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Exhibit Reference: SCG-23 - Capital

SCG Witness: Herrera Subject: NGV Stations

### Please provide the following:

1. In response to data request ORA-SCG-043 Q2.h.2, SCG replied there are 11 new Fleet-Public NGV stations planned: Beaumont, Blythe, Branford, Corona, Fontana, Ramona, Redlands, San Luis Obispo, Santa Maria, Valencia, and Visalia. For the 11 Fleet-Public stations, please provide a split between the fleet side costs and the public side costs, broken out by year that agrees to the total forecasted cost for the station.

## **SOCALGAS Response 01:**

These costs cannot be broken out in manner requested. The costs to engineer, plan, and construct a Fleet-Public NGV station are dependent on several factors including but not limited to the number of Fleet slow-fill posts, capacity requirements for Fleet and HD vehicles, signage, overhead canopy, number of dispensers, trenching requirements, electrical requirements, and paving requirements. As a proxy for this request (although imprecise due to the factors stated above), SoCalGas can provide the cost of a new Fleet only station to a Fleet-Public station as provided in data request ORA-SCG-043-LMW-DATA in response to question 2q.1.i.

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2. In response to data request ORA-SCG-043 Q2.b.3, SCG replied, "However, since NGV stations are stationary, additional stations must be put into service to meet HD vehicle refueling needs throughout the service territory as it would be impractical and costly to have all HD vehicles converge onto the existing sites to fuel. As such, additional stations are needed throughout the service territory to support the greening of our Fleet and provide refueling infrastructure at SoCalGas locations where our AFV vehicles are deployed." Based on this, please provide/answer the following:

SCG asserts it is costly to have all HD vehicles converge onto the existing sites to fuel. Please provide an estimate of the additional costs incurred over the 2018 to 2019 forecast period supporting SCG's assertion that it will be costly not to build new stations considering SCG's proposed upgrades to existing stations and stations built in 2017.

## **SOCALGAS Response 02:**

SoCalGas objects to this request to the extent that it misstates SoCalGas' response. Please note that SoCalGas stated that "it would be [both] impractical and costly." SoCalGas further objects to this request to the extent it is unfairly burdensome. Subject to and without waiving these objections, SoCalGas responds as follows:

SoCalGas did not conduct a quantitative analysis for the quoted response in ORA-SCG-043-LMW Q2.b.3. SoCalGas service territory encompasses approximately 20,000 square miles in diverse terrain throughout Central and Southern California, from Visalia to the Mexican border. SoCalGas operating bases, and subsequently employees and vehicles are located throughout the service territory to best serve our customers. With 4,100+ over-the-road vehicles currently in the Fleet and majority AFV Fleet goals, SoCalGas forecasts the need for additional NGV refueling stations to meet the majority AFV Fleet goal. If no additional stations are added SoCalGas anticipates additional costs related to extra non-productive time to drive from a no-NGV station base to a base with an NGV station. As an example, to drive from Monterey Park, a no-NGV station base, to the nearest SoCalGas owned NGV station at Pico Rivera could take up to 80 minutes one way depending on time of day. SoCalGas would also anticipate additional fuel costs and vehicle maintenance due to additional miles driven, as well as costs related to additional FTE requirements due to extra non-productive drive time to refuel CNG vehicles.

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3. Within the forecast period 2017 to present, how many of the forecasted NGV stations noted in SCG's confidential testimony (SCG-23-ESRF-CLH-734 NGV Refueling Stations CONFIDENTIAL page 7) were completed and/or started. Please include the location of the station.

### **SOCALGAS Response 03:**

Please see the confidential attachment "ORA-SCG-144-LMW-734-NGV Stations (updated)" that updates information in Supplemental Capital workpaper 734-NGV Stations. The attachment more clearly categorizes each station into Fleet only or Fleet-Public categories.

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4. Please provide an explanation as to why SCG considers it appropriate to request that ratepayers fund "public" stations considering any current laws, Commission Decisions, opinions, or guidance on the use of ratepayer funds for activities not directly related to utility service, or any requests for funding that lack evidence that the NGV stations promote the interests of ratepayers beyond a general public interest in a cleaner environment.

## **SOCALGAS Response 04:**

SoCalGas objects to this request on the grounds that "public" is vague and ambiguous. SoCalGas is not proposing "public-only" NGV stations. Subject to and without waiving this objection, SoCalGas responds as follows:

As ORA noted, there is a public policy interest in California for promoting a cleaner environment through the promotion and development of equipment and infrastructure for low-emission vehicles. For example, Public Utilities Code 740.3 states, "The commission...shall...implement policies to promote the development of equipment and infrastructure needed to facilitate the use of...natural gas to fuel low-emission vehicles" and "The commission's policies...shall ensure that the costs and expenses of those programs are not passed through to electric or gas ratepayers unless the commission finds and determines that those programs are in the ratepayers' interest". Public Utilities Code 740.8's definition of ratepayer interest includes elements such as "Reduction of health and environmental impacts from air pollution", Reduction of greenhouse gas emissions related to electricity and natural gas production and use", and "Increased use of alternative fuels". Natural gas vehicles use an alternative fuel.

In Commission Decision 95-11-035, (1995 Cal.PUC LEXIS 978, pages 108-109), the Commission recognized that "to rely on the use of natural gas vehicles for their fleets, the utilities need to make sure that adequate refueling facilities exist" and found it reasonable for SoCalGas to add 20 utility refueling stations to the 10 it already has."

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5. Please provide any Commission Decision that authorizes SCG the ability to include "public" NGV costs in rates or ratebase.

## **SOCALGAS Response 05:**

SoCalGas objects to this request on the grounds that "public" is vague and ambiguous. SoCalGas is not proposing "public-only" NGV stations. Subject to and without waiving this objection, SoCalGas responds as follows: The latest Commission Decision that authorizes SoCalGas to include some "public" NGV costs in rates is D.16-10-004, pages 10 - 11.

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6. ORA noted SoCalGas filed Advice Letter 3022 on April 30, 2001. SoCalGas currently has an NGV program. The total annual amount of funding requested is \$5.623 million. SoCalGas is not requesting funding for operating and maintenance costs associated with public NGV refueling stations and claim they have sold and/ or removed from ratebase all NGV refueling stations built on customer property pursuant to D.95-11-035. Based on this, please explain why SCG considers it appropriate for ratepayers to fund and maintain public NGV refueling stations even on SCG's own property.

# **SOCALGAS** Response 06:

SoCalGas objects to this request on the grounds that "public" is vague and ambiguous. SoCalGas is not proposing "public-only" NGV stations. Subject to and without waiving these objections, SoCalGas responds as follows:

Advice Letter 3022 requests bridge funding for the Low Emission Vehicle (LEV) Program including funding for the "Operation and maintenance of Company-owned natural gas fueling stations", page 2, and Energy Division Resolution G-3322 authorizes the funding for SoCalGas' LEV Program as described in Advice Letter 3022.

Additionally, please see response 4.

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7. Please provide the total costs broken out by "public" NGV station location included in ratebase and any associated operation and maintenance costs for those stations.

### **SOCALGAS Response 07:**

SoCalGas objects to this request on the grounds that "public" is vague and ambiguous. SoCalGas is not proposing "public-only" NGV stations. Subject to and without waiving this objection, SoCalGas responds as follows: Please see attachment "ORA-SCG-144-LMW-734-NGV Stations (updated)" that updates information in Supplemental Capital workpaper 734-NGV Stations. The attachment categorizes each station into Fleet only or Fleet-Public categories. The O&M costs to maintain NGV stations are embedded within the funding request of Deanna R. Haines for Gas Engineering (SCG-09-R and SCG-09-WP-R), specifically in the workpaper 2EN000.000.

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8. Pursuant to D.11-11-011, the decision also requires Southern California Gas Company to establish balancing and tracking accounts. These accounts will ensure that customers taking the Compression Services Tariff bear all costs and risks and that nonparticipating ratepayers bear no costs or risks from the provision of this service. Based on this Decision, why does SCG consider it appropriate to include any costs for "public" NGV stations in this ratecase?

### **SOCALGAS Response 08:**

SoCalGas objects to this request on the grounds that "public" is vague and ambiguous. SoCalGas is not proposing "public-only" NGV stations. Subject to and without waiving these objections, SoCalGas responds as follows:

The request in SCG-23CWP, workpaper 734, is for NGV stations for Fleet and Fleet-Public refueling on SoCalGas property. D.11-11-011 relates to the Compression Services Tariff, which is not applicable to the issue of including capital costs for Fleet and Fleet-Public NGV stations in a rate case.

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9. Is SCG requesting any upgrades to existing public NGV stations in this ratecase? If yes, please reference where this appears in SCG's testimony and workpapers, and provide the costs (broken out by year and station) associated with forecasted upgrades.

## **SOCALGAS Response 09:**

Yes, please see attachment "ORA-SCG-144-LMW-734-NGV Stations (updated)" that updates the information in Supplemental Capital workpaper 734-NGV Stations. The attachment categorizes each station into Fleet only or Fleet-Public categories.