

**ORA DATA REQUEST
 ORA-SDG&E-DR-009
 SDG&E GRC Phase 2 APPLICATION – A.15-04-012
 SDG&E RESPONSE
 DATE RECEIVED: JANUARY 28, 2016
 DATE RESPONDED: FEBRUARY 11, 2016**

RE: This is a follow-up of ORA Data Request (DR) 005. It refers to SDG&E responses to that DR as well as the original investigative area: Chapter 6 Distribution MC WP.

Tab: Marginal Demand Cost Calculation
 Column D, Weather Normalized Annual Peak Loads

From Column D, Ch. 6 WP and the CEC data provided by SDG&E in Response to DR 005:

YEAR	Col D	% Diff LOADS	CEC Actuals	CEC W Normalized	Annual % Increase	Diff = CEC – SDG&E
2011	4,251		4,371	4,359		108
2012	4,320	1.62%	4,600	4,442	1.90%	122
2013	4,413	2.16%	4,604	4,541	2.23%	128
2014	4,615	4.58%	4,890	4,501	-0.88%	-114
2015	4,654	0.84%	4,711	N/A		
2016	4,649	-0.10%	N/A	N/A		

Note: Forecasted years are shown in yellow highlight. The CEC forecast starts one year earlier than the SDG&E forecast.

- In response to ORA DR 005 Q. 1a. SDG&E stated that the weather normalized load forecast was “developed” from a California Energy Commission (CEC) weather normalized forecast. In response to ORA DR 005 Q. 1b, SDG&E provided a portion of the CEC load forecast. ORA has put the SDG&E and CEC forecasts side-by-side in the above table and added some calculated differences and annual growth rates. For the historical period 2011 to 2013, the CEC load estimates run systematically higher than what SDG&E filed for this proceeding (ranging from 108 to 128 MW more). In SDG&E's DR 005 1b, the table note on CEC loads states that the CEC loads include transmission and line losses. Do these types of loads factor into this systematic difference between CEC and SDG&E loads?? Delineate and explain all possible substantive differences between the CEC and SDG&E estimates.

SDG&E Response:

SDG&E reviewed the above table and would like to provide the following clarification.

- The data provided in column “Col D” is “distribution level load” which is based on SDG&E weather normalized historical actual data through 2013 and CEC forecasted data thereafter. Both historical and forecasted data for “Column D” are weather normalized using a 30 year average.

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Response to Question 1 (Continued)

- The data provided in column “CEC Actuals” is “system level” load from SDG&E (not the CEC).
- The data provided in column “CEC W Normalized” is weather normalized (“W/N”) “system level” load estimated by SDG&E (not the CEC).
- The systematic difference mentioned above is a result of ORA comparing two sets of data that do not represent the same concept. ORA is comparing “system level load” to a “distribution level load”. The difference between “system level load” and “distribution level load” is a transmission adjustment which includes transmission losses and the load associated with customers who receive transmission level service. Therefore, even though the difference seems to be a systematic error, it is not. It is merely a difference that results from comparing two different concepts. Table 1 presented below shows these differences.

Table 1				
Year	W/N System Level Actuals A	SDG&E W/N Estimate of Transmission Adjustment B	SDG&E W/N Estimate of Distribution Level Actuals C = A - B	Distribution Level Actuals Filed by SDG&E
2011	4359	108	4251	4251
2012	4442	122	4320	4320
2013	4541	128	4413	4413

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2. Does SDG&E believe the historical differences in weather normalized loads (2011 to 2013) have a substantial systematic component? If yes, why not subtract out this difference and apply the CEC 2014 growth rate (-0.88%) to estimate the SDG&E forecast year of 2014?

SDG&E Response:

As explained in SDG&E's response to Question 1 above, the systematic difference ORA is focusing on is the estimate of transmission adjustment.

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3. If the SDG&E forecast is developed from the CED forecast, why are the 2014 results so divergent (-0.88% for CEC, 4.58% for SDG&E)? Explain why SDG&E predicts strong load growth while the CEC predicts load decline for 2014.

SDG&E Response:

ORA is comparing two sets of data that do not represent forecasts for 2014. Rather, ORA compares a weather normalized actual growth rate at the “system level” to a forecasted growth rate at the “distribution level”. Table 2 presented below displays relevant numbers for both concepts. Weather normalized actuals at the “system level” shows a -0.88% growth rate and at the “distribution level” shows -1.09%. Both are showing a decline from the last known year of weather normalized actuals. The magnitude of difference can be explained by the fact that the CEC’s forecast assumed 2013 as its last year for actuals and SDG&E assumed 2014.

Table 2					
Year	CEC System Level Forecast	W/N System Level Actuals	SDG&E W/N Estimate of Transmission Adjustment	SDG&E W/N	
				Estimate of Distribution Level Actuals	Distribution Level Load Filed by SDG&E
		A	B	C = A - B	
2011		4359	108	4251	4251
2012		4442	122	4320	4320
2013	4678	4541	128	4413	4413
2014	4751	4501	136	4365	4615
GR 2013-2014	1.56%	-0.88%		-1.09%	4.58%

Please note: 2014 is a forecast for “CEC System Level Forecast” and “Distribution Level Loads Filed by SDG&E”. All other data for 2014 represent historical information.

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4. On this issue of the high load growth in the SDG&E forecast for 2014, on the initial DR 005 Response to Q 2 concludes, “This growth rate was due to lower than expected net peak demand in 2013 versus the original CEC forecast for 2013.” If net peak demand was ultimately lower than expected, why then did SDG&E not respond by adjusting downward the ensuing forecast estimates? Did SDG&E make a conscious decision that these 2013 results were an independent aberration?

SDG&E Response:

SDG&E felt at that time that a one-year down turn wasn't sufficient evidence to alter the forecast.

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5. The cited CEC load forecast makes no projection at all for 2016. Explain how SDG&E can develop a projection from the CEC forecast where the CEC makes none.

SDG&E Response:

The CEC does make a prediction (forecast) of total system level load for 2016. It is 4,786 MW. Table 3 presented below explains SDG&E’s forecasted distribution level value for 2016.

Table 3:				
Year	CEC System Level Forecast	SDG&E Estimate of Transmission Adjustment	SDG&E Estimate of Forecasted Distribution Level Load	Distribution Level Forecast Filed by SDG&E
	A	B	C = A - B	
2016	4786	137	4649	4649

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6. For the year 2015, the CEC provides a raw, unadjusted load forecast, but not one that is weather normalized. Is this forecast, as well as the SDG&E forecasts, based on an expectation of average weather? If so, would this make the process of weather normalization moot (i.e., the raw forecast and normalized forecast being the same)? If not, explain.

SDG&E Response:

SDG&E believes that the “unadjusted load forecast” stated in the question above actually represents the historical load recorded by SDG&E, at 4,711 MW. This historical load is unadjusted (not weather normalized). For 2015, “Col D” is based on the CEC forecast of “system level load”, which is weather normalized. Estimates of the transmission adjustment are subtracted from the system level load to develop distribution level load (Col D). Table 4 presented below explains SDG&E’s forecasted distribution level value for 2015.

Table 4:				
Year	CEC System Level Forecast	SDG&E Estimate of Transmission Adjustment	SDG&E Estimate of Forecasted Distribution Level Load	Distribution Level Forecast Filed by SDG&E
	A	B	C = A - B	
2015	4791	137	4654	4654

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7. In Q 1b of the original DR 005 ORA asks for SDG&E's un-weather normalized load data. SDG&E refers to the CEC study and does not supply these. As detailed in the above table, the weather normalized data for SDG&E and the CEC do not match. This would imply that the raw un-normalized data would not match either – and that SDG&E surely has its raw annual peak loads on file and could easily provide them. Did SDG&E estimate its weather normalized peak loads directly from the CEC data, without reference to its own raw peak loads?

SDG&E Response:

SDG&E estimates its weather normalized peak loads from its own raw peak data.