

**APPLICATION OF SOUTHERN CALIFORNIA GAS COMPANY &
SAN DIEGO GAS & ELECTRIC COMPANY FOR AUTHORITY TO REVISE THEIR
NATURAL GAS RATES EFFECTIVE JANUARY 1, 2017 IN THIS TRIENNIAL COST
ALLOCATION PROCEEDING PHASE 2**

(A.15-07-014)

(2st Data Request from Office of Ratepayer Advocates)

QUESTION 1:

For the SDG&E core commercial throughput forecast please provide a copy of the econometric models and data used to generate the price elasticities reported on page 59 of the SDG&E TCAP Throughput workpapers.

RESPONSE 1 (PAYAN):

The documentation and description of the non-residential core market models is contained in the attached PDF file. This document was prepared in 2003 for the (unfiled) 2005 BCAP.



pt5.pdf



pt4.pdf



pt3.pdf



pt2.pdf



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The documentation and description of the core commercial model used to generate the price elasticities is contained in the attached PDF document below.

For a description of the model used to generate core commercial price elasticities, please see the attached pdf document called *Data Request_Core Commercial Price Elasticity Data and Estimation Writeup*



Adobe Acrobat
Document

The elasticities used in the SoCalGas end use model are identical to the ones used in the SDG&E end use model.

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II. Core Commercial SoCalGas and SDG&E

(A) For a description of the model used to generate core commercial price elasticities, please see the attached pdf document called *Data Request_Core Commercial Price Elasticity Data and Estimation Writeup*



Adobe Acrobat
Document

(B) The data for the estimation of the price elasticity model are contained within the attached Zip folder called Commercial Core Price Elasticity Data Files.Zip.



Package

(C) The SAS software was utilized to develop the price elasticities. A copy of the program is contained in the above Data Zip folder.

III. Industrial Price Elasticities SoCalGas and SDG&E

(A) The industrial model that generated the industrial price elasticities is contained in the description of the attached PDF file.



Industrial Elasticities
Modal.pdf

(B) The data used to generate the industrial price elasticities are contained in the attached file on pages 231 to 236. The core industrial econometric equation results are on page 224.



Industrial Elasticities
Modal.pdf

C) The SAS software was utilized to develop the price elasticities

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QUESTION 2:

In developing its commercial core gas throughput forecast did SDG&E rely upon econometrically estimated employment elasticities?

RESPONSE 2 (PAYAN):

Yes.

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QUESTION 3:

If the answer to question 3, is yes, please provide a copy of the econometric models and data used to generate the commercial core employment elasticities.

RESPONSE 3 (PAYAN):

The SDG&E employment elasticities were derived from the SoCalGas model (employment elasticity estimates described in detail within ORA-TCAP2-SCG-01 Response 4 section 1). The attached Excel formatted file contains the mathematical derivation of the SDG&E employment elasticities and a description of the adjustment factors utilized.



Microsoft Office
Excel Worksheet

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QUESTION 4:

For the SDG&E Industrial GN-3 throughput forecast please provide a copy of the econometric models and data used to generate the price and employment elasticities reported on page 99 of the SDG&E TCAP Throughput workpapers.

RESPONSE 4 (PAYAN):

Please refer to the responses to questions 1 and 3 above.

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QUESTION 5:

For the year 2014, please provide, on a quarterly basis, actual values for the following customer variables:

- (a) RESUNIT Total Residential Dwelling Units with Gas Service
- (b) RESHS Residential New Housing Starts
- (c) CICUST Commercial Customer and Industrial Customer Counts
- (d) CIEMP Total Commercial and Industrial Employment in SDG&E's Service Area

RESPONSE 5 (PAYAN):

Please refer to the attached Excel formatted file for the data.



2016 TCAP Actual
2014 Q Data San Dieg

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QUESTION 6:

Do the economic and demographic forecast assumptions used in SDG&E's TCAP customer forecast reflect the same economic and demographic forecast assumptions that were used in its most recent General Rate Case customer forecast?

RESPONSE 6 (PAYAN):

Yes, the assumptions are the same as those used to generate the GRC customer forecast. Two changes were made. First, the 2014 GRC forecast was replaced with the 2014 actual data. Second, the forecast was calibrated to the 2014 actual data. The year to year growth in the TCAP is identical to the year to year growth in the GRC customer forecast.

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QUESTION 7:

If the answer to question 6 is yes, please provide, on a quarterly basis for the period from 2015 through 2019, updated forecasts of the following variables:

- (a) RESUNIT Total Residential Dwelling Units with Gas Service
- (b) RESHS Residential New Housing Starts
- (c) CICUST Commercial Customer and Industrial Customer Counts
- (d) CIEMP Total Commercial and Industrial Employment in SDG&E's Service Area

RESPONSE 7 (PAYAN):

N/A