# APPLICATION OF SOUTHERN CALIFORNIA GAS COMPANY & SAN DIEGO GAS & ELECTRIC COMPANY FOR AUTHORITY TO REVISE THEIR NATURAL GAS RATES AND IMPLEMENT STORAGE PROPOSALS EFFECTIVE JANUARY 1, 2020 IN THE TRIENNIAL COST ALLOCATION PROCEEDING

(A.18-07-024)

(DATA REQUEST CAL ADVOCATES-DR-028)

DATA RECEIVED: 1-8-19
DATE RESPONDED: 1-28-19

The following data request questions pertain to Chapter 3 of the Applicants' testimony, the Prepared and Direct Testimony of Rose-Marie Payan.

### Follow up question from Data Request 26, Question #4 response:

## **QUESTION 4:**

Please explain in detail when SDG&E and SoCalGas last updated their Price Elasticity used in their models.

a) If SoCalGas/SDG&E have not updated their price elasticity models, please explain why SDG&E and SoCalGas's forecasting group has not generated more up to date Price Elasticities for Core and C&I.

## **RESPONSE 4:**

SoCalGas/SDG&E prepared a price elasticity study in 2007. The price elasticity values and their significance status, by market segment, are included below.

### **QUESTION 1:**

### Please re-run the entire model with the following assumptions:

- a) Please re-run the entire model using SoCalGas/SDG&E's 2007 price elasticity study.
- b) Use 2017 actual weather as average year weather design.
- c) Keep the 2017 model drivers and re-run the model to generate how the forecast would change given this assumption.
- d) Provide an Excel table comparing these results to those provided in Chapter 3 of the Applicants' testimony.

### **RESPONSE 1:**

- a) Please see the answer to part (d) below.
- b) Please see the answer to part (d) below.
- c) Please see the answer to part (d) below.

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d) Please find attached an Excel document containing the forecasts that were requested.

Please note that the 2007 price elasticity study did not include detailed residential price elasticities. Consequently, the elasticities used in the residential forecasts provided in this data request response are unchanged from those used in SoCalGas/SDG&E's 2020 TCAP filing. The residential forecasts provided in this response incorporate the 2017 actual weather (962.8 HDD and 753.9 HDD for SoCalGas and SDG&E, respectively).

The core C&I forecasts provided in this response incorporate the elasticities from the 2007 price elasticity study and the 2017 actual weather (962.8 HDD and 753.9 HDD for SoCalGas and SDG&E, respectively).



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### **QUESTION 2:**

# Please re-run the entire model with the following assumptions:

- e) Please re-run the entire model using SoCalGas/SDG&E's 2007 price elasticity study.
- f) Use 2018 actual weather as average year weather design.
- g) Update the model drivers with the most recent data for 2018 and re-run the model to generate how the forecast would change given this assumption.
- h) Provide an Excel table comparing these results to those provided in Chapter 3 of the Applicants' testimony.

### **RESPONSE 2:**

- e) Please see the answer to part (h) below.
- f) Please see the answer to part (h) below.
- g) SoCalGas and SDG&E object to this question as unduly burdensome. Running the End Use Model with updated 2018 drivers would require many months of research and data extraction.
- h) Please find attached an Excel document containing the forecasts that were requested.
  - Please note that the 2007 price elasticity study did not include detailed residential price elasticities. Consequently, the elasticities used in the residential forecasts provided in this data request response are unchanged from those used in SoCalGas/SDG&E's 2020 TCAP filing. The residential forecasts provided in this response incorporate the 2018 actual weather (1016.4 HDD and 785.2 HDD for SoCalGas and SDG&E, respectively).

The core C&I forecasts provided in this response incorporate the elasticities from the 2007 price elasticity study and the 2018 actual weather (1016.4 HDD and 785.2 HDD for SoCalGas and SDG&E, respectively).

