**TURN DATA REQUEST**
**TURN-SCG-DR-19**
**SOCALGAS 2012 GRC – A.10-12-006**
**SOCALGAS RESPONSE**
**DATE RECEIVED: JULY 20, 2011**
**DATE RESPONDED: AUGUST 3, 2011**

1. Following up on TURN DR 14-8d, TURN is aware that "SoCalGas' forecast of non-residential late payment charge revenues for 2012 is based on a four-year average of total Late Payment Charge revenues." TURN asked a different question, which is as follows, "Please provide SoCal's forecast of non-residential revenues in 2012 by class assuming its rate case proposal is adopted." Please answer the question that TURN posed in DR 14-8d, notwithstanding the fact that SoCal does not forecast its late payment charges using the parameter which TURN requested in its original data request.

**SoCalGas Response:**

TURN Data Request 14, Question 8 related specifically to Late Payment Revenues. Specifically, subsection d. of Question 8, as TURN references above, requested SoCalGas' forecast of these "revenues in 2012 by class assuming its rate proposal is adopted". To further clarify its response to TURN Data Request 14, Question 8 d, because the forecast of non-residential late payment charge revenues is based on a four-year average of total Late Payment Charge revenues, a forecast by class for these revenues does not exist. The forecast of Late Payment Charges is not segregated by customer class.

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2. Following up on TURN DR 14-10:
   a. Please provide a specific forecast for 2010, 2011, and 2012 revenues for each of the four categories of revenues; break out "Gas Company Towers" from the "Rent from Property Used in Oper" category.
   b. Please provide recorded revenues for 2010 for each of the four categories of revenues; break out "Gas Company Towers" from the "Rent from Property Used in Oper" category.
   c. What are the escalation factors to 2012 for each of the leases listed in the response to DR 14-10f where the tenant "will likely exercise" option or has exercised the option.
   d. Please identify any additional properties that SoCal has not previously identified in its workpapers that have been or are currently in process for being rented or leased in 2012; identify the property, the entity leasing the property, and expected 2012 rent.

**SoCalGas Response:**

a.

| | 2010 | 2011 | 2012 |
|---|---|---|---|
| Rent from Property Used in Oper | 0 | 0 | 0 |
| Gas Company Tower | 2694 | 2305 | 0 |
| Goleta Lease Fees | 38 | 39 | 8 |
| Aliso Rental for Telecom Sites | 46 | 18 | 19 |
| Rents for Prop Use - Non-tariff Gas | 592 | 603 | 559 |
| Total | 3371 | 2965 | 586 |

b.

| | 2010 |
|---|---|
| Rent from Property Used in Oper | 0 |
| Gas Company Tower | 1695 |
| Goleta Lease Fees | 56 |
| Aliso Rental for Telecom Sites | 182 |
| Rents for Prop Use - Non-tariff Gas | 216 |
| Total | 2150 |

c. 652 L1 – Tujunga Washington R/W N. Basin Lease – Vulcan Materials Company c/o CalMat Division - Escalation based on the Consumer Price Index (CPI).

   805 L3 – Goleta Storage Field – Goleta Station RadioAntennae Lease – Lazer Broadcasting Co. - 4% escalation;

   550 L3 – Aliso Canyon – Santa Susanna Oat Mtn. Lease – County of Los Angeles - 4% escalation;

   550 L15 – Aliso Canyon – Oat Mtn. Site Lease – Janes A. Kay Jr. dba Communication Relay, LLC - Escalation based on CPI.

d. 1002 L2 - Wheeler Ridge Compressor Station. Leased by Vintage Production California, LLC. Expected 2012 rent $2,500.

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3. Regarding crude oil revenues and following up on TURN DR 14-11:
   a. Following up on TURN DR 14-11b, please explain why SoCal chose the date of August 13, 2009 as the date on which it chose to forecast the oil price used in its crude oil revenue forecast for the 2012 rate case. Who made the decision to choose that date, and when was the decision made?
   b. Has SCG Storage Operations subsequently produced any later analyses of oil and natural gas prices than August 13, 2009 similar to that provided in TURN DR 14-11b. If so, identify them and provide copies of them.
   c. Does SoCal have available to it a time series of WTI futures prices for the year 2011 and 2012 (i.e., prices on a daily, weekly, or monthly basis). If so, please provide them.
   d. In the response to TURN DR 14-11g and h, SoCal states that the PEOC contract "provides for a fixed per barrel lifting fee that escalates each year by the Producer Price Index". Please explain why SoCal claims to have forecast a fixed fee of \$3.72 in nominal dollars in each year from 2009-2012 with no escalation, and the actual fixed fee (dividing revenue by barrels of oil) was \$3.77 in each year from 2010-2012 with no escalation.
   e. In the response to TURN DR 14-11f, SoCal stated that there were no workpapers related to the trending of oil volumes over time. Please explain how/why SoCal trended oil volumes and oil revenues over time.
   f. Please derive the -6.0%, -6.0%, and -7.1% forecast growth rates in oil revenues contained in TJC-WP-2.

**SoCalGas Response:**

a. SoCalGas periodically updates its oil price forecast. The forecast of August 13, 2009 was the most current oil revenue forecast available in order to meet the General Rate Case preparation schedule for submittal of the Notice of Intent (NOI) in fall of 2010. SoCalGas' Storage Operations department provided a 5 year forecast of oil revenues (volumes and prices) in late 2009.

b. Attached are pricing forecasts prepared subsequent from August 13, 2009.

Gas Storage Engineering Pricin...

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**Response to Question 3 (Continued)**

c. SoCalGas Storage Operations does not subscribe or have access to any data service for WTI futures prices. Storage Operations accesses data available online to the public.

d. The original work-papers submitted showed forecasted PEOC revenue using $3.72 per barrel. Work papers have not been updated to show a revision to the forecast rate of $3.77 that TURN references.

e. SoCalGas relied heavily on historical data to forecast the trending of oil volumes over time. In addition to historical data, SoCalGas' storage operations group utilized both business and engineering judgment to make a final determination of the forecast.

f. The reference to Forecast Growth Rate contained in TJC-WP-2 is incorrect and does not relate to Crude Oil Sales. Sheet TJC-WP-26 also references this growth rate, which is unnecessary information unrelated to the derivation of the Crude Oil Sales forecast. The source for the Crude Oil Sales forecast can be found in TJC-WP-27.