

**SAN DIEGO GAS AND ELECTRIC COMPANY
SOUTHERN CALIFORNIA GAS COMPANY
2013 TRIENNIAL COST ALLOCATION PROCEEDING (A.11-11-002)
(DATA REQUEST DRA-TMR-5)**

QUESTION 1:

This is a follow up question to question 1 of DRA-TMR-03 regarding the Transition Cost Adjustments in the tab CA Model in the SoCalGas and SDG&E Rate Design spreadsheet models. As an example, consider the adjustment of -\$1,300 for 2013 for the SoCalGas EG T-1 Distribution rate. It is DRA's understanding that this rate was constrained to equal a 10 % increase. The current 2012 EG-T1 distribution rate equals 0.055 (\$/Dth). Multiplying this rate by 10 % will yield a rate of 0.0605 (\$/Dth). Multiplying the new rate of 0.0605 (\$/Dth) by the Tier 1 demand of 42,203 would yield a new target or adjusted revenue of \$ 2,555. Did SoCalGas use this type of procedure to arrive at the transition cost adjustment for the EG-T1 distribution rate ?

RESPONSE 1:

No, there was no numerical calculation to determine the exact value of the proposed transition adjustments; an iterative process was employed for that purpose.

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QUESTION 2:

If the answer to question TMR-1 is yes please explain how the new target revenues were used to arrive at the cost adjustment of -\$1,300.

RESPONSE 2:

N/A

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QUESTION 3:

If the answer to question TMR-1 is no please provide a specific numerical calculation of how SoCalGas arrived at the transition cost adjustment of -\$1,300 for this class.

RESPONSE 3:

The procedure was to allocate costs on a fully cost-based method. The fully cost-based rates are shown in Table 15 of Mr. Lenart's testimony. Next, SoCalGas/SDG&E identified rates with large positive shifts. Once identified, a transition adjustment was applied to that rate class (with an offsetting adjustment to a rate class with a negative shift). The transition adjustment value was targeted to produce rate changes as described in testimony (i.e. 10%). There was no numerical calculation to determine the exact value of the proposed transition adjustments; an iterative process was employed for that purpose. These rates, with the transition adjustment, are shown in Table 16 of Mr. Lenart's Testimony.