

A.08-09-023
SOUTHERN CALIFORNIA GAS COMPANY ADVANCED METERING INFRASTRUCTURE
SUMMARY OF MARCH 6, 2009 ERRATA

In 2008 Direct \$millions
(unloaded, unescalated, untaxed, undiscounted)

Workpaper	Witness	Testimony Chapter	Category	Years 2009 - 2034			PVRR Impact	Description of Significant Items of Impact
				As Filed	Errata	Change		
Customer Service Field	Mark L. Serrano	III	Benefit	272.5	308.9	36.5		SoCalGas erred in not including benefits for customer service field expenses that were authorized in the Test Year 2008 General Rate Case (GRC) and eliminated as a result of AMI. The benefits that were excluded in error and are reflected in errata are additional service orders, meetings and training, and some miscellaneous non-labor expenses such as uniforms and small tools (FERC Account 184.4). In addition, a correction was made to the percent applied to derive vehicle costs, which after correcting, now accounts for 100% of vehicle benefits.
	Mark L. Serrano	III	Cost	112.1	64.7	(47.3)		A correction of multiple errors resulting in a reduction in incremental costs in customer services field is primarily related to a correction of the double counting of off-premise time and a 27% reduction in the request for incremental funding for meter inspection activities that are already recovered in the general rate case. Also, a correction to the percent applied to derive vehicle costs and two spreadsheet errors were corrected.
							(46.5)	
Project Management Office	Mark L. Serrano	III	Cost	1.8	9.8	8.0		Some project management costs that were included in the vendor pricing proposal used to derive the costs in SoCalGas AMI business case were omitted in error. Those costs have been included in errata. Also, the postage rate used to calculate the costs of customer notification letters was incorrect as filed and has been corrected.
	Michael W. Foster	VII	Cost/Benefit		NA			Sales tax was misapplied to some non-labor expenses in the PMO office. SoCalGas has corrected this error.
							7.9	
Billing	Mark L. Serrano	III	Benefit	53.0	56.5	3.5		The calculation for the working capital benefits associated with on-cycle bills, closing bills and summary billings was not consistently applied as filed. This error has been corrected. Also, the postage rate used to calculate the avoided costs of rebillings due to misreads was wrong and has been corrected.
	Mark L. Serrano	III	Cost	4.2	3.4	(0.8)		SoCalGas included the costs associated with meter read errors that would be generated as a result of manually reading all meters every three years as required per SoCalGas Tariff Rule No. 31. In conjunction with the AMI filing, SoCalGas is requesting Commission approval to eliminate this requirement and as a result, SoCalGas should not have included costs associated with the three-year manual read. This error has been corrected for errata.
	Michael W. Foster	VII	Benefit		NA			SoCalGas incorrectly applied sales tax to some non-labor expenses. This error has been corrected.
							(4.0)	
Meter Reading	Mark L. Serrano	III	Benefit	1.9	1.8	(0.1)		SoCalGas incorrectly recorded benefits for part-time meter readers in post deployment years 2016 through 2034. SoCalGas assumes absent AMI, there will be a conversion to a full-time meter reading workforce by 2016 therefore there would be no part-time benefits to record for the period of 2016 through 2034. This error was corrected in errata.
	Michael W. Foster	VII	Benefit		NA			Sales tax and non-labor escalation was misapplied to some expenses in the meter reading area. These errors have been corrected.
							0.3	
Information Technology	Christopher R. Olmsted	IV	Cost	4.9	9.9	5.0		Two spreadsheet errors were identified and corrected for errata on the Information Technology cost worksheets.
	Michael W. Foster	VII	Benefit		NA			SoCalGas incorrectly applied sales tax and non-labor escalation to some expenses. This was corrected in errata.
							0.8	
Deployment	Mark L. Serrano	III	Cost	35.1	25.3	(22.1)		Technology vendors responding to the SoCalGas Request for Proposal included in their bids a five-year warranty on failed modules, hardware only. SoCalGas incorrectly included those costs in their business case as filed. This error has been corrected and the associated reduction in failed module costs are included in errata.

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	Mark L. Serrano	III	Cost	80.5	68.2	(12.3)		Spreadsheet errors were identified in the Vendor Cost Comparison document that was used to derive the per module field retrofit costs that were used in the business case as filed. These errors have been corrected and the associated reduction in costs are reflected in errata.
	Christopher R. Olmsted	IV	Cost	27.2	35.2	8.1		SoCalGas found a spreadsheet linking error and a formula error in the worksheet used to derive the AMI network costs. These errors have been corrected in errata.
	Michael W. Foster	VII	Benefit		NA		(12.2)	Sales tax was misapplied to a non-labor expense. This error has been corrected.
Other	Mark L. Serrano	III	Cost	9.9	9.7	(0.2)		The order count used to derive the costs of customer mailings that are generated as a direct result of the reduction in customer service field orders were incorrect. The order count has been corrected and the associated change of costs are included in errata.
	Michael W. Foster	VII	Cost		NA		0.3	Sales tax was misapplied to some non-labor expense. These errors have been corrected.
Sales Tax	Michael W. Foster	VII			NA		2.2	The sales tax rate used in SoCalGas' business case was incorrect. The rate was changed from 7.75% to 8.25% and the results of this correction are reflected in errata.
Contingency	Edward Fong	II	Cost	99.1	98.1	(1.0)	(0.4)	The change in contingency costs are directly related to all of the corrections made in the business case.
Terminal Value	Edward Fong	II	Benefit	503.1	249.9	(253)	29.0	SoCalGas erroneously double counted the terminal value benefit. In addition, the meter counts used to derive the terminal value benefit were not aligned with the meter counts used in the business case. These errors have been corrected. As with contingency, the terminal value benefit also changed as the direct effect of the other corrections made in errata.
Self Developed SW Tax	Michael W. Foster	VII			NA		16.9	SoCalGas corrected the omission of income tax associated with the recovery of book depreciation for self-developed software which was done in error.
Summary of Changes								
Benefit				830.5	617.1	(213.4)		
Cost				374.7	324.4	(50.3)		
PVRR							(5.8)	
As Filed PVRR							(13.2)	
Errata PVRR							(19.0)	