

Application of SOUTHERN CALIFORNIA GAS )  
COMPANY for authority to update its gas revenue )  
requirement and base rate effective January 1, 2008 )  
(U 904-G) )

Application No. 06-12-\_\_\_\_  
Exhibit No. (SCG-25) \_\_\_\_\_

PREPARED DIRECT TESTIMONY  
OF ALLISON F. SMITH  
ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

DECEMBER 2006

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**PREPARED DIRECT TESTIMONY**  
**OF ALLISON F. SMITH**  
**ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY**

**I. Purpose of Testimony**

The purpose of my testimony is to: (1) present a summary of the gas transportation revenue and rate changes that would result from Southern California Gas Company's (SoCalGas') proposals in this proceeding, and (2) present estimates of residential customer bill impacts.

**II. Summary of Present and Proposed Gas Transportation Revenues and Rates**

The following tables show current and proposed gas transportation revenues and rates by major customer class. SoCalGas' proposals in this proceeding would result in changes to total authorized base margin for transportation rates. The rates reflect the allocation of costs and ratemaking throughput based on SoCalGas' most recent Biennial Cost Allocation Proceeding, D. 00-04-060.

**TABLE SCG-AFS-1**

	06 Avg Rev w/o EP	08 Avg Rev	% Chg col B & C
A	B	C	D
	(M\$)	(M\$)	
<b><u>CORE</u></b>			
1 Residential	\$1,074,202	\$1,193,189	11.1%
2 Commercial & Industrial	\$221,529	\$246,625	11.3%
3 Core Average	\$1,298,118	\$1,442,218	11.1%
<b><u>NONCORE</u></b>			
4 Commercial & Industrial	\$95,504	\$103,065	7.9%
5 Sempra-Wide EG	\$130,322	\$139,050	6.7%
6 Noncore Average	\$225,826	\$242,116	7.2%
7 Wholesale Total	\$53,001	\$55,580	4.9%
8 SYSTEM TOTALS	\$1,613,762	\$1,781,117	10.4%

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TABLE SCG-AFS-2

		06 Avg Rate w/o EP	08 Avg Rate	% Chg col B & C
	A	B	C	D
		(\$/Th)	(\$/Th)	
	<b>CORE</b>			
1	Residential	\$0.42178	\$0.46850	11.1%
2	Commercial & Industrial	\$0.26542	\$0.29549	11.3%
3	Core Average	\$0.38194	\$0.42434	11.1%
	<b>NONCORE</b>			
4	Commercial & Industrial	\$0.06556	\$0.07075	7.9%
5	Sempra-Wide EG	\$0.04426	\$0.04723	6.7%
6	Noncore Average	\$0.05131	\$0.05501	7.2%
7	Wholesale Total	\$0.03180	\$0.03335	4.9%
8	<b>SYSTEM TOTALS</b>	<b>\$0.16982</b>	<b>\$0.18743</b>	<b>10.4%</b>

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3 **III. Residential Customer Bill Impacts**

4 The following table provides estimates of residential bundled customer average  
5 monthly gas bill for commodity and transportation. The average bill is based on a typical  
6 residential customer usage of 50 therms per month.

7 As shown on Table SCG-AFS-3, the bill amount for the typical customer that uses  
8 an average of 50 therms per month would increase by \$2.36 per month, or 3.9%.

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TABLE SCG-AFS-3

Customer Class	Typical Usage Therms	2006	2008	Change	Percent
Residential	50	\$60.55	\$62.90	\$2.36	3.9%

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This concludes my prepared direct testimony.

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**IV. Qualifications**

My name is Allison F. Smith. I am employed by the Southern California Gas Company (SoCalGas) as the Gas Rate Design Manager in the Regulatory Affairs Department for SoCalGas and San Diego Gas & Electric (SDG&E). My business address is 555 West Fifth Street, Los Angeles, California, 90013-1011.

I hold a Bachelor of Science degree in Mechanical Engineering from the University of California at Berkeley. I have been employed by SoCalGas since 1990, and have held positions of increasing responsibilities in the engineering, customer service, and regulatory affairs departments. I have been in my current position as Rate Design Manager since March 30, 2002. In my current position, I am responsible for developing cost allocation and rate design policies for both utilities.

I have previously testified before the Commission.

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