

**ORA DATA REQUEST
 ORA-SDGE-054-CL8
 SDG&E 2019 GRC – A.17-10-007
 SDG&E RESPONSE
 DATE RECEIVED: DECEMBER 8, 2017
 DATE RESPONDED: DECEMBER 26, 2017**

Exhibit Reference: SDG&E-36 and SDG&E-36-WP-C
SDG&E Witness: Steven P. Dais
Subject: Working Cash

Please provide the following:

1. Page 11 of the workpapers (Ex. SDG&E-36-WP-C) shows a calculation for total revenue lag of 42.81 days.
 - a. Please provide 5-years recorded data (2009-2013) for:
 - i. Meter Reading Lag
 - ii. Billing Lag
 - iii. Collection Lag
 - iv. Bank Lag
 - v. Total Revenue Lag
 - b. Please provide an explanation of how billing lag was calculated.
 - c. Please provide an explanation of how bank lag was calculated.

**SDG&E Response 1:
 Collection Lag - 2013 & 2016**

2013	Sales	Average A/R	Collection Lag Days
Total	3,360,343	201,284	21.86
Less: NEM	62,263	7,740	45.37
Less: CARE	232,452	31,212	49.01
Net	3,065,628	162,332	19.33
2016	Sales	Average A/R	Collection Lag Days
Total	3,807,507	255,974	24.54
Less: NEM	132,664	19,607	53.94
Less: CARE	180,711	40,717	82.24
Net	3,494,132	195,650	20.44
Total Collection Lag Increase (%)			12.2%
Net Collection Lag Increase (%)			5.7%

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SDG&E Response 1:-Continued

Between 2013 and 2016, SDG&E's Collection Lag increased by 2.68 days mainly driven by customers that qualify for the California Alternate Rate for Energy (CARE) Program taking longer to pay and due to an increase in customers adopting solar during the same period.

The collection lag for CARE specific accounts receivable (A/R) increased from 49.0 days in 2013 to 82.2 days in 2016, a 68% increase during the same period. CARE customers are generally taking longer to pay their account balances.

Commercial and residential solar customers are put on a net energy metering (NEM) tariff for billing purposes. Residential NEM customers are allowed and generally do defer paying for the net energy they consume until their annual true-up bill is generated. Because residential NEM customers generally only pay their bill once per year, they tend to carry larger A/R balances, in turn driving up the collection lag. The collection lag for NEM specific A/R increased from 45.4 days in 2013 to 54.0 days in 2016, or a 19% increase.

NOTE: SDG&E has provided the above explanations and answers to the data request inquiry addressing what it believes to be the relevant data to address the issue. Per year data is not readily available and may not lead to the discovery of admissible evidence. However, SDG&E is currently working on the production of this data and will provide when available.

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2. Referring to Schedule L on page 40 of the workpapers (Ex. SDG&E-36-WP-C), please explain:
- a. If these amounts are already recognized in Schedule I, as described in the Note on page 40, please explain why they are counted again in a second schedule.
 - b. Please explain why SDG&E proposes a lag of zero days to recognize the linkage of Schedule I to the amounts in Schedule L as described in the Note on page 40.

SDG&E Response 2:

- a. There are two timing matters to consider regarding the impact of Materials and Supplies on the Working Cash calculation:
 1. There is a lag between the invoice date and the payment date for Goods and Services purchased. This lag is addressed in Schedule I.
 2. There is an inherent delay between the time when Materials and Supplies are ordered and when they are issued from stores. This delay is addressed in Schedule L.
- b. The timing differences between ordering Materials and Supplies and their issuance from stores leads to an understatement of the weighted-average lag stated on Schedule I. Because the lag in material issuances from stores generally exceeds the payment lag included in Schedule I, using a lag of 0 days in Schedule L reflects a conservative approximation of the overall lag between payment date and issuance date.