

Application: A.25-02-XXX  
Exhibit No.: SDG&E-04  
Witness: M. Schmidt-Pines

Application of San Diego Gas & Electric Company  
(U 902 G) to Recover Costs Recorded in the  
Transmission Integrity Management Program  
Balancing Account from January 1, 2019 to  
December 31, 2023.

A.25-02-XXX

**CHAPTER IV**

**PREPARED DIRECT TESTIMONY OF**

**MARJORIE SCHMIDT-PINES**

**(RATES)**

**ON BEHALF OF SAN DIEGO GAS AND ELECTRIC COMPANY**

**BEFORE THE PUBLIC UTILITIES COMMISSION**

**OF THE STATE OF CALIFORNIA**

February 27, 2025

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**CHAPTER IV**  
**PREPARED DIRECT TESTIMONY OF MARJORIE SCHMIDT-PINES**  
**(RATES)**

**I. PURPOSE AND OVERVIEW OF TESTIMONY**

The purpose of my prepared direct testimony on behalf of San Diego Gas & Electric Company (SDG&E) is to describe the cost allocation method for the Transmission Integrity Management Program Balancing Account (TIMPBA) of SDG&E, as provided in Commission Resolution G-3499 and Cost Allocation Proceeding (CAP), Decision (D.) 24-07-009, and to present the Backbone Transportation Service (BTS) and Residential bundled rate and bill impacts that would result from the amortization of the balance in the TIMPBA.

**II. GAS RATE AND BILL IMPACTS**

Pursuant to Commission Resolution G-3499, as SDG&E and Southern California Gas Company (SoCalGas) have an integrated transmission system and rate recovery mechanism, SDG&E proposes to recover the under collected balance of the TIMPBA based on a functionalized allocation of transmission-related costs adopted in SDG&E's most recent Cost Allocation Proceeding (CAP), Decision (D.) 24-07-009. The SDG&E TIMPBA under-collection balance of \$7.4 million (without Franchise Fees & Uncollectibles (FF&U)) is being allocated to SoCalGas's BTS due to the integrated nature of the SDG&E and SoCalGas transmission systems and rate recovery mechanisms. The BTS rate is for transportation service from receipt points to SoCalGas City Gate.

As identified in D.24-07-009,<sup>1</sup> SDG&E's transmission pipelines exist on the BTS. Therefore, SDG&E's under-collected TIMPBA balance is 100% allocated to the BTS rates. SoCalGas and SDG&E customers pay the BTS rate to transport gas through the backbone transmission system from any receipt point to the SoCalGas Citygate. From there, SoCalGas and SDG&E customers may then deliver gas to their end-use account at the appropriate "Citygate-to-meter" transportation rate. SoCalGas and SDG&E customers can also purchase gas at the Citygate without directly purchasing backbone capacity. Table MSP-1 provides the illustrative BTS rate impact. The rates shown assume the actual revenue requirement of \$7.4 million, without FF&U, provided in the Prepared Direct Testimony of Eric Dalton (Chapter III).

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<sup>1</sup> D.24-07-009 at 6.

**Table MSP-1**  
**Illustrative BTS Rates (\$/dth/day)**

	<b>Present Rates<sup>2</sup></b>	<b>Proposed Rates</b>	<b>Increase (decrease)</b>	<b>% change</b>
Backbone Transmission Service (BTS)	\$0.73303	\$0.74160	\$0.00858	1.2%

Customers who directly purchase firm BTS capacity from SoCalGas will be impacted by a higher BTS rate as shown in Table MSP-1. However, most end-use customers do not directly pay the BTS rate. SoCalGas and SDG&E core customers indirectly pay for BTS through the core procurement tariff. Core Aggregation Transportation and noncore customers who procure their gas commodity from a marketer or at the Citygate indirectly pay for BTS. Since these customers' transportation (i.e., Citygate-to-meter) rates are not impacted by this Application, an alternative method of illustrating the rate impact of SDG&E's TIMPBA under-collection is to observe bundled rate impacts that include a proxy gas commodity price. The BTS rate impact from Table MSP-1 of \$0.00858 per decatherm (converted to \$0.000858 per therm for Tables MSP-2 and MSP-3) is added to bundled rates to approximate the impact of the under-collection. Illustrative residential bundled rate<sup>3</sup> impacts, including BTS impacts, are shown in Table MSP-2 and Table MSP-3 below.

**Table MSP- 2**  
**Bundled Residential Rate Impacts SDG&E**

	<b>Present Rates</b>	<b>Proposed Rates</b>	<b>Change</b>	
Gas Procurement (including BTS)	\$0.478	\$0.479	\$0.001	0.2%
Transportation Class Average (CA) Rate	\$2.137	\$2.137	\$0.000	0.0%
Residential Public Purpose Program Surcharge (PPPS)	\$0.115	\$0.115	\$0.000	0.0%
Total (\$/th)	\$2.731	\$2.732	\$0.001	0.0%

**Table MSP-3**  
**Bundled Residential Rate Impacts SoCalGas**

	<b>Present Rates</b>	<b>Proposed Rates</b>	<b>Change</b>
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<sup>2</sup> Present rates are as of February 1, 2025.

<sup>3</sup> Rates include Franchise Fees and Uncollectibles (FF&U). The gas procurement tariff and transportation rate used in calculating Residential class average bill is from SDG&E's Advice Letters 3392-G-A and 3358-G, and SoCalGas Advice Letters 6430-G-A and 6393-G.

Gas Procurement (including BTS)	\$0.475	\$0.476	\$0.001	0.2%
Transportation Class Average (CA) Rate	\$1.479	\$1.479	\$0.000	0.0%
Residential Public Purpose Program Surcharge (PPPS)	\$0.119	\$0.119	\$0.000	0.0%
Total (\$/th)	\$2.073	\$2.074	\$0.001	0.0%

As shown in Table MSP-4 below, the SDG&E bill amount for the average residential customer that uses an average of 25 therms per month would increase by \$0.02 or 0.03% to \$68.07 per month, from a current monthly bill of \$68.09. Table MSP-4 provides an estimate of an SDG&E residential bundled Non-California Alternate Rates for Energy (Non-CARE) average customer monthly gas bill for commodity and transportation costs. Table MSP-5 provides an estimate of a SoCalGas residential bundled Non-CARE average customer monthly gas bill for commodity and transportation costs.

**Table MSP-4**  
**SDG&E Non-CARE Bill Impact**

Typical Usage	Average Monthly Bill		Change	
	Present	Proposed	\$	%
25 therms	\$68.07	\$68.09	\$0.02	0.03%

**Table MSP-5**  
**SoCalGas Non-CARE Bill Impact**

Typical Usage	Average Monthly Bill		Change	
	Present	Proposed	\$	%
37 therms	\$75.82	\$75.85	\$0.03	0.04%

This concludes my prepared direct testimony.

1     **III.     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, Gas Rates team for SoCalGas and SDG&E as  
5 of December 2017. I joined the Gas Rates team in September 2009 as Principal Regulatory  
6 Economic Advisor.

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

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

20             I have previously testified before the Commission.