**QUESTION 1:**

**Subject: Revised A.15-07-014 Prepared Direct Testimony of Mr. Bonnett and Revised**

**Workpapers**

Starting at the bottom of page 3 continuing on page 4 of the above subject testimony dated

November 19, 2015, Mr. Bonnett states “[c]urrent SoCalGas residential rates consist of a

$0.16438 per-meter per-day customer charge and a two-tiered usage structure: baseline (BL) and non-baseline (NBL) volumetric rates. The current targeted composite tier differential between

SoCalGas’ BL and NBL transportation rates is 1.15 (*i.e.*, the NBL rate is 15 percent higher than the composite BL rate). The composite BL rate is equal to the sum of the customer charge revenues and BL volumetric rate revenues divided by the BL volumes; however, the rate difference between the BL and NBL is currently capped at $0.26/therm. SoCalGas proposes to simplify the calculation by setting the tier differential between BL and NBL bundled rates (*i.e.*, transportation plus commodity) at $0.26/ therm throughout this Triennial Cost Allocation Proceeding (TCAP) term, which is equal to the current tier differential limit. Using this methodology, the resulting bundled NBL rate is 36% higher than the resulting bundled BL rate.”

(a) Please confirm that the calculation of the current SoCalGas residential rate customer charge of $0.16438 per meter per day as shown in Table 2 of Mr. Bonnett’s Revised Workpapers is derived as described in the following: the sum of lines 3,4 & 5 under Column C Table 2 divided by the sum of lines 3,4, &5 under Column A Table 2, and further dividing the result by 365 days and then multiplying the result by 1000, equals the $0.16438 per meter per day customer charge.

(b) Please provide the basis for the above-quoted calculation of the composite BL rate, which states, the composite BL rate is “equal to the sum of the customer charge revenues and BL volumetric rate revenues divided by the BL volumes.” That is, explain whether the calculation is based on a specific statutory provision from the Public Utilities Code, or a Commission decision that adopted a settlement agreement, or something else, and if so, please specify.

(c) Please provide the basis for the above-quoted current targeted composite tier differential of 1.15 between the SoCalGas BL and NBL rate, that is, whether it is based on a specific statutory provision from the Public Utilities Code, or a Commission decision that adopted a settlement agreement, or something else, and if so, please specify.

(d) Please provide the basis for the above-quoted current cap of $0.26/therm on the rate difference between the SoCalGas BL and NBL rate and clarify whether the current cap at $0.26/therm already includes the gas commodity rate.

(e) Please describe and explain in detail SoCalGas’ proposal to “simplify the calculation” of the tier differential between BL and NBL bundled rates (*i.e.*, transportation plus commodity) at $0.26/ therm throughout this Triennial Cost Allocation Proceeding (TCAP) term, including whether that SoCalGas proposal consists of including the gas commodity rate within the current cap of $0.26.

**RESPONSE 1:**

1. Although one could calculate the per-meter per-day charge using the methodology described in the question, SoCalGas and SDG&E use the following calculation:

($5 x 12 / 365) = $0.16438

1. The current methodology was approved by the Commission in D.09-11-006, Appendix A, Section II.B.2.I
2. See response 1.b, above.
3. See response 1.b, above. The tier differential is on the transportation rate, but since the commodity rate is the same for both the baseline and non-baseline transportation rates, the tier differential holds through to the transportation plus commodity (or, “composite”) rate.
4. See response 2.a, below.

**QUESTION 2:**

In the 2017 TCAP SCG RD Model at Tab “Rate Tables” in Table 2, line 13, shows the NBL/BL rate ratio of 1.05 under column B, and the NBL/BL rate ratio of 1.36 under column E. Both 1.05 and 1.36 are shown as hardwired numbers.

(a) Please provide a description of the specific calculation that resulted in the ratios of 1.05 and 1.36 shown in Table 2, including any difference in the way the two ratios are calculated.

(b) Please explain the relationship of the above-mentioned ratios to the RATIO given in the above formulae in Question 2.

**RESPONSE 2:**

a) The current composite tier differential was established in the settlement agreement (see section II.B.2.I) for the 2009 BCAP (A.08-02-001) and was approved by the Commission in D.09-11-006. Within the settlement discussions, it was recognized that the difference between the baseline and non-baseline volumetric rates should remain within a certain range; thus, the settlement established a cap on the difference between the baseline and non-baseline volumetric rates which currently stands at $0.26/therm.

The current calculation for the composite baseline rate is as follows:

(((The sum of customer charge revenues + Baseline revenues) / Baseline volumes) + gas commodity rate)

or;

 ((($314,904,293 + $788,460,987) / 1,583,823,111 therms) + $0.42840) = **$1.12505**

 The current calculation for the composite non-baseline rate is as follows:

 ((non-Baseline revenue / non-Baseline volumes) + gas commodity rate)

or;

 (($563,228,638 / 743,220,847 therms) + $0.42840) = **$1.18623**

Therefore, the Tier differential is: $1.18623 / $1.12505 = **1.05.**

This figure is lower than the target tier differential of 1.15 because 1.15 represents an upper limit such that the BL and NBL rate differential is no more than $0.26 per therm. At the current tier differential of 1.05, we reached the $0.26 per therm rate difference cap.

The proposed allocation is an attempt to simplify the understanding of what the tier differential represents. The tier differential should measure the difference between residential baseline and non-baseline rates. The current composite rate confuses the calculation by introducing an unnecessary layer into the overall calculation. Therefore, instead of going through the complex calculation discussed above, to arrive at a figure that people aren’t sure what it represents, the proposed methodology appropriately determines the percentage difference between the baseline and non-baseline rates. Thus, the proposed calculation is as follows:

 ((Non-baseline rate + the gas commodity rate) / (baseline rate + the gas commodity rate)) = tier differential

or,

 (($0.57104+$0.40277) / ($0.31104+$0.40277)) = **1.36**

The proposed simpler tier differential calculation does not make any changes to the currently approved rate methodology (e.g., 1.15 target, difference cap, etc.) but avoids the unnecessary step of calculating a composite rate and provides a more useful and easy to understand tier differential figure that shows how much greater non-baseline rates are than baseline rates.

1. See response 2.a, above.

**QUESTION 3:**

Mr. Bonnett’s Revised Workpapers for the rate design of SoCalGas are shown in the Excel file

“2017 TCAP SCG RD Model.” Also, in the 2017 TCAP SCG RD Model shown at Tab “Res Rate” at Excel row 164, the line heading indicates the “Calculation of BL Rate & NBL Rates & Revenue for SF, MF & SMM.” In the succeeding Excel rows 165, 166, and 167 immediately below Excel row 164, the following lines describe certain calculations:

a. Calculate BL & NBL Rates based on targeted RATIO between NBL Rate & Composite Rate (including gas costs)

b. Calculate BL & NBL Rates based on a rate difference cap between NBL & BL rates (excluding gas costs)

c. Rates to be Used are those in the RATIO column, unless Difference CAP is exceeded in which case DIFFERENCE column is used.

Formulae are given in Excel rows 169, 170, 171, 172, and 173 as shown below:

1. NBL rate = (RATIO \* Composite Rate) – Gas Rate

2. Composite Rate = (Baseline Revenue + Customer Charge Revenue + SubMeter Credit) / Baseline Volums) + Gas Rate

3. TR = (BLR\*BLV) + (NBLR\* NBLV) + CCR + SMCr

4. NBLR = (((((BLR\*BLV) + CCR + SMCr)\*(1/BLV))+ Gas Rate)\* RATIO – Gas Rate

5. BLR = (TR-(NBLR\*NBLV) – CCR – SMCr) \* (1/BLV)

(a) Please explain the rationale and goal of the three calculations described in the Excel rows

165, 166, and 167 immediately below Excel row 164.

(b) Please spell out the acronyms in the above formulae.

(c) Is SoCalGas proposing to change the current calculation of the NBL/BL ratio which was the subject of Question 2 above? Please confirm the proposed change and explain the reason for the SoCalGas proposed change to the calculation of the NBL/BL ratio.

(d) Please explain whether the NBL/BL ratio and the targeted RATIO in the above calculation listed in item a of Question 3 above are intended to refer to the same ratio. Please explain 7 the basis for setting the targeted RATIO between NBL Rate & Composite Rate (including gas costs).

(e) Confirm whether it is SoCalGas’ proposal to keep the targeted RATIO at 1.15 as shown in Excel row 190 under Excel column E?

(f) Is SoCalGas proposing to change the current calculation of the composite rate, to that as given in the above formulae? If so, please confirm and explain the reason for the proposed change, including citing any specific advantages and disadvantages.

(f) Please explain the reason for the SoCalGas proposal to include the gas commodity rate in the calculation of the composite tier differential between the BL and NBL bundled rates, including any specific advantages and/or disadvantages of this proposed change over the current calculation given that the resulting NBL rate is said to be 36% higher than the resulting bundled BL rate.

**RESPONSE 3:**

**a)** This particular section lists the steps needed to calculate the residential baseline and non-baseline rates. First, the RATIO column shows the baseline and non-baseline rates using the 1.15 tier differential approved by the Commission in the 2009 BCAP, whereas the DIFFERENCE column adds the tier difference cap approved by the Commission in the ’09 BCAP. The third column “Rates to use” is the column that is used to calculate the residential baseline and non-baseline rate. As described on line 167 of the “Res Rate” tab, the rates to be used are those in the RATIO column, unless the difference cap is exceeded, in which case DIFFERENCE column is used.

**b)** BL = Baseline

 NBL = Non-Baseline

 TR = Tier ratio

 BLR = Baseline rate

 BLV = Baseline volume

 NBLR = Non-Baseline rate

 NBLV = Non-Baseline volume

 CCR = Customer Charge Revenue

 SMCR = Sub meter Credit

**c)** Yes, instead of going through the complex calculation shown in response to Q.2, SoCalGas and SDG&E propose to simply divide the sum of the baseline and commodity rate by the sum of the non-baseline and commodity rate. This will yield a more understandable and useful tier differential percentage. The actual rates will remain the same.

**d)** The referenced line in this question is merely asking for the calculated baseline and non-baseline rate based on the targeted ratio approved by the Commission in the 2009 BCAP (D.09-11-006); the targeted ratio is used to calculate the composite rate. There is no separate NBL/BL ratio used in the calculation of rates, but rather is the calculated effective ratio when the $0.26/ therm tier differential becomes the binding constraint.

**e)** Yes. However, as explained in Response 2.d above, the effective ratio will be lower than the target ratio when rate differential of $0.26 therm becomes the binding constraint.

**f)** Under SoCalGas’ proposal, the composite rate would not need to be calculated. The proposed calculation is an attempt to simplify the understanding of what the tier differential represents. Instead of going through the complex calculation discussed above in Response 2.a to arrive at a figure that people aren’t sure what it represents, the proposed methodology simply determines the percentage difference between the baseline and non-baseline rates. The actual rates are unaffected.

**g)** Pursuant to D.09-11-006, the commodity rate is already included in the calculation. The SoCalGas proposal continues the current methodology.

**QUESTION 4:**

In the 2017 TCAP SCG RD Model at Tab “Res Rate” in Table 2, line 14, SoCalGas shows the NBL/BL rate difference as hardwired numbers (in $/therm) of $0.26000 under column B, and the NBL/BL rate difference of $0.2600 under column E. Please provide a description of the specific calculation that resulted in the rate difference of $0.2600 under columns B and E shown in Table 2, respectively.

**RESPONSE 4:**

The $0.26000 tier difference cap is not a calculated number. It was approved by the Commission in D.09-11-006, Appendix A, Section II.B.2.I, and is proposed to be maintained for this TCAP period.

**QUESTION 5:**

Starting at the bottom of page 4 continuing on page 5 of the above subject testimony dated

November 19, 2015, Mr. Bonnett states “SoCalGas and SDG&E propose to implement a

$0.32876 per-meter-per-day (approximately $10 per month) residential fixed charge. As shown in the cost allocation testimony of Dr. Chaudhury and Ms. Schmidt-Pines, the fully allocated residential marginal customer costs are $224 per year and $240 per year for SoCalGas and

SDG&E, respectively, and cover costs that do not vary with usage. Currently, SoCalGas’ residential rates consist of a $0.16438 per-meter per-day (approximately $5 per month) fixed charge that partially covers the fixed costs of services provided every month. These fixed costs include installation and maintenance of the gas service lines, meters, and regulators; meter reading; billing; maintenance of facilities; and vehicles and equipment—these are the costs of the basic facilities to transport gas to customer meters from the distribution system and provide customer service for those facilities.”

(a) Please explain whether SoCalGas’ and SDG&E’s proposed residential fixed charge of approximately $10 per month are designed solely for purposes of recovering gas distribution fixed customer costs, that is, costs that do not vary with usage. If there are any other primary reasons driving the SoCalGas and SFG&E proposals for the monthly residential fixed charges, then please describe and explain them.

(b) In reference to the proposed monthly residential fixed charges, please state whether these charges are proposed to apply to both CARE and non-CARE customers. If there is any difference in how these proposed monthly charges would apply to CARE and non-CARE customers, then please describe and explain them.

(c) Please provide the 10-year historical average monthly usage (in therms) of CARE and non-CARE residential customers (2004-2014) for SoCalGas and SDG&E.

(d) In reference to the fixed costs that do not vary with usage to be covered by the proposed residential fixed charge of approximately $10 per month, please confirm that these fixed costs of the gas distribution system are those associated with the physical hook-up of the customer, meter reading and billing, and maintenance services costs. If the proposed residential fixed charge covers any other costs not described in this data request question, then please describe those costs and explain why these should be included.

(e) Please show the amount of change in the average monthly bill (in $/month) of the CARE and non-CARE customers of SoCalGas and SDG&E by providing a comparison of the average monthly bills under the current rates and those under the proposals of SoCalGas and SDG&E in this rate case. Please provide the active Excel spreadsheet for the comparison.

(f) Please confirm the amount of change in the average monthly bill of the lowest usage residential customers who will need to pay the $10 per month fixed charge by providing a comparison of the average monthly bills under the current rates and those under the proposals of SoCalGas and SDG&E. Please provide the active Excel spreadsheet for the comparison.

(g) Please confirm that the fully allocated residential marginal customer costs of $224 per year and $240 per year for SoCalGas and SDG&E, respectively, are based on the marginal customer cost Rental method discussed on page 8 of Mr. Chaudhury’s revised testimony in A.15-07-014 rather than the New Customer Only (NCO) method approved in the Commission Decision (D.) 97-04-082 as discussed on page 5 of Mr. Chaudhury’s revised testimony.

(h) Please confirm that the Revised Workpapers of Mr. Chaudhury show that the fully allocated residential marginal customer cost for SoCalGas and SDG&E are $109.97 per year and $102.88 per year, respectively, based on the NCO method. If not, please explain.

(i) Based on the above statements, the proposed fixed monthly charges would cover “the costs of the basic facilities to transport gas to customer meters from the distribution system and provide customer service for those facilities.” Please fully explain whether the proposed fixed monthly charges would be similar to a “basic minimum” charge.

**RESPONSE 5:**

**a)** Yes, SoCalGas and SDG&E’s proposed residential fixed charge of approximately $10 per month are designed solely for the purpose of recovering fixed customer costs in a fixed customer charge.

**b)** Yes, however, CARE customers currently receive a 20% discount that would continue to apply to the proposed customer charge, as well.

**c)** See attached spreadsheet.



**d)** Confirmed. The list of items which the proposed fixed charge is designed to recover is discussed on lines 1 through 5 of page 5 in Mr. Bonnett’s revised prepared direct testimony.

**e)** The requested information is already provided in Table 5 of Mr. Bonnett’s revised prepared direct testimony. Additionally, the rate design models showing the calculation have already been provided. See “testimony tables” tab in the SCG RD model.

**f)** It is unclear what is meant by “confirm the amount of change in the average monthly bill of the lowest usage residential customers.” Mr. Bonnett’s revised prepared direct testimony contains a table which shows the bill impact information of baseline-only customers.

**g)** Confirmed. (To clarify, the SDG&E number is based on Ms. Schmidt-Pines’ workpapers).

**h)** Confirmed, based on the NCO only method without any replacement investments for old equipment removal. (To clarify, the SDG&E number is based on Ms. Schmidt-Pines‘ workpapers). The marginal customer costs based on NCO method with replacement investments (at historical replacement rates) are considerably higher than those based on NCO only method.

**i)** The definition of the term “basic minimum charge” as used in the question is not clear to SoCalGas and SDG&E. The fixed customer charge is intended to recover a reasonable portion of the fixed costs associated with providing a customer with access to SoCalGas’ or SDG&E’s gas delivery systems. The fixed customer charge reflects what a residential customer would pay when that customer’s gas consumption is zero.

**QUESTION 6:**

Please explain whether a fixed monthly customer charge reduces the proportion of the total monthly bill that the customer can lower through conservation. If so, please explain how a fixed monthly customer charge would provide the residential customers with the appropriate incentive to conserve energy and be more efficient in their use of energy given that the proposed higher residential fixed monthly charges could reduce the proportion of the total monthly bill that the customer can lower.

**RESPONSE 6:**

In D.15-07-001, the Commission determined in Findings of Fact (FOF) #24 and #25 that it was uncertain whether fixed cost charges would have any impact on conservation and, if they did, noted that it would be small. Additionally, FOF # 175 found that a fixed charge to reflect fixed costs would send a more accurate price signal to customers. Further, FOF # 176 determined that a fixed charge would assist the customer in making economically efficient decisions regarding energy uses and investments. Thus, residential customers will benefit from a residential customer charge by seeing the true cost of their natural gas service which will help the residential customer to make more efficient energy choices.

**QUESTION 7:**

At lines 1-6 on page 6 of the above subject testimony, Mr. Bonnett states “Because high-volume users have a larger portion of their annual consumption at the higher tier rate than low-volume users, the high volume users incur a disproportionate amount of the customer-related costs. In practical terms, this could mean that customers who live in older homes subsidize the fixed costs of gas service of customers in newer, energy-efficient homes, and customers who live in cooler environments inland subsidize customers who live in more temperate environments along the coast. Increasing the customer charge is necessary to reduce this intra-class cross-subsidy to achieve a fair and reasonable distribution of these fixed costs.”

(a) Please provide the basis to support the assertion regarding the intra-class cross-subsidy in the above statement where “customers who live in older homes subsidize the fixed costs of gas service of customers in newer, energy-efficient homes, and customers who live in cooler environments inland subsidize customers who live in more temperate environments along the coast.”

(b) In reference to the above statements, please indicate the proportion of SoCalGas and SDG&E customers who live in older homes. Please provide the basis to support your response.

(c) In reference to the above statements, please indicate the proportion of SoCalGas and SDG&E customers who live in newer energy efficient homes. Please provide the basis to support your response.

(d) In reference to the above statements, please indicate the proportion of SoCalGas and SDG&E customers who live in cooler environments inland. Please provide the basis to support your response.

(e) In reference to the above statements, please indicate the proportion of SoCalGas and SDG&E customers who live in more temperate environments along the coast.

(f) In reference to the above statements, do SoCalGas and SDG&E assert that intra-class subsidy currently exists? If so, then please provide the estimated intra-class cross subsidy with respect to both SoCalGas and SDG&E.

**RESPONSE 7:**

1. Mr. Bonnett’s testimony was intended to be a general statement regarding the potential inequities of a residential customer’s geographic location and age of their home. As an example, the two tables below show the 5-year history comparing annual heating degree days (HDDs) for the “Inland” vs “Coastal” service areas. HDDs drive the gas heating demand during cold days in winter months. Specifically, an HDD is the number of degrees that a day's average temperature is below 65oFahrenheit. Thus, the higher number of HDD the lower the average daily temperature.

|  |  |  |  |
| --- | --- | --- | --- |
| **Year** | **SCG****Inland HDD** | **SCG****Coastal HDD** | **Difference (%)** |
| 2010 | 2,800 | 1,877 | 49% |
| 2011 | 3,030 | 1,950 | 55% |
| 2012 | 2,376 | 1,719 | 38% |
| 2013 | 2,548 | 1,545 | 65% |
| 2014 | 1,939 | 992 | 95% |

|  |  |  |  |
| --- | --- | --- | --- |
| **Year** | **SDG&E****Inland HDD** | **SDG&E Coastal HDD** | **Difference (%)** |
| 2010 | 2,307 | 1,925 | 20% |
| 2011 | 2,455 | 1,854 | 32% |
| 2012 | 2,013 | 1,804 | 12% |
| 2013 | 2,080 | 1,729 | 20% |
| 2014 | 1,233 | 865 | 43% |

As the tables above clearly show, customers in the “Inland” area require more natural gas to heat their homes, and therefore, with all other things being equal, pay more to heat their home during the winter season than a similar home located in a “Coastal” area. Thus, geographic location of a home does impact how much natural gas is used for space heating. A customer living inland would use more gas and subsidize the usage of an identical home located in the coastal environment.

**b) SoCalGas:** The table below lists the percentage of SoCalGas residential customers with meters of various vintages. These are proxies for the vintages of the homes of the customers.

|  |  |  |
| --- | --- | --- |
| **2014 Meter Count: pre-78 customers** | **2014 Meter Count: post-77 till "new" customers** | **2014 Meter Count: New Customers** |
| 65.4% | 34.1% | 0.4% |

**SDG&E:** The table below lists the percentage of SDG&E residential customers with meters of various vintages. These are proxies for the vintages of the homes of the customers.

|  |  |  |
| --- | --- | --- |
| **2014 Meter Count: pre-99 customers** | **2014 Meter Count: post-99 till "new" customers** | **2014 Meter Count: New Customers** |
| 84.2% | 15.4% | 0.3% |

**c)** See response 7.b, above.

**d) SoCalGas:** “cooler environments inland” can be represented by customers in SoCalGas’ “High Mountain” and “High Desert” temperature zones. Based on December 2014 meter counts, these customers are 8.1% of SoCalGas’ residential customers (453,466 meters out of 5,612,842 meters).

**SDG&E:** “cooler environments inland” can be represented by the customers in SDG&E’s “Inland” temperature zone. Based on December 2014 meter counts, these customers are 45.9% of SDGE’s residential customers (398,037 meters out of 867,449 meters).

**e) SoCalGas:** “more temperate environments along the coast” can be represented by the customers in SoCalGas’ “Coastal” temperature zone. Based on December 2014 meter counts, these customers are 17.6% of SoCalGas’ residential customers. (989,568 meters out of 5,612,842 meters)

**SDG&E:** “more temperate environments along the coast” can be represented by the customers in SDG&E’s “Coastal” temperature zone. Based on December 2014 meter counts, these customers are 54.1% of SDGE’s residential customers. (469,087 meters out of 867,449 meters)

**f)** Yes, SoCalGas and SDG&E assert that a residential intra-class subsidy exists. To date, no party has disputed SoCalGas’ and SDG&E’s contention that it incurs fixed costs in providing safe and reliable service to its customers.

As an example, all SDG&E residential costs (fixed and variable) are currently recovered through a volumetric rate. Since there is no opportunity to recover fixed costs through a fixed charge and all SDG&E residential costs are recovered through volumetric rates, then some customers are paying more than their proportionate share of fixed costs in rates. This is the intra-class subsidy that SDG&E is attempting to reduce by its proposed customer charge.

SoCalGas and SDG&E identified the above-described intra-class subsidy by comparing the current monthly residential fixed customer charge at each utility ($5 at SoCalGas and $0 at SDG&E) to the fully allocated annual LRMC customer cost ($224 at SoCalGas and $240 at SDG&E, as shown in the prepared direct testimony of Dr. Chaudhury and Ms. Schmidt-Pines, respectively) divided by 12 months, or $18.67 at SoCalGas and $20.00 at SDG&E. Since the current residential fixed customer charge is less than the fully allocated LRMC customer cost, an intra-class subsidy exists.

**QUESTION 8:**

Tables 3 and 4 at page 9 of the above subject testimony shows the results of the implementation of a customer charge in typical SoCalGas and SDG&E residential monthly customer bills. In addition, Table 5 at page 12 presents the bill impact the proposed residential customer charge for each of SoCalGas and SDG&E.

(a) Please provide the active Excel spreadsheets for all the Tables 3,4, and 5.

(b) Please explain whether both CARE and non-CARE residential customers are represented in Tables 3 and 4.

(c) Please provide the therm assumptions in Table 5 for the class average, CARE, and Baseline only.

(d) Please clarify whether the only change assumed in Table 5 is the implementation of the customer charge. If any other proposed changes were included in Table 5, then please identify and explain.

**RESPONSE 8:**

1. The requested calculations can be found on the “Testimony Tables” tab of Mr. Bonnett’s SCG RD model. The requested spreadsheets are also attached here.



1. Yes, they are.
2. See table below.

|  |  |
| --- | --- |
| **SoCalGas** | Therms |
|  Class Avg. | 37 |
|  CARE | 30 |
|  Baseline only  | 30 |
|   |   |
| **SDG&E** | Therms |
|  Class Avg. | 26 |
|  CARE | 24 |
|  Baseline only  | 25 |

1. The customer charge is the only change in table 5.

**QUESTION 9:**

At page 13 of the above subject, Mr. Bonnett states that “Currently, SoCalGas’ sub meter credit is set at $0.23573 /meter/day and SoCalGas proposes to set it at $0.27386/meter/day for this TCAP term…SDG&E’s sub meter credits are currently set at $0.29392/meter/day for multi-family (GS) customers and $0.36460/meter/day for mobile home (GT) customers. SDG&E proposes to set them at $0.38268/meter/day and $0.40932/meter/day, respectively, for this TCAP term.” Please provide the calculations for the proposed sub meter credits showing how these numbers were derived, including the active Excel spreadsheets for them.

**RESPONSE 9:**

The requested calculations are located in section 2 of Mr. Bonnett’s SoCalGas and SDG&E workpapers. The requested spreadsheets are also attached here.

