

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

Application No. 06-12-____
Exhibit No.: (SCG-21-WP)_____

WORKPAPERS TO
PREPARED DIRECT TESTIMONY
OF KENNETH J. DEREMER
ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

DECEMBER 2006

SoCalGas
Test Year 2008 General Rate Case
Miscellaneous Revenues Workpapers

PUC Account: 488
Account Name: Misc. Service Revenues

Witness: Ken Deremer

A. Account Description: # 1 Service Establishment Charge

The Service Establishment Charge is \$25.00 for all customers, except electric generation and wholesale customers, to establish gas service pursuant to SoCalGas Tariff Rule No. 10.

B. Forecast Methodology

The service establishment revenue estimate is based on the five-year historical average (2001-2005) adjusted for annual customer growth factors for the period 2006-2008. Additional information on service turn-on orders is contained in Section IV.E.1 of Pat Petersilia's testimony.

Recorded (\$000)	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>5 YR AVG</u>
	23,267	23,606	24,564	25,174	25,266	24,375
Forecast Growth Rate		<u>2006</u>	<u>2007</u>	<u>2008</u>		
		1.21%	1.24%	1.27%		
FORECAST = 5 Year Avg x Growth Rate		24,670	24,976	25,293		

C. Summary of Results

Line	Miscellaneous Revenues	Total (\$000)
1.	2005 Recorded	25,266
2.	2006 Estimated	24,670
3.	2007 Estimated	24,976
4.	2008 Test Year	25,293

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PUC Account: 488
Account Name: Misc. Service Revenues

Witness: Ken Deremer

A. Account Description: # 2 Reconnection Charge

The Reconnection Charge is \$16.00 to re-establish service subsequent to the closing of a customer account for non-payment pursuant to SoCalGas Tariff Schedule/Rule 10.

B. Forecast Methodology

The 2008 estimate is based on the five-year historical average (2001-2005) adjusted for the annual growth rates for non-pay turn-on orders for the period 2006-2008.

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>5 YR AVG</u>
Recorded (\$000)	1,576	1,530	1,708	1,735	1,741	1,658
Forecast Growth Rate of Non-Pay T/on Orders		<u>2006</u>	<u>2007</u>	<u>2008</u>		
		-1.16%	1.40%	1.40%		
FORECAST = 5 Year Avg x Growth Rate		1,639	1,662	1,685		

C. Summary of Results

Line	Miscellaneous Revenues	Total (\$000)
1.	2005 Recorded	1,741
2.	2006 Estimated	1,639
3.	2007 Estimated	1,662
4.	2008 Test Year	1,685

SoCalGas
Test Year 2008 General Rate Case
Miscellaneous Revenues Workpapers

PUC Account: 488
Account Name: Misc. Service Revenues

Witness: Ken Deremer

A. Account Description: # 3 Residential Parts Program

The Residential Parts Program provides limited parts replacement for residential-type gas appliances (such as ranges, water heaters, and space heaters).

B. Forecast Methodology

The 2008 forecast is based on the 2005 recorded amount adjusted for the annual customer growth factors for the period 2006-2008.

	<u>2005</u>		
Recorded (\$000)	1,400		
	<u>2006</u>	<u>2007</u>	<u>2008</u>
Forecast Growth Rate	1.21%	1.24%	1.27%
FORECAST = 5 Year Avg x Growth Rate	1,417	1,435	1,453

C. Summary of Results

Line	Miscellaneous Revenues	Total (\$000)
1.	2005 Recorded	1,400
2.	2006 Estimated	1,417
3.	2007 Estimated	1,435
4.	2008 Test Year	1,453

SoCalGas
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Miscellaneous Revenues Workpapers

PUC Account: 488
Account Name: Misc. Service Revenues

Witness: Ken Deremer

A. Account Description: # 4 Commercial Parts Program

The Commercial Parts Program provides parts replacement on food industry-type appliances located in restaurants, hospitals, rest homes, sanitariums, schools, churches, and in-plant food preparation facilities.

B. Forecast Methodology

The 2008 forecast is based on the 2005 recorded amount adjusted for the annual customer growth factors for the period 2006-2008.

	<u>2005</u>		
Recorded (\$000)	2,537		
	<u>2006</u>	<u>2007</u>	<u>2008</u>
Forecast Growth Rate	1.21%	1.24%	1.27%
FORECAST = 5 Year Avg x Growth Rate	2,567	2,599	2,632

C. Summary of Results

Line	Miscellaneous Revenues	Total (\$000)
1.	2005 Recorded	2,537
2.	2006 Estimated	2,567
3.	2007 Estimated	2,599
4.	2008 Test Year	2,632

SoCalGas
Test Year 2008 General Rate Case
Miscellaneous Revenues Workpapers

PUC Account: 488
Account Name: Misc. Service Revenues

Witness: Ken Deremer

A. Account Description: # 5 Connect Appliance Program

Connect Appliance Program provides upon customer request for the connection of new and used portable appliances such as gas ranges, dryers, and barbecues pursuant to SoCalGas Tariff Rule No. 10.

B. Forecast Methodology

The 2008 forecast is based on the 2005 recorded amount adjusted for the annual customer growth factors for the period 2006-2008.

Recorded (\$000)	<u>2005</u>		
	358		
Forecast Growth Rate	<u>2006</u>	<u>2007</u>	<u>2008</u>
	1.21%	1.24%	1.27%
FORECAST = 5 Year Avg x Growth Rate	362	367	371

C. Summary of Results

Line	Miscellaneous Revenues	Total (\$000)
1.	2005 Recorded	358
2.	2006 Estimated	362
3.	2007 Estimated	367
4.	2008 Test Year	371

SoCalGas
Test Year 2008 General Rate Case
Miscellaneous Revenues Workpapers

PUC Account: 488
Account Name: Misc. Service Revenues

Witness: Ken Deremer

A. Account Description: # 6 Natural Gas Vehicle (NGV) Maintenance

SoCalGas receives revenues for providing maintenance services at customer owned NGV facilities.

B. Forecast Methodology

The 2008 estimate are based on 2005 recorded results.

C. Summary of Results

Line	Miscellaneous Revenues	Total (\$000)
1.	2005 Recorded	233
2.	2006 Estimated	233
3.	2007 Estimated	233
4.	2008 Test Year	233

SoCalGas
Test Year 2008 General Rate Case
Miscellaneous Revenues Workpapers

PUC Account: 488
Account Name: Misc. Service Revenues

Witness: Ken Deremer

A. Account Description: # 7 Pipeline Services

Pipeline services revenues are received for providing installation and maintenance of gas facilities primarily for commercial customers, school districts, cities, and counties.

B. Forecast Methodology

The 2008 estimate is based on 2005 recorded results.

C. Summary of Results

Line	Miscellaneous Revenues	Total (\$000)
1.	2005 Recorded	422
2.	2006 Estimated	424
3.	2007 Estimated	424
4.	2008 Test Year	424

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PUC Account: 488
Account Name: Misc. Service Revenues

Witness: Ken Deremer

A. Account Description: # 8 Late Payment Charges

In D.04-12-015, the Commission adopted a Settlement Agreement in the revenue requirement phase of SoCalGas' 2004 Cost of Service. The Settlement Agreement adopted SoCalGas' proposal for a late payment charge for non-residential customers. The monthly charge is equal to 1/12 of SoCalGas' authorized rate of return on rate base applied to the unpaid balance.

B. Forecast Methodology

The 2008 forecast reflects the average monthly recorded data from January 1, 2006 through May 31, 2006 adjusted for the seasonal effects for June through December 2006, multiplied by the sales growth factors for 2007 and 2008.

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Recorded Revenues (\$000) YTD - May 2006 (a)	249		
Percent of projected sales YTD - May 2006 (b)	39%		
Forecast for 2006 = (a)/(b)	638		
Projected Sales Growth (Gas Demand Forecast)		0.32%	2.40%
Forecast		641	655

C. Summary of Results

Line	Miscellaneous Revenues	Total (\$000)
1.	2005 Recorded	-
2.	2006 Estimated	638
3.	2007 Estimated	641
4.	2008 Test Year	655

SoCalGas
Test Year 2008 General Rate Case
Miscellaneous Revenues Workpapers

PUC Account: 488
Account Name: Misc. Service Revenues

Witness: Ken Deremer

A. Account Description: # 9 Other Customer Service Revenues

Other Customer Service Revenues consist of miscellaneous programs, including customer air quality and environmental programs, demonstration projects, timed appointments, and other service offerings.

B. Forecast Methodology

The 2008 forecast is based on primarily 2005 recorded results.

2008 Forecast	
(\$000)	
Customer Solutions (Air Quality)	\$ 50
Demonstration Projects	50
Long Beach Service Offerings	20
Timed Appointments	36
	\$ 156

C. Summary of Results

Line	Miscellaneous Revenues	Total (\$000)
1.	2005 Recorded	153
2.	2006 Estimated	143
3.	2007 Estimated	155
4.	2008 Test Year	156

