ORA DATA REQUEST
ORA-SCG-DR-011-DAO
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE
DATE RECEIVED: NOVEMBER 24, 2014
DATE RESPONDED: DECEMBER 11, 2014

Exhibit Reference: SCG-4, Capital Workpapers, Meters and Regulators

Subject: Witness Rose-Marie Payan's Customer Forecast as Used by SoCalGas' Gas Distribution Witness

Please provide the following:

1. On page 13 of the workpapers of exhibit SCG-4, SoCalGas shows the projected meter set installations for 2014-2016 under column "I". Under the assumptions for this supplemental work paper, SCG-FBA-CAP-SUP-001, SoCalGas refers to the workpapers of witness Rose-Marie Payan for the new meter set forecast methodology.
   Please provide step by step calculations showing how SoCalGas derived the 2014-2016 projected meter set installations and identify specific data/information taken from witness Payan's testimony and used to develop the 2014-2016 projected meter set installations.

SoCalGas Response:

The following equation forms the basis for the estimation of SoCalGas' newest forecast.

(1) Net Change in Connected Meters = Newsets + Resets – Removes

Solving the equation for newsets and rearranging the equation yields:

(2) Newsets = Net Change in Connected Meters – Resets + Removes

The "Net Change in Connected Meters" originates from the connected meter forecast. The derivation of the connected meter forecast is referenced in the Workpapers of SCG witness Rose Marie Payan (see SCG-30-RMP-WP.pdf).

The forecast for the series named Removes is estimated by applying a factor to the forecast of the total connected meter count. The factor takes a value of .0001. The factor is derived as the 3 year, quarterly historical share of removes as a fraction of the total connected meters.
Removes= .0001*(Total Connected Meters)

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Response to Question 1 (Continued):

The forecast for the series named Resets is estimated by a regression equation that explains how resets vary as removes vary and as the seasons vary. The fitted equation from the estimation is shown below. The standard errors are referenced below the parameter estimates.

Resets= 603.7455 + .3635 Removes - 215.6292 D2 -270.1849 D3
(186.94) (.0708) (65.57) (63.50)

Where:
D2= 1 if Quarter = 2nd Quarter
D2=0 if Quarter = 1st, 3rd, or 4th Quarter
D3=1 if Quarter = 3rd Quarter
D3=0 if Quarter= 1st, 2nd, or 4th Quarter

The historical data for resets, removes and newsets were obtained from SoCalGas' operational data monthly reports.

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2. Referring to supplemental workpapers SCG-FBA-CAP-SUP-009 on page 171 of the workpapers, please explain how SoCalGas derived the New Business (NB) forecast growth factor as shown in column "I" of Table 2: Forecasted Meters. Please provide a copy of all documents and/or calculations used to derive the factors of each year from 2014-2016.

SoCalGas Response:

The calculation for the New Business (NB) Forecast Growth Factor is the percentage change in the new business meter sets forecasted for each year. For example, the NB Forecast Growth Factor for 2014 is the percent change in the new business meter sets from 2013 to 2014:

2014 NB Forecast Growth Factor
= [(2014 NB Meter Set Forecast) – (2013 NB Meter Sets)] / (2013 NB Meter Sets)
= (35,089 – 26,787) / 26,787
= 31%

	[H]	[I] (% Growth in Each Year for [H])
	Total NB Meter Set Forecast	NB Forecast Growth Factor
2013 (Table 1)	26,787	N/A
2014	35,089	31%
2015	40,339	15%
2016	44,894	11%

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3. On page 172 of the workpapers, SCG-FBA-CAP-SUP-009, SoCalGas presents the 2013 historical meter costs and unit costs and FTEs/meter installation. Please provide the annual historical meter costs, unit costs and FTEs/meter installation for 2009-2012, and 2014 YTD, in the exact format as presented in Tables 3 and 4 of page 172, in an Excel spreadsheet with active cells.

SoCalGas Response:

The requested 2009 – 2012 meter information can be found in the separately provided file titled ORA-SCG-DR-011-DAO.xlsx on tab Q3. 2014 financial information will not be available until after SoCalGas makes its 10-K filing with the SEC in early 2015.

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4. Referring to supplemental workpapers SCG-FBA-CAP-SUP-010 on page 183, please provide the annual historical regulator costs, unit costs and FTEs/regulator installation for 2009-2012 and 2014 YTD, in the same format as presented in Tables 3 and 4 of page 183 and in an Excel spreadsheet with active cells.

SoCalGas Response:

The requested 2009 – 2012 regulator information can be found in the separately provided file titled ORA-SCG-DR-011-DAO.xlsx on tab Q4. 2014 financial information will not be available until after SoCalGas makes its 10-K filing with the SEC in early 2015.

The Average Weighted Non-Labor Cost per Curb Regulator (Column [EE]) was only used to forecast the incremental proactive curb regulator replacements. This activity is described on pages FBA-128, lines 13 – 20. The type of curb regulator that will be used for the majority of these proactive regulator replacements was not purchased before 2013, so there is no unit cost data available for the years 2009 – 2012.