

**ORA DATA REQUEST  
ORA-SCG-DR-069-MRK  
SOCALGAS 2016 GRC – A.14-11-004  
SOCALGAS RESPONSE  
DATE RECEIVED: FEBRUARY 12, 2015  
DATE RESPONDED: FEBRUARY 27, 2015**

**Data Request No:** ORA-SCG-069-MRK

**Exhibit Reference:** SCG-32

**Subject:** Miscellaneous Revenues

**Please provide the following:**

1. Question 1 of ORA-SCG-014-MRK asked SCG to correct problems in the spreadsheet SCG-32\_MSomerville\_Misc\_Revenues. Specifically, not all the growth rates in tabs subsequent to the summary tab were supported by a computation or a reference to a computation. SCG's response to Question 1 clarified the computation of some of the growth rates in the spreadsheet, but other similar problems remained. In Tab 3, the forecast growth rates for 2014 to 2016 are listed as 0.5%, 0.6%, and 0.8%. However these growth rates do not seem to have been used in computing the forecast residential parts sales. Please confirm that these growth rates were not used or if they were used, please explain how they were used and provide working links that use these growth rates in order to compute the forecast residential parts sales.

**SoCalGas Response 01:**

The growth rate of 0.5%, 0.6%, and 0.8% represents SoCalGas' forecasted active meter growth for the years 2014 – 2016. The growth rate is not used directly in the computation of miscellaneous revenues for Commercial Parts Sales, Residential Parts Sales, Appliance Connects, Timed Appointments, Seismic Restores, Non-Seismic Restores, or Earthquake Valve Removals. The growth rate is used to forecast order volumes for Customer Services Field (CSF). The CSF order volume is then used to forecast the number of sales transactions for miscellaneous revenues by multiplying CSF order volume with the average percentage of orders resulting in sales transaction as demonstrated in Exh. SCG-32-WP.

For details on the forecast of CSF order volumes please see Exhs. SCG-10 and SCG-10-WP.

For details on the forecast of active meter please see Exhs. SCG-30 and SCG-30-WP.

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2. In Tab 3a, the residential parts sales seem to be computed using a hard coded value of 65.23 in cell i6. Please explain how this value was computed, what it represents, and provide a working link to a new tab in the spreadsheet performing this calculation based on historical data.

**SoCalGas Response 02:**

As demonstrated in the table below, the value of \$65.23 is the average of the “Average (\$) Per Transaction” for the three years 2013 – 2011. SoCalGas chose a three year average because pricing for certain parts were updated in 2010. \$65.23 represents the forecasted value of an average residential parts sales transaction. Total forecasted residential parts sales revenue is a product of \$65.23 and the forecasted number of residential parts sales transactions. A working Excel version of the table below has also been included for your convenience; please see “ORA-SCG-DR-069-MRK-Q2 Attachment.xlsx”.

<b>Residential Parts Sales</b>					
	<b>Calculation Steps</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>3 Yr Avg</b>
<b>Total Annual Transactions</b>	<b>(A)</b>	29,250	29,728	33,523	-
<b>Total Annual Sales</b>	<b>(B)</b>	\$1,948,280	\$1,932,070	\$2,148,275	-
<b>Average (\$) Per Transaction</b>	<b>(C) = (B/A)</b>	\$66.61	\$64.99	\$64.08	\$65.23

Figures are shown in 2013 dollars

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3. Tab 4 for forecast commercial residential parts sales seem also to use a hard coded value of 208.78 in cell i6 of Tab 4a. Please explain how this value was computed, what it represents, and provide a link to a new tab in the spreadsheet performing this calculation based on historical data.

**SoCalGas Response 03:**

As reflected in the table below, the value of \$208.78 is the average of the “Average (\$) Per Transaction” for the three years 2013 – 2011. SoCalGas chose a three-year average because prices for certain parts were updated in 2010. \$208.78 represents the forecasted value of an average commercial parts sales transaction. Total forecasted commercial parts sales revenue is a product of \$65.23 and the forecasted number of commercial parts sales transactions. A working Excel version of the table below has also been included for your convenience; please see “ORA-SCG-DR-069-MRK-Q2 Attachment.xlsx”.

<b>Commercial Parts Sales</b>					
	<b>Calculation Steps</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>3 Yr Avg</b>
<b>Total Annual Transactions</b>	<b>(A)</b>	13,631	13,556	13,402	-
<b>Total Annual Sales</b>	<b>(B)</b>	\$2,839,741	\$2,804,388	\$2,829,815	-
<b>Average (\$) Per Transaction</b>	<b>(C) = (B/A)</b>	\$208.33	\$206.87	\$211.15	\$208.78

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4. Please clarify for each tab in the spreadsheet whether the forecast miscellaneous revenues are based on the growth rates 0.5%, 0.6%, and 0.8% developed in the Tab “Support 4,5,9” or whether they are not. If these growth rates are based on the rates 0.5%, 0.6%, and 0.8% developed in “Tab Support 4,5,9”, please explain how they were used and provide working links that use these growth rates in order to compute the forecast residential parts sales.

**SoCalGas Response 04:**

Please see response to Question 1 above for Commercial Parts Sales, Residential Parts Sales, Appliance Connect, Timed Appointment, Seismic Restore, Non-Seismic Restore, and Earthquake Valve Removal.

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5. For those tabs referring to forecast miscellaneous revenues not based on the growth rates 0.5%, 0.6%, and 0.8% developed in “Tab Support 4,5,9”, please specify if the revenues were based on some other growth rates and provide an extra tab showing how these other growth rates were computed. Also provide an updated spreadsheet with working links that uses these other growth rates in order to compute the forecast miscellaneous revenues.

**SoCalGas Response 05:**

Please see response to Question 1 above for Commercial Parts Sales, Residential Parts Sales, Appliance Connect, Timed Appointment, Seismic Restore, Non-Seismic Restore, and Earthquake Valve Removal.

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6. For those tabs referring to forecast miscellaneous revenues not based on any growth rates, please indicate that is the case. For example in Tab 10, it is stated that the forecast is equal to the product of a 5 year average times the growth rate, but no such computation is given that produces the final forecast numbers. IF SCG still asserts that growth rates and five year averages have been used, it should provide a working link to a tab that actually produces such five year averages based on historical data as well as the specific growth rates used, and the computation of the asserted product.

**SoCalGas Response 06:**

The 2016 forecast of the miscellaneous revenues resulting from Rent from Property Used in Operations (as shown in Tab 10 referenced in the question above) is based on the rents received from existing lease agreements adjusted for applicable escalation clauses as stated in witness testimony of M. Somerville (Exhibit SCG-32) and supported in workpapers (Exhibit SCG-32-WP pages 22 and 23; Tabs 10 and 10a in the spreadsheet referenced in a question).