

**ORA DATA REQUEST
 ORA-SDG&E-DR-013-SWC
 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-17

Subject: Real Estate, Land Services and Facilities

Please provide the following:

1. In response to ORA-SDG&E-007-SWC, question 1, SDG&E states the statement found in Exhibit SDG&E-17 on page JCS-1 should have read “65 personnel” instead of “65 FTE’s.”
 - a. In data request ORA-SDG&E-007-SWC, question 1(a), ORA requested the average number of FTEs in REL&F for year-to-date 2014 that are categorized as Operation and Maintenance (O&M) expenses broken down by the seven major cost categories. SDG&E provided data for 2009 to 2013. Please provide data for year-to-date 2014. If 2014 data is not available, please explain why.
 - b. In data request ORA-SDG&E-007-SWC, question 1(b), ORA requested the average number of FTEs in REL&F for year-to-date 2014 that are categorized as capital expenditures broken down by the seven major cost categories. SDG&E provided data for 2009 to 2013. Please provide data for year-to-date 2014. If 2014 data is not available, please explain why.
 - c. Provide the number of FTEs in REL&F that are forecast for 2016 and categorized as O&M expenses broken down by the seven major cost categories.
 - d. Provide the number of FTEs in REL&F that are forecast for 2016 and categorized as capital expenditures broken down by the seven major cost categories.

SDG&E Response to Questions 1.a & 1.b:

2014 financial information will not be available until after SDG&E makes its 10-k filing with the SEC in early 2015. The FTE calculation is tied to the financial data.

SDG&E Response to Questions 1.c & 1.d:

Question 1 c.		
O&M Expenses		2016
· Rents and Operating Expenses		-
· Corporate Real Estate		3.2
· Real Estate Planning		5.0
· Capital Programs		6.3
· Facility Operations		16.5
· Land Services		2.9
· Real Estate Resources		4.7
Total		38.6
Question 1 d.		
Capital Expenses		2016
Total FTE's		14.6

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2. In Exhibit SDG&E-17, page JCS-10, lines 9 to 17, SDG&E states regarding Non-Shared rents, “The rent escalation increases for 2014-2016 are associated with the following non-shared sites: Environmental lab; Greencraig; Miramar; Branch offices (National City, Oceanside, Southeast, Escondido); Kearny multi-use facilities; Right of Way easements; and Various office trailers.” Provide a copy of SDG&E’s leases for the following facilities and provide the page reference of the rent and operating expense terms:
- a. Environmental lab;
 - b. Greencraig;
 - c. Miramar;
 - d. Branch offices (National City, Oceanside, Southeast, Escondido); and
 - e. Kearny multi-use facilities

SDG&E Response:

Per email between Sophia Chia and Pete Girard dated on December 2, 2014 an agreement was reached to provide cover sheet of leases.

For a copy of SDG&E lease for facilities requested see the attachment file ORA-SDG&E-013-SWC Supporting Documents. The information provided is considered *confidential pursuant to PU Code Section 583&General Order 66-C*

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3. Please provide a copy of SDG&E's lease for the following facilities and provide the page reference of the rent and operating expense terms specified in the lease:
 - a. Century Park
 - b. Lightwave
 - c. Rancho Bernardo Data Center and
 - d. San Francisco

SDG&E Response:

Per email between Sophia Chia and Pete Girard dated on December 2, 2014 an agreement was reached to provide cover sheet of leases.

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4. In Exhibit SDG&E-17, page JCS-17, Table JCS-12, SDG&E states that total HQ Rent & Maintenance for 2013 recorded is \$6.382 million and 2016 forecast is \$10.523 million.
 - a. Provide a break-down of the 2013 recorded HQ Rent and Maintenance into HQ rent and HQ maintenance.
 - b. Provide a break-down of the 2016 forecast HQ Rent and Maintenance into HQ rent and HQ maintenance.
 - c. Since the HQ building at 488-8th Avenue is a new built-to-suit building, explain why 2016 forecast HQ Maintenance cost is higher than 2013 recorded HQ Maintenance cost if the 2016 forecast maintenance cost is higher. Please provide supporting workpapers.
 - d. Provide a copy of SDG&E's lease for 488-8th Avenue, San Diego, CA and the page reference for the rent and maintenance expense terms for the lease.

SDG&E Response to Question 4.a. and 4.b.:

RESPONSE REMOVED DUE TO CONFIDENTIALITY.

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5. In Exhibit SDG&E-17, page JCS-5, lines 18 to 21, SDG&E states, “Facility Operations cost changes from 2013 through 2016 are driven primarily by the increase in maintenance costs associated with increased commodity and labor costs. Labor cost increases are primarily due to increases in contracted union labor and benefits and increases in the statutory minimum wage.”
- a. Provide the minimum wage for 2013 and forecast for 2016 and supporting documentation for the basis of the 2016 minimum wage forecast.
 - b. Describe the 2016 forecast increases in facility operations costs for maintenance on and increased capacity of security and access control systems to meet the North American Electric Reliability Corporation-Critical Infrastructure Protection requirements that were not required in 2013. Please provide supporting workpapers.
 - c. What are the forecast in-service dates for the new additional back-up emergency generators and uninterruptable power systems at (i) NERC-CIP Sites and the Rancho Bernardo Data Center?

SDG&E Response to Question 5.a.:

The methodology that was used to forecast labor cost was not based on minimum wage forecast, but on a 5 year historical average. I am enclosing California Minimum Wage Order – see ORA-SDG&E-DR-013-SWC Non-Confidential Supporting Documents

SDG&E Response to Question 5.b.:

There were over \$600k planned in Capital improvements to employee occupied facilities in 2014 and an estimated \$2 M in Capital improvements recommended for 2015/2016. Specific NERC-CIP site increases described below:

Mission Control

- Increased costs for required PM maintenance and repair along with six additional new cameras and card readers planned in 2014.
- Increased costs for required PM maintenance and repair of new perimeter intrusion security system planned for 2015.

Metro Back-up Control Center

- Increased costs for required PM maintenance and repair of existing cameras.

Palomar Energy Center

- Increased costs for required PM maintenance and repair of additional new perimeter intrusion security system planned for 2015.

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SDG&E Response to Question 5.c.:

Mission Control

- Replaced existing single 750 kw with 2 new redundant 1 MW emergency generators - in service July 2014.
- Expanded (doubled) UPS battery to 400 kw and added redundancy - in service May 2014.

Rancho Bernardo

- Extended capacity of existing three 1 MW emergency generators by adding two additional new 2 MW Emergency Generators - in service April 2013

Metro Back-up Control Center

- Replacing existing 250 kw generators that are not redundant with two new 500 kw redundant emergency generators – to be in service mid-year 2015

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6. In Exhibit SDG&E-17, page JCS-13, lines 1 to 3, SDG&E states, “The Facilities Corporate Center utilities increase is related to higher electric and water costs. The Facilities-Manager includes the section manager, two management and one associate employee’s labor, related non-labor expense and departmental support expense items.”
- a. Sempra Energy is moving to a new Headquarters building in July of 2015. Why does SDG&E expect its share of the Facilities Corporate Center Utilities to increase?
 - b. Did SDG&E implement any sustainability programs such as install lighting that uses less energy, water conservation faucets/toilets, etc. in the new HQ building? Please provide supporting workpapers.

SDG&E Response 6.a:

In Exhibit SDG&E-17, page JCS-13, lines 13 to 16 states “The 3-year historical average is most appropriate because recorded costs for this activity have varied considerably in the past three years. In addition, this methodology accurately reflects recent economic trends.”

SDG&E Response 6.b:

At the new HQ Building we have implemented sustainability programs that include LED lighting, daylight dimming, motion sensor controls, low flow water fixtures and drip irrigation systems with weatherized irrigation controllers. The mechanical systems have been designed to include 2 high efficiency centrifugal chillers to supply the main building cooling load during normal business hours backed up by a much smaller single air cooled chiller to service the afterhours load. The chillers are supported by 2 high efficiency water cooling towers located on the roof of the building. The individual supply fans on each floor have an economizer to use outside air to reduce the cooling load when applicable. The HVAC system is controlled by a building automation system to maximize its efficiency and turn off or reduce the system load as required. The building will be LEED Certified when completed.