ORA DATA REQUEST
ORA-SDGE-058-CY8
SDG&E 2019 GRC – A.17-10-007
SDG&E RESPONSE
DATE RECEIVED: DECEMBER 12, 2017
DATE RESPONDED: DECEMBER 29, 2017

Exhibit Reference: SDG&E-17
SDG&E Witness: Gwen Marelli
Subject: Customer Services-Field & Meter Reading

Please provide the following:

1. Referring to GRM-10, lines 14-16, "A three-year average was chosen because 2014-2016 are the most recent historical years in which the full effects of smart meter implementation are reflected in work order volumes."

    a. Were other forecasting methodologies looked at? If so, which methodologies? What was the rationale for rejecting them?

    b. Was a last recorded year based forecast, plus and minus adjustments, considered? Is so, what was the rationale for not choosing it?

SDG&E Response 1:

a. As indicated in Exhibit SDG&E-17, Section A.2, CS-F operations are primarily driven by work order volumes, which are largely driven by factors outside of SDG&E's control. These factors include customer growth, weather, the state of the economy, customer turnover, the level of natural gas and electric prices, customer appliances/equipment choices, emergency incidents such as fires and earthquakes, and changes to applicable laws and regulations. Therefore, SDG&E's TY 2019 forecast should be based on a historical average of years that sufficiently capture the volatility of these factors. SDG&E considered other forecasting methodologies such as the 5-year and 4-year average methodology and opted not to use these methodologies for the following reasons: a) A 5-year average would include 2012, during which time smart meter was still being deployed; and b) A 4-year average would include 2013 which is the year immediately after smart meter implementation and including this year may still not be representative of post smart meter implementation. As a result, SDG&E chose the 2014-2016 period as the optimal period since this would have incorporated the full effects of smart meter implementation in work order volumes and the volatility of the factors mentioned above.

b. The last recorded year base forecast would be the 2016 Base Year and this was not one of the forecasting methodologies considered. This is because the SDG&E TY 2019 forecast should be based on a historical average of years that sufficiently capture the volatility of the factors stated in response to Q.1a.