

ORA DATA REQUEST
ORA-SDG&E-DR-051-TLG
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: JANUARY 26, 2015
DATE RESPONDED: FEBRUARY 10, 2015

Exhibit Reference: SDG&E-14

Subject: Customer Service Operations, Information, and Technologies

Please provide the following:

1. SDG&E's forecasts \$67.584 million (\$66.605 million for Non-Shared, and \$0.979 million for Shared Services) for Test Year 2016 for its Customer Service Operations, Information, and Technologies Operations and Maintenance (O&M) expenses. This is an increase of \$9.433 million or 16.22% over 2013 recorded adjusted expenses of \$58.151 million. The five year average (2009-2013) is \$57.230 million.
 - a. For SDG&E's Customer Service Operations, Information, and Technologies, provide the recorded adjusted 2014 labor and non-labor expenses as of December 31, 2014 in the same manner as shown in workpapers on pages 209-210.
 - b. For SDG&E's Customer Service Operations, Information, and Technologies, provide the recorded 2014 capital expenditures for all projects listed in Table 55 and Table 56 on pages BMB-120 and BMB-121.

SDG&E Response:

- a. SDG&E's recorded adjusted 2014 labor and non-labor expenses as of December 31, 2014 will not be available until March 2015. SDG&E will respond to this question as soon as the data becomes available.
- b. SDG&E's recorded 2014 expenditures for all capital projects will not be available until March 2015. SDG&E will respond to this question as soon as the data becomes available.

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2. Provide documentation that explains if SDG&E’s TY 2016 Customer Service Operations, Information, and Technologies GRC request includes projects that it also requested and received funding for in its 2012 GRC (D.13-05-010), if so, identify the projects and associated costs.

SDG&E Response:

The following activities or projects are being requested in SDG&E’s TY 2016 Customer Service Operations, Information, and Technologies GRC request that were also requested in SDG&E’s 2012 GRC but for different reasons. The O&M activities from the 2012 GRC were approved, however, SDG&E’s TY 2012 GRC Decision (D.13-05-010) did not specifically approve or deny its IT capital projects. Rather, D.13-05-010 authorized a total number for all of SDG&E’s IT capital project requests.

Following are explanations for the incremental increases in SDG&E’s TY 2016 request:

O&M

Workgroup	Activity	2012 GRC (2009 \$’s)	TY 2016 GRC (2013 \$’s)	TY 2016 Explanation
AMO	Field Compliance & Maintenance Work	Requested and received approval for 11.5 FTEs - \$884K	Requesting 8.5 FTEs - \$862K	Combination of an increase of compliance testing orders above the 2013 level and a delay of when compliance activities forecasted in the 2012 GRC switched from charging the Advanced Metering Infrastructure Balancing Account to charging O&M (see details on pages BMB-16 and BMB-17 of Brad Baugh’s direct testimony Exhibit SDG&E-14).

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SDG&E Response to Question 2 (Continued):

Workgroup	Activity	2012 GRC (2009 \$'s)	TY 2016 GRC (2013 \$'s)	TY 2016 Explanation
Billing	Billing support for Net Energy Metering	Requested and received approval for 3 FTEs - \$135K	Requesting 4 FTEs - \$251K	With the continual growth of net metering customers, support levels above the 2012 GRC approved request are needed (see details on pages BMB-21 and BMB-22 of Brad Baugh's direct testimony Exhibit SDG&E-14).
Credit & Collections	MRP investigators for energy theft	Requested and received approval for 2 FTEs - \$188K	Requesting 2 FTEs - \$138K	The request in the 2012 GRC was to address additional leads being generated by the implementation of the new smart meter technology. The current quantity of leads is sufficient to warrant additional staffing above the 2012 GRC approved request (see details on pages BMB-28 and BMB-29 of Brad Baugh's direct testimony SDG&E-14).
Credit & Collections	Credit activities due to Customer Growth	Requested and received approval for .7 FTE - \$50K	Requesting 1.2 FTEs - \$77K	Increased credit activities resulting from customer growth (see details on page BMB-30).

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SDG&E Response to Question 2 (Continued):

Workgroup	Activity	2012 GRC (2009 \$'s)	TY 2016 GRC (2013 \$'s)	TY 2016 Explanation
Residential Services	Outreach & Education for Plug-In Electric Vehicles	Requested \$1.385M in non-labor (\$1.040M related to PEV outreach activities) and received approval of \$400K in non-labor but did not specify the activities.	Requesting \$100K in non-labor	Growth in Plug-In Electric Vehicles (see details on pages BMB-70 and BMB-71).

Capital

- My Account Accessibility

In the TY 2016 GRC, SDG&E is requesting funding for the SDG&E My Account Accessibility capital project as described on pages BMB-125 and BMB-126 of Brad Baugh's direct testimony Exhibit SDG&E-14. The project forecast for 2014, 2015, and 2016 are \$4,704,000, \$1,587,000, and \$0, respectively.

The scope from the My Account Accessibility, My Account Products & Services and My Account Mobile Services capital projects included in SDG&E's 2012 GRC (described on pages KHC-87 and KHC-88 of Kathe Cordova's testimony Exhibit SDG&E-15) started in 2012 and became part of SDG&E's overall My Account Accessibility capital project. The project delivery for the overall My Account Accessibility project lasted longer than anticipated, and therefore SDG&E has forecasted spend in 2014 and 2015 as part of its TY 2016 GRC. As shown in workpaper page 382, the historical spend for the project for the period 2009-2013 is:

2009-2011: \$0
 2012: \$7,000
 2013: \$3,072,000

In the TY 2016 GRC, SDG&E is requesting funding for the SoCalGas My Account Accessibility capital project as described on pages BMB-124 and BMB-125 of Brad Baugh's direct testimony

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SDG&E Response to Question 2 (Continued):

Exhibit SDG&E-14. The project forecast for 2014, 2015, and 2016 are \$113,000, \$0, and \$0, respectively.

The scope from the My Account Accessibility and My Account Products & Services included in SDG&E's 2012 GRC (as described on pages KHC-87 and KHC-88 of Kathe Cordova's testimony Exhibit SDG&E-15) started in 2011 and became part of SoCalGas's overall My Account Accessibility capital project which started in 2011 and completed in 2014. As shown in workpaper page 382, the historical spend for the project for the period 2009 through 2013 is:

2009-2010: \$0
2011: \$50,000
2012: \$2,027,000
2013: \$745,000

- Bill Redesign

In its TY 2016 GRC request, funding for a Bill Redesign capital project is being requested as described on pages BMB-128 and BMB-129 of Brad Baugh's direct testimony Exhibit SDG&E-14. The forecast for this project for 2014, 2015, and 2016 are \$0, \$1,929,000, and \$1,394,000, respectively.

The purpose of this project is to improve SDG&E's customer bill to address changes in the electric industry. As the electric industry is changing, our existing bill format lacks the flexibility to meet the expectations or the future needs of our customers. This project will leverage the existing formatting software to redesign our bill, and to enhance the bill presentation and graphics. Customer expectations are expanding dramatically and each succeeding generation of SDG&E customers emerge with new technologies that provide new options for our customers. Smart Meter data allows us to provide more specific and targeted information than ever before. Rate reform, Smart Pricing and Demand Response programs will require us to provide timely, valuable and easy to read power usage information, alternative rate options and other important information to our customers to help them to make informed decisions in support of energy use, cost and conservation. While these tools are available now to customers online, over half our customers still receive a paper bill. The objective of this project is to target those customers and provide a paper bill that is easier to understand, incorporates more graphic information, and provides a large font option. SDG&E also plans to offer customers currently receiving a paper bill the option of a one sheet/two page summary bill in lieu of the current full bill detail.

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SDG&E Response to Question 2 (Continued):

In its TY 2012 GRC request, funding for a Bill Redesign capital project was requested. As described on page JSR-47 of Steve Rahon's direct testimony (Exhibit SDG&E-14), this project was mandated by California Public Utilities Commission ("CPUC") Decision ("D") 05-11-009 which directed the utilities to develop a more customer friendly, useful bill format that could assist customers in meeting demand response, energy efficiency, and other policy goals.

The purpose of the project was to redesign SDG&E's bill to improve readability by structuring the information in a logical hierarchy starting with utility contact information at the top, followed by account summary, account detail and targeted messaging. Icons were used to draw the customer's attention to important bill messages. A column format was used to improve the readability associated with the detailed Energy Charges section. Improved facilitation of customer decision making was accomplished by including a usage chart displaying 13 months of historical energy use; a tabular chart comparing the current month's usage to the previous month and to the same month of the prior year; and a usage chart showing the average cost per kWh by tier. Finally, new printer technology was enabled to allow duplex printing, 8 ½ x 11 paper size, and graphics.

As shown in workpaper page 382, the historical spend for the project for the period 2009 through 2013 is:

2009: \$1,233,000
2010: \$1,044,000
2011: \$6,000
2012: \$1,000

The two Bill Redesign projects described above are distinctly different with different business drivers.

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3. SDG&E's workpapers on pages 452-460 lists lump sum labor forecasts for 29.3 additional FTE positions for TY 2016. SDG&E's workpapers are insufficient and incomplete. SDG&E states on page 417 of its workpapers that "Labor decrease due to salary fluctuations based on the level of experience of a workforce, the type of work required, and market reference range."
 - a. Provide all supporting documentation for the calculation of the labor forecasts (i.e., the documentation that demonstrates the individual breakdown of all costs included in each of the labor calculations, including but not limited to labor, benefits, bonuses, overtime, etc.).
 - b. If SDG&E utilized a Market Reference Range to forecast labor costs for proposed FTEs, provide the source document for the Market Reference Range and any other documentation SDG&E utilized to forecast labor for FTEs.
 - c. Provide documentation that explains if the proposed salary shown for the proposed 29.3 FTE's will be adjusted for experience of workforce and the type of work required, if so, state why SDG&E's testimony and workpapers does not provide any discussion or calculations for salary adjustments in TY 2016.
 - d. Provide documentation that explains if the labor costs shown on workpaper pages 452-460 are the actual annual salaries that the new FTEs will receive. If not, state so and explain any differences in the amount that will be paid for each proposed FTE.
 - e. Provide documentation that explains in detail and demonstrates why SDG&E's current staffing levels are insufficient to perform the work activities proposed for Test Year 2016.
 - f. Provide documentation that explains in detail if SDG&E's Customer Service Operations, Information, and Technologies Group has deferred any required/mandated projects, programs or other activities associated with gas safety education and awareness to customers, outreach and training programs/events (i.e., medical baseline, community based organizations, gas assistance fund, social media messaging, natural gas appliance testing/carbon monoxide testing, maintenance of sdge.com website, My Account and other e-Channels etc. during 2009-2013 to justify 29.3 additional FTE's.
 - g. If projects, programs or other activities were deferred during 2009-2013, identify the projects and associated costs and state the cause of the deferral.
 - h. Provide documentation that explains if SDG&E requested and was authorized funding in its 2012 GRC (D.13-05-010) for any of the deferred projects identified in questions 3-e and 3-f.

SDG&E Response:

- a. Attachment "ORA-SDG&E-DR-051-TLG Q3a Attachment.xls" provides documentation that presents the individual breakdown of all the costs included in each of the labor calculations for the incremental 29.3 FTEs by workgroup, and corresponding cost driver as described in Brad Baugh's direct testimony Exhibit SDG&E-14 and workpapers. The labor forecast for these 29.3

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SDG&E Response to Question 3a continued:

FTEs in SDG&E's Customer Service Operations, Information, and Technologies was based primarily on the midrange of the Sempra Energy Management Pay Bands, and Market Reference Ranges Effective 01/01/2013 (attached as "ORA-SDG&E-DR-051-TLG-Q3b Attachment.pdf") in response to Q3b of this data request. However, there were additional factors used in forecasting the labor for the 29.3 FTEs. For example, if the FTE forecast was for a position that currently exists, and the funding source for the forecasted position is transitioning to O&M in the TY 2016, then the actual annual salary of the individual is utilized or an average annual rate was used. Also, when the forecasted position was Union represented, the salary rate was based on the associated wage rate as defined in SDG&E's Collective Bargaining Unit Agreement. As stated above, the detail for the forecast is included in the attachment.

Benefits and bonus costs were not included in the Customer Service Operations, Information, and Technologies labor estimates because these forecasted costs are included in the testimony of witness Debbie Robinson, Exhibit SDG&E-22 (Compensation, Health & Welfare/Incentives). The Customer Service Operations, Information, and Technologies forecasts for the incremental 29.3 FTEs do not include overtime.

- b. Please see attachment "ORA-SDG&E-DR-051-TLG-Q3b Attachment.pdf" for the Sempra Energy Management Pay Bands, and Market Reference Ranges Effective 01/01/2013 SDG&E utilized to forecast labor.
- c. As stated above in response to Q3.a of this data request, the labor forecast for the 29.3 FTEs was based primarily on the midrange of the Sempra Energy Management Pay Bands, and Market Reference Ranges Effective 01/01/2013 (attached as "ORA-SDG&E-DR-051-TLG-Q3b Attachment.pdf") in response to Q3b of this data request. These are forecasted expenses that SDG&E considers a midrange estimate and reasonable, as SDG&E cannot precisely anticipate a specific future candidate's negotiated salary since specific skills, knowledge, experience and other attributes vary on an individual basis and must be valued accordingly.
- d. See SDG&E response to Q3.c of this data request. Incremental activity FTE labor costs were estimated using midrange a Market Reference Range and are a forecast of the actual annual salaries that the new FTE will receive. These are forecasted expenses that SDG&E considers a midrange estimate as reasonable, as SDG&E cannot precisely anticipate a specific future candidate's negotiated salary since specific skills, knowledge, experience and other attributes vary on an individual basis and must be valued accordingly.

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Response to Question 3 (Continued)

- e. The TY 2016 forecast for Customer Service Operations, Information, and Technologies includes activities that are incremental to BY 2013. These incremental activities include new activities, a change in the existing activity level, cost reduction, or an activity that is a change of funding source (Advanced Metering Infrastructure and Dynamic Pricing Balancing Accounts) to the GRC. Furthermore, any excess capacity embedded in BY 2013 staffing levels has already been removed from our TY 2016 request as cost reductions.

The testimony in each area provides the justification for the forecast and identifies the specific activities requiring incremental funding, which is the justification why prior levels of funding are not sufficient in those areas where the TY 2016 request exceeds current funding levels. All of these activities are described in detail by workgroup in the “Cost Drivers” section of Brad Baugh’s direct testimony Exhibit SDG&E-14 and is also provided in the attachment labeled “ORA-SDG&E-DR-051-TLG Q3a Attachment.xlsx.” The attachment also depicts whether the activity is a new activity, change in the existing activity level, cost reduction, or an activity that is a change of funding source.

As discussed specifically for each cost group, there are a number of external drivers of increased activity levels. These cost drivers are summarized in Brad Baugh’s direct testimony Exhibit SDG&E-14 beginning on page BMB-iv:

- System enhancements, operational support, research, and outreach activities to educate and prepare customers for new and changing pricing plans and program options that have been requested and/or previously approved by the Commission.

These include:

- o Maintenance and growth of Net Energy Metering (“NEM”) and Electric Vehicles (“EV”)
- o Maintenance and growth of Smart Pricing rates
- o Opt-in residential Reduce Your Use (“RYU”)
- o Default Critical Peak Pricing for medium business customers
- o Residential rate reform and transitioning residential customers to time-of-use pricing plans
- Enhancements and expansion of customer convenience platforms, such as the Interactive Voice Response (“IVR”), My Account website, SDG&E.com, and mobile applications;
- Increased utilization of social media to connect to our customers in real time
- Continue support of the Energy Management Tool (“EMT”) to help customers understand and manage their energy use;

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Response to Question 3e (Continued)

- Continue support of the delivery of event notifications and customer established goals and alerts;
 - Operational efficiency projects;
 - Expansion of efforts to better understand our customers' needs and provide the proper mix of services and offerings to the right customer at the right time through the right channels;
 - Continue to maintain and enhance customer privacy protections within the Office of Customer Privacy.
- f. SDG&E's Customer Service Operations, Information, and Technologies Group did not defer any required/mandated projects, programs or activities during 2009-2013, including but not limited to the examples provided by the ORA in Question 3.f.
- g. SDG&E did not defer any projects, programs or activities during 2009-2013.
- h. SDG&E did not defer any projects, programs or activities during 2009-2013.

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4. In SDG&E's workpapers pages 384 through 447, SDG&E lists 2009-2013 recorded adjusted expenses for each Work Group/Cost Center and provides brief narratives to explain the year to year variances. On workpaper pages 451 through 472, SDG&E provides lump sum numbers for its 2016 forecast for each Work Group/Cost Center along with a brief narrative to justify the incremental funding. Provide documentation that explains in detail why SDG&E's Customer Service Operations, Information, and Technologies group is requesting an increase of 16.22% over 2013 recorded adjusted expenses in the TY to address the same or similar projects associated with routine core business projects and recurring and on-going activities that already have costs embedded, from ongoing or completed projects, in SDG&E's historical (2009-2013) expenses. If the forecast costs and proposed activities are totally different from historical projects, provide the documentation that clearly and fully explains the differences to justify incremental funding of 16.22% over 2013 recorded adjusted expenses.

SDG&E Response:

The TY 2016 forecast for Customer Service Operations, Information, and Technologies includes activities that are incremental to BY 2013. These incremental activities include new activities, a change in the existing activity level, cost reduction, or an activity that is a change of funding source (Advanced Metering Infrastructure and Dynamic Pricing Balancing Accounts) to the GRC. Furthermore, any excess capacity embedded in BY 2013 expense levels has already been removed from our TY 2016 request as cost reductions.

The testimony in each area provides the justification for the forecast and identifies the specific activities requiring incremental funding, which is the justification why prior levels of funding are not sufficient in those areas where the TY 2016 request exceeds current funding levels. All of these activities are described in detail by workgroup in the "Cost Drivers" section of Brad Baugh's direct testimony Exhibit SDG&E-14 and is also provided in the attachment to Question 3.a (see attachment labeled "ORA-SDG&E-DR-051-TLG Q3a Attachment.xlsx").

As discussed specifically for each cost group, there are a number of external drivers of increased activity levels. These cost drivers are summarized in Brad Baugh's direct testimony Exhibit SDG&E-14 beginning on page BMB-iv:

- System enhancements, operational support, research, and outreach activities to educate and prepare customers for new and changing pricing plans and program options that have been requested and/or previously approved by the Commission;

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SDG&E Response to Question 4 (Continued):

These include:

- Maintenance and growth of Net Energy Metering (“NEM”) and Electric Vehicles (“EV”);
 - Maintenance and growth of Smart Pricing rates;
 - Opt-in residential Reduce Your Use (“RYU”);
 - Default Critical Peak Pricing for medium business customers;
 - Residential rate reform and transitioning residential customers to time-of-use pricing plans.
- Enhancements and expansion of customer convenience platforms, such as the Interactive Voice Response (“IVR”), My Account website, SDG&E.com, and mobile applications
 - Increased utilization of social media to connect to our customers in real time;
 - Continue support of the Energy Management Tool (“EMT”) to help customers understand and manage their energy use;
 - Continue support of the delivery of event notifications and customer established goals and alerts;
 - Operational efficiency projects;
 - Expansion of efforts to better understand our customers’ needs and provide the proper mix of services and offerings to the right customer at the right time through the right channels;
 - Continue to maintain and enhance customer privacy protections within the Office of Customer Privacy.

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5. Provide documentation that explains in detail if the forecast non-labor costs shown in workpapers on pages 451 through 472 are the total costs for each of the proposed projects or are the costs listed the amount that will be incurred annually.

SDG&E Response:

The majority of the non-labor costs forecasted for TY 2016 are costs that will be incurred annually. In no case did SDG&E include the total cost for each of the proposed projects in its TY 2016 forecast. In cases where the costs changed each year, SDG&E calculated an average for the period 2016-2018. For example, we forecasted \$400,000 for the privacy audit that will be conducted in 2017. SDG&E took a three-year average of this expense, which equals \$133,000, which was included in its TY 2016 request as shown on workpaper page 460.

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6. Provide documentation that demonstrates the amount SDG&E's Customer Service Operations, Information, and Technologies requested/forecast in its 2012 GRC and the amount it was authorized in its 2012 GRC (D.13-05-010). In the response provide the corresponding 2016 GRC account/Cost Center/Work Group. Provide the response in a spreadsheet similar to the one shown in workpapers on page 209-210.

SDG&E Response:

Please see attachment "ORA-SDG&E-DR-051-TLG-Q6 Attachment.xlsx" which shows SDG&E's Customer Service Operations, Information, and Technologies TY2012 GRC requested/forecast and authorized in D.13-05-010 by the corresponding TY2016 Customer Service Operations, Information, and Technologies Cost Center / Workgroup.

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7. Provide documentation that demonstrates all recorded costs incurred for overtime/double-time for 2009-2013 for SDG&E's Customer Service Operations, Information, and Technologies. Provide the recorded overtime/double-time costs in a spreadsheet similar to the one shown in workpapers on page 209-210.

SDG&E Response:

Please see the attachment provided in response to Question 9.

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8. Provide SDG&E's Customer Service Operations, Information, and Technologies end of the year headcount and FTE count for 2009-2013 and the associated labor cost. In the response also provide the job classification and the assigned Cost Center/Work Group.

SDG&E Response:

Please see attachment "ORA-SDGE-DR-051-TLG Q8 Attachment.xlsx" for end of the year headcount by job classification, annual full time equivalent (FTE) count, and the associated labor cost for 2009-2013 by non-shared workgroup or shared service cost center. SDG&E does not track FTEs by job classification therefore FTEs are reported in aggregate by workgroup or cost center.

Customer Service Operations, Information, and Technologies developed its GRC forecast based on "FTE" not "Headcount." "Headcount" does not equal "FTE." An FTE position is an indication of activity level and not a specific headcount in any given year. In some cases, headcount may be less than the FTE count. For example, the activity level driving the forecasted incremental FTE in an operational area may ultimately be performed using internal labor, outside contractors, overtime or a mix of each. In other cases, headcount may be more than the FTE count if the positions are filled with part-time employees.

SDG&E does prepare a forecast of "Headcount" which is used for forecasting employee benefits only (Exhibit SDG&E-22). Headcount forecast encompasses all employees, including those whose work responsibilities are included in the GRC, as well as those whose duties are related to a refundable program or other functional area with costs approved through a non-GRC proceeding. Headcount is not used in the operating areas to forecast cost.

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9. For SDG&E’s Customer Service Operations, Information, and Technologies for 2009-2013 provide, in a spreadsheet similar to the one shown in workpapers on pages 209-210, a detailed and itemized listing of all labor and non-labor expenses (note: do not lump expenses together in the response, separate and identify the expenses by the categories as requested below) incurred for 1) employee meals, 2) employee luncheons, 3) vendor payments for offsite meetings and events (provide copies of contracts for costs and services provided), 4) all entertainment expenses, 5) employee recognition activities, 6) sporting events, 7) bonuses/awards, 8) employee/company memberships and dues, 9) all contributions, 10) charitable events, 11) brand awareness and loyalty surveys/campaigns/events, 12) lobbying activities or efforts to educate policymakers and assist in the development of legislation, and 13) other employee reimbursable expenses.

SDG&E Response:

The expenses shown in the attachment “ORA-SDGE-DR-051-TLG Q9 Attachment.xlsx” reflect the dollars spent in 2009-2013 as charged by the operating areas. The data shows that there is a variation in categories used, which is dependent upon the people responsible for assigning costs. All recorded costs are included in the attachment. Not all categories requested by ORA are specifically or separately identifiable. For example, sporting event related expense activities are not separately identified from other employee reimbursable expenses. Also, SDG&E does not explicitly conduct brand awareness or customer loyalty campaigns. SDG&E does conduct customer surveys that measure customer satisfaction, customer awareness, and effectiveness of SDG&E communications.

Please note that lobbying activities are not included in the recorded or requested GRC dollars. Lobbying activities are out of the scope of the GRC and are not ratepayer funded.

Furthermore, while responding to this data request, SDG&E discovered that SPP refundable dollars were not removed from the 2010-2012 historical labor expenses for workpaper group Communications & Research 100010. The 2013 dollars were properly adjusted, so this does not impact the incremental request in TY 2016.

These numbers will be corrected in the Errata filing that is expected to be filed in March. The impact will be as follows in constant 2013 dollars:

2010 Labor = -\$28k
2011 Labor = -\$200k
2012 Labor = -\$262k

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10. SDG&E states on page BMB-38 that “Employees and supervisors will be able to focus more on moving customers towards self-service payment options like My Account, home banking, and the SDG&E mobile application.” Provide the documentation that SDG&E’s management relied upon to determine that the customers that utilize its Downtown, National City and Oceanside Branch Offices to make payments have access to the equipment (computers, mobile phones, web access, etc.) and have established bank accounts in order to utilize “self-service payment options like My Account, home banking, and the SDG&E mobile application.”

SDG&E Response:

SDG&E did not conduct a study to determine if customers had access to equipment or established bank accounts; however we have seen a general trend in an increase of use in self-service options at SDG&E as shown on slide 9 in the **CONFIDENTIAL** attachment labeled “ORA-SDG&E-DR-051-TLG Q10 Confidential Attachment.pdf”.

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11. SDG&E states on page BMB-38 that its newly implemented Capacity Model “will allow us the flexibility to schedule employees during peak days and times even down to the hour. No diminished service to customers is expected.” SDG&E states further that “Longer customer wait times may be experienced during high volume periods until the staffing levels are optimized.”
- a. Provide the documentation that SDG&E’s management relied upon, that was prepared prior to this data request, to determine that its proposed changes to its Business Offices would not diminish customer service.
 - b. Provide documentation that explains what SDG&E means by “No diminished service to customers is expected”, considering that “Longer customer wait times may be experienced.”
 - c. Provide documentation that explains if SDG&E’s customers are currently experiencing “Longer customer wait times” in the Branch Offices SDG&E proposes to implement changes for in TY 2016 (Downtown, National City, and Oceanside offices).

SDG&E Response:

- a. SDG&E used the study that was prepared by The LAB referred to as the Capacity Model (see **CONFIDENTIAL** attachment labeled “ORA-SDG&E-DR-051 Q11a CONFIDENTIAL Attachment.pdf”). The purpose of the Capacity Model is to enable SDG&E to match projected necessary resources to volume. The Model is designed to forecast a complete year to provide management with the proper projection needed to staff the Branch Offices. When anomalies in scheduling, production, or service arise, this tool gives insight to management so they can react as needed. The tool is multi-faceted and can be used daily, weekly, monthly, or for longer periods of time. No diminished services means we would continue to provide the customers the same services we were previously providing.

Note: The Capacity Model is not being used for the Downtown and Carlsbad Offices

- b. With less staff we have seen peaks where customers may have to wait longer to be served, however there is no reduction of services as the customers are still provided the same services.
- c. Below is the 2013-2014 year-end report from our Customer Connections Survey on Reasonable Wait Time. We did not see a decrease in customer satisfaction.

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SDG&E Response to Question 11c (Continued):

2013

Reasonableness of Wait Time	National City	San Diego Downtown
Very reasonable	87.0%	55.6%
Somewhat reasonable	8.7%	33.3%
Neither reasonable nor unreasonable	0.0%	11.1%
Unreasonable	4.3%	0.0%

2014

Reasonableness of Wait Time	National City	San Diego Downtown
Very reasonable	92.9%	83.3%
Somewhat reasonable	3.6%	16.7%
Neither reasonable nor unreasonable	0.0%	0.0%
Unreasonable	3.6%	0.0%

Note: Oceanside results are included in the Overall results referenced in Q13.

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12. SDG&E states on page BMB-36 that it “contracts with a third party vendor that provides a network of approximately 75 APLs. These APLs provide similar payment services for SDG&E customers and offer convenient locations and extended hours.”
- a. Provide documentation that explains if the 75 APLs charge SDG&E or its customers an additional fee for the payment services. If so, provide the documentation that demonstrates all costs that are charged.
 - b. Provide documentation that explains if the 75 APLs provide any other type of service, specifically the same services and quality of services customers expect from services provided by SDG&E employees at its Branch Offices, for SDG&E’s customers other than bill payment services.
 - c. Provide documentation that explains in detail the amount of time it takes for a payment made by a SDG&E customer at one of the 75 APLs takes to post to a customer’s account vs. the amount of time it takes for a payment to post to a customer’s account when the payment is made at a SDG&E Branch Office (i.e., if a customer receives a service shut off notice and a final payment is due on the day the payment is made, will the payment post to the customer’s account the minute the payment is made at one of the 75 APLs).

SDG&E Response:

- a. SDG&E Authorized Payment Locations (APLs) do not charge a fee to customers who are making a payment or for a Positive Identification Verification. SDG&E is under contract with a 3rd Party vendor CheckfreePay/FISERV and pays a monthly fee to manage the APL contracts.
- b. The following transactions may be conducted at select APLs or APLs that have a direct connect telephone where customers are able to speak directly with an SDG&E representative:
 - Reviewing and discussing billing and account activity at length;
 - Setting up payment arrangements;
 - Starting/stopping services;
 - Providing information about and enrolling customers in energy savings programs;
 - Request copies of billing statements;
 - Request verification and credit reference letters;
 - Customer identification verification (POS ID). POS ID verification is a process for authenticating new customers. A number of APL’s have agreed to assist with POS ID ;
 - CARE collateral and applications are available for customers.

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Response to Question 12 (Continued)

- c. Payments processed both at an SDG&E Branch Office or at an APL will memo post (pending payment) to a customer's account and will stop any pending shut off/disconnection notice. Branch Office payments memo post immediately while APL payments memo post hourly (during hours when customers may be disconnected). While there is a slight delay with memo posting from an APL, the customer is given a confirmation number at time of payment that can be used to cancel the disconnection. SDG&E is unaware of any issues resulting from the memo post delay. The payment will automatically post on the customer's account when the Branch Office or APL completes their closeout at the end of the day; a payment file is generated and will be uploaded in our CIS system.

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13. SDG&E states on page BMB-49 that “Customer satisfaction ratings on the level of service and customer experience at the APLs will continue to be monitored by a third party vendor and the local administrator will conduct monthly audits of the impacted areas.” Provide documentation that shows the “Customer satisfaction ratings on the level of service and customer experience at the APLs” for 2009-2014.

SDG&E Response:

2012 was a benchmark year with a new vendor and new scoring methodology. Prior to 2012, a 10 point numeric rating scale was used with responses of 8, 9 and 10 being counted as “satisfied” (30% of possible responses) compared to our current methodology using a 5 point scale with Excellence to Poor ratings and only a response of Excellent (20% of possible responses) being counted in the results.

	Overall	Representative
	Satisfaction	
2009	90%	94%
2010	89%	93%
2011	90%	94%
	Overall Quality of Service	
2012	51.6%	62.4%
2013	40.8%	50.9%
2014	43.8%	54.6%

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14. In 2013, 58% of SDG&E's customers that used its National City Branch Office paid with cash. 60% of SDG&E's customers that paid at the National City Branch Office were identified as customers on the California Alternate Rates for Energy ("CARE") program. For SDG&E's Downtown Branch Office, 24% of customers paid with cash. 38% of SDG&E's customers that paid at the Downtown Branch Office were identified as CARE customers. For SDG&E's Oceanside Branch Office, 54% of customers paid with cash. 41% of SDG&E's customers that paid at the Oceanside Branch Office were identified as CARE customers (see pages BMB-45 to BMB-48).
- a. Provide the documentation SDG&E's management relied upon to determine that "the Branch Office closures and conversion as a whole would be beneficial to our customers from a cost savings perspective and would not diminish services available to them, including SDG&E's low income customers."
 - b. Provide documentation that demonstrates the results of surveys and studies SDG&E conducted with its low income customers which determined that the proposed Branch closures would not diminish or negatively impact the customer service these customers currently receive.
 - c. Provide documentation that demonstrates the percentage of SDG&E's customers that paid with cash at its Chula Vista, El Cajon, Escondido, and Market Creek Branch Offices.
 - d. Provide documentation that demonstrates the percentage of payments that came from SDG&E's CARE customers utilizing the Chula Vista, El Cajon, Escondido, and Market Creek Branch Offices.
 - e. Provide documentation that demonstrates the median household income for Chula Vista, El Cajon, Escondido, and Market Creek.
 - f. SDG&E states on page BMB-43 that "The savings and one-time costs are not reflected in the Branch Office TY 2016 forecast. Adjustments will need to be made to SDG&E's authorized revenue requirement if SDG&E's proposal is approved." Provide documentation that explains why SDG&E did not include the proposed savings in its TY 2016 forecast but included its proposal for the office closures.

SDG&E Response:

- a. See pages 6, 7 and 8 of the attached confidential internal study for the National City, Downtown and Oceanside Branch Offices, for the annual cost savings and low income customer impact (see **CONFIDENTIAL** attachment labeled "SDG&E-ORA-DR-051-TLG Q10 Confidential Attachment.pdf"). *Note: Costs in presentation are draft costs and final costs are documented in GRC application.*
- b. No diminished services to customers will occur with the proximity and quantity of APLs and other Branch Office availability described below:

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SDG&E Response to Question 14 (Continued):

- National City – Six APLs available within a three mile radius of this office (11 additional APLs within a 5 mile radius) with one APL being right next door. Of the six APLs within a 3 mile radius, one is equipped with a courtesy phone which connects directly to the Customer Contact Center (“CCC”), two provide identity verification and all APLs are compliant per the Americans with Disabilities Act (ADA). Of the 11 APLs within a five mile radius, one is equipped with a courtesy phone with a direct line to the CCC, two provide identity verification services (POSID), and all are compliant per the ADA. The APLs are convenient for customers using public transportation.
- Downtown – The Market Creek Branch Office is within six miles of the Downtown branch office and there are currently four APLs available within a three mile radius of this office (five additional APLs within a 5 mile radius). One of these four APLs is equipped with a courtesy phone which connects directly to the CCC, two provide identity verification and all APLs are compliant per the Americans with Disabilities Act (ADA). The four APLs are convenient for customers using public transportation.
- Oceanside – There are currently two APLs available within a three mile radius of this office (four additional APLs within a five mile radius). Once SDG&E converts the Oceanside Branch Office to an APL, leaving a courtesy phone which connects to the CCC and removing the ExpressPay and Virtual ESS machines, SDG&E will have three APLs within a three mile radius of the current Oceanside Branch Office. Of the four APLs that are within a five mile radius, two are equipped with courtesy phones to connect to the CCC, two provide identity verification and all APLs are ADA compliant. The APLs are convenient for customers using public transportation.

c. In 2013, the following percentage of Branch Office customers paid with Cash:

Chula Vista	49%
El Cajon	50%
Escondido	71%
Market Creek	58%

d. Below are the percentages of CARE customers who utilized these offices:

	% CARE Customers
CHULA VISTA B.O.	60%
EL CAJON B.O.	55%
ESCONDIDO B.O.	58%
MARKET CREEK B.O.	73%

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SDG&E Response to Question 14 (Continued):

- e. Below are the median household incomes of customers who utilized these offices:

	Median HH Income
CHULA VISTA B.O.	\$52,541
EL CAJON B.O.	\$56,498
ESCONDIDO B.O.	\$53,499
MARKET CREEK B.O.	\$44,038

- f. SDG&E did not include the proposed savings in its TY 2016 GRC for the closure of its Branch Offices because SDG&E is not presuming the outcome of the Commission's disposition of SDG&E's request for closure. If the Commission approves SDG&E's closure request, then SDG&E will reduce revenue requirements to reflect the net savings (annual savings net costs to achieve). These savings will reflect effective timing of actual closure for each specific office during the first calendar year of closure and then subsequent year annual savings.

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15. SDG&E states on page BMB-36 that it “continues to experience a decline in Branch Office and APL payments” and because of this SDG&E proposes to “close two of its Branch Offices (Downtown and National City).”
- a. Provide documentation that explains in detail and demonstrates all customer satisfaction, customer service impact, and/or Customer Connections studies and surveys SDG&E conducted to determine that the closures of its Downtown and National City Business offices and the conversion of its Oceanside office to an APL would not negatively impact the community (i.e., convenience of branch location measured very low by customers for the branches to be closed) that currently utilize the branch offices.
 - b. If SDG&E has not performed any customer service impact studies and surveys of the communities that will be affected by the closures of its Downtown and National City Business offices and the conversion of its Oceanside office to an APL, provide documentation that clearly explains why this has not been done.
 - c. Based on the data shown in Table 19 on page BMB-39, the volume of payments made at Branch Offices have not declined at only SDG&E’s Downtown, National City and Oceanside Branch Offices between 2009-2013. Provide documentation that explains the reason for the decline in Branch Office payments.
 - d. Provide documentation that explains the actions/procedures SDG&E implemented between 2009-2013, to determine the cause of the decline in Branch Office and Authorized Payment Locations payment activity.
 - e. Provide documentation that explains the procedures SDG&E implemented between 2009-2013 to increase Branch Office and APL payments.
 - f. Provide documentation that explains and demonstrated in more detail specifically why “the Oceanside, Downtown and National City Branch Offices have the highest cost per transaction of all the Branch Offices” as discussed on page BMB-39 and in Chart 3 on page BMB-40.
 - g. Provide documentation that explains if SDG&E made a proposal in its last two GRCs to close Branch Offices. If so, provide the documentation that explains how that issue was resolved.
 - h. The volume of payments made at the Branch Offices of Chula Vista, El Cajon, Escondido, and Market Creek have also declined, yet SDG&E has not proposed to close these offices in its 2016 GRC. Provide documentation that explains why SDG&E’s management is not proposing to close these offices.
 - i. Provide documentation that demonstrates the “demographically and socio-economically distinct” communities surrounding SDG&E’s Downtown, National City, and Oceanside Branch offices.
 - j. Provide documentation that demonstrates the “demographically and socio-economically distinct” communities surrounding SDG&E’s Chula Vista, El Cajon, Escondido, and Market Creek Branch offices.

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SDG&E Response:

- a. No diminished service is expected with the increased availability of APLs and the services provided. In fact, most of the APL's will offer extended business hours beyond those offered by SDG&E Branch Offices. Some APL's will have direct connect phones that can be used by customers to contact an SDG&E Energy Services Specialist in the CCC directly. See **CONFIDENTIAL** attachment labeled "ORA-SDG&E-DR-051 Q10 Confidential Attachment.pdf" for the internal analysis conducted and the attachment labeled "ORA-SDG&E-DR-051 Q11a Confidential Attachment.pdf" for The LAB analysis (a consultant study and recommendations to determine the closures). *Note: Costs in presentation are draft costs and final costs are documented in GRC application.*
- b. See the analysis shown on page 6, 7 and 8 of SDG&E's internal analysis shown in the **CONFIDENTIAL** attachment labeled "ORA-SDG&E-DR-051.Q10 Confidential Attachment.pdf," which indicates no diminished service as APLs are able to provide comparable service.
- c. Due to the changing customer demands, changing delivery channel dynamics, and technological advances, the use of Branch Offices is declining as customers are moving towards more self-service options. During this period customers have increasingly migrated to electronic means of making payments, such as home banking, My Account and direct debit. See page 9 of SDG&E internal analysis in **CONFIDENTIAL** attachment labeled "ORA-SDG&E-DR-051, Q10 Confidential Attachment.pdf".
- d. See response to Question 15.c above as probable causes for the decline in in-person payment activity.
- e. SDG&E did not have a specific strategy to increase Branch Office payments, although it does educate customers about self-service and APL payment options.
- f. All 3 offices have a higher cost to operate and lower volume of transactions including the highest cost lease for National City. See page 15 of SDG&E's internal analysis in the **CONFIDENTIAL** attachment labeled "ORA-SDG&E-DR-051 Q10 Confidential Attachment.pdf" for the cost to operate each of the Branch Offices.
- g. SDG&E has not requested Branch Office closures in its last two GRCs.
- h. These offices have significantly higher volume of payment transactions with a lower cost per transaction. See testimony page BMB-39 Chart 2 and page BMB-40 Chart 3.

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SDG&E Response to Question 15 (Continued):

- i. See pages 7 and 8 of the **CONFIDENTIAL** attachment labeled “ORA-SDG&E-DR-051 Q10 Confidential Attachment.pdf” for information on demographics for National City, Downtown and Oceanside.

- j. Below are the demographics for the requested offices:

	Hispanic	White	Black	American Indian	Asian	Pacific Islander	All Other
CHULA VISTA B.O.	65.3%	17.8%	4.1%	0.2%	10.0%	0.4%	2.2%
EL CAJON B.O.	26.2%	59.0%	5.1%	0.4%	4.1%	0.7%	4.7%
ESCONDIDO B.O.	42.7%	47.5%	1.7%	0.6%	5.5%	0.1%	1.9%
MARKET CREEK B.O.	50.8%	19.0%	13.6%	0.2%	13.3%	0.6%	2.4%

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16. SDG&E's Advanced Metering Operations forecasts \$8.771 million in TY 2016. This is an increase of \$0.637 million over 2013 recorded adjusted expenses of \$8.134 million. SDG&E's recorded adjusted expenses were relatively stable between 2009-2011 and averaged \$5.432 million for the three year period. In 2012 SDG&E's recorded expenses increased by \$2.731 million or 50.37% over 2011 recorded expenses from \$5.422 million to \$8.153 million. SDG&E's expenses remained flat between 2012-2013 with an average for the two year period of \$8.144 million.
- a. SDG&E's forecast includes incremental funding for 8.5 FTEs "to work compliance testing orders and customer generated testing orders." Provide documentation demonstrating the number of FTEs that were performing compliance testing orders and customer generated testing orders" in 2013 and the associated cost for the activities.
 - b. SDG&E states on page BMB-16 that "In order to ensure this new technology is performing at higher standards than the legacy meters, we need to increase our sample test size." Provide the documentation that explains how long the "new technology"/Smart Meters have been deployed throughout SDG&E's service territory.
 - c. Provide the documentation that explains why SDG&E's management does not know if "this new technology is performing at higher standards than the legacy meters."
 - d. Provide documentation that explains why SDG&E's management is waiting until its 2016 GRC to increase its sample test size to determine if "this new technology is performing at higher standards than the legacy meters."
 - e. SDG&E states on pages BMB-12 to BMB-13 that it "chose to use a zero-based forecast method for labor and chose a base year forecast method for non-labor because Smart Meter is still early in its lifecycle, and therefore historical data representing the full scope of Smart Meter O&M order volumes and activity levels are limited." The TY 2016 forecast for SDG&E's non-labor expenses is \$0.681 million which is comparable to the five year average (2009-2013) of \$0.619 million for SDG&E's non-labor expenses. Provide documentation that explains if SDG&E's historical costs for 2012 and 2013 for incurred labor expenses include costs associated with "Smart Meter O&M order volumes and activity." In the response include the number of FTEs and related costs for 2012 and 2013.
 - f. Provide documentation that explains why SDG&E's recorded adjusted labor expenses for 2012 and 2013 should be ignored and not considered in the calculation of its TY 2016 expenses.

SDG&E Response:

- a. Please see the table below for the number of FTEs that were performing compliance testing orders and customer generated testing orders in 2013 and associated labor costs for O&M work order activities.

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SDG&E Response to Question 16a (Continued):

AMO Testing Orders

	2013	
	Dollars	FTE
Total O&M Union Labor & FTE	\$ 2,674,976	34.5
Less: Union Labor not related to field orders		
Instrument Technicians and Meter Shop Lead	(367,886)	(4.0)
Apprentices (classroom portion)	(158,364)	(2.3)
Field Labor and FTE related to field orders	\$ 2,148,725	28.2

- b. Please see the table below showing number of smart meters deployed throughout SDG&E's service territory by year.

Annual Smart Meter Installs

	2008	2009	2010	2011	2012	2013	2014
Electric	2,780	196,754	892,610	264,970	37,831	18,155	8,757
Gas	2,006	147,442	57,3930	13,9236	5,123	4,456	3,520
Total	4,786	34,4196	146,6540	404,206	42,954	22,611	12,277

- c. The increased complexity of the smart meter's microprocessor based design, coupled with over-the-air communication capabilities of the Smart Meter infrastructure, have introduced many new variables when determining if the new technology is "performing at higher standards than the legacy meters." When performing annual testing we must account for both accuracy and reliability of the electric metering system. As such, the accuracy of legacy meters, were verified through on-site inspection and testing. Smart meter accuracy testing must now include other possible causes of meter failures; i.e., hardware failures, firmware failures, communication failures, and environmental failures. Smart meter annual inspections must now test smart meter "accuracy" (as we have done in the past) and smart meter "reliability". Additional sample test sizes will be required to address "reliability" issues as accuracy sampling focuses solely on the measurement of energy.

"Reliability" testing includes both on-site and back office analysis to address the following reliability categories:

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SDG&E Response to Question 16c (Continued):

NEW SAMPLING for RELIABILITY

Hardware

- Component failures within meters causing displays to stop working (replacement);
- Component failures leading to erroneous energy consumption (replacement).

Firmware

- Fatal Error conditions leading to incorrect energy registers or interval data recording (replacement);
- Handling of anomalies in firmware ;
- Communication problems leading to the need for field replacement to upgrade firmware (replacement);
- Communication problems leading to Daylight Savings time Calendar updates (local update).

Communication

- Incorrect configuration for the application due to synchronization with Customer Information system (Reprogramming local update or replacement);
- Security Key management issues (replacement);
- Time Adjustment within the communication infrastructure to ensure accurate recording times (local update);
- Communication problems leading to older versions of meter configuration files (Versioning local updates);
- Communication problems leading to manual reads of meter (manual reads to extract interval data).

Environmental

- Exposure to customer tampering due to lack of site visits;
- Increased risk of failure due to sensitivity of electronics to voltage variants.

- d. There are several factors that contributed to the timing of the increase in smart meter sample test size:

Smart meter is a relatively new technology that was not fully deployed until the end of 2014.

Because of delays in availability of certain smart meter types and availability of permanent solutions to some hard to reach meters, the smart meter deployment period was extended through 2013. During this extended deployment period, new smart meters were tested along with installation. Therefore, additional sample testing was not necessary during the deployment period. Because the smart meter technology is relatively new and actual performance history is limited, testing parameters or tolerance limits are still in development for the above failure categories. A complete and thorough test plan

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SDG&E Response to Question 16d (Continued):

and process, along with test procedures and practices must be established before full sample testing is conducted.

- e. See the following tables for 2012 & 2013 O&M Smart Meter order volumes, associated costs and FTEs.

Smart Meter Related O&M Work						
Order Type	2012 Orders	2013 Orders	2012 Hours	2013 Hours	% of Total Hours 2012	% of Total Hours 2013
EM Change	635	1942	604	1726		
EM Remove	249	271	121	146		
EM Test	1093	1218	1333	1640		
EM Test - Compliance TSTA		48	0	68		
EM Test - Compliance TSTB		2	0	3		
EM Test - Compliance TSTS/R or C	2498	4094	2375	3165		
MISC	11937	8931	8795	7244		
Prim/PT/CT	105	219	87	206		
READ/VERIFY	2824	7220	1282	3284		
SM Network		16	0	23		
Grand Total	19341	23961	14596	17505	68%	77%

Legacy Meter Related O&M Work						
Order Type	2012 Orders	2013 Orders	2012 Hours	2013 Hours	% of Total Hours 2012	% of Total Hours 2013
EM Change	777	253	1016	363		
EM Remove	336	274	229	177		
EM Test	344	75	414	90		
EM Test - Compliance TSTA	358	336	567	534		
EM Test - Compliance TSTB	180	184	290	271		
EM Test - Compliance TSTS/R or C	25	20	13	18		
MISC	2425	903	2341	1078		
Prim/PT/CT	768	727	1206	1389		
READ/VERIFY	511	891	295	545		
SM Network	356	530	540	881		
Grand Total	6080	4193	6910	5345	32%	23%

Combined Smart Meter & Legacy Meter Related O&M Work						
Order Type	2012 Orders	2013 Orders	2012 Hours	2013 Hours	% of Total Hours 2012	% of Total Hours 2013
EM Change	1412	2195	1620	2089		
EM Remove	585	545	350	323		
EM Test	1437	1293	1746	1730		
EM Test - Compliance TSTA	358	384	567	602		
EM Test - Compliance TSTB	180	186	289.9	273.8		
EM Test - Compliance TSTS/R or C	2523	4114	2388.1	3183.5		
MISC	14362	9834	11135	8322		
Prim/PT/CT	873	946	1293	1595		
READ/VERIFY	3335	8111	1578	3828		
SM Network	356	546	540	904		
Grand Total	25421	28154	21507	22850	100%	100%

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Response to Question 16e (Continued)

	2012 in 2013\$		2013	
	Dollars	FTE	Dollars	FTE
Total O&M Union Labor & FTE	\$2,131,379	26.0	\$2,674,976	34.5
Less: Union Labor not related to field orders				
Instrument Technicians and Meter Shop Lead	(\$412,276)	(4.6)	(367,886)	(4.0)
Apprentices (classroom portion)	-	-	(158,364)	(2.3)
Field Labor and FTE related to field orders	\$1,719,102	21.4	\$2,148,725	28.2
Smart Meter (% of work order hour)	68%	68%	77%	77%
Legacy Meter (% of work order hour)	32%	32%	23%	23%
Smart Meter (Field Labor & FTE)	1,166,726	14.5	1,646,145	21.6
Legacy Meter (Field Labor & FTE)	552,376	6.9	502,580	6.6

- f. SDG&E was continuing with its smart meter deployment during 2012 & 2013 (refer to response in 16.b above regarding deployment data by years). During deployment, resources associated with the smart meter efforts had been recorded as smart meter project cost (non O&M). As such, 2012 & 2013 recorded O&M cost would not be appropriate to be used as trending method for future O&M forecast. After completion of the smart meter deployment, resources previously associated with smart meter project work resumed their O&M work, including manual meter reading, meter testing and other on-going activities. Therefore, a zero-based labor forecast method is deemed the most appropriate method for TY2016 labor forecast for AMO.

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17. SDG&E's Billing Work Group forecasts \$5.839 million in TY 2016. This is an increase of \$0.766 million over 2013 recorded adjusted expenses of \$5.073 million. SDG&E's recorded adjusted expenses were relatively stable between 2009-2013. SDG&E's forecasts includes incremental funding for FTEs to perform activities associated with forecast growth rates in Net Energy Metering (NEM) billing, New Rate Options and Smart Pricing Program (SPP). SDG&E states on page BMB-23 that "The CPUC approved funding of the SPP through 2015 and authorized SDG&E to request funding for post-2015 operational costs as part of a future GRC." SDG&E states further that the five billing employees "are currently funded through the SPP and will transition to O&M in TY 2016."
- a. Provide the documentation that clearly identifies the activities and detailed breakdown of all costs incurred during 2009-2014 (labor and non-labor) associated with the five billing employees that "are currently funded through the SPP and will transition to O&M in TY 2016."
 - b. Provide all supporting documentation and the basis used for the calculation of the labor and non-labor forecast of \$0.410 million (i.e., the documentation that demonstrates the individual breakdown of all costs included in each estimate along with a source document).
 - c. SDG&E states on page BMB-22 that it "implemented an online Energy Management Tool (EMT)." Provide documentation that demonstrates all costs incurred for the development, testing, implementation and maintenance of its EMT.

SDG&E Response:

- a. Please see attachment labeled "ORA-SDG&E-DR-051-TLG Q17a Attachment.xls" for a detailed breakdown of all costs incurred during 2009-2013 associated with the positions funded through the SPP that will transition to O&M in TY 2016. SDG&E's recorded adjusted 2014 labor and non-labor expenses as of December 31, 2014 will not be available until March 2015.
- b. Please see the attachment provided in response to question 3a above for a detailed breakdown of the \$0.410 million forecast for SDG&E's Billing workgroup.
- c. Implementation of the Smart Pricing Program ("SPP") was approved by California Public Utilities ("CPUC") Decision ("D.") 12-12-004. Ordering Paragraph 16 of D.12-12-004 authorized SDG&E to book the SPP implementation costs to its Dynamic Pricing Balancing Account. The total authorized budget for SPP is \$92.7M; however, SPP did not separately track the development, testing, implementation and maintenance of its Energy Management Tool ("EMT"). Total costs for all system development, testing, and implementation for the entire SPP technology solution is \$60.3M composed of \$48M for capital development, testing and implementation and \$12.3M for system maintenance.

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18. SDG&E's Residential Customer Services forecasts \$6.607 million in TY 2016. This is an increase of \$1.031 million or 18.49% over 2013 recorded adjusted expenses of \$5.576 million. SDG&E's recorded adjusted expenses fluctuated slightly between 2009-2011 and averaged \$3.249 million for the three year period. Between 2011 and 2013, SDG&E's recorded expenses increased by \$2.129 million or 61.75%. SDG&E states on page BMB-60 that its "Residential Customer Services ("RCS") represents a department formed in 2012."
- a. SDG&E states on page BMB-60 that "The formation of the RCS department involved combining various functions that were previously located in other SDG&E Customer Service departments..." Provide documentation that identifies the functions and that demonstrates the historical costs for all of the "various functions that were previously located in other SDG&E Customer Service departments" prior to the formation of RCS.
 - b. Provide documentation demonstrating the requested and authorized funding from SDG&E's 2012 GRC related to the combined activities and departments prior to the formation of RCS.
 - c. Provide documentation that explains in detail if SDG&E also combined funding and FTEs when it combined various functions that were previously located in other SDG&E Customer Service departments.
 - d. SDG&E states on page BMB-66 that it is "requesting an additional \$582,000 in non-labor above 2013 base year for ongoing third party licensing, hosting and maintenance costs." SDG&E states on page BMB-64 that it "chose a base year forecast method for Residential Customer Services because it represents the first full year the RCS department was operational." Provide documentation that explains if SDG&E removed costs associated with "ongoing third party licensing, hosting and maintenance costs" from its 2013 recorded adjusted expenses.
 - e. SDG&E's TY 2016 forecasts includes costs for FTEs that "were previously funded by the SPP and are being transitioned to O&M in TY 2016." Provide the documentation that clearly identifies the activities and detailed breakdown of all costs incurred during 2009-2014 (labor and non-labor) associated with the positions that "were previously funded by the SPP."

SDG&E Response:

- a. The 2009-2013 history for the Residential Customer Services ("RCS") department (workpaper group) contains all of the costs associated with the functions of RCS as shown in the workpapers and in all previous responses to ORA data requests. The RCS workpapers are inclusive of historical adjustments made to align the functions and activities of RCS. The historical adjustments showing costs being moved from other areas into RCS are shown in SDG&E-14-WP pgs. 129-132. The attached excel file "ORA-SDG&E-DR-051-TLG Q18a Attachment.xls" documents the 2009-2013 historical costs and TY2016 incremental increases by function/activity of RCS.

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SDG&E Response to Question 18 (Continued):

- b. The table below provides the details of the mapping of TY2012 GRC labor and non-labor request and authorized by workpaper group for the RCS workpaper represented in TY2016 GRC.

		in Constant 2013\$		
		TY2012 Requested	TY2012 Authorized	
Response to ORA-SDGE-DR-051-TLG Q6.				
100008.000 - Residential Customer Services				
	Labor	\$2,815	\$1,901	
	NLbr	\$3,031	\$1,915	
	NSE	\$0	\$0	
	100008.000 Total	\$5,846	\$3,816	
Reconciliation of Residential Customer Services Dollars from TY2012				
TY2012				
Workpaper	100008.000 - Residential Customer Services			Notes
	Labor Total	\$2,815	\$1,901	
IIN003	Customer Assistance (SDG&E-15 K. Cordova)	\$357	\$357	Entire workpaper group
IIN006	Electric Clean Transportation (SDG&E-15 K. Cordova)	\$1,389	\$475	Entire workpaper group
IIN001	Clean Energy (SDG&E-15 K. Cordova)	\$333	\$333	only partial costs for 3 employees, other costs belong to Elect Dist and IT
100005	CS Operations Other (SDG&E-14 S.Rahon)	\$619	\$619	only partial costs for approx 6 employees, other costs belong to other workpaper groups in SDG&E-14 (Baugh)
ICC001	CCC Support (SDG&E-13 E. Fong)	\$117	\$117	only partial costs for 1 employee
	Non-Labor Total	\$3,031	\$1,915	
IIN003	Customer Assistance (SDG&E-15 K. Cordova)	\$964	\$964	Entire workpaper group
IIN006	Electric Clean Transportation (SDG&E-15 K. Cordova)	\$1,884	\$768	Entire workpaper group
IIN001	Clean Energy (SDG&E-15 K. Cordova)	\$60	\$60	only partial costs related to 3 employees
100005	CS Operations Other (SDG&E-14 S.Rahon)	\$123	\$123	only partial costs related to approx 6 employees
	NSE	\$0	\$0	
	100008.000 Total	\$5,846	\$3,816	

- c. See response to Q18a in this data request. The RCS workpaper group history is inclusive of all the costs associated with the functions and activities of RCS. Historical adjustments were made to align the functions and activities of the RCS workpaper group. These adjustments included labor and non-labor expenses in addition to the corresponding FTE.
- d. The costs associated with “requesting an additional \$582,000 in non-labor above 2013 base year for ongoing third party licensing, hosting and maintenance costs” were not incurred in 2013 in the RCS workgroup, so no adjustments were needed for these costs within the RCS workgroup in SDG&E Exh-14-WP.
- e. Please see the attachment provided in response to Question 17a above labeled “ORA-SDG&E-DR-051-TLG Q17a Attachment.xlsx” for a detailed breakdown of all costs incurred during 2009-2013 associated with the positions that are being funded through the SPP that will transition to O&M in TY 2016. SDG&E’s recorded adjusted 2014 labor and non-labor expenses as of December 31, 2014 will not be available until March 2015.

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19. Regarding SDG&E’s CARE Enrollment, SDG&E states on page BMB-55 that “As part of the settlement agreement, SDG&E agreed to seek funding for this activity as part of its Low Income Programs proceeding. To ensure SDG&E is properly staffed to begin taking CARE enrollments through the ESS in TY 2016, the additional expense is being requested as part of this GRC. However, if SDG&E receives funding through its Low Income Program Application which is anticipated to be filed with the CPUC in November 2014, an adjustment will be made to the CCC TY 2016 forecast.” Provide documentation to explain in more detail SDG&E’s TY 2016 forecast for its Customer Contact Center Operations and state clearly why it included costs in its 2016 GRC when “SDG&E agreed to seek funding for this activity as part of its Low Income Programs proceeding.”

SDG&E Response:

Historically and currently, CCC agents have reached out to customers about the CARE program when customers contacted agents for payment arrangements, new service or CARE program inquiry. The past and current practice includes CCC agents directing customers to enroll on line or via automated phone system, offering to mail CARE application forms to the customers. The practice stops short of enrolling customers to the program.

The projected annual number of applications mailed to customers was 25,000 and complete applications returned for enrollment were 6,500. The successful enrollment rate via mail was 26%.

CCC agents enrolling CARE eligible customers when customers are in contact with agents is a condition of the Disconnection OIR proceeding (R.10-02-005) settlement agreement to increase the number of CARE enrollments and the success of the CARE program.

It’s estimated that CCC agents will enroll 80% of 25,000 customers who normally would have requested CARE application forms to be mailed. It’s estimated that it will take an average of 290 seconds to complete the enrollment. It’s estimated the enrollment process will require 1,644 hours of agent time annual, equivalent to 1.5 FTE.

Forecast for CARE Enrollment:

<u>FTE (A)</u>	<u>Hours (B)</u>	<u>\$ per Hour (C)</u>	<u>Total = A*B*C/1000</u>
1.5	2088	\$23.12	\$72 K
<u>Call Volume (A)</u>	<u>AHT (in seconds) (B)</u>	<u>Total = A*B (in seconds)</u>	
20,000	290	5,800,000	

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SDG&E Response to Question 19 (Continued):

SDG&E included costs in its 2016 GRC when “SDG&E agreed to seek funding for this activity as part of its Low Income Programs proceeding” for the following reasons:

On November 18, 2014, SDG&E filed its Application (A). 14-11-009 requesting approval of its 2015-2017 program plans and budgets for its Low Income Programs.¹ Included in the Testimony of Policy witness Alex Kim² is a detailed explanation on why SDG&E submitted a request for the cost for the Customer Contact Center (CCC) phone enrollment efforts for CARE in both the low income proceeding and the 2016 GRC. In two prior decisions the Commission clarified its policy that cost associated with CCC efforts to inform customers about the CARE program were responsibilities and activities that would be part of the normal customer contact between a CCC agent and customer, and therefore should be funded from base rates and not through the public goods charge. Following is a summary of the Commission’s prior directives regarding the issue of CARE-related CCC costs to the CARE program budget:

- D.02-09-021, Ordering Paragraph 8, provided clear direction that administrative costs booked to the low income assistance balancing accounts must be “incremental” (not provided for in the utility’s base rates).
- D.05-04-052 determined that the cost of SDG&E’s call center to inform customers about CARE are not incremental cost (which would not have to be incurred but for the presence of the CARE program) and, therefore, these costs should be charged to base rates instead of the CARE program. In Conclusions of Law 13 and 15 the Commission found in D.89-09-044 that an IOU may not cover customer call center costs from PGC funds, that a utility must have call center staff in place regardless of whether it offers LIEE/CARE services, and that cost of call center staff should be recovered in a utilities’ base rates, rather than as part of the public purpose funding.

More recently, in D.12-08-044, the Commission revised its policy when it approved Southern California Edison’s proposal to charge the costs of enrolling customers into the CARE program through its CCC as an incremental CARE program cost. In Footnote 108 of D. 12-08-044, the Commission determined that SCE should continue its current practice of using its call center operations organization to continue enrolling eligible customers on the CARE rate and charge incremental expenses to the CARE Program budget during the 2012-2014 program cycle. D.14-08-030 further indicated the Commission’s support for continuing to allow CARE enrollments

¹ Application of San Diego Gas & Electric Company (U90-M) for Approval of Low Income Assistance Programs and Budgets for Program Years 2015-2017, filed November 18, 2014.

² See the Prepared Direct Testimony of Alex Kim on Behalf of San Diego Gas & Electric Company’s Energy Savings Assistance Program and California Alternate Rates for Energy Program Plans and Budgets for Program Years 2015-2017, at pp. AYK 27-31.

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SDG&E Response to Question 19 (Continued):

through the utilities call centers because it is a cost effective and efficient channel for enrolling customers into the CARE program.³

On April 1, 2014, in R.10-02-005, SoCalGas/SDG&E, SCE, PG&E and the Office of Ratepayer Advocates, The Utility Reform Network, Greenlining Institute, and the Center for Accessible Technology filed a Petition for Modification of D.12-03-051 and D.12-03-054 and a Motion requesting approval of the Residential Disconnection Settlement Agreement (“Settlement Agreement”).⁴ As a condition of the Settlement Agreement, SDG&E agreed to request Commission authorization to fund the incremental costs of having its Customer Contract Center representatives enroll customers onto the CARE rate from its CARE balancing account. As part of that Settlement Agreement, SDG&E agreed to seek funding for this activity as part of its low income proceeding. However, because of prior Commission directives in D.05-04-052 disallowing call center costs to be charged to the CARE Program, SDG&E has made a concurrent request in its test year 2016 GRC, in the event the Commission rejects the funding request in the low income proceeding. Should the Commission authorize the incremental funding to enroll customers in CARE through the low income proceeding, SDG&E will make an appropriate adjustment to its request its customer contact center forecast in its TY 2016 GRC.

³³Conclusion of Law 20 and Ordering Paragraph 18

⁴ Petition of the Office of Ratepayer Advocates; The Utility Reform Network; the Greenlining Institute; The Center for Accessible Technology; Pacific Gas and Electric Company (U93E), Southern California Edison Company (U 338-E); San Diego Gas & Electric Company (U902M); and Southern California Gas Company (U 904G) to Modify Decision 10-12-051 and 12-03-054.

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20. SDG&E's Customer Programs & Projects Work Group forecasts \$3.443 million (\$10.329 million over three years) in TY 2016. This is an increase of \$0.722 million or 26.53% over 2013 recorded adjusted expenses of \$2.721 million. The highest recorded expense level was in 2012 of \$2.721 million. SDG&E states on page BMB-106 that it "chose a base year forecast method because during 2012 and 2013 the group expanded to include new activities requiring additional resources to support those activities."
- a. SDG&E's TY 2016 forecasts includes costs for FTEs that "were previously funded through the SPP and are being transitioned to O&M beginning in TY 2016 to provide ongoing program support." Provide documentation that clearly identifies the activities and detailed breakdown of all costs incurred during 2009-2014 (labor and non-labor) associated with the positions that "were previously funded through the SPP."
 - b. SDG&E states on page BMB-109 that "The Smart Grid decisions adopting rules to protect privacy and security (D.11-07-056 and D.12-08-045) and the CPUC's decision adopting rules to provide access to energy usage data (D.14-05-016) mandate several new compliance requirements that must be managed using new processes and tools." Provide documentation that explains in detail if SDG&E requested and was authorized funding in D.11-07-056, D.12-08-045, D.13-05-010, and D.14-05-016 to address activities associated with mandates and new compliance requirements related to protecting privacy and security. If so, provide the documentation that demonstrates the requested and authorized amounts.
 - c. SDG&E states on page BMB-110 that "These positions are critical to providing privacy-related services to our customers who expect and require that SDG&E ensure their privacy is protected." Provide documentation that explains in detail if during 2009-2013 SDG&E has failed to provide privacy-related services to its customers prior to filing its 2016 GRC. If SDG&E has provided privacy related services to its customers, provide the documentation that explains in detail the activities performed and the related costs.
 - d. SDG&E states on page BMB-110 that "In compliance with Ordering Paragraph 4 of CPUC D.11-07-056 and Ordering Paragraph 3 of CPUC D.12-08-045, SDG&E has contracted with a third party to perform an independent privacy audit of SDG&E's data privacy and security practices. The audit is scheduled to be completed in September 2014." Provide documentation that explains in detail if SDG&E requested and was authorized funding in D.11-07-056, D.12-08-045, D.13-05-010, and D.14-05-016 to address activities associated with an independent privacy audit of SDG&E's data privacy and security practices. If so, provide the documentation that demonstrates the requested and authorized amounts.

SDG&E Response:

- a. Please see the attachment provided in response to Question 17a above labeled "ORA-SDG&E-DR-051-TLG Q17a Attachment.xls" for a detailed breakdown of all costs incurred during 2009-2013 associated with the positions that are being funded through the SPP that will

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SDG&E Response to Question 20a (Continued):

transition to O&M in TY 2016. SDG&E’s recorded adjusted 2014 labor and non-labor expenses as of December 31, 2014 will not be available until March 2015.

- b. As described on pages BMB-109 and BMB-110 of Brad Baugh’s direct testimony, SDG&E is requesting in its TY 2016 GRC two full-time positions and 1/3 of the customer privacy independent audit costs that were mandated by CPUC Decision 11-07-056, Decision 12-08-045, and D.14-05-016 in proceeding R.08-12-009. The mandated, independent privacy audit was ordered to be performed once every GRC cycle. See the response to question 20.d below where a request for funding to cover the audit costs was rejected without prejudice because the request was found to be beyond the scope of material appropriate for an advice letter. Incremental costs related to the Energy Data Access project (D.14-05-016) are being tracked in a memorandum account (see Advice Letter 2619-E/2307-G, with tariffs effective May 5, 2014 as authorized by Ordering Paragraph (OP) 13 of D.14-05-016). SDG&E is authorized to request recovery for these incremental costs via an application or in a general rate case proceeding. Incremental capital costs were requested in SDG&E’s 2012 GRC Decision (D.13-05-010) for the capital “Smart Grid Cyber Security Infrastructure” capital project, which included security compliance management including Customer Privacy. SDG&E’s 2012 GRC Decision did not specifically approve or deny its capital projects. Rather, D.13-05-010 authorized a total number for all of SDG&E’s IT capital project requests. As of December 31, 2013, “Smart Grid Cyber Security Infrastructure” capital project has expenditures of \$5.9 million. Costs per year are \$2.3 million in 2011, \$2.1 million in 2012 and \$1.4 million in 2013.

SDG&E’s Customer Privacy Decisions:

Decision Number	Funding Requested in TY 2016 GRC (Yes/No)	Summary
D.11-07-056	Yes	SDG&E’s prior funding request was rejected without prejudice (see further details in the response to question 20.b above). Funding is being requested in the TY 2016 GRC. See pages BMB-109 and BMB-110 of Brad Baugh’s direct testimony Exhibit SDG&E-14.
D.12-08-045	Yes	Funding is being requested in the TY 2016 GRC. See pages BMB-109 and BMB-110 of Brad Baugh’s direct testimony Exhibit SDG&E-14.

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SDG&E Response to Question 20b (Continued):

Decision Number	Funding Requested in TY 2016 GRC (Yes/No)	Summary
D.13-05-010	No	SDG&E’s 2012 GRC Decision did not specifically approve or deny its capital projects (see further details in the response to question 20.b above). Customer Service Operations, Information, and Technologies are not requesting capital funding in the TY 2016 GRC.
D.14-05-016	Yes	Funding is being requested in the TY 2016 GRC. See pages BMB-109 and BMB-110 of Brad Baugh’s direct testimony Exhibit SDG&E-14.

- c. SDG&E has always taken customer privacy very seriously and privacy-related activities were centralized by the company in late 2012 after the Smart Grid Privacy decision. SDG&E did not track Customer Privacy costs separately until the centralization of the Customer Privacy department in late 2012. New incremental privacy requirements introduced after 2011 include: PUC Code Section 8380, Smart Grid Privacy Decision (D.11-07-056) Attachment D, and the Energy Data Access Decision (D.14-05-016) and are intended to provide privacy controls over energy usage information generated by advanced meter infrastructure. During the 2009-2013 time period, SDG&E had a privacy policy posted in a highly visible location on its website. In addition, an Information Security department was involved in the lifecycle of new projects. One of the many goals of this department was to ensure the confidentiality, integrity and availability of company information, including customer information, through a project's lifecycle. SDG&E also maintained strict procedures on customer-related activities, including everything from authenticating customers at a branch location or over the phone, to managing their authorizations for who they permitted to make account changes or be allowed access to their data. SDG&E maintained and regularly tested its incident response procedure, including California Privacy Breach Notification Act (SB1386) procedures, in the event of a breach of customer information. It maintained and regularly tested FACTA procedures. In addition, the company masked social security numbers in its customer database system, and reduced the total number of employees that had access to customer Personally Identifiable Information (PII). In addition, SDG&E underwent periodic internal audits to review existing privacy and security related controls. After 2012, the activities performed by the Office of Customer Privacy included:

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SDG&E Response to Question 20c (Continued):

1. Developing and executing a strategy for meeting the mandates described in the Privacy Decision.
 2. Developing a customer privacy framework and associated controls.
 3. Developing and implementing a process and associated software application for managing third party data requests.
 4. Developing and implementing a Privacy Impact Assessment process and associated tools.
 5. Developing and managing internal and external privacy websites to deliver content to relevant internal and external audiences.
 6. Drafting and publishing a mandated privacy notice on our external website.
 7. Developing and delivering mandated privacy training.
 8. Developing processes to integrate privacy-related activity with the company's Information Security department.
 9. Developing tools to help employees determine whether customer information is considered Sensitive.
 10. Developing and maintaining a comprehensive inventory of customer information collected by the company.
 11. Developing a set of Privacy Key Risk Indicators for measuring enterprise privacy risk.
 12. Drafting and delivering the mandated Annual Privacy Report.
 13. Conducting an audit of the privacy and security programs by an independent auditing organization (e.g., KPMG).
 14. Hiring a privacy consultant (E&Y) to assist in the development of these work products.
 15. In addition, in its current GRC SDG&E proposed adding two new positions to assist in the management of these newly developed and mandated privacy capabilities.
- d. SDG&E filed Advice Letter 2583-E / 2276-G March 06, 2014 to request funding for the audit activities specified above. ORA protested the advice letter and the CPUC rejected the advice letter without prejudice because the request was beyond the scope of material appropriate for an advice letter and could result in a rate increase. No funding was authorized.

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21. SDG&E's Customer Communications, Research & Web Work Group forecasts \$14.287 million (\$42.861 million over three years) in TY 2016. This is an increase of \$6.347 million or 79.94% over 2013 recorded adjusted expenses of \$7.940 million. The five year average (2009-2013) is \$6.632 million. SDG&E's recorded expenses fluctuated during the five year period (2009-2013) and the highest recorded expense level was in 2012 of \$8.245 million.
- a. SDG&E's TY 2016 forecasts includes costs for FTEs that "are currently funded through the SPP and will transition to O&M in TY 2016. Provide documentation that clearly identifies the activities and detailed breakdown of all costs incurred during 2009-2014 (labor and non-labor) associated with the positions.
 - b. SDG&E is requesting incremental funding of \$2,870,000 in non-labor above 2013 base year "to educate customers about new rate options." SDG&E states on page BMB-100 that "The strategy for communications is to build on previous communications efforts SDG&E undertook in 2013 and 2014 timeframe alerting customers to the initial stages of rate changes and rate reform." Provide documentation that demonstrates the costs incurred for the "previous communications efforts SDG&E undertook in 2013 and 2014 timeframe alerting customers to the initial stages of rate changes and rate reform."
 - c. Provide documentation that clarifies SDG&E's forecast and state if SDG&E is forecasting \$8.610 million over three years "to educate customers about new rate options."
 - d. Provide documentation that explains in detail if SDG&E's historical expenses include costs associated with completed projects related to educating customers about rate changes and options.
 - e. Provide documentation that explains in detail why SDG&E cannot reallocate embedded funds from completed projects in the TY "to educate customers about new rate options."
 - f. SDG&E is requesting incremental funding of \$1,842,000 (\$5.526 million over three years) in non-labor above the 2013 base year for ongoing customer research activities. SDG&E's New Segmentation Survey is performed every three years, its Refresh Voice of Customer Survey is performed every other year, its New Competitive Survey and Enhanced Customer Connections Survey are both performed annually (see page BMB-87). Provide documentation that explains in detail and demonstrates why SDG&E is requesting incremental funding of \$1,842,000 to perform surveys that are recurring, routine and "ongoing" and that have costs embedded in historical expenses from the same or similar completed activities.
 - g. Provide all costs (labor and non-labor) incurred during 2009-2013 associated with the following SDG&E surveys: New Segmentation Survey, Refresh Voice of Customer Survey, New Competitive Survey and Enhanced Customer Connections Survey.

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Question 21 (Continued)

- h. SDG&E states on page BMB-88 that “The majority of the non-labor funding (\$1.5 million) is being requested to expand the current Customer Connections Survey used to measure transactions customers have with SDG&E.” SDG&E states on page BMB-87 that “The New Competitive Survey and Enhanced Customer Connections Surveys are performed annually therefore the full cost is reflected in TY 2016.” SDG&E utilized its 2013 base year expenses to calculate its TY 2016 forecast. Provide documentation that explains in detail and demonstrates that SDG&E removed all costs incurred in 2013 associated with its annually performed Enhanced Customer Connections Surveys.
- i. If SDG&E did not remove costs incurred in 2013 associated with its annually performed Enhanced Customer Connections Survey, provide documentation that explains why SDG&E is double counting the costs for this survey in its TY 2016 forecast.
- j. Provide documentation that explains in detail and demonstrates that SDG&E removed all costs incurred in 2013 associated with its annually performed New Competitive Survey.
- k. If SDG&E did not remove costs incurred in 2013 associated with its annually performed New Competitive Survey, provide the documentation that explains why SDG&E is double counting the costs for this survey in its TY 2016 forecast.
- l. SDG&E’s Table 39 on page BMB-86 lists lump sum figures for its non-labor forecasts that are proposed to increase by \$5.528 million or 96.39% over 2013 recorded adjusted expenses. SDG&E’s workpapers are insufficient and incomplete. Provide all supporting documentation and the basis used for the calculation of the non-labor forecast (i.e., the documentation that demonstrates the individual breakdown of all costs included in each estimate along with a source document).
- m. SDG&E states on page BMB-87 that it is “requesting \$379,000 in labor above the 2013 base year for four research analysts to routinely conduct customer surveys and measure results to understand drivers for customer decisions and make changes to better serve our customers.” The proposed FTEs will perform activities associated with the following SDG&E surveys: New Segmentation Survey, Refresh Voice of Customer Survey, New Competitive Survey and Enhanced Customer Connections Survey. Provide documentation that explains in detail and demonstrates if SDG&E’s historical labor expenses (2009-2013) include costs incurred by FTEs to conduct customer surveys associated with SDG&E’s New Segmentation Survey, Refresh Voice of Customer Survey, New Competitive Survey and Enhanced Customer Connections Survey. In the response provide all associated labor costs.
- n. Provide documentation that explains in detail and demonstrates if SDG&E’s historical labor expenses (2009-2013) include costs incurred by FTEs to conduct customer surveys, which have been completed, that were not associated with SDG&E’s New Segmentation Survey, Refresh Voice of Customer Survey, New Competitive Survey and Enhanced Customer Connections Survey. In the response identify the completed survey projects and provide all associated labor costs.

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Question 21 (Continued)

- o. During 2009-2013 provide documentation that explains if SDG&E's FTEs performed activities associated with measuring "results to understand drivers for customer decisions and make changes to better serve our customers."
- p. SDG&E states on page BMB-91 that "In 2013, the CCC began a pilot to use Twitter for communicating with customers, which is being gradually expanded." Provide all costs incurred in 2013 associated with the pilot.
- q. Provide documentation that demonstrates all historical (2009-2013) costs incurred for the ongoing support, consultant costs for assisting SDG&E in utilizing social media channels, ongoing maintenance, enhancements, redesigns, build outs of installed tools, etc. related to SDG&E's Social Media Activity (i.e., My Account, Facebook, Twitter, YouTube, flicker, Cision, Google Analytics, Clickfox, SDG&E's mobile application, etc.) as shown on page BMB-91.
- r. SDG&E states on page BMB-96 that it is "requesting \$376,000 in non-labor above the 2013 base year to distribute to customers event notifications and alerts" via email and text for the new SPP rates. The alerts were created as part of the SPP. SDG&E states further on page BMB-97 that "While the cost of building and promoting these energy use alerts has been funded through SPP, there are ongoing transactional costs for sending the alerts through email and/or text that will continue past 2015." Provide documentation that clarifies SDG&E's forecast and state if SDG&E is forecasting \$1.128 million over three years to distribute to customers event notifications and alerts" via email and text.
- s. Provide documentation that explains in detail if SDG&E's historical expenses include costs associated with completed projects.
- t. Provide documentation that explains in detail why SDG&E cannot reallocate embedded funds from completed projects in the TY for it "to distribute to customers event notifications and alerts" via email and text.

SDG&E Response:

- a. Please see the attachment provided in response to Question 17a above labeled "ORA-SDG&E-DR-051-TLG Q17a Attachment.xls" for a detailed breakdown of all costs incurred during 2009-2013 associated with the positions that are being funded through the SPP that will transition to O&M in TY 2016. SDG&E's recorded adjusted 2014 labor and non-labor expenses as of December 31, 2014 will not be available until March 2015.
- b. The customer communication expenses incurred in 2013 was \$1.5M and detailed in attachment labeled "ORA-SDG&E-DR-051-TLG Q21b Attachment.pdf". the costs are shown by major tactical execution. The costs were incurred for communications primarily targeting customers with energy use in tiers three and four, as well as CARE, FERA and Medical Baseline customers.

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SDG&E Response to Question 21 (Continued):

- c. As described beginning on page BMB-99 of Brad Baugh's direct testimony Exhibit SDG&E-14, the \$2.87 million forecast is based on estimated costs for use of mass media, such as television, newspaper and radio ads (\$2.11 million), online media (\$280,000), direct mail (\$175,000), email (\$25,000), and bill inserts (\$105,000) to communicate with customers and additionally includes costs for research (\$175,000) on communication effectiveness. The forecast is based on historical costs for use of these or similar channels and conversations with vendors providing these services. The \$2.87 million is the estimated expense in 2016, 2017 and 2018, totaling \$8.61 million over the three year period.
- d. No, SDG&E's historical expenses do not include costs associated with completed projects concerning rate changes and options. In fact, SDG&E is proposing expanding its current recurring education to customers on rate changes and options as discussed in detail in the response to Question 21.e.
- e. The 2013 costs allocated to communications to continue customer education about new rate options and rate structure changes are outlined in answer to 21 (b) above. The 2013 efforts were focused on customers in tiers three and four (approximately 30% or 400,000 of our residential customers), plus CARE, FERA and medical baseline customers. In 2016, 2017, and 2018 there is a need to communicate with all customers about changes to the electric rate structure, significantly increasing the number of customers we must reach by slightly over three times (30% to 100% or 400,000 to 1,200,000 customers). Therefore, overall costs will increase by a similar amount requiring SDG&E to use the \$1.5 million that is embedded in its 2013 base year in addition to the \$2.87 million in incremental funding in TY 2016 for an annual total of \$4.37 million.
- f. SDG&E's TY 2016 request for \$1,842,000 is not incremental funding for the same completed activities that are embedded in SDG&E's historical expenses for surveys for the reasons described below.

First, the New Segmentation Survey, New Competitive Survey, and Refresh Voice of the Customer Survey are just that, they are truly new surveys that are not embedded in SDG&E's historical costs. SDG&E conducted its most recent Voice of the Customer Survey in 2010 and its most recent Segmentation Survey in 2011. However, those results are very dated and are not representative of the current input or impressions of SDG&E's customers at this time, and the costs for those surveys are not included in the 2013 base year.

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SDG&E Response to Question 21f (Continued):

The Enhanced Customer Connections Survey SDG&E is requesting funding for an expansion of the current Customer Connections Survey. This expansion is to include measuring customer experience with the various current Customer Programs and Customer Assistance transactions offerings, as well as new service/transactions which are not included in the current surveys. The current survey excludes critical parts of company transactions. The enhanced survey will enable SDG&E to monitor these service experiences on an ongoing and regular basis to better understand the effectiveness of these services and programs.

- g. As stated in the response to Question 21.f, there are no embedded historical costs for the New Segmentation Survey, New Competitive Survey or the Refresh Voice of the Customer Survey as these are new surveys. In addition, the Enhanced Customer Connections Survey is an expansion of SDG&E's current Customer Connections Survey and has not been conducted as of yet. The previous Voice of the Customer Survey and former Segmentation Survey costs during 2009-2013 were:

Voice of the Customer: \$100K in labor and \$82K in non-labor in year 2010;
Segmentation Survey: \$309K in labor and \$141.5K in non-labor in year 2011.

- h. There were no costs incurred in 2013 for the Enhanced Customer Connections Survey as it has not been conducted.
- i. SDG&E is not double counting the costs for the Enhanced Customer Connections Survey because it is a new survey and has not been conducted.
- j. There were no costs incurred in 2013 for the New Competitive Survey as it was not conducted.
- k. SDG&E not double counting the costs for the New Competitive Survey because it is a new survey and has not been conducted.
- l. The following provides the basis for the non-labor forecast for the incremental increases to Communications, Research & Web TY 2016 request as shown in Table 39 on page BMB-86 of Brad Baugh's direct testimony Exhibit SDG&E-14. Detailed descriptions of these activities can be found in the attachment provided in response to Question 3a labeled "ORA-SDG&E-DR-051-TLG Q3a Attachment.xlsx".
- Customer Research Activities – surveys: The costs for \$1,842,000 for research are based on historical vendor costs based on the frequency of performing those surveys as shown on Supplemental Workpaper 2 on page 154 of Brad Baugh's workpapers.

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SDG&E Response to Question 211 (Continued):

- **Social Media Tools:** The costs for Social Media Tools of \$90,000 are based contractual agreements and vendor estimated costs. See attachment labeled “ORA-SDG&E-DR-051-TLG Q21L-A Attachment.pdf” for an additional workpaper supporting these costs. Additional information about the Social Media Tools provided in the answer to Question 21.q.
 - **Mobile Application Capabilities:** The costs for the Mobile App expanded capabilities of \$50,000 are based on historical contractual agreement with vendor. See attachment labeled “ORA-SDG&E-DR-051-TLG Q21L-B Attachment.pdf” for an additional workpaper supporting these costs.
 - **SPP Event Notifications and Goals and Alerts:** The costs for Event Notifications and Goals and Alerts of \$376,000 are detailed out in Supplemental Workpaper 1 on page 153 of Brad Baugh’s workpapers.
 - **New Rate Options and Programs:** The costs to educate customers about new rate options and programs of \$2,870,000 are based on historical costs for similar types of activities. See attachment labeled “ORA-SDG&E-DR-051 Q21L-C Attachment.pdf” for an additional workpaper supporting these costs.
 - **Enhanced Customer Education While on Customer Premises:** The costs for the \$19,000 in enhanced customer education is based on the cost to design and print 350,000 materials at \$.05 per piece and is based on historical costs for similar communications.
 - **Customer Outreach Safety Checks:** The costs for customer outreach safety checks of \$281,000 are based on the estimates shown in the attachment labeled “ORA-SDG&E-DR-051-TLG Q211-D Attachment.pdf”. Note that SDG&E’s original estimate (see page BMB-102 of Brad Baugh’s direct testimony Exhibit SDG&E-14) inadvertently based the above costs on 500,000 mailings equating to \$0.56 cents per mailing. The correct amount is 450,000 mailings equating to \$0.62 cents per mailing.
- m. SDG&E’s 2009-2013 historical labor costs do not include costs incurred by FTEs to conduct the New Segmentation Survey, Refresh Voice of Customer Survey, New Competitive Survey, or the Enhanced Customer Connections Survey. SDG&E’s TY 2016 incremental funding request of \$379,000 make up the labor costs to conduct these surveys (see Table 41 on page BMB-87 of Brad Baugh’s direct testimony). See the response to question 21.g for the 2009-2013 historical labor costs for the former Voice of Customer Survey and former Segmentation Survey.

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SDG&E Response to Question 21 (Continued):

- n. The majority of the work FTEs spend on survey projects is spent on reoccurring surveys. Current staffing allows us to perform ongoing surveys and ad hoc surveys, of which we anticipate the volume to continue. The miscellaneous surveys below were conducted to measure customer impression of online tools and platforms, new service offerings, experiences with service and communications, infrastructure projects and targeted geographic opinion testing. While the miscellaneous surveys have been completed, these or similar surveys reoccur on an annual basis as shown by the 2009-2013 spend below. These miscellaneous surveys are separate and distinct from the incremental funding being requested for the new requested surveys described in Question 21.f above.

Following are the historical labor costs for the completed survey costs incurred during 2009-2013:

Survey	2009	2010	2011	2012	2013
Former Voice of the Customer Survey		\$82,000			
Former Segmentation Survey			141,500		
Miscellaneous Surveys	\$40,000	\$41,000	\$43,500	\$45,500	\$45,000

- o. Yes, SDG&E’s FTEs performed activities associated with measuring results to understand drivers for customer decisions and make changes to better serve its customers. However, surveys differ in regards to what drivers they are trying to uncover depending on the goal area or concept being measured. A variety of surveys are needed to cover new programs and services. SDG&E’s TY 2016 request for incremental FTEs to perform additional surveys and subsequent analysis will provide SDG&E with insight into changing customer expectations.
- p. The pilot was very small and utilized existing staff and tools and did not result in any incremental expense.
- q. Customer Communications have incurred the following costs from 2009-2013 to communicate with customers using social media channels:

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SDG&E Response to Question 21q (Continued):

Labor (1 FTE):

2012: \$45,497.98*

2013: \$87,767.34

*This FTE started mid-way thru the year.

There is one FTE devoted to social media who started mid-2012. No costs were incurred prior to 2012 for the social media channels.

Non-labor (vendor costs):

2012: \$111,220

2013: \$75,460

There were no non-labor costs incurred prior to 2012 for the social media channels.

- r. As referenced in footnote 70 on page BMB-96 of Brad Baugh's direct testimony Exhibit SDG&E-14, a supplemental workpaper documenting SDG&E's forecast can be found on page 153 of Brad Baugh's workpapers (SDG&E-14-WP). As shown in the workpaper, the \$376,000 represents one third of the total costs for 2016 through 2018. The total amount over the three year period is \$1,129,391.
- s. There are no historical costs associated with completed projects. All work is recurring/ongoing in nature, so not considered separate projects.
- t. SDG&E TY 2016 request for \$376,000 to distribute event notifications and alerts to customers is not incremental funding for the same completed activities that are embedded in SDG&E's historical expenses.