

ORA DATA REQUEST
ORA-SDG&E-DR-05
SDG&E GRC Phase 2 APPLICATION – A.15-04-012
SDG&E RESPONSE
DATE RECEIVED: JANUARY 8, 2016
DATE RESPONDED: JANUARY 22, 2016

RE: Chapter 6 Distribution MC WP
 Tab: Marginal Demand Cost Calculation
 Column D, Weather Normalized Annual Peak Loads

From Column D:

YEAR	Col D	% Diff LOADS
2011	4,251	
2012	4,320	1.6%
2013	4,413	2.2%
2014	4,615	4.6%
2015	4,654	0.8%
2016	4,649	-0.1%

Note: Forecasted years are shown in yellow highlight.

The forecasted period, starting 2014, shows an immediate run up in load growth from 2.2% in the previous year, to 4.6%. In the next two forecasted years, the load growth tails off to .8% and then even goes slightly negative at -0.1%.

Please respond to the following questions:

1. Are these forecasted loads the results of a conventional econometric modeling process?
 - a. If so, please provide the model intercept, variable coefficients, data sources for each input variable, the data series of each variable, and the year and month that each input was last updated.
 - b. If not already included in WorkPapers, please include the annual historical system peak loads in their unadjusted form, prior to weather normalization. For the forecast period, (2014 – 2016) please provide the same un-normalized annual system peak loads to the extent that they are now available (i.e. 2014 and if available, 2015). For each of the forecasted years that actual load data is now available, provide the weather normalized results as well. These would be weather normalizations of actuals, rather than forecasts of loads and weather.
 - c. If some other forecasting method was used, (e.g., basing load forecasts on implications of SDG&E’s growth related capital investment forecast), please describe in full.
 - d. For whichever forecasting method was used, has SDG&E used any professional judgement that affected the outcome? If yes, please explain in detail what adjustments were made and why? Please also provide the outcomes without the adjustments.

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SDG&E Response:

- a. The forecasted normalized load results in the “2016 GRC P2 Marginal Distribution Demand Costs (Chapter 6 Workpaper).xlsx” file, Tab “Marg Distrib Demand Cost Cal”, Column D were developed using the net peak demand from the California Energy Commission’s (“CEC”) adopted final 2013 Integrated Energy Policy Report (“IEPR”) demand forecast. Details regarding the CEC’s peak demand forecast can be found on the CEC’s website (<http://www.energy.ca.gov/>) in the following reports:
- CEC-200-2013-004-V1-CMF
 - CEC-200-2013-004-V2-CMF
- b. The table below provides the raw actual and weather normalized actual system level peak loads for the years available.

		System Level ¹ Peak Loads (MW)	System Level ¹ Peak Loads (MW)
	<u>Year</u>	<u>Raw Actuals</u>	<u>Weather Normalized Actuals</u>
Historical Period	2011	4371	4359
Historical Period	2012	4600	4442
Historical Period	2013	4604	4541
Forecast Period	2014	4890	4501
Forecast Period	2015	4711	N/A
Forecast Period	2016	N/A	N/A
Note: ¹ - By definition, System Level Peak Loads (MW) includes load at the transmission and distribution level and also includes all losses.			

- c. Please see response to Question 1a.
- d. Please see response to Question 1a.

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2. What causes the steeply rising weather normalized load growth for 2014?

SDG&E Response:

The growth from 2013 to 2014 is the growth rate from a weather normalized historical year to a forecast year. The CEC's forecast, detailed in response Question 1a above, started the forecast period in 2013. This growth rate was due to lower than expected net peak demand in 2013 versus the original CEC forecast for 2013.

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3. What causes the sharp decrease in weather normalized load growth expected for 2015 and 2016 (when compared to 2014)? What modeling inputs have led the growth to decline slightly in 2016?

SDG&E Response:

The growth rates in 2015 and 2016 are more in line with the expected growth rate over the forecast period in the CEC's adopted final 2013 IEPR demand forecast. The large increase in growth rate in 2014 is explained in response to Question 2.

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4. Did SDG&E run more than one forecast scenario?
 - a. If so, describe the results of these alternate scenarios.
 - b. If so, how and why was the filed scenario chosen?

SDG&E Response:

No. Please see response to Question 1.a.

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5. Why is steady load growth for the forecast period less plausible in SDG&E's view than the up and down path that SDG&E has forecasted?

SDG&E Response:

Please see response to Question 2.