

**SOUTHERN CALIFORNIA GAS COMPANY AND  
SAN DIEGO GAS & ELECTRIC COMPANY**

**APPLICATION OF SOUTHERN CALIFORNIA GAS COMPANY AND SAN DIEGO  
GAS & ELECTRIC COMPANY FOR AUTHORITY TO ESTABLISH A GAS RULES  
AND REGULATIONS MEMORANDUM ACCOUNT (A.22-05-005)**

**DATA REQUEST SCGC-03  
RECEIVED: AUGUST 10, 2022  
SUBMITTED: AUGUST 19, 2022**

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**Question 3.1:**

- 3.1 In response to SCGC-02, Q.1.5, SoCalGas/SDG&E states that “The GRRMA will allow SoCalGas and SDG&E to track the 2022-2023 incremental revenue requirement associated with projects that may be completed prior to January 1, 2024”
- 3.1.1 Please identify each component of this incremental revenue requirement.
  - 3.1.2 Please provide an estimate of the amount of incremental revenue requirement that is associated with the requested capital expenditure amounts identified for 2022.
  - 3.1.3 Please break down the estimated revenue requirement provided in response to the previous question by the individual components that were identified in response to Q.3.1.1.
  - 3.1.4 Please provide estimate of the amount of incremental revenue requirement that is associated with the requested capital expenditure amounts identified for 2023.
  - 3.1.5 Please break down the estimated revenue requirement provided in response to the previous question by the individual components that were identified in response to Q.3.1.1.

**Response to Question 3.1.1**

The forecasted capital costs cited in SCGC-02, Q.1.5 consist of the SoCalGas GTS Rule Part 1 projects that are expected to incur costs in 2022-2023 to comply with 49 CFR § 192.624. The other components of the forecasted costs discussed in this Application consist of the SoCalGas GTS Rule Part 2 and Valve Rule activities and SDG&E’s respective GTS Rule Part 1, Part 2, and Valve Rule costs.

Upon the August 12, 2022 email clarification from SCGC that the questions in data request SCGC-03 pertain to all components forecasted in the Application, as shown in Tables 1 and 2 of the Prepared Testimony of Travis T. Sera, SoCalGas and SDG&E provide the following revenue requirement components of the O&M and Capital forecasted activities for GTS Rule Part 1, Part 2, and the Valve Rule. Below are the forecasted revenue requirements associated with the forecasted costs in Tables 1 and 2 of the Prepared Testimony of Travis T. Sera.<sup>1</sup>

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<sup>1</sup> SoCalGas and SDG&E incorrectly indicated in the Application and Prepared Testimony of Travis T. Sera that return on rate base were included in the capital and O&M costs estimates. These costs were not

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<b>GTS Rule Part 1</b>	<b>SoCalGas</b>		<b>SDG&amp;E</b>	
	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>
<b>Rev Req Components</b>				
FF&U <sup>2</sup>	\$ 7,725	\$ 37,142	\$ -	\$ 2,630
O&M <sup>3</sup>	\$ 447,723	\$ 1,827,163	\$ -	\$ 114,252
Total Capital-Related	\$ 13,834	\$ 391,924	\$ -	\$ -
Depreciation	\$ 4,287	\$ 88,989	\$ -	\$ -
Return on Investment	\$ 12,428	\$ 255,310	\$ -	\$ -
State, Federal, & Property Taxes	\$ (2,881)	\$ 47,625	\$ -	\$ -
<b>Total<sup>4</sup></b>	<b>\$ 469,282</b>	<b>\$ 2,256,229</b>	<b>\$ -</b>	<b>\$ 116,882</b>

<b>GTS Rule Part 2</b>	<b>SoCalGas</b>		<b>SDG&amp;E</b>	
	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>
<b>Rev Req Components</b>				
FF&U <sup>5</sup>	\$ -	\$ 7,892	\$ -	\$ 803
O&M <sup>6</sup>	\$ -	\$ 268,476	\$ -	\$ 16,093
Total Capital-Related	\$ -	\$ 203,056	\$ -	\$ 18,800
Depreciation	\$ -	\$ 46,824	\$ -	\$ 4,565
Return on Investment	\$ -	\$ 135,250	\$ -	\$ 12,273
State, Federal, & Property Taxes	\$ -	\$ 20,982	\$ -	\$ 1,962
<b>Total<sup>7</sup></b>	<b>\$ -</b>	<b>\$ 479,424</b>	<b>\$ -</b>	<b>\$ 35,697</b>

included in the Capital and O&M costs estimates provided in Tables 1 and 2 of the Application and Prepare Testimony of Travis T. Sera. Rather, return is a component of revenue requirement and is included in this data request response.

<sup>2</sup> FF&U will be recorded outside of SoCalGas and SDG&E's respective GRRMAs.

<sup>3</sup> O&M overheads were not included in the forecasted costs provided in testimony; they are included here in the revenue requirement. O&M includes overheads and working capital.

<sup>4</sup> Reflects the sum of FF&U, O&M, and Total Capital-Related components.

<sup>5</sup> FF&U will be recorded outside of SoCalGas and SDG&E's respective GRRMAs.

<sup>6</sup> O&M overheads were not included in the forecasted costs provided in testimony; they are included here in the revenue requirement. O&M includes overheads and working capital.

<sup>7</sup> Reflects the sum of FF&U, O&M, and Total Capital-Related components.

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Valve Rule Rev Req Components	SoCalGas		SDG&E	
	2022	2023	2022	2023
FF&U <sup>8</sup>	\$ -	\$ 15,195	\$ -	\$ 858
O&M <sup>9</sup>	\$ -	\$ 621,796	\$ -	\$ 37,272
Total Capital-Related	\$ -	\$ 286,029	\$ -	\$ -
Depreciation	\$ -	\$ 67,889	\$ -	\$ -
Return on Investment	\$ -	\$ 196,494	\$ -	\$ -
State, Federal, & Property Taxes	\$ -	\$ 21,646	\$ -	\$ -
<b>Total<sup>10</sup></b>	<b>\$ -</b>	<b>\$ 923,019</b>	<b>\$ -</b>	<b>\$ 38,130</b>

**Response to Question 3.1.2**

Please see the response to question 3.1.1 for SoCalGas and SDG&E's respective breakdown of the estimated 2022 revenue requirements for GTS Rule Part 1, Part 2, and the Valve Rule.

**Response to Question 3.1.3**

Please see the response to question 3.1.1 for SoCalGas and SDG&E's respective breakdown of the estimated 2022 revenue requirements for GTS Rule Part 1, Part 2, and the Valve Rule.

**Response to Question 3.1.4**

Please see the response to question 3.1.1 for SoCalGas and SDG&E's respective breakdown of the estimated 2023 revenue requirements for GTS Rule Part 1, Part 2, and the Valve Rule.

**Response to Question 3.1.5**

Please see the response to question 3.1.1 for SoCalGas and SDG&E's respective breakdown of the estimated 2023 revenue requirements for GTS Rule Part 1, Part 2, and the Valve Rule.

<sup>8</sup> FF&U will be recorded outside of SoCalGas and SDG&E's respective GRRMAs.

<sup>9</sup> O&M overheads were not included in the forecasted costs provided in testimony; they are included here in the revenue requirement. O&M includes overheads and working capital.

<sup>10</sup> Reflects the sum of FF&U, O&M, and Total Capital-Related components.