

**ORA DATA REQUEST
ORA-SCG-DR-026-DAO
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE
DATE RECEIVED: DECEMBER 15, 2014
DATE RESPONDED: DECEMBER 31, 2014**

Exhibit Reference: SCG-4, Gas Distribution O&M and Capital Expenditures

Subject: ORA-SCG-12R-DAO and ORA-SCG-15R-DAO, AMI

Please provide the following:

1. Referring to SoCalGas' discussion of excluding Advanced Metering Infrastructure (AMI) from its gas distribution forecasts for the 2016 GRC on page FBA-12, please provide the following information:
 - a. The number of combination meters (meter with AMI module installed), SoCalGas purchased in 2013 and in 2014 YTD.
 - b. The number of combination meters installed in 2013 and in 2014 YTD for (1) new business, (2) routine meter change-outs, and (3) planned meter change-outs.
 - c. The number of AMI modules installed on "regular" meters and the labor and non-labor expenses incurred for the installation of AMI modules each year from 2010-2014 YTD.
 - d. Regarding combination meters, provide the date SoCalGas first purchased and installed these meters in its system.

SoCalGas Response:

NOTE: The questions in this data request raise issues that extend beyond the scope and subject matter expertise of the Gas Distribution area. As such, responses to ORA-SCG-DR-026-DAO, questions 1 through 4, have been prepared by the AMI Policy witness Rene F. Garcia (SCG-39).

Prepared by AMI Policy (SCG-39):

- a. The numbers of combination meters purchased in 2013 and October YTD 2014 are shown below. Counts purchased by year are broken down by both AMI funded and GRC funded.

Combination Meter Purchases – All Meter Sizes (1-4+)		
	2013	October YTD 2014
GRC Funded*	122,796	176,457
AMI Funded**	327,558	286,665

**ORA DATA REQUEST
ORA-SCG-DR-026-DAO
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE**

**DATE RECEIVED: DECEMBER 15, 2014
DATE RESPONDED: DECEMBER 31, 2014**

Response to Question 1a (Continued)

*Although the majority of GRC meters purchased were combination meters, some larger size meters (size 4+) were not. The split between combo and non-combo larger size meters is not currently available. For the GRC funded combination meter purchases, the cost of the AMI module, and the cost of the factory installation of the module onto the traditional meter, is charged to the AMI balancing account (AMIBA). Only the cost of the traditional meter, which would have been purchased regardless of AMI, is funded through the GRC. Note - since meters purchased for PMCs, RMCs and new business are married to a module at the factory, there are no incremental costs associated with “retrofitting” these meters in the field.

**AMI funded meter counts are meters that were identified as being necessary to replace during AMI deployment, including the ‘accelerated PMCs’ from years 2018-2022, and include all types of meters, above ground and curbs. For further details related to the ‘accelerated PMCs’ please see the response to ORA-SCG-DR-012-DAO, question 5.a.

- b. AMI installations are tracked by complete meter installations (with a combination meter) and by meter retrofits. Combination meter installs account for planned meter change-outs (PMCs), routine meter change-outs (RMCs) and new business meter sets. A retrofit is the application of an AMI communication module on an existing meter in the field.

The numbers of combination meters installed in 2013 and 2014 YTD are as follows.

Year	Combination Meter Installations
2013	335,172
2014, through October	429,788

- c. AMI modules installed on “regular” meters in the field are referred to as retrofits. The numbers of retrofit installations through October 2014 are provided below. AMI installations commenced in the fourth quarter of 2012, therefore there are no installation numbers to report for 2010-2011.

Year	AMI Retrofits
2012	16,502
2013	769,756
2014, through October	1,171,622

**ORA DATA REQUEST
ORA-SCG-DR-026-DAO
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE**

**DATE RECEIVED: DECEMBER 15, 2014
DATE RESPONDED: DECEMBER 31, 2014**

Response to Question 1c (Continued)

Since AMI installation costs and benefits are recorded in the Advanced Metering Infrastructure Balancing Account (AMIBA), expenses for AMI retrofits are considered out of scope for this GRC. At the end of deployment in 2017, actual costs and benefits recorded in the AMIBA will be trued-up against authorized costs and benefits, per Decision (D.) 10-04-027 and as established in Advice Letter (AL) 4110. However, for general AMI spending status, by major project activities, please see the AMI semi-annual reports available at SoCalGas' website.¹

- d. SoCalGas began purchasing meters with AMI communication modules installed on them in October, 2012, coinciding with the start of AMI installations.

¹ <http://www.socalgas.com/regulatory/A0809023.shtml>

**ORA DATA REQUEST
ORA-SCG-DR-026-DAO
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE
DATE RECEIVED: DECEMBER 15, 2014
DATE RESPONDED: DECEMBER 31, 2014**

2. Please state whether or not SoCalGas will be installing combination meters when replacing meters as part of (a) new business, (b) planned meter change-out, or (c) routine-meter change-out in 2016 and beyond? If yes, please identify the number of combination meters SoCalGas plans to install for each program (a-c) each year from 2016-2018.

SoCalGas Response:

Prepared by AMI Policy (SCG-39):

Since the beginning of AMI deployment in late 2012, with the exception of some large size meters, meters installed for PMCs, RMCs and new business have been combination meters.

The GRC forecast for PMCs, RMCs and new business meter purchases/installations are referenced in the capital workpapers of witness Frank B. Ayala, Ex. SCG-04-WP. Please refer to Table 2 on page 171 of the workpapers. The same level of meter purchases/installations as forecasted in 2016 would be expected in 2017 and 2018.

In addition to the GRC forecast, SoCalGas plans to replace 650,000 accelerated PMCs² and 201,500 curb meters through 2017, as authorized in D.10-04-027 for AMI.

Note - as a result of AMI's approved accelerated PMC program, PMCs are not projected to be installed in 2018. The associated O&M and capital expense benefits for customers are proposed to be recorded in a post-deployment AMIBA in 2018 and in subsequent GRCs for the years that follow. Please refer to witness Rene F. Garcia's testimony, Ex. SCG-39, for discussion of AMI Policy in the GRC and the proposal to extend the AMIBA.

² For further details related to the 'accelerated PMCs' please see the response to ORA-SCG-DR-012-DAO, Question 5a.

ORA DATA REQUEST
ORA-SCG-DR-026-DAO
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE
DATE RECEIVED: DECEMBER 15, 2014
DATE RESPONDED: DECEMBER 31, 2014

3. Referring to ORA-SCG-015, Q. 1, please provide the number of AMI modules SoCalGas plans to install and the O&M expense and capital costs associated with the purchase and installation of these AMI modules, each year from 2014-2016. For 2014, please provide YTD actual expenses.

SoCalGas Response:

Prepared by AMI Policy (SCG-39):

Based on current AMI project forecasts, there will be approximately 4.1 million modules (i.e. retrofits) installed through 2017. Through October 2014, 1,957,880 AMI retrofits have been performed. AMI installation costs, including costs for communication modules and meter retrofits, are funded by AMI and recorded in the AMIBA as authorized in D.10-04-027 and established in AL 4110. As stated in the response to question 1.c. above, actual costs and benefits recorded in the AMIBA will be trued-up at the end of deployment in 2017 against authorized costs and benefits. However, for general AMI spending status by major project activities, please see the AMI semi-annual reports available at SoCalGas' website.³

³ <http://www.socalgas.com/regulatory/A0809023.shtml>

**ORA DATA REQUEST
 ORA-SCG-DR-026-DAO
 SOCALGAS 2016 GRC – A.14-11-004
 SOCALGAS RESPONSE
 DATE RECEIVED: DECEMBER 15, 2014
 DATE RESPONDED: DECEMBER 31, 2014**

4. Please explain in detail and show how ORA can trace the actual and proposed costs and savings/benefits associated with the AMI project for gas distribution.

SoCalGas Response:

Prepared by AMI Policy (SCG-39):

As provided in the response to question 1.a. of ORA-SCG-DR-019-CKT, costs and benefits are recorded in the AMIBA through the end of deployment in 2017. At that time, a true-up will occur to compare actual AMI costs and O&M benefits to those authorized in AL 4110 and reflected in customer rates between 2012 and 2017.

O&M benefits for Gas Distribution, beginning in 2018, are discussed in the AMI Policy Direct Testimony of Rene F. Garcia, Ex. SCG-39, Section VI.A.4., while costs are discussed in Section VI. B.5. Gas Distribution functions impacted by AMI can be found in the Direct Testimony of Frank Ayala, as shown in the table below.

In the 2016 GRC, Ex. SCG-39 AMI Policy Testimony, SoCalGas proposes to establish a post-deployment AMIBA in 2018 to allow for the incorporation of AMI operating expenses and benefits in customer rates for that year. The post-deployment AMIBA would allow for recording of actual costs and O&M benefits until the subsequent GRC in 2019, providing ORA and SoCalGas a mechanism to trace actual costs and benefits against those proposed for that period.

Exhibit	Testimony Chapter	Witness	Area	Functions Impacted	Cost Center Work Paper Group
SCG-04 & SCG-04-WP	II.B	Frank Ayala	Gas Distribution	Telecommunication costs associated with Electronic Pressure (“EP”) monitors, costs for replacing meters with an Electronic Corrector (“EC”), along with fittings. Benefits associated to Gas Distribution begin in PTY 2018.	2GD002.000 Field O&M - Measurement & Regulation