

TURN DATA REQUEST
TURN-SCG-DR-15
SOCALGAS 2012 GRC – A.10-12-006
SOCALGAS RESPONSE
DATE RECEIVED: JUNE 28, 2011
DATE RESPONDED: JULY 13, 2011

1. Following up on TURN DR 10-4, please provide monthly data for 2011 for building permits in each of the 12 counties from the Construction Industry Research Board.

SoCalGas Response 01:

Data are available through May 2011 and are in the attached file.



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2. Following up on TURN DR 10-4, please explain how data for building permits in each of the 12 counties from the Construction Industry Research Board relates to data collected by the Census Bureau for building permits.

SoCalGas Response 02:

According to Ben Bartolotto of the Construction Industry Research Board, CIRB has more cities reported than the Census Bureau does. (Both CIRB and Census make estimates for non-reporting cities and non-reporting unincorporated county areas.) After each reported month, CIRB reconciles its data with those reported by Census. By doing this, CIRB picks up some jurisdictions that Census reported but for which CIRB didn't have data. And sometimes CIRB might move some new housing units from single-family to multi-family (or vice versa) after looking at the Census data.

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3. Following up on TURN DR 10-3, is any other update to customer forecasts (e.g., a Spring 2011 customer forecast) being prepared or expected to be prepared by SoCal in the normal course of business? If so, please indicate the status of any such forecast (when it is likely to be available). If such a forecast is available now, please provide it.

SoCalGas Response 03:

A customer forecast is being prepared by SoCalGas for use in the 2013 Triennial Cost Allocation Proceeding (TCAP) and is currently in process. The forecast will be available at the time of the TCAP filing with the CPUC -- currently scheduled for September 1, 2011. (Note that SoCalGas, TURN, and other parties have filed a Petition for Modification with the Commission, requesting that the TCAP be filed on or before November 1, 2011. No party protested this Petition.)

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4. Please identify the historical source document(s) used to develop commercial and industrial employment figures by web reference or other identifier; also identify where the EDD updates that information.

SoCalGas Response 04:

The historical source documents for employment are monthly EDD “Employment by Industry (not seasonally adjusted)” reports for each of the 12 counties of: Fresno, Imperial, Kern, Kings, Los Angeles, Orange, Riverside, San Bernardino, San Luis Obispo, Santa Barbara, Tulare, and Ventura. They are the counties’ “2000-current” Excel files available online at:

<http://www.labormarketinfo.edd.ca.gov/?pageid=166>

Data are updated monthly and are usually available at that same website by the 21st day of the following month.

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5. Following up on TURN DR 10-10, without at this time requesting that SoCal provide the information, please identify by date of preparation all IHS Global Insight regional forecasts containing the employment and building permit information used in SCG-30 and SCG-31 that have been provided to SoCal Gas subsequent to the February 2010 regional forecasts used in this proceeding or that SoCal knows will be provided by IHS Global Insight before September 2011. If SoCal identifies any forecasts in response to this question, please explain why SoCal will not use them in this rate case.

SoCalGas Response 05:

Global Insight prepares updated regional forecasts every month. Since their February 2010 regional forecast, they have provided updated forecasts each subsequent month with the latest being their June 2011 regional forecast. Before September 2011, it is expected that Global Insight will also provide July and August 2011 forecast updates. In this rate case, SoCalGas is using Global Insight's forecasted employment and housing data as inputs to forecast customers (active meters). SoCalGas does not plan to use updated Global Insight regional employment or housing inputs in this GRC, because it plans to keep its customer forecast as filed. The filed customer forecast --prepared in mid-2010-- has tracked actual customers very closely. The filed forecast of 5,520,424 average total active meters for 2010 turned out to be within 3,756 (0.07%) of the actual 2010 average of 5,516,668.

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6. Following up on TURN DR 10-10, are the Global Insight quarterly building permit figures provided in this response annualized?

SoCalGas Response 06:

Yes, they are. “SAAR” stands for “Seasonally Adjusted Annualized Rate”.

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7. Following up on TURN DR 10-01 and 10-10, please reconcile the figures for building permits provided in the Global Insight Report (whether Spring 2009 and 2010) and the forecast figures of building permits as provided in TURN DR 10-01 and actually used in SoCal's econometric forecast.

SoCalGas Response 07:

TURN DR 10-1's quarterly permit figures use actual historical 12-county totals from the Construction Industry Research Board (CIRB). The actual 12-county figures are forecasted by applying the forecasted *percentage growth rates* from the aggregated "Big 6" counties' Global Insight housing-start forecast shown in TURN DR 10-10.