ORA DATA REQUEST
ORA-SCG-034-LMW
SOCALGAS 2019 GRC – A.17-10-008
SOCALGAS RESPONSE
DATE RECEIVED: DECEMBER 7, 2017
DATE RESPONDED: DECEMBER 21, 2017

Exhibit Reference: SCG-23, Workpapers
SoCalGas Witness: Herrera
Subject: Facility Operations

Please provide the following:

1. Referring to Ex. SCG-23 fleet/facility workpapers Pg. 70-71, there is an adjustment of $1.339 million, $380,000, and $1.574 million for 2017 – 2019 respectively due to increased utilities related to incremental NGV refueling stations; increased contracted services due to decreased internal resources; O&M upgrades on lighting; electrical panels; doors; equipment. Based on this, please answer/provide the following:

a. The total costs forecasted, and the forecasting methodology related specifically to the increase in utility costs for the NGV refueling stations for each of the forecast years 2017 - 2019.
b. The total costs forecasted, and the forecasting methodology related specifically to the increased contracted services due to decreased internal resources for each of the forecast years 2017 – 2019.
c. The total costs forecasted, and the forecasting methodology related specifically to the O&M upgrades on lighting for each of the forecast years 2017 – 2019.
d. The total costs forecasted, and the forecasting methodology related specifically to the electrical panels for each of the forecast years 2017 – 2019.
e. The total costs forecasted, and the forecasting methodology related specifically to the doors for each of the forecast years 2017 – 2019.
f. The total costs forecasted, and the forecasting methodology related specifically to the equipment for each of the forecast years 2017 – 2019.
g. Total actual expenses for 2017 to date broken out by increased utilities related to incremental NGV refueling stations; increased contracted services due to decreased internal resources; O&M upgrades on lighting; electrical panels; doors; equipment as compared to the $1.339 million 2017 forecast.
h. h. For each of the costs used a justification for the increase, why does SCG considered the costs recurring past the 2019 test year?

SoCalGas Response 1:

a. SoCalGas utilized NGV compressor electrical consumption estimates to determine an average cost increase per NGV station and applied this methodology to upcoming NGV station projects to estimate an incremental cost of $0.180 million in 2017, $0.180 million in 2018, and $0.500 million in 2019. These stations are expected to remain in use past the 2019 test year and are considered recurring past the 2019 test year.

b. SoCalGas utilized existing supplemental workforce demands and planned supplemental workforce demands to forecast incremental costs of $1.410 million in 2017, $0.000 million in 2018, and $0.340 million in 2019. This incremental cost

c. is offset by ($0.407) million in Labor due to decreased internal resources in 2017. Supplemental workforce will continue to be needed until incremental internal positions requested in this GRC filing are filled.

d. SoCalGas utilized a list of deferred maintenance projects that would be above and beyond normal course of business and estimates incremental cost of $0.070 million in 2017, $0.000 million in 2018, and $0.340 million in 2019. There is a continuous list of deferred maintenance projects that would continue to add costs beyond the 2019 test year.

e. SoCalGas utilized a list of deferred maintenance projects that would be above and beyond normal course of business and estimates incremental cost of $0.060 million in 2017, $0.000 million in 2018, and $0.060 million in 2019. There is a continuous list of deferred maintenance projects that would continue to add costs beyond the 2019 test year.

f. SoCalGas utilized a list of deferred maintenance projects that would be above and beyond normal course of business and estimates incremental cost of $0.020 million in 2017, $0.000 million in 2018, and $0.060 million in 2019. There is a continuous list of deferred maintenance projects that would continue to add costs beyond the 2019 test year.

g. SoCalGas utilized a list of deferred equipment replacements that would be above and beyond normal course of business and estimates incremental cost of $0.030 million in 2017, $0.000 million in 2018, and $0.000 million in 2019.

h. 2017 financial information is expected to be available in late Q1 2018

i. See each individual response 1a through 1f for why these costs are considered recurring past the 2019 test year.

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2. Referring to Ex. SCG-23 fleet/facility workpapers pg. 70-72, for each of the RAMP expenditures ($220,000 and $800,000) for contract security for 2017-2019 forecast period, please provide/answer the following:

a. An explanation why the related costs are considered recurring past the 2019 test year.
b. Has the $220,000 forecasted for 2017 been spent as of the date of this request? If no, then why?

SoCalGas Response 2:

a. The $0.200 million and $0.800 million for incremental contract security related to RAMP are recurring charges past the 2019 test year based on existing contracts and the identified need to add contracted security at additional staffed locations to mitigate risks identified in RAMP SCG-5 Workplace Violence and the identified need to add contracted security at additional unstaffed sites to mitigate risks identified in RAMP SCG-6 Physical Security of Critical Gas Infrastructure.

b. 2017 financial information is expected to be available in late Q1 2018.

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3. Referring to Ex. SCG-23 fleet/facility workpapers pg. 72, there is a $1.0 million 2019 adjustment for recovery of a forecasted SoCalGas Real Estate planning study and review of space configuration. Based on this, please answer/provide the following:

a. Is this cost considered recurring past the 2019 test year? If yes, then why? If no, why does SCG consider it reasonable to include in forecasting.
b. Justification for why this study is considered necessary and how it will benefit ratepayers.
c. If this cost is not approved, what are the dollar impacts to ratepayers?
d. Why is this study not conducted in 2017 or 2018?

SoCalGas Response 3:

a. During the process of preparing this data request response SoCalGas determined that the costs for the Real Estate planning study should not have been forecasted as a reoccurring cost. The workpaper and forecast will be updated at the next opportunity.

b. SoCalGas plans to conduct a Real Estate planning study to determine workforce space requirements. These renovations will improve the functionality of our buildings and worker productivity to adequately position SoCalGas to service our existing and future customers. The average age of our facilities is 47 years and no longer support the changing work patterns, technology and business needs.

c. A dollar impact to rate payers has not been complete for this activity, nor are they typically completed for activity of this scope.

d. Facilities has begun working on this 2 year Real Estate planning study in Q4 2017, ahead of originally forecasted schedule. Per response 3a, the forecast and workpaper will be updated to reflect recovery of the forecasted 2019 costs (1/3 of planned 2019 costs will be forecasted to allow for recovery of full 2019 revenue requirement over 2019, 2020 & 2021).