

**ORA DATA REQUEST
ORA-SCG-129-MRL
SOCALGAS 2019 GRC – A.17-10-008
SOCALGAS RESPONSE
DATE RECEIVED: FEBRUARY 8, 2018
DATE RESPONDED: FEBRUARY 23, 2018**

Exhibit Reference: SCG-26-WPC and SCG-27-WPC

SCG Witnesses: Christopher Olmsted and Gavin Worden

Subject: SCG's Responses to Data Requests ORA-SCG-022-MRL and ORASCG-063-MRL

Please provide the following:

SCG's responses to ORA data requests ORA-SCG-022-MRL and ORA-SCG-063-MRL were deficient because complete copies of the most recent approved capital budgets have not been provided. SCG 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 SCG's response is suspect because the page's title refers to "February 2016" but no representations of February 2016 appear on the page.

1. Referring to SCG's Direct Testimony on its capital budget process in Information Technology (Exhibit SCG-26), Cyber Security (Exhibit SCG-27-R) and Rate Base (Exhibit SCG-35-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 SCG-26, p. CRO-19, ll. 5-6) a Functional Capital Committee? If any of 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 SCG-26, CRO-19, ll. 18-20.)
 - 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 SCG-35-R, p. PDM-3, ll. 10-14.)
- 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 SCG-35-R, p. PDM-3, ll. 18-21.)

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Question 1 Continued-

- 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.

SoCalGas Response 1:

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 (CPC). The Central Business Planning group is responsible for the financial plan at the enterprise level for SoCalGas whereas the CPC is comprised of all the lead directors for each FCC. Please refer to the Rate Base testimony of Pat Moersen (Exhibit SCG-35-R) for further details.

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Exhibit Reference: SCG-26-WPC and SCG-27-WPC

SCG Witnesses: Christopher Olmsted and Gavin Worden

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SoCalGas Response 1:

1.b.i. The Central Business Planning group ensures that the capital plan is maintained at the enterprise level for SoCalGas. This group does not approve IT/Cybersecurity capital at the project level. See attachment “ORA-SCG-129-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-SCG-129-MRL E-mail Attachment - IT Capital Plan 2017_CONFIDENTIAL” and “ORA-SCG-129-MRL E-mail Attachment - IT Capital SDS Plan 2017_CONFIDENTIAL.” The attachment “ORA-SCG-129-MRL 2017 Capital Plan Attachment_CONFIDENTIAL” is the SoCalGas 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.** 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, SCG 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.

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-SCG-063-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. The 2018 capital plan is not anticipated to be finalized until the end of Q1 2018.

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2. Complete copies of the source(s) for the following values contained in the CONFIDENTIAL PowerPoint file, “ORA-SCG-063-MRL_Attachment_EFC Capital 2017 Slide:”

- a. 12.9,
- b. 21.1,
- c. 122.0,
- d. \$668.0, and
- e. \$1,185.3.

SoCalGas Response 2:

See the 2017 Capital Plan attachment referenced in 1.b.i for the source data for the values stated in 2.a-e. For reference, the cells are highlighted in yellow. The value 21.1 in 2.b. is the sum of cells C11 and D11.