

**ORA DATA REQUEST**  
**ORA-SDG&E-DR-012-KMC**  
**SDG&E 2016 GRC – A.14-11-003**  
**SDG&E RESPONSE**  
**DATE RECEIVED: DECEMBER 1, 2014**  
**DATE RESPONDED: DECEMBER 15, 2014**

**Exhibit Reference:** SDG&E-27

**Subject:** Rate Base

**Please provide the following:**

1. Referring to SDG&E-27, pp. JSA-9, SDG&E states, “With the exception of M&S purchased as part of the termination of the Long Term Service Agreement (LTSA) at Palomar [...] SDG&E does not anticipate significant changes from its current inventory levels for operational needs [...].”
  - a. Please provide the cost of the Palomar LTSA for 2009, 2010, 2011, 2012, and 2013.
  - b. Please describe the analysis that SDG&E conducted to determine whether or not the termination of the Palomar LTSA would be beneficial to ratepayers. Please provide any supporting documentation and calculations related to this analysis.
  - c. Please describe how the initial purchase of the materials and supplies that are necessary as a result of the termination of the Palomar LTSA is being recovered.
  - d. Referring to Q.1.c., please indicate to which account these purchases were recorded.

**SDG&E Response:**

- a. 

Year	Cost
2009	\$12,314,728.96
2010	\$ 9,315,526.79
2011	\$ 7,237,696.37
2012	\$ 7,833,438.39
2013	\$ 6,944,776.02 (partial year of payments)
- b. SDG&E used information from a contracted third party to forecast what the cost would be to replace the LTSA with a self-performed maintenance program. The third party vendor performed an analysis of future maintenance and parts replacement costs, relative to the LTSA, using industry data to provide the forecast. Based on the information provided, SDG&E compared the forecasted data to actual LTSA costs from prior years and determined that there would be cost savings. See the testimony and workpapers of Mr. Carl LaPeter (SDGE-11, beginning on pg. CSL-13, and SDGE-11-WP, beginning on pg. 5).
- c. The purchase of these materials and supplies are recorded on the balance sheet of SDG&E and are being proposed in the 2016 GRC as part of rate base recovery, through the Materials & Supplies component of rate base. The recovery will be through the Amortization and Depreciation expense component of the Revenue Requirement.
- d. These materials and supplies are recorded in GL account 1111030, which is mapped to Plant Material and Operating Supplies on the SDG&E balance sheet.

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2. Referring to SDG&E-27-CWP, pp. 636, SDG&E shows Customer Advances for Construction for a project named “Poseidon” in 2013, 2014, 2015, and 2016.
  - a. Please describe this project.
  - b. Please provide copies of any contracts or agreements that show the amount that SDG&E has or will receive in advances related to the Poseidon project for 2013, 2014, 2015 and 2016.

**SDG&E Response:**

- a. Poseidon Resources plans to develop and construct a seawater desalination plant located at the Encina Power Generation Station in Carlsbad. Poseidon requested SDG&E to provide electric service to the desalination plant for the new load addition. The work includes modification of an existing substation and for an additional 56MVA, installation of two 12kv circuits and associated service meters. Poseidon Resources was required to sign a Special Facilities Contract for the electric service because the service deviated from the standard Rule 15 tariff. Such contract is attached in response to 2.b. below.
- b. Please see CONFIDENTIAL attachments noted below for a copy of the contract plus a revised forecast for 2014-2016. Remaining response removed due to confidentiality.

- **REMOVED DUE TO CONFIDENTIALITY**