

APPLICATION OF SOUTHERN CALIFORNIA GAS COMPANY AND SAN DIEGO GAS & ELECTRIC COMPANY FOR AUTHORITY TO REVISE THEIR NATURAL GAS RATES AND IMPLEMENT STORAGE PROPOSALS IN THE 2024 COST ALLOCATION PROCEEDING (A.22-09-015)

**DATA REQUEST SET 8 FROM CLEAN ENERGY DATED AUGUST 3, 2023
SOCALGAS RESPONSE DATED: AUGUST 17, 2023
REVISED SOCALGAS RESPONSE DATED: AUGUST 25, 2023**

Questions on Ch 9 LRMC Study NGV Costs and Volumes:

- 8-1. In the LRMC study, the 2021 number of customers is used to calculate the marginal unit cost for Customer-related costs. This unit cost is then multiplied by a forecasted # of customers to determine the Unscaled LRMC for each class.

In the LRMC study, SoCalGas used 245 as the customer count for NGV in 2021. The forecasted customer count for NGV is 383 customers. This is an increase of over 50% in the number of customers from 2021 to 2024.

Please provide additional data to support this level of increase.

REVISED RESPONSE 8-1:

The forthcoming second errata to Chapter 9 will show the following updates to the SoCalGas LRMC Study: The 2021 number of connected uncompressed and compressed customers should be 352 meters, as shown in workpapers of Rose-Marie Payan. This is adjusted by a decrease of approximately 3% to account for inactive meters. The estimated number of active meters is assumed to be 340.

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- 8-2. In the 2020 CAP filing, SoCalGas also used 245 as the NGV customer count for 2016, which was the base year used to calculate the marginal unit cost for NGV in that filing. The number of customers projected for the CAP period was 378 customers for 2020 through 2023. If the actual meter count in 2021 was the same as the meter count in 2016 and there was no NGV customer growth from 2016 to 2021, why would you expect the number of customers to increase by over 50% in the next few years?

REVISED RESPONSE 8-2

The 245 customer count for 2016 in the 2020 CAP filing included only uncompressed meters. The 378 customers included both compressed and uncompressed meters. This CAP's customer count increase is expected to be t approximately 2% per year. See Response to 8-1. As stated in [Chapter 3-Rose-Marie Payan Residential Core Markets including NVG The Price Forecast and the Core Brokerage Fee.pdf \(socalgas.com\)](#), "Most of the forecasted NGV growth is expected to stem from the public sector for public transit, goods movement, and trash haulers."

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8-3. The meter count prepared for the Demand Forecast in Chapter 3 (Payan) shows the NGV meter count in 2021 was 352 meters (325 uncompressed + 27 compressed) as shown on Ch 3 Workpapers p. 345 (tab NGV-2). The forecast # of meters for the period 2024- 2027 is 383 as shown on Ch 3 Workpapers p. 346 (tab NGV-2).

2024	373
2025	380
2026	387
2027	393
average	383

a. It appears the forecast annual meter count in the demand forecast workpaper is consistent with the value used in the LRMC study (Ch 9). Why use a different historical meter count for 2021 in the LRMC study from the value presented in the Demand Forecast?

RESPONSE 8-3a:

See Response 8-1.

b. If the LRMC study were updated to reflect the 2021 meter count in the demand forecast Ch 3 workpapers, wouldn't the Customer-related Marginal unit cost for NGV be 30% lower?

REVISED RESPONSE 8-3b:

The forthcoming errata filing for Chapter 9 - SoCalGas LRMC Study shows the Customer-related Marginal unit cost for NGV is approximately 21% lower.