**ORA DATA REQUEST**
**ORA-SCG-148-MRK**
**SOCALGAS 2019 GRC – A.17-10-008**
**SOCALGAS RESPONSE**
**DATE RECEIVED: MARCH 1, 2018**
**DATE RESPONDED: MARCH 16, 2018**

**Exhibit Reference:** SCG-41
**SCG Witness:** Annette M. Steffen
**Subject:** Miscellaneous Revenues

**Please provide the following:**

1. According to the spreadsheet documentation in SCG-41-WP-R_Steffen Misc Revenue Revised Workpapers.xls, the estimates for Residential parts are based on three year averages of historical data. However, the estimates are unsupported since the entries in the corresponding cells are hard coded numbers rather than being computed via Excel calculations based on any other data. Similarly, the calculation for Commercial parts and for the Connect Appliance program are unsupported since the entries in the corresponding cells are hard coded rather than being computed via Excel calculations based on any other data.

The estimates for Ownership Charges are also unsupported inasmuch as the spreadsheet documentation is misleading. The documentation indicates that the Ownership Charges are computed using a three year average times a growth rate. However, the spreadsheet forecasts of Ownership Charges for 2017 to 2019 are hardcoded numbers which are then used to compute the indicated growth rates, rather than using growth rates to compute the Ownership Charges. This circular approach to estimation does not provide any information as to how the hardcoded numbers were derived.

Please now supply a working Excel spreadsheet in which all forecast estimates in the Ex. SCG-41 testimony are represented by cells whose numerical entries are computed by Excel calculations based on historical data as indicated in the documentation in the spreadsheet. For instance, the forecasts for Residential parts should be based on three years of history, the forecasts for Commercial parts should be based on five years of history (as indicated in the spreadsheet documentation), and the forecasts for Ownership Charges should be based on three years of historical data. The historical data being used should be included in the spreadsheet.

**SOCALGAS Response 01:**

While preparing the response to this data request, SoCalGas discovered that the forecast methodology discussion for the Residential Parts Program, Commercial Parts Program, Connect Appliance Program and Other Customer Service Revenues contained in Exhibits SCG-41-R and SCG-41-WP-R were incorrect and do not reflect the actual methodology used to develop the 2017 – 2019 miscellaneous revenue forecasts.

**SOCALGAS Response 01 Continued:**

The four miscellaneous revenue items from Workpaper, Ex. SCG-41-WP-R are listed below with the correct forecast methodology used to derive the miscellaneous revenue forecast. The forecast methodology discussion for these four miscellaneous revenue items in revised testimony Exhibit SCG-41-R will be updated at the next available opportunity.

- Tab 4: FERC Account 488 - Residential Parts Program Forecast: The 2019 forecast is based on the 2016 average transaction percentage of sales orders per Customer Service Field order, multiplied by the Customer Service Field forecasted orders, multiplied by the 2016 average recorded miscellaneous revenues per sales order transaction. This forecast methodology aligns with the activity forecast presented in the Customer Services - Field testimony of Gwen Marelli (Ex. SCG-18-R).

- Tab 5: FERC Account 488 – Commercial Parts Program Forecast: The 2019 forecast is based on the 2016 average transaction percentage of sales orders per Customer Service Field order, multiplied by the Customer Service Field forecasted orders, multiplied by the 2016 average recorded miscellaneous revenues per sales order transaction. This forecast methodology aligns with the activity forecast presented in the Customer Services - Field testimony of Gwen Marelli (Ex. SCG-18-R).

- Tab 6: FERC Account 488 – Connect Appliance Program Forecast: The 2019 forecast is based on the 2016 average transaction percentage of sales orders per Customer Service Field order, multiplied by the Customer Service Field forecasted orders, multiplied by the 2016 average recorded miscellaneous revenues per sales order transaction. This forecast methodology aligns with the activity forecast presented in the Customer Services - Field testimony of Gwen Marelli (Ex. SCG-18-R).

- Tab 10: FERC Account 488 – Other Customer Service Revenues Forecast: The 2019 forecast is based on the 2016 average transaction percentage of sales orders per Customer Service Field order, multiplied by the Customer Service Field forecasted orders, multiplied by the 2016 average recorded miscellaneous revenues per sales order transaction. This forecast methodology aligns with the activity forecast presented in the Customer Services - Field testimony of Gwen Marelli (Ex. SCG-18-R).

Please refer to Tab 4b of the attached Excel file: ORA-SCG-148-MRK_SCG-41-WP-R_Steffen Misc Revenue Workpapers, for the detailed calculations to derive the forecast for the miscellaneous revenue items described above.

The file also contains the calculations for all other miscellaneous revenue line items, as requested.