

ORA DATA REQUEST
ORA-SDG&E-DR-084-EJ1
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: MARCH 6, 2015
DATE RESPONDED: MARCH 24, 2015

Exhibit Reference: SDG&E-10

Subject: Electric Distribution Operations and Maintenance

Note: For each question where ORA requests historical expenses (i.e., 2009 through 2013, and/or 2014), please provide in base year 2013 dollars.

Grid Operations

1. Please provide a breakdown of the historical costs and the historical number of Electric Control Technicians for Grid Operations (2009-2013).

SDG&E Response:

	2009	2010	2011	2012	2013
Labor (\$000's)	\$321	\$256	\$290	\$258	\$92
# of ECT's	9	9	9	10	10

There was a significant decrease in labor charges in 2013 as a result of a higher proportion of time allocated to capital and transmission refundable work from the RTU Technicians.

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2. On WP page 49, SDG&E states that two added electronic control technicians are needed to “support increase in the number of SCADA RTU’s put into service as a result of various SDG&E initiatives including OpEx 20/20 and SmartGrid.” In what year were the various initiatives implemented? If they are not new, please explain why the current levels of ECTs are no longer sufficient to address the TY workload.

SDG&E Response:

Initiatives have been implemented beginning in 2012 and continue to be implemented in phases as each project completes. These initiatives result in the installation of new SCADA RTUs in the field. The increase for ECTs is needed due to the increase of planned and unplanned maintenance work needed for the SCADA RTUs.

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3. In SDG&E's 2012 GRC Application, SDG&E states: "Due to many SDG&E initiatives including OpEx 20/20 and Smart Grid, there will be an increase in the number of Electric Distribution SCADA RTU's put into service. These, added to the devices already deployed, SDG&E will in turn, increase the need for the planned and unplanned maintenance of the devices. By 2012, Grid Operations anticipates the need to add one additional Electronic Control Technician" (Exh.SDG&E-05, SPF-33). Did SDG&E add an additional ECT in 2012? If yes, please provide historical costs. If no, please explain why not.

SDG&E Response:

Yes, an additional ECT was added in 2012. Please see the table provided in the response to question #1 for historical costs.

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4. On WP page 49, SDG&E forecasts that it will hire one added Electric Control Technician in 2014. Did SDG&E hire an additional ECT in 2014? If yes, please provide the 2014 costs for the ECT and number of months employed. If no, please explain why not.

SDG&E Response:

Yes, an additional ECT was hired and employed seven months in 2014. This additional cost was \$8,191. This is due to more capital and transmission work than forecasted.

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5. In response to ORA-SDG&E-DR-002-EJ1, SDG&E states: “Recorded costs decreased from 2011 to 2013 primarily as a result of a reduction in headcount from 2011-2012 from attrition and delayed backfilling of vacant positions.” Please explain why SDG&E had a “delayed backfilling of vacant positions.”

SDG&E Response:

The process of awarding the Electronic Control Technician (ECT) position takes time. The ECT position requires highly specialized skills which are not easy to find, it can take months to find qualified candidates. In this case, the process took over a year to find a qualified candidate for the position.

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6. Please confirm that SDG&E uses 2013 base year for its forecast methodology and not a 3-year average (see WP page 49).

SDG&E Response:

SDG&E used the 2013 base year forecast methodology for this workgroup. The reference “3-year average” was the incorrect terminology used in the workpapers as well as the testimony. This will be corrected at hearings.

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7. Please provide the historical number (2009-2013) of SCADA RTU's.

SDG&E Response:

Year	# of units installed	Total number of units in service
2009	176	1,102
2010	162	1,264
2011	126	1,390
2012	116	1,506
2013	121	1,627

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Kearny Operations

8. On WP page 7, SDG&E forecasts \$0.080 million in non-labor expenses to comply with EPA and CARB regulations.
 - a. Please show exactly how SDG&E derived its forecast of \$0.080 million. Provide all supporting calculations, documentation, and explanation.
 - b. Please identify when EPA's Subpart DD and CARB's SF6 rule were issued. Will the TY be SDG&E's first time complying with these regulations?

SDG&E Response:

- a. This figure is based on the projected annual salary for one (1) FTE or equivalent consulting expenses to prepare and audit SF6 GHG reports.
- b. The EPA rule was approved in 2010 and amended in 2011 and 2012. Reports are due annually for data collected in the previous calendar year. Subpart DD was enforced starting January 2011, with the first SF6 report submitted in September 2012 for the 2011 emission year. The TY expenses were increased due to responding to the increased level of effort to comply with regulations already in place.

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Construction Services

9. Please explain why costs for the Wildfire Strike Team, provided in SDG&E's response to DR-002-EJ Q.27, have remained relatively stable despite "increased activity as a result of ongoing drought conditions, including increased staging for red flag events to account for a normal amount of red flag events"(WP page 105).

SDG&E Response:

Several factors have been involved in maintaining cost stability. First, scheduling of working hours for the Wildfire Strike Team (WST) was adjusted to better coincide with the working hours of the SDG&E crews in which it supports. This has resulted in cost savings that have largely offset increased activity costs. Second, because the WST is contracted on a more full-time basis during the fire season, increased activity often falls within the time the WST is already in place, thus limiting incremental costs. Finally, much of the increased activity as a result of ongoing drought conditions is handled by construction contractors; these construction contractors typically provide their own fire prevention/firefighting crews and embed these costs in their overall pricing; thus, these increased costs to SDG&E are not reflected directly in WST costs.

It is important to note the requested funding increase is intended to cover an additional two weeks of services for an expanded fire season plus the cost of deployment for five additional red flags.

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10. In response to DR-002-EJ1 Q.28, SDG&E states that it needs “\$150k annually to a firefighting fund which supports protection of utility assets in fire risk areas.”
- a. Please elaborate on this fund. Has SDG&E previously spent money on this fund? If yes, please provide historical costs (2009-2013). If no, please explain why not.
 - b. Show exactly how SDG&E derived its forecast of \$150k. Provide all supporting documentation, calculations, and explanations.

SDG&E Response:

- a. This firefighting fund was established in conjunction with the County of San Diego. The agreement states that SDG&E and the County each pledge \$150k annually to cover aviation firefighting costs associated with SDG&E-provided helicopters to local agencies, cities, and fire districts. The intent is to improve firefighting response- particularly in HRFA and FTZ areas- thus providing additional protection to electric utility assets. The fund has not yet been used, as firefighting activity to date has been covered by the allocated flight hours provided under the helicopter lease agreements. With the increase in fire risk associated with the ongoing drought, SDG&E anticipates that future aviation firefighting activity levels will result in utilization of this fund.
- b. The \$150k figure is the amount that SDG&E has pledged on an annual basis. This is based on 20 flight hours at \$7.50 per flight hour.

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11. In response to DR-002-EJ1 Q.28, SDG&E states that it needs “\$25k... intended to cover the expected increase in O&M helicopter flights.” Please explain why SDG&E expects an increase in O&M helicopter flights and how SDG&E derived its exact forecast of \$25k.

SDG&E Response:

The projected increase in O&M flight activity is due to increased safety and security patrols, increased red flag flights, and additional maintenance patrols and inspections. \$25k was based on a modest increase of an estimated 12 additional flight hours per year (one additional flight per month).

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12. Please identify 2014 recorded expenses for the Wildfire Strike Team.

SDG&E Response:

This request seeks 2014 data. Although this data is not part of SDG&E's forecasts or within the scope of this case, SDG&E has provided ORA with 2014 adjusted-recorded capital and O&M data in the spirit of cooperation. SDG&E further agrees to provide ORA with additional requested 2014 raw data in this response without waiving the right to contest or respond to how the data is used.

2014 RECORDED EXPENSES: \$561K

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13. Please identify 2014 recorded expenses for the O&M portion of the air-crane budget.

SDG&E Response:

This request seeks 2014 data. Although this data is not part of SDG&E's forecasts or within the scope of this case, SDG&E has provided ORA with 2014 adjusted-recorded capital and O&M data in the spirit of cooperation. SDG&E further agrees to provide ORA with additional requested 2014 raw data in this response without waiving the right to contest or respond to how the data is used.

2014 RECORDED EXPENSES: \$1,147K

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14. Please identify 2014 recorded expenses for “non-productive labor and O&M primarily associated with construction activities.”

SDG&E Response:

This request seeks 2014 data. Although this data is not part of SDG&E’s forecasts or within the scope of this case, SDG&E has provided ORA with 2014 adjusted-recorded capital and O&M data in the spirit of cooperation. SDG&E further agrees to provide ORA with additional requested 2014 raw data in this response without waiving the right to contest or respond to how the data is used.

2014 RECORDED EXPENSES: \$1,767K

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15. Are there other mechanisms through which SDG&E can recover fire-related costs? If yes, briefly clarify the distinction between cost recovery through alternative mechanisms and cost recovery through SDG&E's GRC request.

SDG&E Response:

With respect to reasonably foreseeable activities that are a regular part of providing safe and reliable utility service, costs associated with these activities are normally requested and recovered through the GRC process. Fire risk mitigation and fire hardening work as well as other related operations and maintenance activities are inclusive of the overall activities covered in the GRC. Therefore, it is most appropriate that the funding requested in this GRC for these activities be funded via the GRC process.

However, for unforeseen and unbudgeted exogenous or catastrophic events, SDG&E has the ability to file a claim for cost recovery from the state of California under the Catastrophic Event Memorandum Account (CEMA). By their nature, none of the activities cited in this GRC request are appropriate for a CEMA filing.

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Vegetation management (Tree Trimming)

16. Please provide 2014 recorded expenses for SDG&E's PowerWorkz Vegetation Management recorded under Vegetation Management (Tree Trimming).

SDG&E Response:

This request seeks 2014 data. Although this data is not part of SDG&E's forecasts or within the scope of this case, SDG&E has provided ORA with 2014 adjusted-recorded capital and O&M data in the spirit of cooperation. SDG&E further agrees to provide ORA with additional requested 2014 raw data in this response without waiving the right to contest or respond to how the data is used.

2014 RECORDED EXPENSES: \$330K

PowerWorkz was not completed and set into production until late May/early June, so the total costs do not represent a full year.

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17. In response to DR-002-EJ1 Q.2, SDG&E states: “Non-labor costs have decreased significantly over the same period. This is due primarily to decreased insurance costs.” Does SDG&E expect insurance costs to remain the same in the TY?

SDG&E Response:

Yes. SDG&E has worked diligently to drive down costs associated with contractor insurance reimbursements. SDG&E does not anticipate any further cost decreases and hopes to maintain current levels.

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Distribution engineering

18. SDG&E forecasts that it will hire 2 new NEM employees in 2014. Please identify the number of NEM employees that SDG&E hired in 2014 that are recorded under Distribution Engineering. Identify the associated costs and months employed.

SDG&E Response:

SDG&E did not hire 2 new NEM employees in 2014. The current employees are still working 10-12 hrs/day. In addition, SDG&E is utilizing contractors to assist with the increased workload.

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Tech Utilization

19. For labor costs, SDG&E states: “The 5-year linear forecast provides the cost needed to backfill positions needed to support the group” (WP page 51). Identify all positions that need to be filled, the timeframe that they have been vacant (include dates), and the associated costs.

SDG&E Response:

From December 2012 through December 2013, the Smart Grid Architect position was vacant at a cost of \$150k.

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20. For non-labor costs, SDG&E states: “The 5-year linear forecast provides the costs needed for the escalating costs of consultants who provide additional support to the group” (WP page 51).
- a. Provide 5-years historical costs (2009-2013) for consultants.
 - b. Please explain why costs for consultants are escalating and identify by how much costs are expected to increase.

SDG&E Response:

a.

2009	2010	2011	2012	2013
\$24,944	\$3,744	\$24,351	\$72,682	\$108,386

- b. Costs for consultants are increasing due to the needed support of maintenance for the Borrego Springs Microgrid generators as well as the advanced energy storage units. Consultants also provide support with the development of the Smart Grid Deployment Plan, which is filed with the CPUC annually. Costs for consultants are expected to increase \$25k/year.

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21. Please identify 2014 recorded expenses for the Borrego Springs Microgrid.

SDG&E Response:

This request seeks 2014 data. Although this data is not part of SDG&E's forecasts or within the scope of this case, SDG&E has provided ORA with 2014 adjusted-recorded capital and O&M data in the spirit of cooperation. SDG&E further agrees to provide ORA with additional requested 2014 raw data in this response without waiving the right to contest or respond to how the data is used.

2014 RECORDED O&M EXPENSES: \$7K

Please note that SDG&E has embarked on a 2nd phase of the Borrego Springs Microgrid project. Therefore there are additional costs for 2014 that are recorded as capital

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22. Please identify 2014 recorded expenses for the AES project.

SDG&E Response:

This request seeks 2014 data. Although this data is not part of SDG&E's forecasts or within the scope of this case, SDG&E has provided ORA with 2014 adjusted-recorded capital and O&M data in the spirit of cooperation. SDG&E further agrees to provide ORA with additional requested 2014 raw data in this response without waiving the right to contest or respond to how the data is used.

Two energy storage units were installed in 2013. So far, there has been no maintenance cost associated with these units. Additional energy storage units are expected to be deployed and operational in 2015.