCalGas' current authorized cost of capital broken down by the cost of common equity, the cost of preferred equity and the cost of debt, and showing the overall authorized rate of return? What are the components of SoCalGas' current authorized capital structure showing the percentages of the capital structure represented by common equity, preferred equity, and debt?

RESPONSE 1:

The attached table below shows SoCalGas' current authorized cost of capital:

Component	Capital Ratio	Cost	Weighted Cost
Long-Term Debt	45.61%	6.96%	3.17%
Preferred Stock	6.39%	4.83%	0.31%
Common Equity	48.00%	10.82%	5.19%
Rate of Return (ROR)			8.68%

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QUESTION 2:

Please provide the information requested in Question #1 consistent with what SoCalGas is asking the Commission to authorize in its recent Cost of Capital Application filed on April 20, 2012.

RESPONSE 2:

The attached table below shows SoCalGas' proposed cost of capital as filed in its Cost of Capital Application on April 20, 2012:

Component	Capital Ratio	Cost	Weighted Cost
Long-Term Debt	46.00%	5.72%	2.63%
Preferred Stock	2.00%	6.00%	0.12%
Common Equity	52.00%	10.90%	5.67%
Rate of Return (ROR)			8.42%

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QUESTION 3:

What changes to its cost of capital and capital structure did SoCalGas propose in its MICAM Advice Letter filing made in January of this year?

RESPONSE 3:

SoCalGas did not file a MICAM Advice Letter filing in January. Since SoCalGas filed a Cost of Capital Application on April 20, 2012 (effective for the test year 2013), the Company expects the decision from this proceeding will supersede any rate of return impact caused by the MICAM trigger (also effective in 2013, the year following the trigger).

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QUESTION 4:

If SoCalGas' Compression Services Tariff Application is approved, does SoCalGas acknowledge that there are circumstances under which there would be adverse impacts on non-participating ratepayers if, for example, a Compression Services Customer became insolvent and filed for bankruptcy during the period a contract was in place between that customer and SoCalGas, or under any other circumstances? At a minimum, please provide a "yes" or "no" answer to this question.

RESPONSE 4:

This question is similar to question 3 in Clean Energy's first Data Request. In response to that question, SoCalGas explained the treatment of this tariff service including all remedies in the event a Compression Services Tariff customer files for bankruptcy. Therefore, a "yes" or "no" answer to this question will not be appropriate.