

Application: A.23-11-XXX  
Witness: Marjorie Schmidt-Pines  
Chapter: 6

**PREPARED TESTIMONY OF  
MARJORIE SCHMIDT-PINES  
ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY  
(CEMA AND CPPMA RATE IMPACT)**

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



November 3, 2023

**TABLE OF CONTENTS**

	<b>Page</b>
I. PURPOSE .....	1
II. GAS RATE AND BILL IMPACTS .....	1
III. WITNESS QUALIFICATIONS .....	4

1                                   **PREPARED TESTIMONY OF MARJORIE SCHMIDT-PINES**  
2                                   **(CEMA AND CPPMA RATE IMPACT)**

3   **I.       PURPOSE**

4               The purpose of this testimony is to present the cost allocation methodology and the gas  
5 rate and bill impacts for recovery of the revenue requirements associated with costs recorded to  
6 Southern California Gas Company’s (SoCalGas) Catastrophic Event Memorandum Account  
7 (CEMA) and its COVID-19 Pandemic Protections Memorandum Account (CPPMA).

8   **II.       GAS RATE AND BILL IMPACTS**

9               SoCalGas proposes to recover gas CEMA and CPPMA costs using the Equal Cents Per  
10 Therm (ECPT) cost allocation methodology. This proposed method is consistent with how the  
11 Residential Uncollectible Balancing Accounts are allocated.<sup>1</sup>

12              Table 1 below shows current and proposed gas transportation rates by major customer  
13 class due to the recovery of costs associated with the catastrophic events (CEMA events)  
14 included in this application. The rates shown assume the forecasted revenue requirement  
15 provided in the prepared testimony of Jenny Chhuor (Chapter 5). Other components of the  
16 bundled rate, including commodity and Public Purpose Program (PPP) surcharge, would remain  
17 unchanged based on this application and, therefore, have been held constant for the present-  
18 versus-proposed comparison.

19              Both the current and proposed transportation rates reflect the allocation of costs and sales  
20 volumes adopted in SoCalGas’s Advice Letter No. 5907,<sup>2</sup> most recent Triennial Cost Allocation  
21 Proceeding (TCAP) Implementation decision and implemented on January 1, 2023.<sup>3</sup> For

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<sup>1</sup> SoCalGas Preliminary Statement – Part V – Balancing Accounts Residential Uncollectible Balancing Account (RUBA).

<sup>2</sup> Available at: [https://tariff.socalgas.com/regulatory/tariffs/tm2/pdf/submittals/GAS\\_5907.pdf](https://tariff.socalgas.com/regulatory/tariffs/tm2/pdf/submittals/GAS_5907.pdf).

<sup>3</sup> See Decision 21-07-019.

1 illustrative purposes, the PPP surcharge reflected in these tables also reflect the rates in effect on  
 2 January 1, 2023.<sup>4</sup> The commodity charge reflected in the tables is based on the 2023 gas  
 3 commodity forecast in Advice Letter 6045.<sup>5</sup> Table 1 illustrates the rate impacts by customer  
 4 class for both SoCalGas and San Diego Gas and Electric (SDG&E). SDG&E’s Sempra-wide  
 5 rates for Natural Gas Vehicle (NGV), Electric Generation (EG) and Transmission Level Service  
 6 (TLS) are impacted. Sempra-wide rates imply that, for each of these three customer classes, a  
 7 single common rate is developed for both SDG&E and SoCalGas.<sup>6</sup> Also, SDG&E is a wholesale  
 8 customer of SoCalGas and the costs allocated to SDG&E are included in SDG&E’s rates.

**Table 1**  
**Illustrative Transportation Rates**  
**\$/therm except as noted**

<b>Transportation</b>	<b>Current Rates</b>	<b>Proposed Rates</b>	<b>Increase (decrease)</b>	<b>% change</b>
<b><u>SoCalGas Summary</u></b>				
<b><u>Core Rates</u></b>				
Residential	\$1.144	\$1.150	\$0.006	0.5%
Core Commercial & Industrial (C&I)	\$0.628	\$0.634	\$0.006	1.0%
Natural Gas Vehicle (NGV) (uncompressed)	\$0.310	\$0.316	\$0.006	2.0%
<b><u>NonCore Distribution Level Service Rates</u></b>				
NonCore C&I Distribution Tier 1	\$0.427	\$0.433	\$0.006	1.5%
NonCore C&I Distribution Tier 2	\$0.309	\$0.316	\$0.006	2.0%
NonCore C&I Distribution Tier 3	\$0.234	\$0.241	\$0.006	2.7%
NonCore C&I Distribution Tier 4	\$0.181	\$0.187	\$0.006	3.5%
Electric Generation (EG)-Distribution - Tier 1 w/California Air Resources Board (carb), Greenhouse Gas (GHG) adders	\$0.321	\$0.328	\$0.006	2.0%
EG-Distribution - Tier 2 w/carb, GHG	\$0.229	\$0.235	\$0.006	2.8%
NonCore Transmission Level Service (TLS) Rates				

<sup>4</sup> SoCalGas Advice Letter No. 6052.

<sup>5</sup> Available at: [https://tariff.socalgas.com/regulatory/tariffs/tm2/pdf/submittals/GAS\\_6045.pdf](https://tariff.socalgas.com/regulatory/tariffs/tm2/pdf/submittals/GAS_6045.pdf).

<sup>6</sup> Sempra-wide rates are slightly different between the SoCalGas and SDG&E due to different California Solar Initiative Thermal Memo Account (CSITMA), Greenhouse Gas (GHG) and California Air Resource Board (CARB) adders and FF&U.

TLS-C&I Class Average (CA) Rate (w/California Solar Initiative Thermal Program Memo Account (csitma), carb, GHG)	\$0.154	\$0.160	\$0.006	4.1%
TLS-EG CA Rate (w/carb and GHG adders)	\$0.154	\$0.160	\$0.006	4.1%
Backbone Transmission Service (BTS)\$/dth/day	\$0.549	\$0.549	\$0.000	0.0%
System Average Rate w/BTS \$/therm	\$0.474	\$0.481	\$0.006	1.3%
Rates Revenue Requirement \$ millions	\$4,338	\$4,395	\$57	1.3%
<i>Residential Non-CARE class average bill \$/month</i>	<i>\$69.75</i>	<i>\$69.97</i>	<i>\$0.22</i>	<i>0.31%</i>

SDG&E

	<b>Current Rates</b>	<b>Proposed Rates</b>	<b>Increase (decrease)</b>	<b>% change</b>
<b>Transportation</b>				
<u>Core Rates</u>				
Residential	\$1.651	\$1.657	\$0.007	0.4%
Core C&I	\$0.680	\$0.687	\$0.007	1.0%
NGV (uncompressed) \$/therm	\$0.303	\$0.309	\$0.006	2.1%
<u>NonCore Distribution Level Service Rates</u>				
NonCore C&I Distribution	\$0.290	\$0.297	\$0.007	2.3%
EG-Distribution - Tier 1 w/carb, GHG	\$0.314	\$0.321	\$0.006	2.0%
EG-Distribution - Tier 2 w/carb, GHG	\$0.222	\$0.228	\$0.006	2.9%
<u>NonCore Transmission Level Service Rates</u>				
TLS-C&I CA Rate (w/ csitma, carb, GHG)	\$0.144	\$0.151	\$0.006	4.4%
TLS-EG CA Rate (w/carb and GHG adders)	\$0.144	\$0.151	\$0.006	4.4%
System Average Rate	\$0.634	\$0.641	\$0.006	1.0%
Rates Revenue Requirement \$ millions	\$704	\$711	\$7	1.0%

<i>Residential Non-CARE class average bill \$/month</i>	<i>\$58.07</i>	<i>\$58.22</i>	<i>\$0.16</i>	<i>0.3%</i>
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1 **III. WITNESS QUALIFICATIONS**

2 My name is Marjorie Schmidt-Pines. My business address is 555 West Fifth Street, Los  
3 Angeles, California, 90013-1011. I am Senior Principal Regulatory Economic Advisor in the  
4 CPUC/FERC Gas Regulatory Affairs Department for SoCalGas and SDG&E.

5 I hold a Bachelor of Science degree in Business Administration with an emphasis in  
6 Accounting from California State University at Northridge, California. I have been employed by  
7 SoCalGas since 1981 and have held positions of increasing responsibilities as an Accountant and  
8 Senior Accountant in the Accounting & Finance department, as an Analyst and a Budget  
9 Coordinator in the Gas Supply department, as a Market Advisor for the Marketing and Customer  
10 Services departments and Principal Regulatory Economic Advisor in the Regulatory Affairs  
11 Department.

12 As Senior Principal Regulatory Economic Advisor, I represent the Gas Rate Design  
13 Group for both SoCalGas and SDG&E in the role of Project Manager, Senior Analyst and  
14 witness in various major regulatory proceedings and filings dealing with allocating authorized  
15 revenue requirements to functions and customer rate classes, developing rate design for each  
16 class, calculating customer rate changes, and computing customers' bill impacts.

17 I have previously testified before the California Public Utilities Commission.