ORA DATA REQUEST
ORA-SCG-038-OE2
SOCALGAS 2019 GRC – A.17-10-008
SOCALGAS RESPONSE
DATE RECEIVED: DECEMBER 8, 2017
DATE RESPONDED: DECEMBER 26, 2017

Exhibit Reference: SCG-03/SDG&E-03, Chapter III, page HDS/RC-7
SCG Witness: Hal Snyder & Randall Clark
Subject: Fueling Our Future (FOF) Policy

Please provide the following.

1. Referring to SCG's testimony, page HDS/RC-7 lines:11-12, stated below:
   "The removal of standard labor loaders that were used in the FOF projects given that witnesses in the GRC represent direct costs only."

   a) Please expound on the statement by providing a detailed explanation of what the statement means, implies and give examples if necessary to provide more clarity.

   b) Are Labor Loaders usually included in SCG and SDG&E's GRCs?

SoCalGas and SDG&E Response 1:

a. The numbers that are represented by the SoCalGas and SDG&E GRC witnesses are presented as direct costs. There are separate witnesses that forecast the standard labor loader cost types such as Medical and Dental Insurance, Pension costs, and Payroll Tax. Tables HS/RC-1 and HS/RC-2 only reflect the direct cost impacts of the Fueling Our Future (FOF) initiative and do not include any labor loading costs.

   The direct cost witnesses provide input to the following witness teams who then calculate the total "Labor Overhead" costs.

   - Compensation & Benefits witness Debbie Robinson (Exhibit SCG-30/SDG&E-28)
   - Pension & PBOPs witness Debbie Robinson (Exhibit SCG-31/SDG&E-29)
   - Tax (includes payroll tax) witness Ragan Reeves (Exhibits SCG-37 and SDG&E-35)

b. Yes, Labor Loaders are included in SoCalGas and SDG&E's GRC, in aggregate, as described in response to question 1.a. above.

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2. Referring to SCG's testimony, page HDS/RC-7 line:13, stated below:

"The exclusion of non-GRC balanced O&M and non-GRC revenue impacts."

a) Please provide a detailed explanation of the two concepts stated above, with a view to providing understanding of how they impact costs or ratepayers.

b) Please provide examples of non-GRC balanced O&M that were excluded.

c) Please provide examples or an illustration of non-GRC revenue referenced here.

SoCalGas and SDG&E Response 2:

a. The exclusion of non-GRC balanced O&M refers to costs that are funded through a separate regulatory proceeding, outside of a General Rate Case, such as Energy Efficiency or Low Income. In the case of an FOF initiative that is expected to reduce the operating costs within these programs, the ratepayer will receive the benefits through those particular proceedings or through the balancing account reconciliation process.

b. Some examples of non-GRC balanced FOF initiatives that were excluded from the GRC analysis are:
    - Developing new inspection protocols for Energy Efficiency third-party programs using statistical models and best practices
    - Optimizing Energy Efficiency contracts
    - Scanning incoming applications for CARE
    - Simplifying Custom-Calculated Energy Efficiency Program for large C&I customers (EECIP) to shorten rebate payment time.

c. Some examples of non-GRC revenue requirement FOF initiatives that were excluded from the GRC analysis are FERC related benefits attributable to:
    - Developing better project management tools/processes for Electric Transmission Construction Services.
    - Improve procurement, materials management and inventory processes to reduce total construction costs of Electric Transmission projects.