

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**



**FILED**

03-27-13  
04:59 PM

In the Matter of the Application of San Diego Gas & Electric Company (U 902 G) and Southern California Gas Company (U 904 G) for Authority to Revise Their Rates Effective January 1, 2013, in Their Triennial Cost Allocation Proceeding

A.11-11-002  
(Filed November 1, 2011)

**JOINT MOTION OF SOUTHERN CALIFORNIA GAS COMPANY,  
SAN DIEGO GAS & ELECTRIC COMPANY, DIVISION OF RATEPAYER  
ADVOCATES, THE UTILITY REFORM NETWORK, SOUTHERN CALIFORNIA  
EDISON COMPANY (U 338 E), SOUTHERN CALIFORNIA GENERATION  
COALITION, INDICATED PRODUCERS, CALIFORNIA MANUFACTURERS AND  
TECHNOLOGY ASSOCIATION, THE CITY OF LONG BEACH, AND  
SOUTHWEST GAS CORPORATION (U 905 G) FOR ADOPTION OF SETTLEMENT  
AGREEMENT FOR CERTAIN PHASE 2 ISSUES**

Sharon L. Tomkins  
Michael R. Thorp  
Jason W. Egan  
Attorneys for  
SOUTHERN CALIFORNIA GAS COMPANY  
SAN DIEGO GAS & ELECTRIC COMPANY  
555 West Fifth Street, #1400  
Los Angeles, CA 90013  
Telephone: (213) 244-2981  
Facsimile: (213) 629-9620  
Email: mthorp@semprautilities.com

March 27, 2013

## Table of Contents

<b>I. BACKGROUND</b> .....	2
<b>II. THE SETTLEMENT IS REASONABLE IN LIGHT OF THE WHOLE RECORD, IS CONSISTENT WITH LAW, AND IN THE PUBLIC INTEREST</b> .....	4
<b>A. The Settlement Is Reasonable In Light Of The Record</b> .....	5
<b>B. The Settlement Is Consistent With Law</b> .....	5
<b>C. The Settlement Is In The Public Interest</b> .....	6
<b>D. The Settlement Should Be Adopted Without Modification</b> .....	6
<b>E. The Settlement is Reasonable and Promotes the Public Interest</b> .....	7
<b>F. Summary of the Proposed Settlement</b> .....	8
<b>1. Demand Forecast</b> .....	8
<b>2. Cost Allocation</b> .....	9
<b>3. Rate Design</b> .....	12
<b>4. Backbone Operational Issues</b> .....	14
<b>5. Storage</b> .....	19
<b>6. Southern System</b> .....	20
<b>7. Term of the Settlement</b> .....	20
<b>III. CONCLUSION</b> .....	21

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

In the Matter of the Application of San Diego Gas & Electric Company (U 902 G) and Southern California Gas Company (U 904 G) for Authority to Revise Their Rates Effective January 1, 2013, in Their Triennial Cost Allocation Proceeding

A.11-11-002  
(Filed November 1, 2011)

**JOINT MOTION OF SOUTHERN CALIFORNIA GAS COMPANY,  
SAN DIEGO GAS & ELECTRIC COMPANY, DIVISION OF RATEPAYER  
ADVOCATES, THE UTILITY REFORM NETWORK, SOUTHERN CALIFORNIA  
EDISON COMPANY (U 338 E), SOUTHERN CALIFORNIA GENERATION  
COALITION, INDICATED PRODUCERS, CALIFORNIA MANUFACTURERS AND  
TECHNOLOGY ASSOCIATION, THE CITY OF LONG BEACH, AND  
SOUTHWEST GAS CORPORATION (U 905 G) FOR ADOPTION OF SETTLEMENT  
AGREEMENT FOR CERTAIN PHASE 2 ISSUES**

In accordance with Article 12 of the Commission's Rules of Practice and Procedure (Rules), Southern California Gas Company (SoCalGas), San Diego Gas & Electric Company (SDG&E), (jointly SoCalGas/SDG&E or Applicants), the Division of Ratepayer Advocates (DRA), The Utility Reform Network (TURN), Southern California Edison Company (SCE), Southern California Generation Coalition (SCGC), Indicated Producers (IP), California Manufacturers and Technology Association (CMTA), the City of Long Beach (Long Beach),<sup>1</sup> and Southwest Gas Corporation (Southwest Gas) (collectively referred to hereafter as the Settling Parties)<sup>2</sup> hereby move the Commission to adopt the Phase 2 Settlement Agreement (Settlement) attached hereto in Attachment A, which proposes resolution of certain issues set

---

<sup>1</sup> The Settlement must be approved by the Long Beach City Council; approval is pending.

<sup>2</sup> As permitted by Rule 1.8(d), Counsel for Applicants has been authorized to sign this motion on behalf of each of the Settling Parties.

for Phase 2 of this Triennial Cost Allocation Proceeding (TCAP).<sup>3</sup> The Settlement represents agreement among the parties and proposes resolution of certain Phase 2 issues set for hearing and discussed below.

## **I. BACKGROUND**

This TCAP was filed in response to D.09-11-006, which provided that SoCalGas and SDG&E “shall file a new cost allocation application no later than September 1, 2011, for rates to be effective January 1, 2013 for the three year period ending on December 31, 2015.”<sup>4</sup>

On May 19, 2011, SDG&E, SoCalGas, and 10 other parties filed a joint petition for modification of D.09-11-006. The petition for modification requested that D.09-11-006 be modified to allow SDG&E and SoCalGas to file the TCAP application by no later than November 1, 2011, rather than the September 1, 2011 date contained in the BCAP Phase 2 Settlement Agreement. The Commission issued D.11-07-052 on July 14, 2011, approving the Petition for Modification of D.09-11-006 -- allowing SoCalGas and SDG&E to file their next TCAP application on November 1, 2011.

Applicants filed their TCAP application on November 1, 2011. In support of the TCAP application, prepared testimony was attached to the application. A prehearing conference (PHC) was noticed and held on January 31, 2012, to discuss the issues raised by the application and by the parties, the need for supplemental testimony on certain cost allocation issues, the need for evidentiary hearings, and the schedule for resolving the issues.

---

<sup>3</sup> This Settlement is a partial settlement of Phase 2 issues. It is not intended to resolve issues not covered by the Settlement, or to preclude any of the Settling Parties from making any arguments or taking any positions with respect to such issues.

<sup>4</sup> D.09-11-006, mimeo., at 9, fn 8.

An Assigned Commissioner's Scoping Memo and Ruling (Scoping Memo) was issued on February 24, 2012. The Scoping Memo identified the issues to be considered in this proceeding, set a procedural schedule, determined the category of the proceeding as ratesetting, and determined there was a need for hearings pursuant to Rule 7.3. The Scoping Memo also established two phases for this proceeding: Phase 1 to consider non-cost allocation aspects of SoCalGas and SDG&E's Pipeline Safety Enhancement Plan (PSEP) originally submitted in R.11-02-019, and Phase 2 to consider remaining TCAP issues, including PSEP cost allocation.<sup>5</sup> The Scoping Memo further required supplemental testimony from SoCalGas and SDG&E on certain specified Phase 2 issues.<sup>6</sup>

Applicants served supplemental testimony on March 16, 2012 and September 10, 2012. Intervenor testimony was submitted on November 16, 2012 by DRA, TURN, SCE, SCGC, IP, Long Beach, Southwest Gas, the Southern California Indicated Producers (SCIP), and Clean Energy Fuels Corp. (Clean Energy). With the permission of Administrative Law Judge (ALJ) Long, TURN submitted supplemental testimony on December 7, 2012. Rebuttal testimony was submitted on December 14, 2012 by SoCalGas/SDG&E, DRA, TURN, SCGC, the City of Long Beach, Southwest Gas, SCE, SCIP, and Shell Energy North America, L.P. (Shell). SoCalGas/SDG&E also submitted rebuttal testimony to TURN's supplemental testimony on December 21, 2012.

Hearings were originally scheduled from January 7 through January 18, 2013, but were rescheduled in order to permit the parties to engage in settlement discussions. SoCalGas/SDG&E invited all parties to an initial meeting on January 9 in San Francisco to discuss the potential settlement of Phase 2 issues. This initial meeting was followed by a

---

<sup>5</sup> A.11-11-002, Assigned Commissioner's Scoping Memo and Ruling, dated February 24, pages 5-9.

<sup>6</sup> A.11-11-002, Assigned Commissioner's Scoping Memo and Ruling, dated February 24, pages 9-10.

series of additional settlement meetings. On February 15, SoCalGas/SDG&E served a Notice of Settlement Conference, pursuant to Rule 12, for a settlement conference that was held on February 22.

Evidentiary hearings were scheduled for February 26, 2013 through March 15, 2013. These hearings began on February 26, 2013, but were postponed so that parties could further explore potential settlement of Phase 2 Issues. On February 27, 2013, ALJ Long granted the request of the Settling Parties to postpone the hearings based on the belief that the Settling Parties had reached agreement in principle on all contested Phase 2 issues other than PSEP cost allocation and SDG&E's proposal for a monthly customer charge.<sup>7</sup> That agreement is memorialized in this Settlement.

**II.**  
**THE SETTLEMENT IS REASONABLE IN LIGHT OF THE WHOLE RECORD,  
IS CONSISTENT WITH LAW, AND IN THE PUBLIC INTEREST**

Rule 12.1(d) states that the Commission will not approve a settlement “unless the settlement is reasonable in light of the whole record, is consistent with law, and in the public interest.” As discussed below, the Settlement meets these criteria.

The Commission has consistently recognized the “strong public policy favoring the settlement of disputes to avoid costly and protracted litigation.”<sup>8</sup> This policy supports many worthwhile goals, including reducing the expense of litigation, conserving scarce Commission resources, and allowing parties to reduce the risk that litigation will produce unacceptable results.<sup>9</sup> Moreover, in assessing settlements, the Commission evaluates the *entire* agreement, and not just its individual parts:

---

<sup>7</sup> Tr. at 1722-1723 (ALJ Long).

<sup>8</sup> D.88-12-083, mimeo., at 54. *See also* D.11-05-018, mimeo., at 16.

<sup>9</sup> D.92-12-019, mimeo., at 7-8.

In assessing settlements we consider individual settlement provisions but, in light of strong public policy favoring settlements, we do not base our conclusion on whether any single provision is the optimal result. Rather, we determine whether the settlement as a whole produces a just and reasonable outcome.<sup>10</sup>

**A. The Settlement Is Reasonable In Light Of The Record**

The SoCalGas/SDG&E application and supporting testimony, the testimony sponsored by the non-utility parties, and the utilities' rebuttal testimony, together with the Settlement and this motion, contain the information necessary for the Commission to find the Settlement reasonable in light of the record. Prior to the settlement, the parties devoted substantial time and effort to working collaboratively to identify and achieve a better common understanding of the range of issues in dispute, the various options for narrowing the number of disputed issues, and opportunities to develop compromise positions that would permit resolution of the disputed issues. The Settlement is a product of those efforts, and the success of those efforts is largely attributable to the quality of the information and analysis set forth in the prepared testimony submitted to date by the various parties on the issues covered by the Settlement. As described more fully in the summary of the Settlement that follows, the specific outcomes on the issues covered by the Settlement are within the range of positions and outcomes defined by that prepared testimony.

**B. The Settlement Is Consistent With Law**

The Settling Parties are represented by experienced CPUC counsel, and believe that the terms of the Settlement comply with all applicable statutes and prior Commission decisions, and reasonable interpretations thereof. In agreeing to the terms of the Settlement,

---

<sup>10</sup> D.10-04-033, mimeo, at 9.

the Settling Parties considered relevant statutes and Commission decisions and believe that the Settlement is fully consistent with those statutes and prior Commission decisions.

**C. The Settlement Is In The Public Interest**

The Commission has determined that a settlement that “commands broad support among participants fairly reflective of the affected interests” and “does not contain terms which contravene statutory provisions or prior Commission decisions” meets the “public interest” criterion.<sup>11</sup> Here, all active parties on the issues covered by the Settlement save one<sup>12</sup> have joined this motion and have signed the attached Settlement indicating that they believe the agreement represents a reasonable compromise of their respective positions. The range of Settling Parties should provide the Commission comfort, as it includes the applicant utilities and representatives of core and noncore customers that are well-known to the Commission and bring years (and, in some cases, decades) of experience in Commission proceedings to their work here.

The Settlement, if adopted by the Commission, avoids the cost of further litigation, and frees up Commission resources for other proceedings. The Settlement frees up the time and resources of other parties as well, so that they may focus on the remaining issues in this proceeding or other Commission proceedings.

**D. The Settlement Should Be Adopted Without Modification**

Though each section is discussed separately in the summary below, the Settlement is presented as a whole, and Settling Parties request that it be reviewed and adopted as a whole. Each provision of the Settlement is dependent on the other provisions of the Settlement; thus

---

<sup>11</sup> D.10-06-015, mimeo., at 11-12, *citing* D.92-12-019, mimeo., at 7.

<sup>12</sup> Shell Energy North America (US), L.P. (Shell) submitted rebuttal testimony on certain issues covered by this Settlement, but is not a signatory. The Southern California Indicated Producers and Watson Cogeneration Corporation also submitted Phase 2 testimony and are not signatories to the Settlement, but their testimony was confined to PSEP cost allocation issues.

modification of any one part of the Settlement would harm the balancing of interests and compromises achieved in the Settlement. The various provisions reflect specific compromises between litigation positions and differing interests; in some instances the proposed outcome reflects a party's concession on one issue in consideration for the outcome provided on a different issue. As described further in the following sections, the proposed outcome on each issue is reasonable in light of the entire record. Accordingly, the Commission should consider and approve the Settlement as a whole, with no modification.

**E. The Settlement is Reasonable and Promotes the Public Interest**

The Settlement represents agreement among all but three of the parties that actively participated in Phase 2 of this proceeding, along with parties that have participated without submitting testimony. In settlement negotiations, each party adhered to their individual litigation position as the starting point for discussion of SoCalGas/SDG&E's proposals. Through the negotiation process, however, the Settling Parties were able to identify preferred outcomes that, if adopted, would represent an acceptable resolution for each party involved in the settlement discussions. Each provision of the Settlement is dependent on the other provisions of the Settlement; thus modification of any one part of the Settlement would harm the balancing of interests and compromises achieved in the Settlement. The various provisions reflect specific compromises between litigation positions and differing interests; the Settling Parties believe the provisions of the Settlement are reasonable and supported by the record. Accordingly, the Settlement should be considered and approved as a whole by the Commission as reasonable in light of the entire record, with no modification.

The Settlement represents agreement among the Settling Parties regarding resolution of Phase 2 issues and reflects a compromise among the litigation positions taken by the

Settling Parties in this proceeding in a manner that promotes the public interest.

Longstanding Commission policy favors settlements. The Settlement is therefore reasonable in light of the whole record and promotes the public interest as required by Rule 12.1(d). The Phase 2 issues addressed in this Settlement are discussed below.

## **F. Summary of the Proposed Settlement**

Settling Parties seek Commission approval of the terms set forth in the attached Settlement, as summarized below.

### **1. Demand Forecast**

In support of its demand forecast showing in this proceeding, SoCalGas/SDG&E submitted testimony presenting their demand forecasts for the TCAP period.<sup>13</sup>

SoCalGas/SDG&E presented testimony pertaining to the residential, core commercial, industrial, noncore commercial and industrial, enhanced oil recovery (EOR), NGV, wholesale and ECOGAS customer gas demand forecasts for the TCAP period covering years 2013 through 2015.<sup>14</sup> SoCalGas/SDG&E also submitted testimony supporting the gas demand forecast for electric generation (EG) customers.<sup>15</sup>

Upon review and analysis of the SoCalGas/SDG&E demand forecasts, DRA submitted testimony concluding that the utilities' forecasts should be updated to include 2011 actual demand data.<sup>16</sup> In rebuttal, SoCalGas/SDG&E noted that certain additional updates were necessary to provide demand forecasts which were fully updated to include 2011

---

<sup>13</sup> Ex. SCG-109 (Wetzel); Ex. SCG-107 (Payan); Ex. SCG-108 (Huang).

<sup>14</sup> Ex. SCG-109 (Wetzel); Ex. SCG-107 (Payan).

<sup>15</sup> Ex. SCG-108 (Huang).

<sup>16</sup> Ex. DRA-101 (Sierra) at 10.

demand data and committed to providing complete updated forecasts.<sup>17</sup> This complete updated demand forecast provides the basis for the demand forecast in this Settlement.

Settling Parties propose to use, for the most part, the Applicant's updated demand forecast, including a complete update of 2011 demand data, but with a revised EG forecast that reflects a compromise between the litigation positions of various parties.

## **2. Cost Allocation**

In their TCAP application, SoCalGas/SDG&E offered several proposals related to cost allocation and rate design and also proposed rates for core and noncore services. The testimony submitted by SoCalGas/SDG&E set forth a detailed showing in support of these proposals. The testimony submitted by intervenors in this proceeding reflected a wide diversity of views regarding the proposals made by SoCalGas/SDG&E. This Settlement proposes resolution of cost allocation issues related to long run marginal cost and transition adjustments.

### *i. Long Run Marginal Cost*

SoCalGas/SDG&E presented testimony which proposed utilizing a long run marginal cost study and rental methodology to allocate base margin costs among SDG&E<sup>18</sup> and SoCalGas customers.<sup>19</sup> Both SCGC<sup>20</sup> and SCE<sup>21</sup> submitted testimony in support of SoCalGas/SDG&E's proposed use of the rental method to determine long run marginal costs.

TURN, DRA, and Long Beach each proposed using a version of the New Customer Only (NCO) method. DRA recommended that the Commission rely on the NCO method

---

<sup>17</sup> Ex. SCG-105 (Musich) at 4. SoCalGas/SDG&E provided an initial Updated Demand Forecast and Rate Update to parties on January 4, 2013, and a final Updated Demand Forecast and Rate Update on February 24, 2013.

<sup>18</sup> Ex. SCG-124 (Mock) at 2-3.

<sup>19</sup> Ex. SCG-129 (Lenart) at 7-9. *See also* Ex. SCG-132 (Lenart) at 6-10.

<sup>20</sup> Ex. SCGC-101 (Yap) at 19.

<sup>21</sup> Ex. SCE-100 (Garwacki) at 1.

absent a replacement cost adder.<sup>22</sup> TURN proposed use of the NCO method with a replacement cost adder.<sup>23</sup> Long Beach expressed no position on the theoretical or practical superiority of any of the proposed methods but stated that the Commission should act consistent with recent precedent and use the NCO method.<sup>24</sup> In rebuttal, SoCalGas/SDG&E offered testimony which provided additional support for use of the rental method as the method most consistent with the Commission's cost causation principles.<sup>25</sup>

Settling Parties acknowledge that there exist numerous methodologies proposed by parties to determine marginal unit costs for the customer cost function ranging from the rental method to NCO to NCO with replacement cost adder. Through the negotiation process, however, the Settling Parties were able to identify certain outcomes that, if adopted as a package, would represent an acceptable resolution for each party involved in the settlement discussions. Accordingly, the Settling Parties have taken a "black box" approach to reaching settlement and have agreed to certain modifications to their original cost allocation and rate proposals that are expressly intended to achieve these preferred outcomes.

*ii. Transition Adjustments*

SoCalGas/SDG&E presented testimony recommending the use of transition adjustments to avoid rate shock as the utilities move towards fully cost-based rates.<sup>26</sup> The proposed adjustments would limit rate increases to 10% for any class and allocate the transition adjustment for noncore classes requiring the adjustment (EG-D Tier 1 and EG-D Tier 2) to the transmission level service (TLS) rate.<sup>27</sup> The adjustments are then to be phased

---

<sup>22</sup> Ex. DRA-102 (Reneghan) at 1-1.

<sup>23</sup> Ex. TURN-101 (Marcus) at 10-14.

<sup>24</sup> Ex. LB-100 (Fulmer) at 7.

<sup>25</sup> Ex. SCG-133 (Lenart) at 9.

<sup>26</sup> Ex. SCG-132 (Lenart) at 1-2.

<sup>27</sup> Ex. SCG-129 (Lenart) at 34-35.

out in a straight-line fashion over one, three, or six years (depending on rate class) until fully cost-based rates are achieved.<sup>28</sup>

In response, DRA proposed to modify the adjustment for certain classes to offset changes resulting from DRA's proposed use of the NCO method.<sup>29</sup> SCGC opposed DRA's proposed changes where DRA's proposed transition adjustment differed from SoCalGas/SDG&E's proposed 10% limit.<sup>30</sup>

SCGC noted that the commercial-industrial (NCCI-D) noncore rate class as well as the TLS noncore rate class would receive a substantial rate decrease under the Applicants' proposed case and proposed to allocate the excess revenue requirement from the EG-D class across both the NCCI-D and TLS rate classes.<sup>31</sup> Long Beach supported SCGC's recommendations regarding allocation of the excess revenue requirement and also proposed accelerating the transition adjustment to ensure a transition to fully cost-based rates prior to the next TCAP.<sup>32</sup> SCE opposed Long Beach's proposal to accelerate rate transitions.<sup>33</sup>

In rebuttal, SoCalGas/SDG&E offered testimony which continued to support the original proposal and opposed the Long Beach and SCGC modifications.<sup>34</sup> SoCalGas and SDG&E did, however, acknowledge the propriety of DRA's proposed modification should the Commission adopt the NCO method.<sup>35</sup>

For the core, Settling Parties propose to use the transition adjustments proposed by SoCalGas and SDG&E with the resulting cost of the transition adjustment being recovered as

---

<sup>28</sup> Ex. SCG-129 (Lenart) at 34-35.

<sup>29</sup> Ex. DRA-102 (Reneghan) at 4-5.

<sup>30</sup> Ex. SCGC-101 (Yap) at 20-21.

<sup>31</sup> Ex. SCGC-100 (Yap) at 11-12.

<sup>32</sup> Ex. LB-100 (Fulmer) at 16.

<sup>33</sup> Ex. SCE-101 (Garwacki) at 7.

<sup>34</sup> Ex. SCG-133 (Lenart) at 16-17.

<sup>35</sup> Ex. SCG-133 (Lenart) at 17.

proposed by SoCalGas and SDG&E. For the noncore, Settling Parties propose to use transition adjustments for EG-D Tier 1 and EG-D Tier 2 rate classes which will be phased out by December 31, 2015, with the rates increasing by the same percentage each year from 2013 through 2016. Settling Parties propose to recover the cost of the transition adjustment from the TLS and NCCI-D rate classes proportionately by volume, except that half of the cost that would be recovered from the NCCI-D rate class shall be reallocated for recovery from the TLS rate class.

### **3. Rate Design**

#### *i. Transmission Level Service*

SoCalGas/SDG&E presented testimony on the current TLS rate and provided for continuation of the current TLS rate design which allocates costs within the noncore market for the TLS rate.<sup>36</sup> For customers that elect service under the TLS Reservation Rate Option, SoCalGas/SDG&E recommended that quantities in excess of a customer's Daily Reservation Rate Quantity should be billed at 120 percent of the Class Average Volumetric Rate.<sup>37</sup>

Upon review and analysis of the SoCalGas/SDG&E TLS rate design, SCGC filed testimony which opposed continuation of the current TLS rate design. SCGC proposed using peak day demand to calculate the Reservation Rate Usage Charge, and SCGC proposed setting the NV rate for service above the reserved level to be equal to the Class Average Volumetric Rate instead of 120 percent of the Class Average Volumetric Rate.<sup>38</sup>

SoCalGas/SDG&E offered rebuttal testimony opposing SCGC and noting the significance of

---

<sup>36</sup> Ex. SCG-125 (Bonnett) at 6.

<sup>37</sup> Ex. SCG-125 (Bonnett) at A-17; Ex. SCG-119 (Horn) at 4-5.

<sup>38</sup> Ex. SCGC-100 (Yap) at 15-17.

the current TLS rate design in closing or narrowing the regulatory gap between the utility and interstate pipeline service.<sup>39</sup>

Settling Parties propose that, for customers who elect service under the TLS Reservation Rate Option, quantities in excess of a customer's Daily Reservation Rate Quantity be billed at 115 percent of the Class Average Volumetric Rate. In addition, Settling Parties propose removal of the current SoCalGas/SDG&E requirement to exclude any subsequently allocated base margin portions of the ITBA from the Reservation Rate Usage Charge.<sup>40</sup> Finally, Settling Parties propose that SoCalGas/SDG&E include in their next TCAP Application data on actual revenues from service provided under the TLS Reservation Rate Option and actual volumes provided under that Option.

*ii. Throughput Risk*

SoCalGas/SDG&E presented testimony which recommended continued 100% balancing account treatment of noncore transportation revenue requirements in order to continue to align shareholder, customer, and Commission interests in achieving energy efficiency goals.<sup>41</sup> In response, DRA proposed 90/10 ratepayer/shareholder risk sharing to incentivize Applicants to keep costs at reasonable levels.<sup>42</sup> SoCalGas/SDG&E<sup>43</sup> and SCGC<sup>44</sup>

---

<sup>39</sup> Ex. SCG-119 (Horn) at 3-5.

<sup>40</sup> This issue was not addressed in SoCalGas/SDG&E's testimony but was raised during settlement discussions. When SoCalGas/SDG&E's TLS rate was implemented in February 2010, the ratio of RS Reservation rate plus Usage Charge to the Class Average Rate was 73.6%. Since then, this ratio has changed to 73.1%, 72.3%, and 77.1% for January 2011, October 2011, and January 2012, respectively. Beginning in January 2013, the ratio increased to 88%. As a result of this increase, several SoCalGas/SDG&E customers raised concerns about the reduction in potential savings and the stability of the RS rate versus the CA rate over the course of their three-year contracts. The main reason for the increased variability in the RS and CA rates in January 2013 is the provision in the 2009 BCAP Settlement Agreement that requires the RS Usage rate to "exclude any subsequently allocated base margin portions of the ITBA." (D.09-11-006, Appendix A, Attachment 1, Section 2, e.2.) This proposed settlement term to remove the requirement to exclude any subsequently allocated base margin portions of the ITBA from the RS Reservation Usage Charge will reduce the price volatility between the TLS CA and RS rate options.

<sup>41</sup> Ex. SCG-103 (Musich) at 2.

<sup>42</sup> Ex. DRA-106 (Sabino) at 2-1.

<sup>43</sup> Ex. SCG-105 (Musich) at 1-4.

filed rebuttal testimony opposing DRA's proposal and supporting maintenance of 100% balancing account protection.

Settling Parties propose that SoCalGas/SDG&E's noncore transportation revenue requirement continue to be subject to 100% balancing account treatment.

#### **4. Backbone Operational Issues**

Several parties raised operational issues related to SoCalGas/SDG&E's operation of the backbone system. As described in more detail below, the Settlement addresses issues related to the operations of SoCalGas/SDG&E's backbone system and retains much of the FAR Update BTS rate design.<sup>45</sup>

##### *i. BTS Reservation Charge*

SoCalGas/SDG&E presented testimony which recommended calculating the BTS reservation charge using a single denominator of 2,978 Mdth/d -- representing the cold year throughput forecast.<sup>46</sup>

IP offered testimony which recommended increasing the throughput value used to calculate rates for long-term firm BTS service to 3,517 Mdth/d while using 3,000 Mdth/d to calculate rates for all other BTS services.<sup>47</sup>

SoCalGas/SDG&E replied in rebuttal that IP's proposed billing determinants for calculating rates for long-term firm BTS service would lead to under-recovery of costs from long-term firm shippers.<sup>48</sup> SCGC also opposed IP's proposal to use different, higher billing determinants to calculate rates for long-term firm BTS service.<sup>49</sup> SCGC supported using the

---

<sup>44</sup> Ex. SCGC-101 (Yap) at 16.

<sup>45</sup> See D.11-04-032.

<sup>46</sup> Ex. SCG-111 (Fung) at 15.

<sup>47</sup> Ex. IP-100 (Schoenbeck) at 18-20.

<sup>48</sup> Ex. SCG-117 (Watson) at 3.

<sup>49</sup> Ex. SCGC-101 (Yap) at 6-10.

same billing determinants to calculate all BTS rates,<sup>50</sup> and SCGC supported 2,978 Mdth/d as the appropriate billing determinants.<sup>51</sup>

Settling Parties propose that the SoCalGas/SDG&E BTS reservation charges use a 2,978 Mdth/d denominator, to be adjusted annually in SoCalGas' Annual Regulatory Account Update filings.

*ii. Backbone Transmission Balancing Account (BTBA) Rate*

*Adjustments*

SoCalGas/SDG&E presented testimony which recommended that BTS rates should be subject to BTBA rate adjustments.<sup>52</sup>

In response, IP proposed excluding long-term BTS shippers from BTBA adjustments to provide price certainty.<sup>53</sup> SCGC opposed IP's proposal as potentially reducing the volume responsible for balancing undercollections/overcollections and increasing the size and volatility of these adjustments to all other customers.<sup>54</sup> SoCalGas/SDG&E offered rebuttal testimony which opposed IP's proposal as unfairly allocating discounts of interruptible capacity or other revenue shortfalls completely to the holders of shorter-term capacity.<sup>55</sup>

Settling Parties propose that the SoCalGas/SDG&E BTS rates be subject to BTBA rate adjustments.

*iii. Volumetric Interruptible BTS Rate*

SoCalGas/SDG&E presented testimony which recommended continued calculation of SoCalGas' volumetric interruptible BTS rate as equal to the 100% load factor SFV rate with

---

<sup>50</sup> Ex. SCGC-101 (Yap) at 10.

<sup>51</sup> Ex. SCGC-101 (Yap) at 10.

<sup>52</sup> Ex. SCG-111 (Fung) at 15.

<sup>53</sup> Ex. IP-100 (Schoenbeck) at 21.

<sup>54</sup> Ex. SCGC-101 (Yap) at 7-10.

<sup>55</sup> Ex. SCG-117 (Watson) at 3.

no differentiation between the rate for long-term BTS service and the rate for short-term BTS service.<sup>56</sup>

In response, IP proposed to design the volumetric interruptible BTS rate using the billing determinants that IP recommended for calculating IP's proposed short-term firm SFV rate, 3,000 Mdth/d.<sup>57</sup> SoCalGas/SDG&E offered rebuttal testimony which opposed IP's proposal and offered continued support of SoCalGas/SDG&E's BTS rate design.<sup>58</sup> SCGC offered rebuttal testimony which supported a volumetric interruptible BTS rate that equals an undifferentiated 100% load factor SFV rate.<sup>59</sup>

Settling Parties propose that SoCalGas' volumetric interruptible BTS rate equal its reservation charge SFV rate.

*iv. Functionalization of the SDG&E System*

SoCalGas/SDG&E presented testimony which recommended the continued classification of the SDG&E transmission system as backbone based on functional definitions.<sup>60</sup>

In response, IP opposed this classification based on the argument that the SDG&E system was not actually serving a backbone transmission function.<sup>61</sup> SoCalGas/SDG&E<sup>62</sup> and SCGC<sup>63</sup> opposed IP's proposal to reclassify the SDG&E transmission system and supported the current classification of SDG&E's transmission system as consistent with the function of the system and past Commission decisions.

---

<sup>56</sup> Ex. SCG-111 (Fung) at 15.

<sup>57</sup> Ex. IP-100 (Schoenbeck) at 20.

<sup>58</sup> Ex. SCG-117 (Watson) at 1.

<sup>59</sup> Ex. SCGC-101 (Yap) at 10.

<sup>60</sup> Ex. SCG-113 (Bisi) at 2.

<sup>61</sup> Ex. IP-100 (Schoenbeck) at 3.

<sup>62</sup> Ex. SCG-114 (Bisi) at 1.

<sup>63</sup> Ex. SCGC-101 (Yap) at 1-5.

Settling Parties propose that the SDG&E transmission system continue to be classified as backbone.

*v. Backbone-Only Rate*

SoCalGas/SDG&E initially presented testimony recommending implementation of a backbone-only rate to create incentives for incremental load growth to be connected to the SoCalGas/SDG&E backbone system.

Upon review and analysis of SoCalGas/SDG&E's new rate, DRA did not oppose the SoCalGas/SDG&E request to establish a backbone-only service to promote new or incremental load to the SoCalGas system.<sup>64</sup> SCE did not oppose the new rate, but noted that the backbone-only rate could increase Southern System reliability costs.<sup>65</sup> SCGC opposed the backbone-only rate as unsupported, unnecessary, and inconsistent with Sempra-wide rate principles.<sup>66</sup> IP opposed the backbone-only rate for new customers as being insufficiently supported by the record.<sup>67</sup> Finally, Southwest Gas offered support for the backbone-only rate, but only if current backbone-only customers could take service under this rate.<sup>68</sup>

Settling Parties propose that SoCalGas withdraw its proposal for backbone-only rates from this proceeding. Consistent with the Settlement, SoCalGas/SDG&E have eliminated their backbone-only proposal from their updated Phase 2 testimony submitted to the Commission (both direct and rebuttal). If SoCalGas chooses to resubmit a proposal for backbone-only rates prior to the next TCAP, it will do so in its upcoming application relating to Southern System issues (see Section 6 below). If the Southern System application does not propose a backbone-only rate, the application will address why SoCalGas chose not to re-

---

<sup>64</sup> Ex. DRA-106 (Sabino) at 3-3.

<sup>65</sup> Ex. SCE-100 (Grimm) at 6.

<sup>66</sup> Ex. SCGC-100 (Yap) at 12-15.

<sup>67</sup> Ex. IP-100 (Schoenbeck) at 23.

<sup>68</sup> Ex. SWG-100 (Gieseking) at 4.

propose it in the application. Nothing in this Settlement is intended to predetermine the potential availability of a backbone-only rate as a result of the upcoming application.

*vi. Modified Fixed Variable (MFV) Rate Option*

SoCalGas recommended eliminating the MFV rate option because it burdens high load factor customers with a disproportionate share of the pipeline's fixed costs for the benefit of low load-factor customers.<sup>69</sup>

IP opposed elimination of the MFV rate option and proposed retaining an MFV rate option under the BTS tariff for short-term firm service.<sup>70</sup> SCGC also opposed SoCalGas/SDG&E's proposal and argued that having an MFV rate option can provide a benefit to all BTS customers.<sup>71</sup> Both IP and SCGC proposed that the MFV reservation rate and the MFV volumetric rate be designed so that at 100 percent utilization, an SFV shipper and an MFV shipper would pay the same amount for BTS service.<sup>72</sup> SoCalGas/SDG&E responded in rebuttal that future rate design proceedings can be simplified with no harm to customers by eliminating this rate option.<sup>73</sup>

Settling Parties propose that SoCalGas' MFV Rate Option be maintained for this TCAP period, with the MFV volumetric rate designed such that 100% load factor MFV rate equals the SFV "100% Reservation" rate for BTS service.

---

<sup>69</sup> Ex. SCG-111 (Fung) at 15; Ex. SCG-112 (Fung) at 1.

<sup>70</sup> Ex. IP-100 (Schoenbeck) at 20.

<sup>71</sup> Ex. SCGC-100 (Yap) at 18-20.

<sup>72</sup> Ex. IP-100 (Schoenbeck) at 21; Ex. SCGC-101 (Yap) at 11.

<sup>73</sup> Ex. SCG-117 (Watson) at 4.

## 5. Storage

### *i. Honor Rancho Cost Recovery*

SoCalGas/SDG&E provided testimony describing activity in the Honor Rancho Expansion Project and supporting recovery of drilling and facilities cost overruns as reasonable and prudently incurred.<sup>74</sup>

Upon review and analysis of the cost overruns, DRA<sup>75</sup> and SCGC<sup>76</sup> presented testimony challenging recovery of certain Honor Rancho Expansion Project costs. In rebuttal, SoCalGas/SDG&E further explained that the cost overruns were necessary to the success of the expansion and that the cost overruns occurred despite SoCalGas' prudent management of the expansion project.<sup>77</sup>

Settling Parties propose that SoCalGas receive full rate recovery of its Honor Rancho Expansion Project costs.

### *ii. Extension of the 2009 Phase 1 Settlement Agreement*

SoCalGas/SDG&E provided testimony proposing the extension of the 2009 Phase 1 Settlement Agreement.<sup>78</sup> DRA supported SoCalGas/SDG&E's proposed extension of the 2009 BCAP Phase 1 Settlement Agreement through the end of 2015,<sup>79</sup> and no party now opposes the proposal.

Accordingly, Settling Parties propose extending the 2009 BCAP Phase 1 Settlement Agreement through the end of 2015.

---

<sup>74</sup> Ex. SCG-120 (Mumford/Van De Putte) at 14-16.

<sup>75</sup> Ex. DRA-103 DRA (Enyinwa) 3-6.

<sup>76</sup> Ex. SCGC-100 (Yap) at 20-22.

<sup>77</sup> Ex. SCG-121 (Mumford/Van De Putte) at 2-12.

<sup>78</sup> Ex. SCG-103 (Musich) at 7.

<sup>79</sup> Ex. DRA-106 (Sabino) at 2-16.

## **6. Southern System**

In SoCalGas/SDG&E's supplemental testimony, SoCalGas/SDG&E presented certain Southern System operational concerns and issues, and noted that SoCalGas is considering whether potential steps need to be taken to change the Southern System status quo.<sup>80</sup>

DRA presented testimony taking no position on Southern System issues specifically, but recommending continued Commission oversight into the impact of shifting responsibility of the Southern System from Gas Acquisition to the System Operator.<sup>81</sup> SCE presented testimony which proposed the augmentation of existing tools for maintaining the minimum flows on the Southern System.<sup>82</sup> SCGC proposed discounting the BTS interruptible rate to zero for deliveries into the Southern System before relying on other tools to meet Southern System minimum flow requirements.<sup>83</sup> In rebuttal, SoCalGas/SDG&E argued that the Commission should reject the Southern System proposals of SCE and SCGC, and that any proposals to deal with minimum flows on the Southern System should be addressed in another phase of this proceeding or a separate application.<sup>84</sup>

The Settlement proposes resolving these issues by providing that Southern System issues be considered in a separate CPUC application submitted by SoCalGas/SDG&E.

## **7. Term of the Settlement**

The Effective Date of this Settlement is the date upon which the Commission approves the Settlement. The rates set forth in this Settlement shall go into effect upon the date(s) established by the Commission. The term of the Settlement shall extend from the date upon

---

<sup>80</sup> Ex. SCG-104 (Musich) at 14-16.

<sup>81</sup> Ex. DRA-106 (Sabino) at 2-6.

<sup>82</sup> Ex. SCE-100 (Grimm) at 14.

<sup>83</sup> Ex. SCGC-100 (Yap) at 24-27.

<sup>84</sup> Ex. SCG-105 (Musich) at 6-12.



# **Attachment A**

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

In the Matter of the Application of San Diego Gas & Electric Company (U 902 G) and Southern California Gas Company (U 904 G) for Authority to Revise Their Rates Effective January 1, 2013, in Their Triennial Cost Allocation Proceeding

A.11-11-002  
(Filed November 1, 2011)

**SOUTHERN CALIFORNIA GAS COMPANY,  
SAN DIEGO GAS & ELECTRIC COMPANY, DIVISION OF RATEPAYER  
ADVOCATES, THE UTILITY REFORM NETWORK, SOUTHERN CALIFORNIA  
EDISON COMPANY (U 338 E), SOUTHERN CALIFORNIA GENERATION  
COALITION, INDICATED PRODUCERS, CALIFORNIA MANUFACTURERS AND  
TECHNOLOGY ASSOCIATION, THE CITY OF LONG BEACH, AND SOUTHWEST  
GAS CORPORATION (U 905 G) PHASE 2 SETTLEMENT AGREEMENT**

Pursuant to Article 12 of the Commission's Rules of Practice and Procedure, Southern California Gas Company (SoCalGas), San Diego Gas & Electric Company (SDG&E) (jointly SoCalGas/SDG&E or Applicants), the Division of Ratepayer Advocates (DRA), The Utility Reform Network (TURN), Southern California Edison Company (SCE), Southern California Generation Coalition (SCGC), Indicated Producers (IP), California Manufacturers and Technology Association (CMTA), the City of Long Beach,<sup>1</sup> and Southwest Gas Corporation (Southwest Gas) (collectively referred to hereafter as the Settling Parties) respectfully submit to the Commission this Settlement Agreement (Settlement). In this Settlement, the Settling Parties provide to the Commission a recommended resolution of certain issues in Phase 2 of this proceeding.

---

<sup>1</sup> The Settlement must be approved by the City of Long Beach City Council which approval is pending.

**I**  
**REASONABLENESS OF THE SETTLEMENT**

The Settling Parties submit that this Settlement complies with the Commission's requirements that settlements be reasonable, consistent with law, and in the public interest. The Settling Parties have recognized that there is risk involved in litigation, and that a party's filed position might not prevail, in whole or in part, in the Commission's final determination. The Settling Parties have reached compromise positions that they believe are appropriate in light of the litigation risks. This Settlement reflects the Settling Parties' best judgments as to the totality of their positions and risks, and their agreement herein is explicitly based on the overall results achieved.

**II**  
**SETTLEMENT TERMS AND CONDITIONS**

**A. Effective Date; Term of Agreement**

1. The Effective Date of this Settlement is the date upon which the Commission approves the Settlement. The rates set forth in this Settlement shall go into effect upon the date(s) established by the Commission.
2. The term of the Settlement shall extend from the date upon which the Commission approves the Settlement through implementation (tariff approval) of the next SoCalGas and SDG&E TCAP.

**B. Settlement Terms**

**1. Demand Forecast**

- a. SoCalGas/SDG&E rates shall be based on the SoCalGas/SDG&E January 22, 2013 updated demand forecast (Appendix A to this Settlement).

## **2. Cost Allocation**

- a. Parties proposed a range of methodologies to determine marginal unit costs for the customer cost function from use of the Rental Method to New Customer Only with replacement cost adder proposals. For purposes of this Settlement, the marginal unit costs for the customer cost function are as shown in Appendix B. Illustrative rates are provided in Appendix C.
- b. The transition adjustments for the core proposed by SoCalGas and SDG&E shall be adopted with the resulting cost of the transition adjustment being recovered as proposed by SoCalGas and SDG&E. The transition adjustments for the EG-D Tier 1 and EG-D Tier 2 rate classes shall be phased out by December 31, 2015 with the rates increasing by the same percentage each year 2013-2016. The cost of the transition adjustment shall be recovered from the TLS and NCCI-D rate classes proportionately by volume, except that half of the cost that would be recovered from the NCCI-D rate class shall be reallocated for recovery from the TLS rate class.

## **3. Rate Design**

- a. For customers that elect service under the TLS Reservation Rate Option, quantities in excess of a customer's Daily Reservation Rate Quantity shall be billed at 115 percent of the Class Average Volumetric Rate.
- b. SoCalGas shall remove the requirement to exclude any subsequently allocated base margin portions of the ITBA from the Reservation Rate Usage Charge.

- c. SoCalGas/SDG&E shall include in their next Triennial Cost Allocation Application data on actual revenues from service provided under the TLS Reservation Rate Option and actual volumes provided under that Option.
- d. SoCalGas and SDG&E's noncore transportation revenue requirements shall continue to be subject to 100% balancing account treatment.

**4. Backbone**

- a. BTS reservation charges shall use a 2,978 Mdth/d denominator, to be adjusted annually in SoCalGas' Annual Regulatory Account Update filings.
- b. All BTS rates shall be subject to BTBA rate adjustments.
- c. SoCalGas' volumetric interruptible BTS rate shall equal its reservation charge SFV rate.
- d. SDG&E transmission shall continue to be classified as backbone.
- e. SoCalGas shall withdraw its proposal for backbone-only rates from this proceeding. If SoCalGas chooses to resubmit a proposal for backbone-only rates prior to the next TCAP, it will do so in its upcoming application relating to Southern System issues (see Section 6 below). If the Southern System application does not propose a backbone-only rate, the application will address why SoCalGas chose not to re-propose it in the application. Nothing in this Settlement is intended to predetermine the potential availability of a backbone-only rate as a result of the upcoming application.

- f. SoCalGas' MFV Rate Option shall be maintained for this TCAP period, with the MFV Volumetric rate designed such that 100% load factor MFV rate equals the SFV "100% Reservation" rate for BTS service.

**5. Storage**

- a. SoCalGas shall receive full rate recovery by SoCalGas of its Honor Rancho Expansion Project costs.
- b. The 2009 BCAP Phase 1 Settlement Agreement shall be extended through the end of 2015.

**6. Southern System**

- a. Southern System issues shall be considered in a separate CPUC application submitted by SoCalGas.

**III  
ADDITIONAL TERMS AND CONDITIONS**

**A. The Public Interest**

The Settlement Parties agree jointly by executing and submitting this Settlement that the relief requested herein is just, fair and reasonable, and in the public interest.

**B. Non-Precedential Effect**

This Settlement is not intended by the Settling Parties to be precedent for any future proceeding. The Settling Parties have assented to the terms of this Settlement only for the purpose of arriving at the settlement embodied in this Settlement. Except as expressly precluded in this Settlement, each of the Settling Parties expressly reserves its right to advocate, in current and future proceedings, positions, principles, assumptions, arguments and methodologies which may be different than those underlying this Settlement, and the Settling Parties expressly declare that, as provided in Rule 12.5 of the Commission's Rules, this Settlement should not be

considered as a precedent for or against them. Likewise, the Settlement explicitly does not establish any precedent on the litigated issues in the case.

**C. Partial Settlement**

This Settlement is a partial settlement of Phase 2 issues. It is not intended to resolve issues not covered by the Settlement, or to preclude any of the Settling Parties from making any arguments or taking any positions with respect to such issues.

**D. Indivisibility**

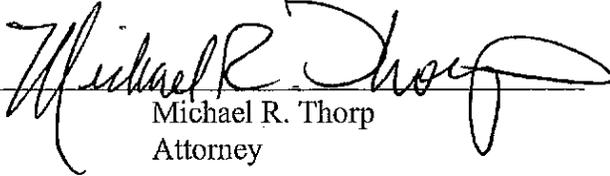
This Settlement embodies compromises of the Settling Parties' positions. No individual term of this Settlement is assented to by any of the Settling Parties, except in consideration of the other Settling Parties' assents to all other terms. Thus, the Settlement is indivisible and each part is interdependent on each and all other parts. Any party may withdraw from this Settlement if the Commission modifies, deletes from, or adds to the disposition of the matters stipulated herein. The Settling Parties agree, however, to negotiate in good faith with regard to any Commission-ordered changes to the Settlement in order to restore the balance of benefits and burdens, and to exercise the right to withdraw only if such negotiations are unsuccessful.

The Settling Parties acknowledge that the positions expressed in the Settlement were reached after consideration of all positions advanced in the prepared testimony of SoCalGas, SDG&E, DRA, TURN, SCE, IP, SCGC, City of Long Beach, Southwest Gas, and the other interested parties, as well as proposals offered during the settlement negotiations. This document sets forth the entire agreement of the Settling Parties on all of those issues, except as specifically described within the Settlement. The terms and conditions of this Settlement may only be modified in writing subscribed by all Settling Parties.

//

Dated this 20th day of March, 2013.

SOUTHERN CALIFORNIA GAS COMPANY and  
SAN DIEGO GAS & ELECTRIC COMPANY

By:   
Michael R. Thorp  
Attorney

DIVISION OF RATEPAYER ADVOCATES

By: \_\_\_\_\_  
Joe Como  
Acting Director

THE UTILITY REFORM NETWORK

By:   
Robert Finkelstein  
General Counsel

SOUTHERN CALIFORNIA GENERATION  
COALITION

By: \_\_\_\_\_  
Norman A. Pedersen  
Attorney for Southern California Generation  
Coalition

SOUTHWEST GAS CORPORATION

By: \_\_\_\_\_  
Kyle Stephens  
Attorney

Dated this 20th day of March, 2013.

SOUTHERN CALIFORNIA GAS COMPANY and  
SAN DIEGO GAS & ELECTRIC COMPANY

By: \_\_\_\_\_  
Michael R. Thorp  
Attorney

DIVISION OF RATEPAYER ADVOCATES

By: Karen Paul for Joseph Como  
Joseph P. Como  
Acting Director

THE UTILITY REFORM NETWORK

By: \_\_\_\_\_  
Robert Finkelstein  
General Counsel

SOUTHERN CALIFORNIA GENERATION  
COALITION

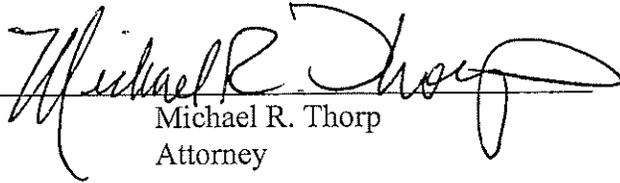
By: \_\_\_\_\_  
Norman A. Pedersen  
Attorney for Southern California Generation  
Coalition

SOUTHWEST GAS CORPORATION

By: \_\_\_\_\_  
Kyle Stephens  
Attorney

Dated this 20th day of March, 2013.

SOUTHERN CALIFORNIA GAS COMPANY and  
SAN DIEGO GAS & ELECTRIC COMPANY

By:   
Michael R. Thorp  
Attorney

DIVISION OF RATEPAYER ADVOCATES

By: \_\_\_\_\_  
Joe Como  
Acting Director

THE UTILITY REFORM NETWORK

By: \_\_\_\_\_  
Robert Finkelstein  
General Counsel

SOUTHERN CALIFORNIA GENERATION  
COALITION

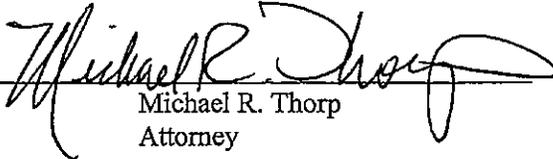
By:   
Norman A. Pedersen  
Attorney for Southern California Generation  
Coalition

SOUTHWEST GAS CORPORATION

By: \_\_\_\_\_  
Kyle Stephens  
Attorney

Dated this 20th day of March, 2013.

SOUTHERN CALIFORNIA GAS COMPANY and  
SAN DIEGO GAS & ELECTRIC COMPANY

By:   
Michael R. Thorp  
Attorney

DIVISION OF RATEPAYER ADVOCATES

By: \_\_\_\_\_  
Joe Como  
Acting Director

THE UTILITY REFORM NETWORK

By: \_\_\_\_\_  
Robert Finkelstein  
General Counsel

SOUTHERN CALIFORNIA GENERATION  
COALITION

By: \_\_\_\_\_  
Norman A. Pedersen  
Attorney for Southern California Generation  
Coalition

SOUTHWEST GAS CORPORATION

By:   
Kyle Stephens  
Attorney

CITY OF LONG BEACH

By: \_\_\_\_\_  
Patrick H. West  
City Manager

INDICATED PRODUCERS

By:  \_\_\_\_\_  
Nora Sheriff  
Counsel

SOUTHERN CALIFORNIA EDISON COMPANY

By: \_\_\_\_\_  
Steven D. Eisenberg  
Vice President

CALIFORNIA MANUFACTURERS & TECHNOLOGY  
ASSOCIATION

By: \_\_\_\_\_  
Ronald Liebert  
Attorney

CITY OF LONG BEACH

By: \_\_\_\_\_

Patrick H. West  
City Manager

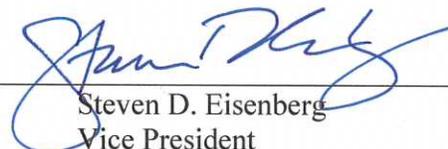
INDICATED PRODUCERS

By: \_\_\_\_\_

Nora Sheriff  
Counsel

SOUTHERN CALIFORNIA EDISON COMPANY

By: \_\_\_\_\_



Steven D. Eisenberg  
Vice President

CALIFORNIA MANUFACTURERS & TECHNOLOGY  
ASSOCIATION

By: \_\_\_\_\_

Ronald Liebert  
Attorney

CITY OF LONG BEACH

By: \_\_\_\_\_  
Patrick H. West  
City Manager

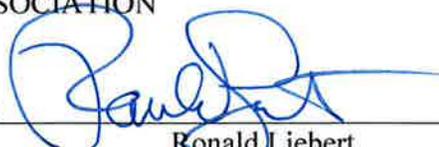
INDICATED PRODUCERS

By: \_\_\_\_\_  
Nora Sheriff  
Counsel

SOUTHERN CALIFORNIA EDISON COMPANY

By: \_\_\_\_\_  
Steven D. Eisenberg  
Vice President

CALIFORNIA MANUFACTURERS & TECHNOLOGY  
ASSOCIATION

By:  \_\_\_\_\_  
Ronald Liebert  
Attorney

# **Appendix A**

**APPENDIX A**

**SoCalGas/SDG&E Demand Forecast**

	<b>SOCALGAS</b>	<b>3-Year Average 2013-2015</b>
<b>Core</b>		
	Residential	233,753
	Core C&I	98,410
	Gas AC	82
	Gas Engine	1,677
	NGV	11,722
	<b>Total Core</b>	<b>345,646</b>
<b>Noncore</b>		
	Noncore C&I	154,762
	Electric Generation	297,505
	EOR	20,392
	<b>Total Retail Noncore</b>	<b>472,659</b>
<b>Wholesale and International</b>		
	Long Beach	9,290
	SDG&E	124,756
	Southwest Gas	6,721
	Vernon	8,791
	Mexicali	6,998
	<b>Total Wholesale and International</b>	<b>156,555</b>
<b>Average Year Throughput</b>		<b>974,859</b>
	<b>SDG&amp;E</b>	<b>3-Year Average 2013-2015</b>
<b>Core</b>		
	Residential	32,187
	Core C&I	17,758
	NGV	1,142
	<b>Total Core</b>	<b>51,086</b>
<b>Noncore</b>		
	Noncore C&I	3,874
	Electric Generation	68,088
	<b>Total Retail Noncore</b>	<b>71,962</b>
<b>Average Year Throughput</b>		<b>123,049</b>

# **Appendix B**

**APPENDIX B**

**SoCalGas/SDG&E Marginal Unit Customer-Related Costs**

<b>SOCALGAS</b>	<b>Customer Class</b>	<b>SoCalGas \$/customer</b>
	Residential	\$128.26
	CC&I	\$451.32
	G-AC	\$3,146.73
	G-GEN	\$1,943.50
	NGV	\$2,642.27
	NCCI	\$20,411.31
	EG Tier 1	\$26,075.17
	EG Tier 2	\$73,482.69
	EOR	\$25,212.67
	Long Beach	\$286,516.96
	SDG&E	\$578,111.48
	Southwest Gas	\$270,524.59
	Vernon	\$116,891.71
	DGN	\$41,112.29
<b>SDG&amp;E</b>	<b>Customer Class</b>	<b>SDG&amp;E \$/customer</b>
	Residential	\$127.69
	CC&I	\$238.49
	NGV	\$905.03
	NCCI	\$7,247.31
	EG Tier 1	\$6,184.76
	EG Tier 2	\$8,191.22

# **Appendix C**

# APPENDIX C

## SoCalGas and SDG&E Illustrative Rates<sup>1</sup>

**TABLE 1**  
**Natural Gas Transportation Rates**  
**Southern California Gas Company**  
**2013 TCAP Application**  
 2013 TCAP Settlement Agreement Illustrative Rates

	Present Rates			Proposed Rates			Changes			
	Jan-1-12	Average	Jan-1-12	Proposed	Average	Proposed	Revenue	Rate	% Rate	
	Volumes	Rate	Revenues	Volumes	Rate	Revenues	Change	Change	change	
	Mth	\$/therm	\$000's	Mth	\$/therm	\$000's	\$000's	\$/therm	%	
	A	B	C	D	E	F	G	H	I	
1	<b>CORE</b>									
2	Residential	2,483,989	\$0.54427	\$1,351,948	2,337,534	\$0.59030	\$1,379,846	\$27,898	\$0.04603	8.5%
3	Commercial & Industrial	970,519	\$0.29905	\$290,234	984,102	\$0.26925	\$264,974	(\$25,260)	(\$0.02980)	-10.0%
4										
5	NGV - Pre SempraWide	117,231	\$0.07389	\$8,662	117,220	\$0.07395	\$8,669	\$7	\$0.00006	0.1%
6	SempraWide Adjustment	117,231	(\$0.00503)	(\$590)	117,220	\$0.00105	\$123	\$713	\$0.00608	-120.9%
7	NGV - Post SempraWide	117,231	\$0.06886	\$8,072	117,220	\$0.07500	\$8,792	\$720	\$0.00615	8.9%
8										
9	Gas A/C	1,210	\$0.06682	\$81	825	\$0.07322	\$60	(\$21)	\$0.00640	9.6%
10	Gas Engine	18,080	\$0.08848	\$1,600	16,774	\$0.09723	\$1,631	\$31	\$0.00874	9.9%
11	<b>Total Core</b>	<b>3,591,030</b>	<b>\$0.46002</b>	<b>\$1,651,935</b>	<b>3,456,455</b>	<b>\$0.47890</b>	<b>\$1,655,303</b>	<b>\$3,368</b>	<b>\$0.01888</b>	<b>4.1%</b>
12										
13	<b>NONCORE COMMERCIAL &amp; INDUSTRIAL</b>									
14	Distribution Level Service	982,465	\$0.06810	\$66,902	893,164	\$0.05968	\$53,308	(\$13,594)	(\$0.00841)	-12.4%
15	Transmission Level Service (3)	457,697	\$0.01783	\$8,162	654,456	\$0.01374	\$8,990	\$828	(\$0.00410)	-23.0%
16	<b>Total Noncore C&amp;I</b>	<b>1,440,163</b>	<b>\$0.05212</b>	<b>\$75,063</b>	<b>1,547,620</b>	<b>\$0.04025</b>	<b>\$62,298</b>	<b>(\$12,766)</b>	<b>(\$0.01187)</b>	<b>-22.8%</b>
17										
18	<b>NONCORE ELECTRIC GENERATION</b>									
19	Distribution Level Service									
20	Pre Sempra Wide	353,995	\$0.02981	\$10,551	333,969	\$0.03523	\$11,765	\$1,214	\$0.00542	18.2%
21	Sempra Wide Adjustment	353,995	(\$0.00025)	(\$90)	333,969	(\$0.00259)	(\$866)	(\$776)	(\$0.00234)	922.2%
22	Distribution Post Sempra Wide	353,995	\$0.02955	\$10,461	333,969	\$0.03263	\$10,899	\$437	\$0.00308	10.4%
23	Transmission Level Service (3)	2,472,969	\$0.01719	\$42,507	2,641,080	\$0.01309	\$34,568	(\$7,939)	(\$0.00410)	-23.9%
24	<b>Total Electric Generation</b>	<b>2,826,964</b>	<b>\$0.01874</b>	<b>\$52,968</b>	<b>2,975,049</b>	<b>\$0.01528</b>	<b>\$45,466</b>	<b>(\$7,502)</b>	<b>(\$0.00345)</b>	<b>-18.4%</b>
25										
26	<b>TOTAL RETAIL NONCORE</b>	<b>4,267,127</b>	<b>\$0.03000</b>	<b>\$128,031</b>	<b>4,522,669</b>	<b>\$0.02383</b>	<b>\$107,764</b>	<b>(\$20,267)</b>	<b>(\$0.00618)</b>	<b>-20.6%</b>
27										
28	<b>WHOLESALE</b>									
29	Wholesale Long Beach (3)	117,093	\$0.01719	\$2,013	92,897	\$0.01309	\$1,216	(\$797)	(\$0.00410)	-23.9%
30	Wholesale SWG (3)	81,737	\$0.01719	\$1,405	67,209	\$0.01309	\$880	(\$525)	(\$0.00410)	-23.9%
31	Wholesale Vernon (3)	116,135	\$0.01719	\$1,996	87,906	\$0.01309	\$1,151	(\$846)	(\$0.00410)	-23.9%
32	International (3)	53,990	\$0.01719	\$928	69,979	\$0.01309	\$916	(\$12)	(\$0.00410)	-23.9%
33	<b>Total Wholesale &amp; International</b>	<b>368,955</b>	<b>\$0.01719</b>	<b>\$6,342</b>	<b>317,990</b>	<b>\$0.01309</b>	<b>\$4,162</b>	<b>(\$2,180)</b>	<b>(\$0.00410)</b>	<b>-23.9%</b>
34	SDGE Wholesale	1,230,285	\$0.01027	\$12,636	1,247,558	\$0.00910	\$11,348	(\$1,287)	(\$0.00117)	-11.4%
35	<b>Total Wholesale Incl SDGE</b>	<b>1,599,240</b>	<b>\$0.01187</b>	<b>\$18,977</b>	<b>1,565,548</b>	<b>\$0.00991</b>	<b>\$15,510</b>	<b>(\$3,467)</b>	<b>(\$0.00196)</b>	<b>-16.5%</b>
36										
37	<b>TOTAL NONCORE</b>	<b>5,866,366</b>	<b>\$0.02506</b>	<b>\$147,008</b>	<b>6,088,217</b>	<b>\$0.02025</b>	<b>\$123,275</b>	<b>(\$23,734)</b>	<b>(\$0.00481)</b>	<b>-19.2%</b>
38										
39	Unbundled Storage (5)			\$27,530			\$26,476	(\$1,055)		
40	System Total (w/o BTS)	9,457,396	\$0.19313	\$1,826,474	9,544,672	\$0.18912	\$1,805,053	(\$21,421)	(\$0.00401)	-2.1%
41	Backbone Trans. Service BTS (4)	3,100	\$0.11042	\$124,939	2,978	\$0.12647	\$137,465	\$12,526	\$0.01605	14.5%
42	<b>SYSTEM TOTALw/BTS</b>	<b>9,457,396</b>	<b>\$0.20634</b>	<b>\$1,951,413</b>	<b>9,544,672</b>	<b>\$0.20352</b>	<b>\$1,942,518</b>	<b>(\$8,895)</b>	<b>(\$0.00282)</b>	<b>-1.4%</b>
43										
44	EOR Revenues	156,187	\$0.02359	\$3,685	203,920	\$0.02356	\$4,804	\$1,119	(\$0.00003)	-0.1%
45	<b>Total Throughput w/EOR Mth/yr</b>	<b>9,613,583</b>			<b>9,748,592</b>					

1) SoCalGas and SDG&E Illustrative Rate Tables include balancing account amortizations approved for 2012 in SoCalGas and SDG&E's Annual Regulatory Account Update advice letter filings (SoCalGas AL 4314 and SDG&E AL 2082-G).

2) These rates are for Natural Gas Transportation Service from "Citygate to Meter". The BTS rate is for service from Receipt Point to Citygate.

3) These Transmission Level Service "TLS" amounts represent the average transmission rate, see Table 7 or detail list of TLS rates.

4) BTS charge is proposed as a separate rate. Core w will pay through procurement rate, noncore as a separate charge.

5) Unbundles Storage costs are not part of the Core Storage or Load Balancing functions (those are included in transport rates).

**TABLE 2**  
**Residential Transportation Rates**  
**Southern California Gas Company**  
**2013 TCAP Application**

2013TCAP SCG RD Model - All Party Settlement 2/27/2013

	Present Rates			Proposed Rates			Changes			
	Jan-1-12	Average	Jan-1-12	Proposed	Average	Proposed	Revenue	Rate	% Rate	
	Volumes	Rate	Revenue	Volumes	Rate	Revenue	Change	Change	change	
	Mth	\$/th	\$000's	Mth	\$/th	\$000's	\$000's	\$/th	%	
	A	B	C	D	E	F	G	H	I	
1	<b>RESIDENTIAL SERVICE- Excludes Rate Adder:</b>									
2	Customer Charge									
3	3,676,464	\$5.00	\$220,588	3,663,383	\$5.00	\$219,803	(\$785)	\$0.00000	0.0%	
4	1,685,965	\$5.00	\$101,158	1,674,287	\$5.00	\$100,457	(\$701)	\$0.00000	0.0%	
5	92,860	\$5.00	\$5,572	122,347	\$5.00	\$7,341	\$1,769	\$0.00000	0.0%	
6	149,095	(\$0.30805)	(\$16,764)	147,568	(\$0.23573)	(\$12,697)	\$4,068	\$0.07233	-23.5%	
7	Volumetric									
8	1,703,882	\$0.33904	\$577,688	1,583,823	\$0.37323	\$591,123	\$13,436	\$0.03418	10.1%	
9	768,363	\$0.59904	\$460,282	743,221	\$0.63323	\$470,627	\$10,345	\$0.03418	5.7%	
10	2,472,246	\$0.54546	\$1,348,523	2,327,044	\$0.59159	\$1,376,654	\$28,132	\$0.04612	8.5%	
11	NBL/BL Ratio:									
12	Composite Rate \$/th	\$0.97414		\$1.00405		\$0.02991		3.1%		
13	Gas Rate \$/th	\$0.45283		\$0.43200		(\$0.02083)		-4.6%		
14	NBL/Composite rate ratio (4) =	1.08		1.06						
15	NBL- BL rate difference \$/th	0.26000		0.26000		\$0.00000		0.0%		
16										
17	Large Master Meter Rate (Excludes Rate Adders for CAT):									
18	Customer Charge	61	\$339.80	\$249	55	\$373.78	\$248	(\$1)	\$33.98	10.0%
19	Baseline Rate	9,017	\$0.10138	\$914	7,802	\$0.13880	\$1,083	\$169	\$0.03742	36.9%
20	Non-Baseline Rate	2,726	\$0.17913	\$488	2,688	\$0.23549	\$633	\$145	\$0.05636	31.5%
21		11,743	\$0.14063	\$1,652	10,490	\$0.18725	\$1,964	\$313	\$0.04662	33.1%
22										
23	<b>Rates for CSITMA Non-Exempt, NonCARE Customers (Rate Basis + CSITMA Adder)</b>									
24	CSITMA Adder to Volumetric Rate	1,818,370	\$0.00065	\$1,191	1,671,915	\$0.00066	\$1,102	(\$89)	\$0.00000	0.6%
25	<b>Residential:</b>									
26	Customer Charge	\$5.00		\$5.00		\$0.00000		0.0%		
27	Baseline \$/therm	\$0.33970		\$0.37388		\$0.03419		10.1%		
28	Non-Baseline \$/therm	\$0.59970		\$0.63388		\$0.03419		5.7%		
29	Average NonCARE Rate \$/therm	\$0.54612		\$0.59225		\$0.04613		8.4%		
30	Large Master Meter:									
31	Customer Charge	\$339.80		\$373.78		\$33.98		10.0%		
32	BaseLine Rate	\$0.10204		\$0.13946		\$0.03742		36.7%		
33	NonBaseLine Rate	\$0.17978		\$0.23615		\$0.05636		31.4%		
34	Average NonCARE Rate \$/therm	\$0.14129		\$0.18791		\$0.04662		33.0%		
35	<b>Core Aggregation Transport (CAT) = NonCARE rates + CAT Adder</b>									
36	CAT Adder to Volumetric Rate	13,319	\$0.04382	\$584	8,732	\$0.01442	\$126	(\$458)	(\$0.02940)	-67%
37	Residential:									
38	Customer Charge	\$5.00		\$5.00		\$0.00		0.0%		
39	BaseLine Rate	\$0.38352		\$0.38831		\$0.00479		1.2%		
40	NonBaseLine Rate	\$0.64352		\$0.64831		\$0.00479		0.7%		
41	Large Master Meter:									
42	Customer Charge	\$339.80		\$373.78		\$33.98		10.0%		
43	BaseLine Rate	\$0.14586		\$0.15388		\$0.00802		5.5%		
44	NonBaseLine Rate	\$0.22360		\$0.25057		\$0.02697		12.1%		
45	<b>Other Adjustments :</b>									
46	TSA for CSITMA exempt cust.	(\$0.00065)		(\$0.00066)		(\$0.00000)		0.6%		
47	<b>TOTAL RESIDENTIAL</b>	<b>2,483,989</b>	<b>\$0.54427</b>	<b>\$1,351,948</b>	<b>2,337,534</b>	<b>\$0.59030</b>	<b>\$1,379,846</b>	<b>\$27,898</b>	<b>\$0.04603</b>	<b>8.5%</b>

**TABLE 3**  
**Core Nonresidential Transportation Rates**  
**Southern California Gas Company**  
**2013 TCAP Application**

2013TCAP SCG RD Model - All Party Settlement 2/27/2013

	Present Rates			Proposed Rates			Changes			
	Jan-1-12 Volumes	Average Rate	Jan-1-12 Revenue	Proposed Volumes	Average Rate	Proposed Revenue	Revenue Change	Rate Change	% Rate change	
	Mth A	\$/th B	\$000's C	Mth D	\$/th E	\$000's F	\$000's G	\$/th H	% I	
1										
2	<b>CORE COMMERCIAL &amp; INDUSTRIAL</b>									
3	Customer Charge 1	127,666	\$15.00	\$22,980	147,208	\$15.00	\$26,497	\$3,517	\$0.00	0.0%
4	Customer Charge 2	87,620	\$15.00	\$15,772	60,603	\$15.00	\$10,909	(\$4,863)	\$0.00	0.0%
5	Volumetric Transportation Rate									
6	Tier 1 = 250th/mo	215,926	\$0.49316	\$106,487	223,928	\$0.45173	\$101,155	(\$5,331)	(\$0.04143)	-8.4%
7	Tier 2 = next 4167 th/mo	488,341	\$0.24824	\$121,226	495,650	\$0.21831	\$108,204	(\$13,022)	(\$0.02993)	-12.1%
8	Tier 3 = over 4167 th/mo	266,252	\$0.08402	\$22,371	264,524	\$0.06180	\$16,347	(\$6,024)	(\$0.02222)	-26.4%
9		970,519	\$0.29761	\$288,835	984,102	\$0.26736	\$263,112	(\$25,722)	(\$0.03025)	-10.2%
10										
11	<b>Rates for CSITMA Non-Exempt, NonCARE Customers (Rate Basis + CSITMA Adder)</b>									
12	CSITMA Adder to Volumetric Rate	966,797	\$0.00065	\$633	980,381	\$0.00066	\$646	\$13	\$0.00000	0.6%
13	<b>Tier 1 = 250th/mo</b>		<b>\$0.49382</b>			<b>\$0.45239</b>		<b>(\$0.04143)</b>	<b>-8.4%</b>	
14	<b>Tier 2 = next 4167 th/mo</b>		<b>\$0.24889</b>			<b>\$0.21897</b>		<b>(\$0.02993)</b>	<b>-12.0%</b>	
15	<b>Tier 3 = over 4167 th/mo</b>		<b>\$0.08467</b>			<b>\$0.06246</b>		<b>(\$0.02222)</b>	<b>-26.2%</b>	
16			\$0.29826			\$0.26802		(\$0.03024)	-10.1%	
17	<b>Core Aggregation Transport (CAT):</b>									
18	CAT Adder to Volumetric Rate	17,488	\$0.04382	\$766	84,283	\$0.01442	\$1,216	\$449	(\$0.02940)	-67%
19	Tier 1 = 250th/mo		\$0.53764			\$0.46681		(\$0.07083)	-13.2%	
20	Tier 2 = next 4167 th/mo		\$0.29271			\$0.23339		(\$0.05932)	-20.3%	
21	Tier 3 = over 4167 th/mo		\$0.12849			\$0.07688		(\$0.05161)	-40.2%	
22			\$0.34209			\$0.28245		(\$0.05964)	-17.4%	
23	<b>Other Adjustments :</b>									
24	TSA for CSITMA exempt cust.		(\$0.00065)			(\$0.00066)		(\$0.00000)	0.6%	
25										
26	<b>TOTAL CORE C&amp;I</b>	<b>970,519</b>	<b>\$0.29905</b>	<b>\$290,234</b>	<b>984,102</b>	<b>\$0.26925</b>	<b>\$264,974</b>	<b>(\$25,260)</b>	<b>(\$0.02980)</b>	<b>-10.0%</b>
27										
28	<b>NATURAL GAS VEHICLES (a sempra-wide rate)</b>									
29	Customer Charge, P-1	229	\$13.00	\$36	229	\$13.00	\$36	\$0	\$0.00000	0.0%
30	Customer Charge, P-2A	44	\$65.00	\$34	83	\$65.00	\$64	\$30	\$0.00000	0.0%
31	Uncompressed Rate	117,231	\$0.05598	\$6,563	117,220	\$0.06196	\$7,263	\$700	\$0.00598	10.7%
32	Total Uncompressed NGV	117,231	\$0.05658	\$6,633	117,220	\$0.06282	\$7,363	\$731	\$0.00624	11.0%
33	Compressed Rate Adder	1,484	\$0.91797	\$1,363	1,287	\$1.05000	\$1,351	(\$11)	\$0.13203	14.4%
34										
35	<b>Rates for CSITMA Non-Exempt, NonCARE Customers (Rate Basis + CSITMA Adder)</b>									
36	CSITMA Adder to Volumetric Rate	117,186	\$0.00065	\$77	117,175	\$0.00066	\$77	\$0	\$0.00000	0.6%
37	<b>Uncompressed Rate \$/therm</b>		<b>\$0.05664</b>			<b>\$0.06262</b>		<b>\$0.00598</b>	<b>10.6%</b>	
38	<b>Other Adjustments :</b>									
39	TSA for CSITMA exempt cust.		(\$0.00065)			(\$0.00066)		(\$0.00000)	0.6%	
40										
41	<b>TOTAL NGV SERVICE</b>	<b>117,231</b>	<b>\$0.06886</b>	<b>\$8,072</b>	<b>117,220</b>	<b>\$0.07500</b>	<b>\$8,792</b>	<b>\$720</b>	<b>\$0.00615</b>	<b>8.9%</b>
42										
43	<b>RESIDENTIAL NATURAL GAS VEHICLES (optional rate)</b>									
44	Customer Charge	5,455	\$10.00	\$655	5,460	\$10.00	\$655	\$1	\$0.00000	0.0%
45	Uncompressed Rate	3,416	\$0.17175	\$587	5,346	\$0.15042	\$804	\$218	(\$0.02133)	-12.4%
46		3,416	\$0.36342	\$1,241	5,346	\$0.27298	\$1,459	\$218	(\$0.09044)	-24.9%
47	<b>Rates for CSITMA Non-Exempt, NonCARE Customers (Rate Basis + CSITMA Adder)</b>									
48	CSITMA Adder to Volumetric Rate		\$0.00065			\$0.00066		\$0.00000	0.6%	
49	<b>Uncompressed Rate \$/therm</b>		<b>\$0.17241</b>			<b>\$0.15108</b>		<b>(\$0.02133)</b>	<b>-12.4%</b>	
50										
51	<b>Core Aggregation Transport (CAT):</b>									
52	CAT Adder to Volumetric Rate	0	\$0.04382	\$0	0	\$0.01442	\$0	\$0	(\$0.02940)	-67.1%
53	Uncompressed Rate		\$0.21623			\$0.16551		\$0	(\$0.05073)	-23.5%
54	<b>Other Adjustments :</b>									
55	TSA for CSITMA exempt cust.		(\$0.00065)			(\$0.00066)				
56										
57	<b>TOTAL RESIDENTIAL NATURAL G</b>	<b>3,416</b>	<b>\$0.36342</b>	<b>\$1,241</b>	<b>5,346</b>	<b>\$0.27298</b>	<b>\$1,459</b>	<b>\$218</b>	<b>(\$0.09044)</b>	<b>-24.9%</b>

**TABLE 4**  
**Core Nonresidential Transportation Rates (continued)**  
**Southern California Gas Company**  
**2013 TCAP Application**  
2013TCAP SCG RD Model - All Party Settlement 2/27/2013

	Present Rates			Proposed Rates			Changes			
	Jan-1-12 Volumes Mth	Average Rate \$/th	Jan-1-12 Revenue \$000's	Proposed Volumes Mth	Average Rate \$/th	Proposed Revenue \$000's	Revenue Change \$000's	Rate Change \$/th	% Rate change %	
	A	B	C	D	E	F	G	H	I	
1										
2										
3	<u>NON-RESIDENTIAL GAS A/C</u>									
4	Customer Charge	22	\$150.00	\$40	12	\$150	\$22	(\$18)	\$0.00000	0.0%
5	Volumetric Rate	1,210	\$0.03345	\$40	825	\$0.04636	\$38	(\$2)	\$0.01292	38.6%
6		1,210	\$0.06616	\$80	825	\$0.07256	\$60	(\$20)	\$0.00639	9.7%
7	<b>Rates for CSITMA Non-Exempt, NonCARE Customers (Rate Basis + CSITMA Adder)</b>									
8	CSITMA Adder to Volumetric Rate	1,210	\$0.00065	\$1	825	\$0.00066	\$1	(\$0)	\$0.00000	0.6%
9	Volumetric		<b>\$0.03410</b>			<b>\$0.04702</b>			\$0.01292	37.9%
10	Core Aggregation Transport (CAT):									
11	CAT Adder to Volumetric Rate	0	\$0.04382	\$0	0	\$0.01442	\$0	\$0	(\$0.02940)	-67.1%
12	Gas A/C Rate		\$0.07792			\$0.06145		\$0	(\$0.01647)	-21.1%
13	<u>Other Adjustments :</u>									
14	TSA for CSITMA exempt cust.		(\$0.00065)			(\$0.00066)				
15										
16	<b>TOTAL A/C SERVICE</b>	<b>1,210</b>	<b>\$0.06682</b>	<b>\$81</b>	<b>825</b>	<b>\$0.07322</b>	<b>\$60</b>	<b>(\$21)</b>	<b>\$0.00640</b>	<b>9.6%</b>
17										
18	<u>GAS ENGINES</u>									
19	Customer Charge	1,094	\$50.00	\$656	708	\$50	\$425	(\$232)	\$0.00000	0.0%
20	Volumetric	18,080	\$0.05152	\$932	16,774	\$0.07124	\$1,195	\$264	\$0.01972	38.3%
21		18,080	\$0.08783	\$1,588	16,774	\$0.09657	\$1,620	\$32	\$0.00874	10.0%
22	<b>Rates for CSITMA Non-Exempt, NonCARE Customers (Rate Basis + CSITMA Adder)</b>									
23	CSITMA Adder to Volumetric Rate	18,080	\$0.00065	\$12	16,774	\$0.00066	\$11	(\$1)	\$0.00000	0.6%
24	Volumetric		<b>\$0.05218</b>			<b>\$0.07190</b>				
25	Core Aggregation Transport (CAT):									
26	CAT Adder to Volumetric Rate	0	\$0.04382	\$0	0	\$0.01442	\$0	\$0	(\$0.02940)	-67.1%
27	Gas Engine Rate		\$0.09600			\$0.08633		\$0	(\$0.00967)	-10.1%
28	<u>Other Adjustments :</u>									
29	TSA for CSITMA exempt cust.		(\$0.00065)			(\$0.00066)				
30										
31	<b>TOTAL GAS ENGINES</b>	<b>18,080</b>	<b>\$0.08848</b>	<b>\$1,600</b>	<b>16,774</b>	<b>\$0.09723</b>	<b>\$1,631</b>	<b>\$31</b>	<b>\$0.00874</b>	<b>9.9%</b>
32										
33	<u>STREET &amp; OUTDOOR LIGHTING (equals average Non-CAT CCI Rate)</u>									
34	Street & Outdoor Lighting Base Rate		\$0.29761			\$0.26736		(\$0.03025)		-10.2%
35										

**TABLE 5**  
**Noncore Commercial & Industrial Rates**  
**Southern California Gas Company**  
**2013 TCAP Application**  
2013TCAP SCG RD Model - All Party Settlement 2/27/2013

	Present Rates			Proposed Rates			Changes			
	Jan-1-12	Average	Jan-1-12	Proposed	Average	Proposed	Revenue	Rate	% Rate	
	Volumes	Rate	Revenue	Volumes	Rate	Revenue	Change	Change	change	
	Mth	\$/th	\$000's	Mth	\$/th	\$000's	\$000's	\$/th	%	
	A	B	C	D	E	F	G	H	I	
1	<b>NonCore Commercial &amp; Industrial Distribution Level</b>									
2	Customer Charge	670	\$350.00	\$2,816	602	\$350.00	\$2,530	(\$286)	\$0.00000	0.0%
3										
4	<b>Volumetric Rates</b>									
5	Tier 1 = 250kth/yr	147,174	\$0.14649	\$21,560	133,045	\$0.13846	\$18,421	(\$3,139)	(\$0.00804)	-5.5%
6	Tier 2 = 250k to 1000k	244,409	\$0.08854	\$21,640	217,578	\$0.08217	\$17,878	(\$3,762)	(\$0.00637)	-7.2%
7	Tier 3 = 1 to 2 million th/yr	130,163	\$0.05078	\$6,610	109,379	\$0.04616	\$5,049	(\$1,561)	(\$0.00462)	-9.1%
8	Tier 4 = over 2 million th/yr	460,719	\$0.02961	\$13,643	433,162	\$0.02043	\$8,851	(\$4,793)	(\$0.00918)	-31.0%
9	Volumetric totals (excl itcs)	982,465	\$0.06459	\$63,454	893,164	\$0.05620	\$50,199	(\$13,255)	(\$0.00838)	-13.0%
10										
11	<b>Rates for CSITMA Non-Exempt, NonCARE Customers (Rate Basis + CSITMA Adder)</b>									
12	CSITMA Adder to Volumetric Rate		\$0.00065	\$632		\$0.00066	\$579	(\$53)	\$0.00000	0.6%
13	Tier 1 = 250kth/yr		\$0.14715			\$0.13911		(\$0.00803)		-5.5%
14	Tier 2 = 250k to 1000k		\$0.08920			\$0.08283		(\$0.00637)		-7.1%
15	Tier 3 = 1 to 2 million th/yr		\$0.05144			\$0.04682		(\$0.00462)		-9.0%
16	Tier 4 = over 2 million th/yr		\$0.03027			\$0.02109		(\$0.00918)		-30.3%
			\$0.06524			\$0.05686		(\$0.00838)		-12.8%
17	<b>Other Adjustments :</b>									
18	TSA for CSITMA exempt cust.		(\$0.00065)			(\$0.00066)		(\$0.00000)		
19	NCCI - DISTRIBUTION LEVEL	982,465	\$0.06810	\$66,902	893,164	\$0.05968	\$53,308	(\$13,594)	(\$0.00841)	-12.4%
20										
21	NCCI-TRANSMISSION LEVEL (2) w/	457,697	\$0.01783	\$8,162	654,456	\$0.01374	\$8,990	\$828	(\$0.00410)	-23.0%
22										
23	<b>TOTAL NONCORE C&amp;I</b>	<b>1,440,163</b>	<b>\$0.05212</b>	<b>\$75,063</b>	<b>1,547,620</b>	<b>\$0.04025</b>	<b>\$62,298</b>	<b>(\$12,766)</b>	<b>(\$0.01187)</b>	<b>-22.8%</b>

**TABLE 6**  
**Noncore Electric Generation Rates and Enhanced Oil Recovery Rates**  
**Southern California Gas Company**  
**2013 TCAP Application**  
2013TCAP SCG RD Model - All Party Settlement 2/27/2013

	Present Rates			Proposed Rates			Changes			
	Jan-1-12 Volumes Mth A	Average Rate \$/th B	Jan-1-12 Revenue \$000's C	Proposed Volumes Mth D	Average Rate \$/th E	Proposed Revenue \$000's F	Revenue Change \$000's G	Rate Change \$/th H	% Rate change % I	
	1									
2	<u>ELECTRIC GENERATION</u>									
3										
4	<u>EFBA Exempt Distribution Rates:</u>									
5	<u>EG Distribution Level Service Tier 1:</u>									
6	Customer Charge	134	\$50.00	\$80	147	\$50.00	\$88	\$8	\$0.00000	0.0%
7	Volumetric Rate (excl ITCS)	60,420	\$0.05470	\$3,305	42,850	\$0.06826	\$2,925	(\$380)	\$0.01356	24.8%
8	EG Distribution Level Service Tier 1	60,420	\$0.05603	\$3,385	42,850	\$0.07032	\$3,013	(\$372)	\$0.01429	25.5%
9										
10	<u>EG Distribution Level Service Tier 2:</u>									
11	Customer Charge	32	\$0.00	\$0	34	\$0.00	\$0	\$0	\$0.00000	
12	Volumetric Rate (excl ITCS)	293,575	\$0.02410	\$7,076	291,119	\$0.02709	\$7,885	\$809	\$0.00298	12.4%
13	EG Distribution Level Service Tier 2	293,575	\$0.02410	\$7,076	291,119	\$0.02709	\$7,885	\$809	\$0.00298	12.4%
14										
15	<b>Total EG Distribution EFBA Exempt</b>	<b>353,995</b>	<b>\$0.02955</b>	<b>\$10,461</b>	<b>333,969</b>	<b>\$0.03263</b>	<b>\$10,899</b>	<b>\$437</b>	<b>\$0.00308</b>	<b>10.4%</b>
16										
17	<u>EFBA Non-Exempt Rates:</u>									
18	EFBA Cost Adder	328,957	\$0.00000	\$0	235,121	\$0.00000	\$0	\$0	\$0.00000	
19	<b>EG-Distribution Tier 1 w/EFBA Adder</b>		<b>\$0.05470</b>			<b>\$0.06826</b>			<b>\$0.01356</b>	<b>24.8%</b>
20	<b>EG-Distribution Tier 2 w/EFBA Adder</b>		<b>\$0.02410</b>			<b>\$0.02709</b>			<b>\$0.00298</b>	<b>12.4%</b>
21	Total - EG Distribution Level	353,995	\$0.02955	\$10,461	333,969	\$0.03263	\$10,899	\$437	\$0.00308	10.4%
22										
23	EG Transmission Level (2)	2,472,969	\$0	\$42,507	2,641,080	\$0.01309	\$34,568	(\$7,939)	(\$0.00410)	-23.9%
24										
25	<b>TOTAL ELECTRIC GENERATION</b>	<b>2,826,964</b>	<b>\$0.01874</b>	<b>\$52,968</b>	<b>2,975,049</b>	<b>\$0.01528</b>	<b>\$45,466</b>	<b>(\$7,502)</b>	<b>(\$0.00345)</b>	<b>-18.4%</b>
26										
27	<u>EOR Rates &amp; revenue:</u>									
28	<u>Distribution Level EOR:</u>									
29	Customer Charge	14	\$500.00	\$84	23	\$500.00	\$138	\$54	\$0.00000	0.0%
30	Volumetric Rate	80,880	\$0.02851	\$2,306	109,229	\$0.03137	\$3,427	\$1,120	\$0.00286	10.0%
31	Distribution Level EOR	80,880	\$0.02955	\$2,390	109,229	\$0.03263	\$3,565	\$1,174	\$0.00308	10.4%
32	Transmission Level EOR	75,307	\$0	\$1,294	94,691	\$0.01309	\$1,239	(\$55)	(\$0.00410)	-23.9%
33	<b>Total EOR</b>	<b>156,187</b>	<b>\$0.02359</b>	<b>\$3,685</b>	<b>203,920</b>	<b>\$0.02356</b>	<b>\$4,804</b>	<b>\$1,119</b>	<b>(\$0.00003)</b>	<b>-0.1%</b>

**TABLE 7**  
**Transmission Level Service Transportation Rates**  
**Southern California Gas Company**  
**2013 TCAP Application**  
2013TCAP SCG RD Model - All Party Settlement 2/27/2013

	Present Rates			Proposed Rates			Changes		
	Jan-1-12	Average	Jan-1-12	Proposed	Average	Proposed	Revenue	Rate	% Rate
	Volumes	Rate	BCAP Vols	Volumes	Rate	Revenue	Change	Change	change
	Mth	\$/th	\$000's	Mth, Mth	\$/th	\$000's	\$000's	\$/th	%
	A	B	C	D	E	F	G	H	I
<b>Rate applicable to NonCore C&amp;I, EOR &amp; EG customer Classes:</b>									
1	Reservation Service Option (RS):								
2		\$0.00844			\$0.00641			(\$0.00203)	-24.1%
3		\$0.00481			\$0.00444			(\$0.00036)	-7.6%
4									
5	Class Average Volumetric Rate (CA)								
6		\$0.01218			\$0.00863			(\$0.00355)	-29.1%
7		\$0.00500			\$0.00444			(\$0.00055)	-11.1%
8	Class Average Volumetric Rate (CA) \$/th	\$0.01718			\$0.01307			(\$0.00410)	-23.9%
9									
10	115% CA (for NonBypass Volumetric NV) \$/th	\$0.02061			\$0.01504			(\$0.00557)	-27.0%
11	135% CA (for Bypass Volumetric BV) \$/th	\$0.02319			\$0.01765			(\$0.00554)	-23.9%
12	Total Transmission Level Service (N)	2,930,667	\$0.01719	\$50,374	3,295,536	\$0.01309	\$43,133	(\$7,240)	(\$0.00410) -23.9%
13									
14	Rate applicable to NonCore C&I for CSITMA and EFBA NonExempt Customers								
15	CSITMA Adder to Usage Charge	457,697	\$0.00064	\$294	654,456	\$0.00065	\$424	\$130	\$0.00000
16	EFBA Cost Adder	1,016,987	\$0.00000	\$0	1,455,666	\$0.00000	\$0		\$0.00000
17	<b>Reservation Service Option (RS):</b>								
18	Daily Reservation rate \$/th/day	\$0.00844			\$0.00641		\$0	(\$0.00203)	-24.1%
19	Usage Charge for RS \$/th	\$0.00545			\$0.00509		\$0	(\$0.00036)	-6.6%
20									
21	Class Average Volumetric Rate (CA)								
22	Volumetric Rate \$/th	\$0.01218			\$0.00863		\$0	(\$0.00355)	-29.1%
23	Usage Charge for CA \$/th	\$0.00564			\$0.00509		\$0	(\$0.00055)	-9.7%
24	Class Average Volumetric Rate (CA) \$/th	\$0.01782			\$0.01372		\$0	(\$0.00410)	-23.0%
25									
26	115% CA (for NonBypass Volumetric NV) \$/l	\$0.02138			\$0.01578		\$0	(\$0.00560)	-26.2%
27	135% CA (for Bypass Volumetric BV) \$/th	\$0.02405			\$0.01853		\$0	(\$0.00553)	-23.0%
28									
29	Other Adjustments :								
30	TSA for CSITMA exempt cust.		(\$0.00064)		\$0.00065			\$0.00129	
31	Total Transmission Level Service (N)	2,930,667	\$0.01729	\$50,668	3,295,536	\$0.01322	\$43,558	(\$7,111)	(\$0.00407) -23.6%
32									
33	<b>Rate applicable to Wholesale &amp; International customer Classes:</b>								
34	Reservation Service Option (RS):								
35		\$0.00842			\$0.00639			(\$0.00203)	-24.1%
36		\$0.00480			\$0.00443			(\$0.00036)	-7.6%
37									
38	Class Average Volumetric Rate (CA)								
39		\$0.01215			\$0.00861			(\$0.00354)	-29.1%
40		\$0.00499			\$0.00443			(\$0.00055)	-11.1%
41	Class Average Volumetric Rate (CA) \$/th	\$0.01713			\$0.01304			(\$0.00409)	-23.9%
42									
43	115% CA (for NonBypass Volumetric NV) \$/th	\$0.02056			\$0.01500			(\$0.00556)	-27.0%
44	135% CA (for Bypass Volumetric BV) \$/th	\$0.02313			\$0.01761			(\$0.00552)	-23.9%
45	Total Transmission Level Service (W)	368,955	\$0.01719	\$6,342	317,990	\$0.01309	\$4,162	(\$2,180)	(\$0.00410) -23.9%
46									
47	<b>Average Transmission Level Service</b>	<b>3,299,622</b>	<b>\$0.01728</b>	<b>\$57,010</b>	<b>3,613,526</b>	<b>\$0.01321</b>	<b>\$47,720</b>	<b>(\$9,290)</b>	<b>(\$0.00407) -23.6%</b>

**TABLE 8**  
**Backbone Transmission Service and Storage Rates**  
**Southern California Gas Company**  
**2013 TCAP Application**  
2013TCAP SCG RD Model - All Party Settlement 2/27/2013

	Present Rates			Proposed Rates			Changes			
	Jan-1-12	Average	Jan-1-12	Proposed	Average	Proposed	Revenue	Rate	% Rate	
	Volumes	Rate	BCAP Vols	Volumes	Rate	Revenue	Change	Change	change	
	Mth	\$/th	\$000's	Mth, Mdth	\$/th	\$000's	\$000's	\$/th	%	
	A	B	C	D	E	F	G	H	I	
48										
49	<b>Backbone Transmission Service BTS</b>									
50	BTS SFV Reservation Charge \$/dth	3,100	\$0.11042	\$124,939	2,978	\$0.12647	\$137,465	\$12,526	\$0.01605	14.5%
51	BTS MFV Reservation Charge \$/dth/day		\$0.08834			\$0.10117		\$0.01284	14.5%	
52	BTS MFV Volumetric Charge \$/dth/day		\$0.02599			\$0.02529		(\$0.00070)	-2.7%	
53	BTS Interruptible Volumetric Charge \$/dth		\$0.11042			\$0.12647		\$0.01605	14.5%	
54										
55	<b>Storage Rates: (incl. HRSMA)</b>									
56	Injection mmcf/d; rate = \$/dth/day	850	\$29.78	\$26,074	850	\$30.77	\$26,770	\$697	\$1.00	3.3%
57	Inventory BCF; rate = \$/dth	135	\$0.25768	\$35,863	136	\$0.25865	\$36,030	\$167	\$0.00098	0.4%
58	Withdrawal mmcf/d; rate = \$/dth/day	3,195	\$9.81	\$32,276	3,195	\$8.19	\$26,770	(\$5,506)	(\$1.62)	-16.5%
59			\$94,213			\$89,571	(\$4,642)			

**TABLE 1**  
**Natural Gas Transportation Rate Revenues**  
**San Diego Gas & Electric**  
**2013 TCAP Application**  
2013 TCAP Settlement Agreement Illustrative Rates

	At Present Rates			At Proposed Rates			Changes		
	Jan-1-12 Volumes mtherms	Average Rate \$/therm	Jan-1-12 Revenues \$000's	Proposed Volumes mtherms	Average Rate \$/therm	Proposed Revenues \$000's	Revenues \$000's	Rates \$/therm	Rate change %
	A	B	C	D	E	F	G	H	I
<b>CORE</b>									
Residential	326,003	\$0.59205	\$193,011	321,869	\$0.62118	\$199,938	\$6,927	\$0.02913	4.9%
Commercial & Industrial	158,725	\$0.19144	\$30,387	177,578	\$0.17597	\$31,248	\$862	(\$0.01547)	-8.1%
NGV - Pre SempraWide	15,238	\$0.02704	\$412	11,417	\$0.09513	\$1,086	\$674	\$0.06809	251.8%
SempraWide Adjustment	15,238	\$0.03893	\$593	11,417	(\$0.01086)	(\$124)	(\$717)	(\$0.04979)	-127.9%
NGV Post SempraWide	15,238	\$0.06597	\$1,005	11,417	\$0.08427	\$962	(\$43)	\$0.01831	27.7%
<b>Total CORE</b>	<b>499,967</b>	<b>\$0.44883</b>	<b>\$224,402</b>	<b>510,864</b>	<b>\$0.45442</b>	<b>\$232,148</b>	<b>\$7,746</b>	<b>\$0.00559</b>	<b>1.2%</b>
<b>NONCORE COMMERCIAL &amp; INDUSTRIAL</b>									
Distribution Level Service	37,270	\$0.12163	\$4,533	25,161	\$0.12361	\$3,110	(\$1,423)	\$0.00199	1.6%
Transmission Level Service (2)	3,193	\$0.01869	\$60	13,582	\$0.01456	\$198	\$138	(\$0.00413)	-22.1%
<b>Total Noncore C&amp;I</b>	<b>40,463</b>	<b>\$0.11350</b>	<b>\$4,593</b>	<b>38,743</b>	<b>\$0.08538</b>	<b>\$3,308</b>	<b>(\$1,285)</b>	<b>(\$0.02812)</b>	<b>-24.8%</b>
<b>NONCORE ELECTRIC GENERATION</b>									
Distribution Level Service									
Pre Sempra Wide	179,522	\$0.02857	\$5,130	103,761	\$0.02560	\$2,656	(\$2,473)	(\$0.00297)	-10.4%
Sempra Wide Adjustment	179,522	\$0.00050	\$90	103,761	\$0.00840	\$871	\$781	\$0.00789	#####
Distribution Level Post S	179,522	\$0.02908	\$5,220	103,761	\$0.03400	\$3,528	(\$1,692)	\$0.00492	16.9%
Transmission Level Service (2)	496,393	\$0.01719	\$8,532	577,118	\$0.01309	\$7,554	(\$979)	(\$0.00410)	-23.9%
<b>Total Electric Generation</b>	<b>675,916</b>	<b>\$0.02035</b>	<b>\$13,752</b>	<b>680,879</b>	<b>\$0.01627</b>	<b>\$11,081</b>	<b>(\$2,671)</b>	<b>(\$0.00407)</b>	<b>-20.0%</b>
<b>TOTAL NONCORE</b>	<b>716,379</b>	<b>\$0.02561</b>	<b>\$18,345</b>	<b>719,622</b>	<b>\$0.02000</b>	<b>\$14,389</b>	<b>(\$3,956)</b>	<b>(\$0.00561)</b>	<b>-21.9%</b>
<b>SYSTEM TOTAL</b>	<b>1,216,345</b>	<b>\$0.19957</b>	<b>\$242,747</b>	<b>1,230,486</b>	<b>\$0.20036</b>	<b>\$246,538</b>	<b>\$3,790</b>	<b>\$0.00079</b>	<b>0.4%</b>

- 1) These rates are for Natural Gas Transportation Service from "Citygate to Meter".
- 2) The BTS rate is for service from Receipt Point to Citygate and is purchased from SoCalGas. See SoCalGas' Table 8 for actual BTS rates.
- 3) These Transmission Level Service "TLS" amounts represents the average transmission rate. See Table 6 for detail list of TLS rates.

**TABLE 2**  
**Core Gas Transportation Rates**  
**San Diego Gas & Electric**  
**2013 TCAP Application**  
**2013TCAP SDGE RD Model - All Party Settlement 2/27/2013**

	At Present Rates			At Proposed Rates			Changes			
	Jan-1-12 Volumes mtherms	Average Rate \$/therm	Jan-1-12 Revenues \$000's	Proposed Volumes mtherms	Average Rate \$/therm	Proposed Revenues \$000's	Revenues \$000's	Rates \$/therm	Rate change %	
	A	B	C	D	E	F	G	H	I	
1	<b>RESIDENTIAL RATES Schedule GR,GM</b>									
2	Basis for Rates (Excludes Rate Adders for CSITMA & CAT)									
3	Customer Charge \$/month	0	\$0.00	\$0	848,086	\$0.00	\$0	\$0	\$0.00	
4										
5	Baseline \$/therm	220,010	\$0.55450	\$121,995	217,220	\$0.58419	\$126,898	\$4,903	\$0.02969	5.4%
6	Non-Baseline \$/therm	105,993	\$0.69934	\$74,125	104,649	\$0.73030	\$76,425	\$2,301	\$0.03097	4.4%
7	Average Rate \$/therm	326,003	\$0.60159	\$196,120	321,869	\$0.63170	\$203,323	\$7,204	\$0.03011	5.0%
8	NBL/BL Ratio									
9	Composite Rate \$/th					\$0.99623				
10	NBL/Composite rate ratio		1.14			1.16				
11	NBL- BL rate difference \$/th					0.14611				
12										
13	Rates for CSITMA Non-Exempt, NonCARE Customers (Rate Basis + CSITMA Adder)									
14	CSITMA Adder to Volumetric Rate	260,710	\$0.00150	\$390	256,575	\$0.00147	\$377	(\$14)	(\$0.00003)	-1.9%
15	Baseline \$/therm		\$0.55599			\$0.58566			\$0.02966	5.3%
16	Non-Baseline \$/therm		\$0.70083			\$0.73177			\$0.03094	4.4%
17	Average NonCARE Rate \$/therm		\$0.60309			\$0.63316			\$0.03008	5.0%
18										
19	<b>Sub Meter Credit Schedule GS,GT</b>									
20	GS Unit Discount \$/day	6,004	(\$0.25493)	(\$559)	6,004	(\$0.29392)	(\$644)	(\$85)	(\$0.03899)	15.3%
21	GT Unit Discount \$/day	27,745	(\$0.34064)	(\$3,450)	27,745	(\$0.36460)	(\$3,692)	(\$243)	(\$0.02396)	7.0%
22										
23	<b>Schedule GL-1</b>									
24	LNG Facility Charge, domestic use	321	\$14.79	\$57	289	\$14.79	\$51		\$0.00000	0.0%
25	LNG Facility Charge, non-domestic use \$/mth/		\$0.05480			\$0.05480			\$0.00000	0.0%
26	LNG Volumetric Surcharge \$/th	110	\$0.16571	\$18	100	\$0.16571	\$16		\$0.00000	0.0%
27				\$75			\$68			
28	<b>Core Aggregation CAT Schedule GTC &amp; GTCA (transprt only NonCARE rate + CAT Adder)</b>									
29	CAT Adder to Volumetric Rate	247	\$0.00000	\$0	247	\$0.00000	\$0	\$0	\$0.00000	
30	Baseline \$/therm		\$0.55599			\$0.58566			\$0.02966	5.3%
31	Non-Baseline \$/therm		\$0.70083			\$0.73177			\$0.03094	4.4%
32	Average Rate \$/therm		\$0.60309			\$0.63316			\$0.03008	5.0%
33										
34	<b>Other Adjustments :</b>									
35	Employee Discount			(\$459)		(\$412)	\$47			
36	SDFFD			\$893		\$919	\$26			
37	Credit for CSITMA Exempt Cutomers:									
38	NonCARE \$/th		(\$0.00150)			(\$0.00147)		\$0.00003		-1.9%
39										
40										
41	<b>Total Residential</b>	<b>326,003</b>	<b>\$0.59205</b>	<b>\$193,011</b>	<b>321,869</b>	<b>\$0.62118</b>	<b>\$199,938</b>	<b>\$6,927</b>	<b>\$0.02913</b>	<b>4.9%</b>

**TABLE 3**  
**Natural Gas Transportation Rate Revenues**  
**San Diego Gas & Electric**  
**2013 TCAP Application**  
**2013TCAP SDGE RD Model - All Party Settlement 2/27/2013**

	At Present Rates			At Proposed Rates			Changes			
	Jan-1-12 Volumes mtherms	Average Rate \$/therm	Jan-1-12 Revenues \$000's	Proposed Volumes mtherms	Average Rate \$/therm	Proposed Revenues \$000's	Revenues \$000's	Rates \$/therm	Rate change %	
	A	B	C	D	E	F	G	H	I	
1	<b>Other Core Rates \$/therm</b>									
2	Schedule GPC - Procurement Price	\$0.45283			\$0.43200			(\$0.02083)	-4.6%	
3										
4	<b>CORE COMMERCIAL &amp; INDUSTRIAL RATES Schedule GN-3</b>									
5	Customer Charge \$/month	29,831	\$10.00	\$3,580	29,865	\$10.00	\$3,584	\$4	\$0.00000	0.0%
6										
7	Basis for Volumetric Rates (Excludes Rate Adders for CSITMA & CAT)									
8	Tier 1 = 0 to 1,000 therms/month	69,961	\$0.24322	\$17,016	79,475	\$0.22648	\$18,000	\$984	(\$0.01674)	-6.9%
9	Tier 2 = 1,001 to 21,000 therms/month	74,938	\$0.11165	\$8,367	82,322	\$0.09996	\$8,229	(\$138)	(\$0.01169)	-10.5%
10	Tier 3 = over 21,000 therms/month	13,826	\$0.07448	\$1,030	15,781	\$0.06421	\$1,013	(\$16)	(\$0.01027)	-13.8%
11										
12	Volumetric Rates for CSITMA Non-Exempt, NonCARE Customers (Rate Basis + CSITMA Adder)									
13	CSITMA Adder to Volumetric Rate	150,500	\$0.00150	\$225	169,353	\$0.00147	\$249	\$23	(\$0.00003)	-1.9%
14	Tier 1 = 0 to 1,000 therms/month		\$0.24472			\$0.22795			(\$0.01677)	-6.9%
15	Tier 2 = 1,001 to 21,000 therms/month		\$0.11314			\$0.10142			(\$0.01172)	-10.4%
16	Tier 3 = over 21,000 therms/month		\$0.07598			\$0.06568			(\$0.01029)	-13.5%
17										
18	<b>Core Aggregation CAT Schedule GTC &amp; GTCA (transprt only volumetric rate + CAT adder)</b>									
19	CAT Adder to Volumetric Rate	23,606	\$0.00000	\$0	23,606	\$0.00000	\$0	\$0	\$0.00000	
20	Tier 1 = 0 to 1,000 therms/month		\$0.24472			\$0.22795			(\$0.01677)	-6.9%
21	Tier 2 = 1,001 to 21,000 therms/month		\$0.11314			\$0.10142			(\$0.01172)	-10.4%
22	Tier 3 = over 21,000 therms/month		\$0.07598			\$0.06568			(\$0.01029)	-13.5%
23										
24	<b>Other Adjustments :</b>									
25	Adjustment for SDDFD			\$169		\$174	\$5			
26	Credit for CSITMA Exempt Cutomers:									
27	NonCARE \$/th		(\$0.00150)			(\$0.00147)		\$0.00003	-1.9%	
28										
29										
30	<b>Total Core C&amp;I</b>	<b>158,725</b>	<b>\$0.19144</b>	<b>\$30,387</b>	<b>177,578</b>	<b>\$0.17597</b>	<b>\$31,248</b>	<b>\$862</b>	<b>(\$0.01547)</b>	<b>-8.1%</b>

**TABLE 4**  
**Other Core Gas Transportation Rates**  
**San Diego Gas & Electric**  
**2013 TCAP Application**  
**2013TCAP SDGE RD Model - All Party Settlement 2/27/2013**

	At Present Rates			At Proposed Rates			Changes			
	Jan-1-12 Volumes mtherms	Average Rate \$/therm	Jan-1-12 Revenues \$000's	Proposed Volumes mtherms	Average Rate \$/therm	Proposed Revenues \$000's	Revenues \$000's	Rates \$/therm	Rate change %	
	A	B	C	D	E	F	G	H	I	
1	<b>NATURAL GAS VEHICLE RATES</b>			<i>Sempra-Wide NGV Rates</i>			<i>Sempra-Wide NGV Rates</i>			
2	Customer Charge									
3	P1 \$/month	30	\$13.00	\$5	24	\$13.00	\$4	(\$1)	\$0.00	0.0%
4	P2A \$/month	10	\$65.00	\$8	10	\$65.00	\$8	\$0	\$0.00	0.0%
5										
6	Uncompressed Rate (excludes Rate	15,238	\$0.05630	\$858	11,417	\$0.06232	\$711	(\$146)	\$0.00602	10.7%
7	Compressor Adder \$/therm	119	\$0.92324	\$110	209	\$1.05603	\$220	\$110	\$0.13279	14.4%
8										
9	Volumetric Rates for CSITMA Non-Exempt Customers (Rate Basis + CSITMA Adder)									
10	CSITMA Adder to Volumetric Rate	15,221	\$0.00150	\$23	11,399	\$0.00147	\$17	(\$6)	(\$0.00003)	-1.9%
11	Uncompressed Rate \$/therm		\$0.05780			\$0.06379		\$0	\$0.00599	10.4%
12										
13	Volumetric Rates for CSITMA Non-Exempt CAT Customers (Rate Basis + CSITMA Adder)									
14	CAT Adder to Volumetric Rate		\$0.00000			\$0.00000				
15	Uncompressed Rate \$/therm		\$0.05780			\$0.06379		\$0	\$0.00599	10.4%
16										
17	<b>Other Adjustments :</b>									
18	Adjustment for SDDFD			\$2		\$2	\$0			
19	Credit for CSITMA Exempt Cutomers \$/th		(\$0.00150)			(\$0.00147)		\$0.00003		-1.9%
20										
21	<b>Total NGV</b>	<b>15,238</b>	<b>\$0.06597</b>	<b>\$1,005</b>	<b>11,417</b>	<b>\$0.08427</b>	<b>\$962</b>	<b>(\$43)</b>	<b>\$0.01831</b>	<b>27.7%</b>
22										
23	<b>RESIDENTIAL NATURAL GAS VEHICLES (optional rate)</b>									
24	Customer Charge									
25	Uncompressed Rate (excludes Rate	832	\$5.00	\$50	848	\$5.00	\$51	\$1	\$0.00	0.0%
26		521	\$0.23110	\$120	929	\$0.19942	\$185	\$65	(\$0.03167)	-13.7%
27		521	\$0.32693	\$170	929	\$0.25418	\$236	\$66	(\$0.07274)	-22.3%
28	Volumetric Rates for CSITMA Non-Exempt Customers (Rate Basis + CSITMA Adder)									
29	CSITMA Adder to Volumetric Rate		\$0.00150			\$0.00147		(\$0.00003)		-1.9%
30	Uncompressed Rate \$/therm		\$0.23260			\$0.20089		(\$0.03171)		-13.6%
31										
32	Core Aggregation Transport (CAT):									
33	CAT Adder to Volumetric Rate	0	\$0.00000	\$0	0	\$0.00000	\$0	\$0	\$0.00000	
34	Uncompressed Rate \$/therm		\$0.23260			\$0.20089		\$0	(\$0.03171)	-13.6%
35										
36	<b>Other Adjustments :</b>									
37	Adjustment for SDDFD	0		\$0		\$0	\$0			
38	Credit for CSITMA Exempt Cutomers \$/th		(\$0.00150)			(\$0.00147)		\$0.00003		-1.9%
39										
40										
41	<b>Total Res NGV</b>	<b>521</b>	<b>\$0.32693</b>	<b>\$170</b>	<b>929</b>	<b>\$0.25418</b>	<b>\$236</b>	<b>\$66</b>	<b>(\$0.07274)</b>	<b>-22.3%</b>

**TABLE 5**  
**NonCore Gas Transportation Rates**  
**San Diego Gas & Electric**  
**2013 TCAP Application**  
**2013TCAP SDGE RD Model - All Party Settlement 2/27/2013**

	At Present Rates			At Proposed Rates			Changes			
	Jan-1-12 Volumes mtherms	Average Rate \$/therm	Jan-1-12 Revenues \$000's	Proposed Volumes mtherms	Average Rate \$/therm	Proposed Revenues \$000's	Revenues \$000's	Rates \$/therm	Rate change %	
	A	B	C	D	E	F	G	H	I	
1	<b>NonCore Commercial &amp; Industrial Distribution Level</b>									
2	Customer Charges \$/month	60	\$350.00	\$252	54	\$350.00	\$228	(\$24)	\$0.00	0.0%
3										
4	Volumetric Charges\$/therm	37,270	\$0.11350	\$4,230	25,161	\$0.11328	\$2,850	(\$1,380)	(\$0.00022)	-0.2%
5	CSITMA Adder to Volumetric Rate	33,927	\$0.00150	\$51	21,818	\$0.00147	\$32	(\$19)	(\$0.00003)	-1.9%
6	Volumetric Rates for CSITMA Non-Exempt Cust	\$0.11500			\$0.11475			(\$0.00025)		-0.2%
7										
8	<b>Other Adjustments :</b>									
9	SDDFD									
10	Credit for CSITMA Exempt Customers \$/th		(\$0.00150)			(\$0.00147)		\$0.00003		-1.9%
11										
12	<b>NCCI-Distribution Total</b>	<b>37,270</b>	<b>\$0.12163</b>	<b>\$4,533</b>	<b>25,161</b>	<b>\$0.12361</b>	<b>\$3,110</b>	<b>(\$1,423)</b>	<b>\$0.00199</b>	<b>1.6%</b>
13										
14	<b>NCCI-Transmission Total (1)</b>	<b>3,193</b>	<b>\$0.01869</b>	<b>\$60</b>	<b>13,582</b>	<b>\$0.01456</b>	<b>\$198</b>	<b>\$138</b>	<b>(\$0.00413)</b>	<b>-22.1%</b>
15										
16	<b>Total NonCore C&amp;I</b>	<b>40,463</b>	<b>\$0.11350</b>	<b>\$4,593</b>	<b>38,743</b>	<b>\$0.08538</b>	<b>\$3,308</b>	<b>(\$1,285)</b>	<b>(\$0.02812)</b>	<b>-24.8%</b>
17										
18	<b>ELECTRIC GENERATION</b>									
19										
20	<b>EFBA Exempt Distribution Rates:</b>									
21	<b>Small EG Distribution Level Service:</b>									
22	Customer Charge, \$/month	57	\$50.00	\$34	40	\$50.00	\$24	(\$10)	\$0.00	0.0%
23	Volumetric Rate (Incl ITCS) \$/therm	27,097	\$0.05501	\$1,491	16,347	\$0.06865	\$1,122	(\$368)	\$0.01	24.8%
24										
25	<b>Large EG Distribution Level Service:</b>									
26	Customer Charge, \$/month									
27	Volumetric Rate (Incl ITCS) \$/therm	152,425	\$0.02424	\$3,695	87,414	\$0.02724	\$2,381	(\$1,314)	\$0.00	12.4%
28										
29	EG Distribution EFBA Exempt Cust	179,522	\$0.02908	\$5,220	103,761	\$0.03400	\$3,528	(\$1,692)	\$0.00	16.9%
30										
31	<b>EFBA Non-Exempt Rates:</b>									
32	EFBA Cost Adder	172,384	\$0.00000	\$0	96,623	\$0.00000	\$0	\$0	\$0.00000	
33	EG-Distribution Tier 1 w/EFBA Adder		\$0.05501			\$0.06865			\$0.01364	24.8%
34	EG-Distribution Tier 2 w/EFBA Adder		\$0.02424			\$0.02724			\$0.00300	12.4%
35	<b>Total - EG Distribution Level</b>	<b>179,522</b>	<b>\$0.02908</b>	<b>\$5,220</b>	<b>103,761</b>	<b>\$0.03400</b>	<b>\$3,528</b>	<b>(\$1,692)</b>	<b>\$0.00492</b>	<b>16.9%</b>
36										
37	EG Transmission Level Service (1)	496,393	\$0.02	\$8,532	577,118	\$0.01309	\$7,554	(\$979)	(\$0.00)	-23.9%
38										
39	<b>TOTAL ELECTRIC GENERATION</b>	<b>675,916</b>	<b>\$0.02035</b>	<b>\$13,752</b>	<b>680,879</b>	<b>\$0.01627</b>	<b>\$11,081</b>	<b>(\$2,671)</b>	<b>(\$0.00407)</b>	<b>-20.0%</b>

**TABLE 6**  
**Transmission Level Service Gas Transportation Rates**  
**San Diego Gas & Electric**  
**2013 TCAP Application**  
**2013TCAP SDGE RD Model - All Party Settlement 2/27/2013**

	At Present Rates			At Proposed Rates			Changes			
	Jan-1-12 Volumes mtherms	Average Rate \$/therm	Jan-1-12 Revenues \$000's	Proposed Volumes mtherms	Average Rate \$/therm	Proposed Revenues \$000's	Revenues \$000's	Rates \$/therm	Rate change %	
	A	B	C	D	E	F	G	H	I	
1	<b>Transmission Level Service Rate (excludes CSITMA adder, for EFBA exempt customers):</b>									
2	Reservation Service Option (RS):									
3	Daily Reservation rate \$/th/day	\$0.00849			\$0.00645		\$0	(\$0.00204)	-24.1%	
4	Usage Charge for RS \$/th	\$0.00484			\$0.00447		\$0	(\$0.00037)	-7.6%	
5	Class Average Volumetric Rate (CA)									
6	Volumetric Rate \$/th	\$0.01225			\$0.00868		\$0	(\$0.00357)	-29.1%	
7	Usage Charge for CA \$/th	\$0.00503			\$0.00447		\$0	(\$0.00056)	-11.1%	
8	Class Average Volumetric Rate CA \$/th	\$0.01727			\$0.01315		\$0	(\$0.00412)	-23.9%	
9	115% CA (for NonBypass Volumetric NV) \$/tl	\$0.02073			\$0.01512		\$0	(\$0.00561)	-27.0%	
10	135% CA (for Bypass Volumetric BV) \$/th	\$0.02332			\$0.01775		\$0	(\$0.00557)	-23.9%	
11	Average Transmission Level Serv	499,587	\$0.01719	\$8,587	590,700	\$0.01309	\$7,731	(\$856)	(\$0.00410)	-23.9%
12										
13	<b>Transmission Level Service Rate for CSITMA NonExempt Customers and for EFBA NonExempt Customers:</b>									
14	Credit for CSITMA Exempt Cutom	\$3,193	\$0.00150	\$5	13,582	\$0.00147	\$20	\$15	(\$0.00003)	-1.9%
15	EFBA Cost Adders for Non-Exem	28502.954	\$0.00000	\$0	119,616	\$0.00000	\$0	\$0.00000		
16	Reservation Service Option (RS):									
17	Daily Reservation rate \$/th/day	\$0.00849			\$0.00645		\$0	(\$0.00204)	-24.1%	
18	Usage Charge for RS \$/th	\$0.00633			\$0.00594		\$0	(\$0.00040)	-6.2%	
19	Class Average Volumetric Rate (CA)									
20	Volumetric Rate \$/th	\$0.01225			\$0.00868		\$0	(\$0.00357)	-29.1%	
21	Usage Charge for CA \$/th	\$0.00652			\$0.00594		\$0	(\$0.00059)	-9.0%	
22	Class Average Volumetric Rate CA \$/th	\$0.01877			\$0.01462		\$0	(\$0.00415)	-22.1%	
23	115% CA (for NonBypass Volumetric NV) \$/tl	\$0.02253			\$0.01681		\$0	(\$0.00571)	-25.4%	
24	135% CA (for Bypass Volumetric BV) \$/th	\$0.02534			\$0.01973		\$0	(\$0.00561)	-22.1%	
25										
26	<b>Other Adjustments:</b>									
27	Credit for CSITMA Exempt Cutomers \$/th	(\$0.00150)			(\$0.00147)		\$0.00003		-1.9%	
28										
29	Average Transmission Level Serv	499,587	\$0.01720	\$8,592	590,700	\$0.01312	\$7,751	(\$841)	(\$0.00408)	-23.7%
30										
31										
32										
33										
34										