

Company: Southern California Gas Company (U 904 G)  
Proceeding: 2024 General Rate Case  
Application: A.22-05-015  
Exhibit: SCG-37-R

**REVISED**

**PREPARED DIRECT TESTIMONY OF**

**JACKIE L. ROBERTS**

**(MISCELLANEOUS REVENUES)**

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



**August 2022**

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Appendix A – Glossary of Terms

SoCalGas 2024 GRC Testimony Revision Log –August 2022

## **SUMMARY**

My testimony presents:

- A Test Year (TY) 2024 miscellaneous revenues forecast of \$117.427 million.
- A description of the components of miscellaneous revenues.
- A forecast for Third Party Pole Attachments, which is a new component when compared to the prior TY 2019 General Rate Case.

**PREPARED REVISED DIRECT TESTIMONY OF  
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**I. INTRODUCTION**

**A. Summary of Proposals**

I sponsor the TY 2024 calculations, presentations of costs, and proposals of the Miscellaneous Revenue area for Southern California Gas Company (SoCalGas). Table JLR-1 below summarizes, by Federal Energy Regulatory Commission (FERC) account, SoCalGas's miscellaneous revenues for recorded Base Year (BY) 2021 and proposed TY 2024 in thousands of dollars (\$000's).

**TABLE JLR-1  
Test Year 2024 Summary of Miscellaneous Revenues**

FERC Acct. – Description (\$ in 000's)	2021 Recorded (\$ in 000's)	2024 Test Year (\$ in 000's)	Net Change (\$ in 000's)
488 –Customer Service Revenues	25,385	25,696	311
493 – Rent from Gas Property	411	531	120
495 – Other Gas Revenues	74,086	91,201	17,115
Total	99,882	117,427	17,545

**B. Support To/From Other Witnesses**

The miscellaneous revenue forecast provides the basis for the forecasted and projected revenues associated with the Customer Services Field and Advance Meter Operations and Customer Services Office Operations testimonies, presented by Daniel Rendler (Ex. SCG-14) and Bernie Sides (Ex. SCG-15), respectively. This testimony also references the shared assets forecast as described in the Shared Services & Shared Assets Billing, Segmentation, & Capital Reassignments testimony of Angel Le (Ex. SCG-30), Cost Escalation testimony of Scott Wilder (Ex. SCG-36) and the Income Tax Component of Contributions-in-Aid-of-Construction in the Taxes testimony of Ragan Reeves (Ex. SCG-33).

**C. Organization of Testimony**

My testimony is organized as follows:

- Introduction;
- Overview of TY 2024 Forecast;

- Components of Miscellaneous Revenues;
- Conclusion.

## **II. OVERVIEW OF TY 2024 FORECAST**

Miscellaneous revenues are comprised of fees and revenues collected by the utility from non-rate sources for the provision of specific products or services. They include such revenues as Service Establishment Charges, commercial and residential parts services, and other gas-related services. Miscellaneous revenues are incorporated into rates as a reduction to the gas base margin revenue requirements charged to customers for utility service, thereby lowering rates.

For purposes of forecasting TY 2024 miscellaneous revenues, SoCalGas performed an item-by-item analysis of miscellaneous revenue accounts, including a review of historical recorded results and factors that could impact future results. The forecasts were developed using methodologies that reflect the drivers for each miscellaneous revenue item. For items that were significantly impacted by the COVID-19 pandemic, such as Late Payment Charges, 2020-21 revenues were excluded from the forecast calculation. For some items, such as Service Establishment Charges, where the charge is based on a per-customer basis, a customer growth factor was applied to adjust historical results to develop the TY 2024 forecast. In instances where recent factors have caused the multi-year results to no longer reflect a reasonable expectation of the future, SoCalGas used the most recent recorded year(s) to develop the forecast. In other cases, such as for rents from property, the forecast is based on executed lease agreements adjusted for applicable escalation clauses. Finally, for other miscellaneous revenue items not reflected in the categories described above, a forecasting methodology was applied to reflect the unique circumstances of the particular activity.

## **III. COMPONENTS OF MISCELLANEOUS REVENUES**

### **A. Customer Service Revenues – Account 488**

These revenues reflect fees collected by the Utility for Service Establishment Charges (SECs), Reconnection Charges, and other service-related fees.

1                                   **1.       Service Establishment Charges (\$ in 000's)**

<b>2021 Recorded</b>	<b>2024 Test Year</b>	<b>Net Change</b>
18,570	17,469	(1,101)

2           The currently authorized SEC fee is \$25 per customer, excluding electric generation and  
3 wholesale customers.<sup>1</sup> This fee is charged to establish service for a customer, except for electric  
4 generation and wholesale customers, whether the customer is new or current. Low-income  
5 customers who qualify for the California Public Utilities Commission (CPUC)-approved  
6 California Alternate Rates for Energy (CARE) program are charged \$10.00 for SEC.<sup>2</sup> The  
7 difference of \$15.00 per CARE customer service fee is recovered through the CARE portion of  
8 the Public Purpose Program (PPP) charge.

9           The TY 2024 forecast is based on the historical 2017 through 2021 trends, while  
10 adjusting for customer growth rate. As shown in the workpapers, the SEC revenue has declined  
11 by an average of 2.7% from 2017 to 2021.

12                                   **2.       AMI Opt-Out Fee (\$ in 000's)**

<b>2021 Recorded</b>	<b>2024 Test Year</b>	<b>Net Change</b>
37	56	19

13           For SoCalGas residential customers who wish to enroll in the Advanced Meter (AMI)  
14 Opt-Out program to opt-out of advanced meter service, the enrollment fee is \$75 for non-CARE  
15 customers or \$10 for CARE customers, followed by monthly fees of \$10 for non-CARE  
16 customers and \$5 for CARE customers.<sup>3</sup> The fee is applicable for a period of three years from  
17 the date the residential customer enrolls in the Residential AMI Opt-Out Program.<sup>4</sup> As detailed  
18 below, the 2024 Test Year forecast is based on the current count of customers that are enrolled in  
19 the program and the fees that remain to be charged, and the estimated count of new customers  
20 that may request to enroll with initial and monthly fees. There are approximately 9,600  
21 customers currently enrolled in the AMI Opt-Out Program. SoCalGas estimates 0.1% of these  
22 customers re-enroll after moving into a new residence, based on the 2019-2021 average. This  
23

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<sup>1</sup> SoCalGas Tariff Rule 10 at Sheet 1, Section A.

<sup>2</sup> *Id.*

<sup>3</sup> SoCalGas Schedule No. G-AMOP (Residential Advanced Meter Opt-Out Program) at Sheet 1.

<sup>4</sup> *Id.*

1 starts a new enrollment period, and SoCalGas can charge these customers for another three years.  
2 SoCalGas, therefore, estimates to have 8-10 new customers per month for the TY 2024 forecast  
3 to account for new customers enrolling in the AMI Opt-Out Program

4 **3. Reconnection Charge (\$ in 000's)**

2021 Recorded	2024 Test Year	Net Change
0	28	28

5 The reconnection charge is \$16 to re-establish service subsequent to the closing of a  
6 customer account for non-payment pursuant to SoCalGas's Commission-approved Tariff Rule  
7 10.<sup>5</sup> Additionally, SoCalGas may demand and collect unusual costs that will be more than \$16  
8 based on customers' actions or negligence.<sup>6</sup> However, SoCalGas stopped charging reconnection  
9 fees as of March 2020, for residential and non-residential customers in response to the COVID-  
10 19 pandemic.<sup>7</sup> Additionally, Decision (D.) 20-06-003, eliminated reconnection fees for  
11 residential accounts, effective June 11, 2020.<sup>8</sup> When disconnections re-commence, the  
12 reconnection fee will only be assessed for non-residential customers. The TY 2024 estimate is  
13 based on 2% of total 2019 reconnection charge, which was the historical share of non-residential  
14 accounts from the annual total.

15 **4. Residential Parts Program (\$ in 000's)**

2021 Recorded	2024 Test Year	Net Change
2,541	3,264	723

16 The Residential Parts Program provides limited parts replacement for residential-type gas  
17 appliances (such as ranges, water heaters, and space heaters). The parts replaced include such  
18 items as appliance connectors, shut-off valves, thermocouples, pilot tubing, and gas light  
19 mantles. SoCalGas does not promote part sales but offers to replace a part when the need is

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<sup>5</sup> SoCalGas Tariff Rule 10 at Sheet 1, Section B(1).

<sup>6</sup> *Id.* at Sheet 2, Section B(2).

<sup>7</sup> See Resolution M-4842 (suspending reconnection charges as of March 4, 2020); Resolution M-4849 (extending emergency customer protections through June 30, 2021); D.21-06-036 at 50 (Ordering Paragraph [OP] 1) (extending the moratorium on residential and small business customers until September 30, 2021); D.21-04-015 at 40-41 (OP 1) (adopting the temporary COVID-19 disconnection moratorium for medium-large commercial and industrial customers through the same length of time as the residential/small-business moratorium, including any extensions).

<sup>8</sup> D.20-06-003 at 148 (OP 16).

1 evident during an appliance service request. SoCalGas has used an average of the 2017 through  
 2 2019 revenue as the basis for its 2024 Test Year forecast because it best reflects a reasonable  
 3 estimate of the residential parts currently available for sale. Year 2020-21 Residential Parts  
 4 Program revenue was lower than previous years, likely due to the COVID-19 pandemic, and is  
 5 lower than SoCalGas expects for future years. This activity declined during the pandemic likely  
 6 as a result of fewer customer requests for home visits and reduced home-visit services during  
 7 some of this period. SoCalGas anticipates sales will return to pre-COVID levels by TY 2024.

8 **5. Commercial Parts Program (\$ in 000's)**

2021 Recorded	2024 Test Year	Net Change
2,864	3,556	692

9 The Commercial Parts Program provides parts replacement for food industry-type  
 10 appliances located in restaurants, hospitals, rest homes, sanitariums, schools, churches, and in-  
 11 plant food preparation facilities. These appliances include dishwashers, broilers, griddles, hot  
 12 food tables, ovens, braising pans, deep fat fryers, pressure fryers, steam cookers, and other  
 13 similar equipment. The parts offered to these customers include thermostats, connectors, and  
 14 control valves. The TY 2024 forecast is based on the three-year average of recorded Commercial  
 15 Parts Program revenue in 2017-2019. This forecast methodology best reflects a reasonable  
 16 estimate of the future annual revenues. Year 2020-21 Commercial Parts Program revenue was  
 17 lower than previous years, likely due to the COVID-19 pandemic. The bulk of this revenue is  
 18 related to the commercial industry, such as restaurants and other in-person businesses, and many  
 19 of these businesses in SoCalGas's service area were subject to closures or restrictions for parts of  
 20 2020 and 2021. As state and local COVID-related restrictions are lifted, SoCalGas expects the  
 21 commercial industry order volumes to return to pre-COVID levels.

22 **6. Connect Appliance Program (\$ in 000's)**

2021 Recorded	2024 Test Year	Net Change
170	170	0

23 The Connect Appliance Program provides, upon customer request, connection of new  
 24 and used portable appliances such as gas ranges, dryers, barbecues, and gas logs pursuant to  
 25 SoCalGas's Commission-approved Tariff Rule 10. The parts utilized to perform this service  
 26 include shut-off valves and connectors.

1 The TY 2024 forecast is based on 2021 recorded Connect Appliance revenues because of  
 2 a process change made in 2021 that affects how these orders are issued. In 2021, SoCalGas  
 3 changed its practice to de-couple appliance connect requests and new service orders. With the  
 4 new process, in situations where gas is already on, and thus the new service order can be handled  
 5 remotely, the appliance connect request receives its own Customer Service Order pursuant to  
 6 Tariff Rule 10. Thus, using 2021 recorded revenue best reflects a reasonable estimate of future  
 7 annual revenues, as it is the only full year using this new process.

8 **7. Natural Gas Vehicle (NGV) Maintenance (\$ in 000's)**

2021 Recorded	2024 Test Year	Net Change
63	70	7

9 SoCalGas receives revenues for providing maintenance services at customer-owned  
 10 natural gas vehicle (NGV) facilities. SoCalGas provides a comprehensive set of routine services,  
 11 for which customers pay a fixed monthly fee, depending on asset requirements. The service can  
 12 include the changing of oil and filters, minor mechanical adjustments, replacement of hoses, and  
 13 other vehicle maintenance related items. The TY 2024 estimate is based on the five-year  
 14 historical average (2017-2021). This is an established service with no significant changes and  
 15 negligible impact by the COVID-19 pandemic; therefore, averaging over a five-year period best  
 16 reflects a reasonable estimate for the future annual revenues.

17 **8. Late Payment Charges (\$ in 000's)**

2021 Recorded	2024 Test Year	Net Change
618	572	(46)

18 SoCalGas's Commission-authorized Tariff Rule 12, Rendering and Payment of Bills,  
 19 section E, includes a late-payment charge for non-residential accounts. The current Late Payment  
 20 Charge is 0.7%. The TY 2024 forecast reflects the three-year average recorded revenue (2017-  
 21 2019). Late payment charges were suspended for small businesses beginning in March 2020 due  
 22 to COVID-19 emergency customer protections.<sup>9</sup> As such, 2020 and 2021 were

<sup>9</sup> See Resolution M-4842 (suspending reconnection charges as of March 4, 2020); Resolution M-4849 (extending emergency customer protections through June 30, 2021); D.21-06-036 at 50 (Ordering Paragraph [OP] 1) (extending the moratorium on residential and small business customers until September 30, 2021); D.21-04-015 at 40-41 (OP 1) (adopting the temporary COVID-19 disconnection moratorium for medium-large commercial and industrial customers through the same length of time as the residential/small-business moratorium, including any extensions).

1 excluded from the forecast calculation. This is an established service with no significant  
2 changes in those years; therefore, averaging recorded revenue over a three-year period best  
3 reflects a reasonable estimate of the future annual revenues.

4 **9. Other Customer Service Revenues – Net (\$ in 000’s)**

2021 Recorded	2024 Test Year	Net Change
522	512	(10)

5 Other customer service revenues consist of miscellaneous programs including timed  
6 appointments, seismic and non-seismic restores, the seismic services program, and third-party  
7 pole attachments. The TY 2024 forecast for each of these accounts is as follows.

8 *Timed Appointments* – Customers may choose to pay a fee of \$25.00 for a specific time  
9 appointment when scheduling a service order.<sup>10</sup> SoCalGas experienced an 80% drop in requests  
10 for this service in 2020 and 2021, potentially correlated with the significant number of people  
11 working from home due to the COVID-19 pandemic. SoCalGas anticipates that many people  
12 will not return to the office five days a week post-COVID. Accordingly, for the TY 2024  
13 forecast, SoCalGas has estimated a 70% decrease from our 2017-2019 average.

14 *Revenue for Seismic Services* – Seismic services include a valve removal service if the  
15 valve is installed on the Utility’s facilities, and a gas restoration service.<sup>11</sup> The Utility will  
16 provide this service to customers in all classes, including residential, commercial, and industrial  
17 customers. Annual revenues for this activity have not varied significantly over the last five years.  
18 Accordingly, a five-year average forecast was used to account for normal fluctuation in this  
19 activity.

20 *Revenue for Seismic Restores* – This activity is to restore gas service after an accidental  
21 closure of an earthquake valve<sup>12</sup>. For example, the customer or gardener hits the gas meter with  
22 the lawnmower, which knocks the earthquake valve, and the customer has no gas. A five-year  
23 average was used to forecast this activity to account for normal year-to-year fluctuation.

24 SoCalGas does not anticipate any significant change in revenue for this activity.

<sup>10</sup> See SoCalGas Tariff Rule 10 at Sheet 2, Section C.

<sup>11</sup> See SoCalGas Tariff Rule 10 at Sheets 4-5, Section G.

<sup>12</sup> *Id.*

1 *Revenue for Non-Seismic Restores* – This activity is to restore gas service after a third  
2 party turns the gas off or when service is interrupted for the customer to make upgrades or  
3 changes to their system.<sup>13</sup> A five-year average was used to forecast this activity to account for  
4 normal year-to-year fluctuation. SoCalGas does not anticipate any significant change in revenue  
5 for this activity.

6 *Revenue for Third-Party Pole Attachments* - Pole attachment fees reflect charges received  
7 from communication infrastructure providers for the use of SoCalGas’s advanced meter poles,  
8 not including rights of way. The third-party pole attachment fees are \$780 per attachment for  
9 the 20-year term of the agreement. SoCalGas is a new entrant into the third-party pole  
10 attachment space and 2022 will be the first year it collects revenues from this activity.  
11 Accordingly, it is difficult to judge interest in the program at this time and SoCalGas’s forecast  
12 for this item is limited to requests it has already received for this service.

13 **B. Rent From Gas Property – Account 493**

14 **1. Rent from Property Used in Operations (\$ in 000’s)**

2021 Recorded	2024 Test Year	Net Change
411	531	120

15 SoCalGas receives rent from outside parties for use of utility-owned properties. The rent  
16 agreements are primarily for telecommunication equipment at existing SoCalGas communication  
17 sites. The TY 2024 forecast is based on the rents received from existing lease agreements and  
18 anticipated lease renewals, adjusted for applicable escalation clauses.

19 **C. Other Gas Revenue – Account 495**

20 **1. Shared Assets (\$ in 000’s)**

2021 Recorded	2024 Test Year	Net Change
53,267	70,109	16,842

21 Revenue from shared assets reflects the use of SoCalGas assets, primarily hardware,  
22 software, and communication equipment, by San Diego Gas & Electric Company (SDG&E) and  
23 Sempra Energy (Sempra) and its unregulated affiliates. The company that receives the majority  
24 of the benefit from a shared asset shall own such asset and bill other affiliates for its use.<sup>14</sup>

<sup>13</sup> *Id.*

<sup>14</sup> *See* Shared Services testimony of Paul Malin and Angel Le (Ex. SCG-30/SDG&E-34).

1 The shared assets miscellaneous revenue forecast for TY 2024 reflects the development  
2 of a revenue requirement associated with these assets, including depreciation, property taxes,  
3 federal and state income taxes, and a return on rate base. The portion of the shared asset costs  
4 allocated to SDG&E, Sempra, and its unregulated affiliates is based on methodologies used to  
5 measure utilization. For each type of shared asset, an assignment of a casual/beneficial  
6 relationship is determined (e.g., number of users, square footage, etc.). The asset is then allocated  
7 to affiliates based on their share of the benefit from that asset according to the applicable  
8 utilization methodology. More detailed information on the nature of the shared assets and the  
9 methodology used to allocate the charges between SDG&E, Sempra, and its unregulated  
10 affiliates, is presented in the testimony of Angel Le/Paul Malin (Ex. SCG-30/SDG&E-34). The  
11 amounts billed to the affiliates are recorded as SoCalGas miscellaneous revenue and are net of  
12 the billings to Sempra charged back to SoCalGas. Since these assets are established on  
13 SoCalGas's financial records, a significant revenue requirement is allocated back to SDG&E.

14 **2. Crude Oil Sales (\$ in 000's)**

<b>2021 Recorded</b>	<b>2024 Test Year</b>	<b>Net Change</b>
3,624	3,916	292

15 Crude oil sales represent the revenue from the sale of crude oil produced at SoCalGas's  
16 Aliso Canyon, Honor Rancho, and Playa Del Rey underground storage fields. Production volume  
17 forecasts are based on assumptions on the utilization of the fields' gas withdrawal capacities and  
18 anticipated work on production wells. The TY 2024 production volume forecast assumes similar  
19 levels of utilization of the storage fields as in 2021 and an oil production decrease of 3% per  
20 year.

21 The TY 2024 oil price forecast is based on the January 1, 2022 New  
22 York Mercantile Exchange (NYMEX) futures strip for West Texas Intermediate (WTI) crude oil,  
23 adjusted for the historical differentials between the benchmark WTI price and the effective price  
24 received at the various storage fields. The price varies by storage field because of the differences  
25 in the quality of oil.

26 The forecast includes administrative fee reimbursement for all costs and expenses  
27 incurred in the operation of the Playa del Rey storage field including, without limitation, lifting,  
28 reworking, and redrilling expenses, and improvement and maintenance of surface equipment

1 under agreement. This reimbursement is a feature of the oil production sharing agreement  
2 between SoCalGas and other entities.

3 **3. Returned Check Charge (\$ in 000's)**

2021 Recorded	2024 Test Year	Net Change
641	663	22

4 The Returned Check Charge is \$7.50 and is assessed to customers whose checks are  
5 returned for insufficient funds pursuant to SoCalGas's Commission-authorized Tariff Rule 12.  
6 The TY 2024 forecast is based on a five-year historical average (2017-2021). This forecast  
7 methodology utilizes the available historical data. This is an established convention with no  
8 significant changes; therefore, averaging recorded revenue over a five-year period best reflects a  
9 reasonable estimate of the future annual revenues.

10 **4. Income Tax Component of Contributions-in-Aid-of-Construction**  
11 **(\$ in 000's)**

2021 Recorded	2024 Test Year	Net Change
4,962	5,147	185

12 Income Tax Component of Contributions (ITCC) represents the tax gross-up for  
13 contributions-in-aid-of-construction (CIAC) which became taxable under the Tax Reform Act of  
14 1986. These tax gross-up amounts reflect the present value cost of tax paid upon receipt of  
15 CIAC, offset by the future tax benefits to be received through tax depreciation over the tax life of  
16 the constructed property. ITCC is included as a reduction to rate base and is amortized to  
17 miscellaneous revenue over the tax life of the constructed property as ordered in D.87-09-026.  
18 The 2024 forecast is based on the ongoing amortization of the ITCC collected from 1987 through  
19 2021 and the amortization of the forecasted ITCC to be collected from 2022-2024.

20 **5. Training Activity (\$ in 000's)**

2021 Recorded	2024 Test Year	Net Change
962	623	(339)

21 SoCalGas receives revenues for providing training, particularly welding training and  
22 welding re-certification/re-qualifying to various third-party companies/contractors and other  
23 utilities involved in such activities. The TY2024 forecast is based on a five-year average to  
24 account for normal fluctuation in revenue for this activity. This forecast methodology utilizes a  
25 five-year average of 2017-2021 to reflect a reasonable estimate of the future annual revenues.



1 efforts. Additionally, the cancellation of customers that were not able to be cancelled due to the  
2 COVID-19 emergency customer protections is applied in the second quarter of 2022.<sup>15</sup>

3 **7. Federal Energy Retrofit Program (FERP) (\$ in 000's)**

2021 Recorded	2024 Test Year	Net Change
455	113	(342)

4 SoCalGas currently performs project management under federal infrastructure  
5 improvement contracts.<sup>16</sup> The amount recorded to miscellaneous revenues pursuant to these  
6 contracts reflects the difference between the revenues collected from the government agencies  
7 less the costs incurred to perform the work. The TY 2024 forecast is based on the forecasted net  
8 revenue from a current Utility Energy Service Contract (UESC) and 2021 recorded  
9 revenues. For background, SoCalGas has executed two UESC contracts since September 2018.  
10 The work pursuant to one of the contracts has since been completed. SoCalGas is still  
11 performing work pursuant to the other contract, which was used to forecast the TY2024 revenue.

12 **8. Miscellaneous Other Gas Revenues (\$ in 000's)**

2021 Recorded	2024 Test Year	Net Change
693	725	32

13 Miscellaneous other gas revenues consist of items not reflected in any other  
14 miscellaneous revenue section and includes revenues from Geographic Services revenue, Gas  
15 Land Services Right of Way revenue, Aliso Canyon property revenue, and revenues from the  
16 South Coast Air Quality Management District (SCAQMD) Regional Clean Air Incentives  
17 Market (RECLAIM) credits. Forecasts for these revenues are based on available historical  
18 information for each activity as described below.

19 Geographic Services revenue is collected from miscellaneous customer map and service-  
20 related requests and customer will serve letters. These are builder services used in developer

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<sup>15</sup> See Resolution M-4842 (suspending reconnection charges as of March 4, 2020); Resolution M-4849 (extending emergency customer protections through June 30, 2021); D.21-06-036 at 50 (Ordering Paragraph [OP] 1) (extending the moratorium on residential and small business customers until September 30, 2021); D.21-04-015 at 40-41 (OP 1) (adopting the temporary COVID-19 disconnection moratorium for medium-large commercial and industrial customers through the same length of time as the residential/small-business moratorium, including any extensions).

<sup>16</sup> Pursuant to 42 U.S.C. § 8256, SoCalGas has entered into federal contracts to work with third parties to implement cost-effective energy and water conservation measures.

1 preconstruction activities. SoCalGas charges \$13.50/page per map and \$45 per letter upon  
2 request from a customer. This is an established service, and SoCalGas does not anticipate any  
3 significant change in revenue for this activity. A five-year average of 2017-2021 recorded  
4 revenue was used to forecast this activity.

5 Gas Land Services Right of Way revenue relates to revenue collected to process land  
6 right document requests from entities outside SoCalGas. These fees are established pursuant to  
7 Gas Standard 106.0022 Land & Right of Way Fee Rate Schedule in accordance with SoCalGas  
8 Tariff Rule No. 34 Provision of Utility Right-of-Way Information and range from \$300 to \$500  
9 per request. In cases where the request is for granting of permanent or temporary rights of way  
10 over Company property, the fair market value of the property rights granted to the outside party  
11 will be collected in addition to an administrative fee. SoCalGas used a four-year average of  
12 2017-2021 revenues, excluding 2020 revenues, which were unusually high due to the granting of  
13 a particular easement. This is an established service, and SoCalGas does not anticipate any  
14 significant change in revenue for this activity.

15 Aliso Canyon property revenues included in this account are revenues received through a  
16 joint use agreement with two oil extraction operators in and around the Aliso Canyon Storage  
17 Field: The Termo Company (Termo) and Crimson Resource Management (Crimson). These  
18 revenues stem from tank rentals, road access fees, and wastewater disposal operations. Tank  
19 rental and road access fees are fixed revenues, while water disposal revenues vary based on  
20 water volume. SoCalGas is planning to revise and update the agreements with Termo and  
21 Crimson in 2022; therefore, SoCalGas is expecting increased revenues for these areas in 2023  
22 and 2024.

23 Aliso Canyon RECLAIM Trading Credits revenues includes revenues collected from the  
24 sale of surplus NOx RECLAIM Trading Credits (RTC). The TY2024 forecast for this revenue  
25 includes some uncertainty because this program is planned to sunset on December 31, 2023.  
26 Therefore, the forecast includes SoCalGas's best estimate based on historical practices and  
27 anticipated RTC reconciliation of the final year of the program, which SoCalGas believes will  
28 take place in 2024. SoCalGas assumes that annual emissions for TY2024 will be approximately  
29 at 2021 levels. No change is expected in the number of annual RTC holdings for TY2024. 15%  
30 of the RTCs are kept by SoCalGas as contingency for any potential revisions to annual  
31 emissions. SoCalGas typically sells RTC's one to three months before the end of cycle, when

1 prices are lower (\$2-5). Because the program will sunset, the number of additional credits is  
2 anticipated to decrease and lead to higher demand. Therefore, SoCalGas assumes a price of \$5  
3 per RTC.

4 **9. Microwave Bandwidth Lease Revenue (\$ in 000's)**

2021 Recorded	2024 Test Year	Net Change
27	27	0

5 This revenue is for leasing excess capacity on the Company's microwave network to a  
6 third party (El Paso Energy). This lease has a right-to-terminate clause if the capacity is needed  
7 for internal use by SoCalGas. SoCalGas does not anticipate the need to exercise this termination  
8 clause. Costs for this area are static and SoCalGas anticipates no change or future revenue  
9 growth.

10 **10. Ownership Charges (\$ in 000's)**

2021 Recorded	2024 Test Year	Net Change
1,061	1,086	25

11 Ownership Charges are assessed in accordance with SoCalGas's Commission-approved  
12 Tariff Rules 20 and 21. This charge recovers the cost of operating and maintaining customer-  
13 financed facilities with an unrefunded balance. The Ownership Charge includes property taxes,  
14 Operation and Maintenance (O&M), Administrative and General (A&G), Franchise Fees and Un  
15 collectibles (FF&U), property insurance, and maintenance for 60 years at no additional cost. The  
16 monthly Ownership Charge is derived by applying the cost-of-ownership rate to the unrefunded  
17 refundable balance after the first thirty-six months from the date the facility becomes operational.  
18 The Ownership Charges are taken into consideration in deriving the refunds and the forfeitures at  
19 the end of the project life. In determining the TY 2024 forecast, SoCalGas used a rolling average  
20 of the 2021 recorded revenues and 2022-2023 forecasted revenues.

21 **IV. CONCLUSION**

22 This concludes my prepared direct testimony.

1 **V. WITNESS QUALIFICATIONS**

2 My name is Jackie L. Roberts. I am employed by SoCalGas as the Major Markets Credit,  
3 Collections and Compliance Manager. My business address is 555 West Fifth Street, Los  
4 Angeles, California 90013. My current responsibilities include credit risk management and  
5 contract compliance of SoCalGas's major markets accounts. I assumed my current position in  
6 June 2021.

7 I received a Bachelor of Arts degree in Economics from University of California Los  
8 Angeles.

9 I have been employed with SoCalGas and other Sempra companies since 2003. In  
10 addition to my current position, I have held other various positions at SoCalGas and SDG&E. I  
11 served as a Principal Analyst in SDG&E's Quantitative Risk and Major Markets Credit  
12 Department (2020-2021), a Principal Analyst in Major Markets Contracts, Credit and Collections  
13 Department (2006- 2020), a senior level business analyst in the Financial Planning Department  
14 (2006-2006) and a senior level analyst in Major Markets Credit and Collections Department  
15 (2003-2006).

16 I have not previously testified before this Commission.

**APPENDIX A**  
**GLOSSARY OF TERMS**

## APPENDIX A – GLOSSARY OF TERMS

A&G	Administrative and General
AMI	Advanced Metering Infrastructure
BY	Base Year
CARE	California Alternate Rates for Energy
CIAC	Contributions in Aid of Construction
CPUC	California Public Utilities Commission
Crimson	Crimson Resource Management
FERC	Federal Energy Regulatory Commission
FF&U	Franchise Fees and Un Collectibles
ITCC	Income Tax Component of Contributions
NGV	Natural Gas Vehicle
NYMEX	New York Mercantile Exchange
O&M	Operation and Maintenance
PPP	Public Purpose Program
RECLAIM	Regional Clean Air Incentives Market
RTC	RECLAIM Trading Credit
SCAQMD	South Coast Air Quality Management District
SEC	Service Establishment Charges
SDG&E	San Diego Gas & Electric Company
Termo	The Termo Company
TY	Test Year
UESC	Utility Energy Service Contract
WTI	West Texas Intermediate

**SoCalGas 2024 GRC Testimony Revision Log –August 2022**

<b>Exhibit</b>	<b>Witness</b>	<b>Page</b>	<b>Line or Table</b>	<b>Revision Detail</b>
SCG-37	Jackie L. Roberts	JLR-iii	N/A	Summary, Bullet Point 1: Updated the TY 2024 Miscellaneous Revenue Forecast Total from \$117.793 to \$117.427
SCG-37	Jackie L. Roberts	JLR-1	12	Table JLR-1: Updated 495 - Other Gas Revenues Total in TY2024 from “91,566” to “91,201”
SCG-37	Jackie L. Roberts	JLR-1	12	Table JLR-1: Updated 495 - Other Gas Revenues Net Change from “17,480” to “17,115”
SCG-37	Jackie L. Roberts	JLR-1	12	Table JLR-1: Updated the Total in TY2024 from “117,793” to “117,427”
SCG-37	Jackie L. Roberts	JLR-1	12	Table JLR-1: Updated the Total in Net Change from “17,911” to “17,545”
SCG-37	Jackie L. Roberts	JLR-8	20	Section C, Number 1. Shared Assets Table: Updated Shared Assets 2024 Test Year Total from “70,474” to “70,109”
SCG-37	Jackie L. Roberts	JLR-8	20	Section C, Number 1. Shared Assets Table: Updated Shared Assets Net Change Total from “17,207” to “16,842”