

**ORA DATA REQUEST
ORA-SDGE-126-MRL
SDG&E 2019 GRC – A.17-10-007
SDG&E RESPONSE
DATE RECEIVED: FEBRUARY 8, 2018
DATE RESPONDED: FEBRUARY 23, 2018**

Exhibit Reference: SDG&E-24-WPC and SDG&E-25-WPC
SDG&E Witness: Gavin Worden and Christopher Olmsted
Subject: Response to ORA-SDGE-037-MRL and ORA-SDGE-072-MRL

SDG&E’s responses to ORA data requests ORA-SDGE-037-MRL and ORA-SDGE-072-MRL were deficient because complete copies of the most recent approved capital budgets have not been provided. SDG&E did provide a one page presentation for February 2017 that did contain numbers for the 2017 plan for Information Technology but this is neither a complete copy of the capital budget plan(s) nor an actual transmittal containing the titles of the individuals and departments when they formally approved the 2017 capital budget plans for Information Technology and Cyber Security. Also, the completeness of SDG&E’s response is questionable because the page’s title refers to “February 2017” but no representations of February appear on the page.

Please provide the following:

1. Referring to SDG&E’s Direct Testimony on its capital budget process in Information Technology (Exhibit SDG&E-24-R), Cyber Security (Exhibit SDG&E-25) and Rate Base (Exhibit SDG&E-33-R):

a. Does the capital budget process begin at the level of “functional area”¹ or “Functional Capital Committees?”² Is a “functional area” the same as a “Functional Capital Committee” and is the “IT Division” (Exhibit SDG&E-24-R, p. CRO-17) a Functional Capital Committee? If any these are not the same level and group, then explain in technical detail how they differ and what their roles are in the capital budget allocation/planning process.

b. Is the “Central Business Planning group”³ the same as the “Capital Planning Committee?”⁴ If these are not the same, then explain in technical detail how they differ and what their roles are in the capital budget allocation/planning process.

i. For 2017 and 2018, provide a complete copy of the initial “capital plan” by project and a complete copy of the transmittal showing the titles and departments of who submitted the plan(s) and who received it, as submitted to the “Central Business Planning group.” (Exhibit SDG&E-24-R, CRO-18.)

ii. For 2017 and 2018, provide a complete copy of the annual Functional Capital Committees’ capital plan(s) submission to the Capital Planning Committee. (Exhibit SDG&E-33-R, p. RCG-3.)

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Question 1 Continued:

c. For 2017 and 2018, provide a complete copy of the recommendations by project from the Central Business Planning group and/or Capital Planning Committee to the EFC. (Exhibit SDG&E-33-R, p. RCG-3.)

d. For 2017 and 2018 (when available), provide a complete copy of the capital budget plan by project, including Work Order Authorization (if the WOAs are available), as approved by the EFC and as issued internally. If the 2018 capital budget plan is not available, then please state when it will be available.

SDG&E Response 01:

Partial response only to 1.a. & 1.b.

1.a. The capital budget process begins with the Functional Capital Committees (FCCs), which are organized by capital investment or function type. A functional area, for example the IT Division, has a FCC that is responsible for IT capital expenditures. The functional area and FCC are the same level/group and have the same role in the capital budget allocation/planning process.

1.b. No, the Central Business Planning group is not the same as the Capital Planning Committee. The Central Business Planning group is responsible for the financial plan at the enterprise level for SDG&E whereas the capital planning committee is comprised of all the lead directors for each FCC. Please refer to the Rate Base testimony of Craig Gentes (Exhibit SDG&E-33-R) for further details.

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SDG&E Response 01:

1.b.i. The Central Business Planning group ensures that the capital plan is maintained at the enterprise level for SDG&E. This group does not approve IT/Cybersecurity capital at the project level. See attachment “ORA-SDG&E-126-MRL E-mail Attachment_Redacted.pdf” for the e-mail from the Principal Business Analyst assigned to planning IT capital, in the Shared Services Business Planning group, to the Principal Business Analyst, in the Capital Operational Planning group. This e-mail includes the submission of the 2017 IT capital plan by budget code. See attachments “ORA-SDG&E-126-MRL E-mail Attachment - IT Capital Plan 2017_CONFIDENTIAL” and “ORA-SDG&E-126-MRL E-mail Attachment - IT Capital SDS Plan 2017_CONFIDENTIAL.” The attachment “ORA-SDG&E-126-MRL 2017 Capital Plan Attachment_CONFIDENTIAL” is the SDG&E 2017 capital plan showing the plan summary and IT plan by budget code. This attached file is considered Confidential and Protected Materials Pursuant to PUC Section 583, GO 66-D, and D.17-09-023. The capital plan for 2018 is not available.

1.b.ii. See response to 1.b.i.

c. Neither the Central Business Planning group nor the Capital Planning Committee recommend projects to the Executive Finance Committee (EFC). Rather, as stated in the response to ORA-SDG&E-072-MRL, the EFC approves capital plans at the functional area level.

d. See response to 1.b.i for the 2017 capital plan. Since WOAs contain financial information for 2017, these are not yet available. We expect that the capital plan for 2018 will be finalized by the end of March, but changes to the plan will continue to be made until the date of the annual Sempra Energy analyst conference scheduled for June 28, 2018. Due to insider trading and other concerns, SDG&E would have very serious reservations about providing 2018 plan information to anyone outside of the company until the time of the June 28, 2018 analyst conference, at which time a public version of the 2018 plan will be released.

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2. Complete copies of the source(s) for the following values contained in the **CONFIDENTIAL** PowerPoint file, “ORA-SDG&E-072-MRL_Attachment_EFC Capital 2017 Slide:”

- a. **74.3**,
- b. **35.0**,
- c. **16.3**, and
- d. **68.5**.

SDG&E Response 02:

See the 2017 Capital Plan Attachment, referenced in 1.b.i, for the source data for the values stated in 2.a-d. For reference, the cells are highlighted in yellow. The value 68.5 is the sum of the highlighted cells in the last for tabs of the 2017 Capital Plan Attachment.