

**DRA DATA REQUEST  
DRA-SCG-109-TXB  
SOCALGAS 2012 GRC – A.10-12-006  
SOCALGAS RESPONSE  
DATE RECEIVED: JUNE 20, 2011  
DATE RESPONDED: JULY 5, 2011**

**Exhibit Reference:** SCG-39

**Subject:** Post Test Year Ratemaking Framework

**Please provide the following:**

1. Page HSE-3, Ins. 19-22 state “[c]urrently SoCalGas is under a non-precedent setting Settlement agreement per D.08-07-046 that provides SoCalGas with a fixed dollar amount base margin increase to account for inflation, customer growth and productivity through 2011.” Does SoCalGas have a preference for multi-year, fixed dollar amount attrition cost recovery as opposed to its proposed Post Test Year mechanism? If not, please explain why not.

**SoCalGas Response 01:**

In the 2008 GRC, SoCalGas accepted fixed dollar amount base margin increases for 2009-2011 as part of a comprehensive settlement package. In the TY2012 GRC, SoCalGas has proposed a cost escalation-based attrition mechanism to reflect the anticipated utility O&M and capital cost increases in the 2013-2015 period. Such a mechanism reduces the uncertainty of SoCalGas' actual cost recovery and limits the cost exposure to ratepayers should the fixed attrition amount be inaccurate.

**DRA DATA REQUEST  
DRA-SCG-109-TXB  
SOCALGAS 2012 GRC – A.10-12-006  
SOCALGAS RESPONSE  
DATE RECEIVED: JUNE 20, 2011  
DATE RESPONDED: JULY 5, 2011**

2. Referring to p. HSE-4, lns. 4-5, please provide SoCalGas' 2012-2015 forecast of customer growth. Please provide supporting workpapers.

**SoCalGas Response 02:**

SoCalGas' customer growth forecast is shown on page SRW-WP-7 of Exhibit SCG-30-WP (witness Scott Wilder's customer forecast workpapers).

**DRA DATA REQUEST  
DRA-SCG-109-TXB  
SOCALGAS 2012 GRC – A.10-12-006  
SOCALGAS RESPONSE  
DATE RECEIVED: JUNE 20, 2011  
DATE RESPONDED: JULY 5, 2011**

3. Referring to p. HSE-6, lns. 1-2, please provide a copy of the relevant price indices.

**SoCalGas Response 03:**

The filed forecast of the relevant price indexes is shown on page SRW-WP-1 of Exhibit SCG-31-WP (witness Scott Wilder's cost escalation workpapers). The weightings for those relevant price indexes as they go into the single PTY weighted O&M escalator (the "GOMPI") are shown and discussed on pages SRW-4 and SRW-3 of Mr. Wilder's cost escalation testimony (Exhibit SCG-SRW-31).

**DRA DATA REQUEST  
DRA-SCG-109-TXB  
SOCALGAS 2012 GRC – A.10-12-006  
SOCALGAS RESPONSE  
DATE RECEIVED: JUNE 20, 2011  
DATE RESPONDED: JULY 5, 2011**

4. Referring to p. HSE-6, lns. 14-16, please provide workpapers supporting the imputed O&M productivity factors for 2013-2015.

**SoCalGas Response 04:**

Workpapers are not available or necessary for this response. Because PTY productivity is assumed to offset PTY customer growth, the imputed annual productivity factors are implicitly the same as forecasted annual percentage customer growth.

**DRA DATA REQUEST  
DRA-SCG-109-TXB  
SOCALGAS 2012 GRC – A.10-12-006  
SOCALGAS RESPONSE  
DATE RECEIVED: JUNE 20, 2011  
DATE RESPONDED: JULY 5, 2011**

5. Referring to p. HSE-8, lns 11-13, please provide a copy of the relevant price indices.

**SoCalGas Response 05:**

The relevant capital-related price index for SoCalGas is the single Global Insight series JUG@PCF, “Total Gas Plant”. The filed forecast of JUG@PCF is shown on page SRW-WP-1 of Exhibit SCG-31-WP (witness Scott Wilder’s cost escalation workpapers).

**DRA DATA REQUEST**  
**DRA-SCG-109-TXB**  
**SOCALGAS 2012 GRC – A.10-12-006**  
**SOCALGAS RESPONSE**  
**DATE RECEIVED: JUNE 20, 2011**  
**DATE RESPONDED: JULY 5, 2011**

6. Referring to p. HSE-9, lns. 4-5, please provide workpapers supporting the medical cost escalation forecast of 8% in 2013 and 7.5% in 2014-2015.

**SoCalGas Response 06:**

Attached is a schedule prepared by the company's actuary, Towers Watson, which supports the medical cost escalation forecast percentages above. While reviewing the workpapers of David Sarkaria (Exhibit SCG-20-WP), SCG discovered that an incorrect supporting schedule for these rates was inadvertently used on page 21 and will be replaced by the attached schedule in an errata filing. As provided in the attachment, the percentages noted on the Healthcare Trend impact the future year's cost escalation, so the 8% escalation noted above for 2013 is reflected in 2012.



SCG 109 Q6.pdf

**DRA DATA REQUEST**  
**DRA-SCG-109-TXB**  
**SOCALGAS 2012 GRC – A.10-12-006**  
**SOCALGAS RESPONSE**  
**DATE RECEIVED: JUNE 20, 2011**  
**DATE RESPONDED: JULY 5, 2011**

7. Referring to pp. HSE-19 to HSE-20, for 2013-2015, please provide the revenue requirement impact of SCG's proposed Post Test Year ratemaking mechanism.

**SoCalGas Response 07:**

The actual revenue requirement impact for the Post Test Year (2013-2015) period cannot be developed at this point. The example revenue requirement for the Post Test Year period, based on Global Insight's Utility Price Indexes (UCI), as shown in Mr. Wilder's testimony, is based on Global Insight's forecast from the First Quarter of 2010 as shown in Appendix A of Mr. Emmrich's testimony, SCG-39. The actual revenue requirement in each Post Test Year year would be based on Global Insight's September UCI forecast for the year ahead and will be trued up in the subsequent year for over or under forecast amounts. This Annual Rate Adjustment process is described on page 18 of Mr. Emmrich's testimony.