TURN DATA REQUEST-026
SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8
SDG&E_SOCALGAS RESPONSE
DATE RECEIVED: MARCH 8, 2018
DATE RESPONDED: MARCH 30, 2018

1. Please provide the type of vehicle, unit cost, number of units per vehicle type, and calculations of the balance and amortization and interests costs for:

a. "Current Fleet" for each year of 2014 to 2016.

b. "Fleet Replacements 2014 through 2016" for each year of 2014 to 2016.

c. "ATCM Vehicles" for each year of 2014 to 2016.

d. "AFV Vehicles" for each year of 2014 to 2016.

e. "Incremental Fleet for Business Needs" for each year of 2014 to 2016.
In the response, please provide the information in the same format and manner that appeared in the utilities' responses to TURN-SDG&E-14-1 and TURN-SCG-18-1 in the 2016 GRC.

Utility Response 01:
This response contains Confidential and Protected Materials Pursuant to PUC Section 583, GO 66-D, and D.17-09-023.

a – e. Per clarification from TURN on 3/20/18, SoCalGas and SDG&E are responding with 2017 – 2019 data. Please see confidential attachments, TURN_DR-026-Q1-Cash Flow Model SoCalGas CONFIDENTIAL and TURN_DR-026-Q1-Cash Flow Model SDGE CONFIDENTIAL. Please see confidential attachments provided to ORA, ORA-SCG-035-LMW-Data and ORA-SDGE-047-LMW-Data responses 2B, 3A, 4A, 5A, and 6A.

2. SDG&E (Table CLH-5 on p. CLH-7 in SDG&E-21-R) and SCG (Table CLH-9 on p. CLH-19 in SCG-23-R) list year-end 2016 figures for various vehicle and equipment types. For each utility, please provide the year-end figures for each year 2011-2017 for each category of vehicle listed in each table..

Utility Response 02:

TURN_DR-026-Number of Vehicle at Year End (SoCalGas)							
VEHICLE TYPE	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
1 - AUTOMOBILE	340	382	362	320	320	377	361
2 - COMPACT TRUCK/VAN	584	620	575	517	517	521	511
3 - LIGHT TRUCK/VAN	2570	2605	2660	2538	2538	2776	2693
4 - MEDIUM DUTY TRUCK	544	579	582	594	594	575	626
5 - HEAVY DUTY TRUCK	87	82	82	79	79	76	78
6 - MECHANIZED TRAILER	132	126	121	115	115	103	91
7 - NON MECHANIZED TRAILER	595	551	557	573	573	569	590
8 - P.O.E.	283	294	274	268	268	273	274

TURN_DR-026-Number of Vehicle at Year End (SDG&E)							
VEHICLE TYPE	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
1 - AUTOMOBILE	107	106	104	94	88	87	88
2 - COMPACT TRUCK/VAN	508	482	453	347	316	325	298
3 - LIGHT TRUCK/VAN	593	609	719	692	711	732	730
4 - MEDIUM DUTY TRUCK	323	324	372	339	339	360	397
5 - HEAVY DUTY TRUCK	221	220	235	216	217	213	231
6 - MECHANIZED TRAILER	80	86	86	95	95	100	109
7 - NON MECHANIZED TRAILER	210	212	218	218	220	223	225
8 - P.O.E.	64	63	67	66	66	66	71

3. Regarding the utilities' responses to ORA-SDG&E-47-1a and ORA-SCG-35-1a, please provide each utility's equivalent acquisition plan for 2014, 2015, and 2016 as it existed at the time of the 2016 GRC application filing for each vehicle category identified in the referenced responses. If not broken out in that plan, please provide the units for each year broken out into replacement (conventional), replacement (AFV), incremental (conventional), and incremental (AFV).

Utility Response 03:

This information was made available to TURN as part of the 2016 GRC data requests, TURN-SCG-18 and TURN-SDG&E-14. Notwithstanding, we are providing the tables the previously provided below:

2016 GRC SoCalGas Vehicle Types Acquisition Plan by Year			
VEHICLE TYPES	**2017**	**2018**	**2019**
REPLACEMENT UNITS NON-AFV	150	243	75
REPLACEMENT UNITS AFV	350	257	425
INCREMENTAL FLEET FOR BUSINESS NEEDS NON-AFV	156	183	167
Grand Total	**656**	**683**	**667**

2016 GRC SDG&E Vehicle Types Acquisition Plan by Year			
VEHICLE TYPES	**2017**	**2018**	**2019**
1. AUTOMOBILES	9	19	20
2. COMPACT TRUCK & VANS	33	39	39
3. LIGHT TRUCK & VANS	106	58	56
4. MEDIUM DUTY TRUCK	36	22	20
5. HEAVY DUTY TRUCK	47	24	27
6. MECHANIZED TRAILER	16	11	2
7. NON MECHANIZED TRAILER	14	8	22
8. P.O.E. / M.W.E.	9	19	14
Grand Total	**270**	**200**	**200**

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4. Please disaggregate the "acquired units" that SDG&E identifies in the first table in the response to ORA-SDG&E-47-1c and SCG identifies in the first table in the response to ORA-SCG-35-1c into units for replacement (conventional), replacement (AFV), incremental (conventional), and incremental (AFV) for each year 2012-2016. Please also provide total and disaggregated data for 2017.

Utility Response 04:

SoCalGas / SDG&E interpret the term "conventional" to mean non-AFV and respond accordingly.

SOCALGAS ACQUIRED UNITS								
ACQUISITION TYPE	**AFV TYPE**	**VEHICLE TYPES**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Incremental Fleet for Business Needs	AFV	1 - AUTOMOBILE	37	5	1		95	5
		3 - LIGHT TRUCK/VAN	1	10	6		11	4
		4 - MEDIUM DUTY TRUCK		3				
		5 - HEAVY DUTY TRUCK	3					
		8 - P.O.E.	1	1				
	Non-AFV	2 - COMPACT TRUCK/VAN	6	9	30	30	36	13
		3 - LIGHT TRUCK/VAN	13	27	49	2	31	33
		4 - MEDIUM DUTY TRUCK	4	31	19	1	1	2
		5 - HEAVY DUTY TRUCK			2			
		6 - MECHANIZED TRAILER		1				
		7 - NON MECHANIZED TRAILER	1	2	21	2	4	5
		8 - P.O.E.			1		19	1
Replacement	AFV	1 - AUTOMOBILE	9	14		13	22	
		3 - LIGHT TRUCK/VAN	36	164	147	4	193	80
		4 - MEDIUM DUTY TRUCK		2	5		5	13
		5 - HEAVY DUTY TRUCK						
		8 - P.O.E.	14		12			
	Non-AFV	2 - COMPACT TRUCK/VAN	41	7	16	1	42	1
		3 - LIGHT TRUCK/VAN	87	120	54	14	311	8
		4 - MEDIUM DUTY TRUCK	63	74	46	3	12	42
		5 - HEAVY DUTY TRUCK		9	20			2
		6 - MECHANIZED TRAILER		12	14	1		
		7 - NON MECHANIZED TRAILER	5	27	56	4		23
		8 - P.O.E.	5	4	1			

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SDG&E ACQUIRED UNITS								
ACQUISITION TYPE	**AFV TYPE**	**VEHICLE TYPES**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Incremental Fleet for Business Needs	AFV	1 - AUTOMOBILE	5	2			1	2
		3 - LIGHT TRUCK/VAN		4		1	7	4
		8 - P.O.E.		1				4
	Non-AFV	2 - COMPACT TRUCK/VAN	5	12	4		7	2
		3 - LIGHT TRUCK/VAN	22	44	12		1	
		4 - MEDIUM DUTY TRUCK	6	6	3	1		4
		5 - HEAVY DUTY TRUCK	1	1				3
		6 - MECHANIZED TRAILER	10	1	9		1	8
		7 - NON MECHANIZED TRAILER	3	7	3	2	3	3
		8 - P.O.E.		3	1			
Replacement	AFV	1 - AUTOMOBILE	11	9	7			
		3 - LIGHT TRUCK/VAN		4		1	22	34
		8 - P.O.E.		1				
	Non-AFV	2 - COMPACT TRUCK/VAN	16	4			14	2
		3 - LIGHT TRUCK/VAN	65	126	54	23	3	
		4 - MEDIUM DUTY TRUCK	39	81	23		35	62
		5 - HEAVY DUTY TRUCK	3	15	26	1		17
		6 - MECHANIZED TRAILER	1				5	6
		7 - NON MECHANIZED TRAILER	9		1			1
		8 - P.O.E.						1

5. Regarding the Amortization tables on p. 12 of SDG&E-21-WP and p. 12 of SCG-23-WP:

   a. For each year 2017-2019, please disaggregate the "Current Fleet" amortization forecasts, disaggregated into separate amounts for (i) Runout and (ii) In-Process amounts (for reference, such a disaggregation was included on p. 10 of SDG&E-17-WP in the 2012 GRC).

   b. Please identify the recorded 2017 "Current Fleet" amortization cost (i) Runout and (ii) In-Process counts.

   c. For each year 2017-2019, please disaggregate the "Fleet Replacements 2017-2019" amortization forecasts into separate (i) Replacement Plan and (ii) Backlog amounts (for reference, such a disaggregation was included on p. 10 of SDG&E-17-WP in the 2012 GRC).

   d. Please identify the recorded 2017 "Fleet Replacements 2017-2019" amortization cost, disaggregated into separate amounts for (i) Replacement Plan and (ii) Backlog amounts.

   e. For each year 2017-2019, please disaggregate the "Premium for Alternative Fuel Vehicles (AFV) Replacements" amortization forecasts into separate (i) Replacement Plan and (ii) Backlog amounts (for reference, such a disaggregation was included on p. 10 of SDG&E-17-WP in the 2012 GRC.

   f. Please identify the recorded 2017 "Premium for Alternative Fuel Vehicles (AFV) Replacements" amortization cost, disaggregated into separate amounts for (i) Replacement Plan and (ii) Backlog amounts

Utility Response 05:
SoCalGas and SDG&E object to this request under Rule 10.1 of the Commission's Rules of Practice and Procedure on the grounds that the burden, expense and intrusiveness of this request clearly outweigh the likelihood that the information sought will lead to the discovery of admissible evidence. Subject to and without waiving the foregoing objection, SoCalGas and SDG&E respond as follows:

a. Please see attachment TURN_DR-026-Q5-Q7-Disaggregate Forecast.

b. SoCalGas and SDG&E do not track costs in the manner requested.

c. Please see attachment TURN_DR-026-Q5-Q7-Disaggregate Forecast.

d. SoCalGas and SDG&E do not track costs in the manner requested.

Utility Response 05 Continued:

e. SoCalGas and SDG&E further object to this request pursuant to Rule 10.1 of the Commission's Rules of Practice and Procedure on the grounds that it seeks the production of information that is neither relevant to the subject matter involved in the pending proceeding nor is likely reasonably calculated to lead to the discovery of admissible evidence. This data request is not applicable. This cost category is not a request for vehicle costs but rather is a request for the incremental technology or equipment needed above the base cost of a vehicle for the AFV technology or equipment.

f. SoCalGas and SDG&E do not track costs in the manner requested. Additionally please see response to 5e.

6. Regarding the Fleet Replacement tables on p. 12 of SDG&E-21-WP and p. 12 of SCG-23-WP:

a. Please disaggregate the forecasted "Current Fleet" counts into separate (i) Runout and (ii) In-Process counts.

b. Please identify the recorded 2017 "Current Fleet" counts, disaggregated into separate amounts for (i) Runout and (ii) In-Process counts.
c. Please disaggregate the forecasted "Fleet Replacements 2017-2019"

counts into separate (i) Replacement Plan and (ii) Backlog counts.

d. Please identify the recorded 2017 "Fleet Replacements 2017-2019" counts, disaggregated into separate amounts for (i) Replacement Plan and (ii) Backlog counts.

Utility Response 06:
SoCalGas and SDG&E object to this request under Rule 10.1 of the Commission's Rules of Practice and Procedure on the grounds that the burden, expense and intrusiveness of this request clearly outweigh the likelihood that the information sought will lead to the discovery of admissible evidence. Other than our responses below, SoCalGas and SDG&E do not track costs in the manner requested. Subject to and without waiving the foregoing objection, SoCalGas and SDG&E respond as follows:

a. Please see TURN_DR-026-Q5-Q7-Disaggregate Forecast.

b. Please see response Q1 for current Fleet counts.

c. Please see TURN_DR-026-Q5-Q7-Disaggregate Forecast.

d. Please see response Q1 for current Fleet counts.

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7. Regarding the Interest tables on p. 23 of SDG&E-21-WP and p. 24 of SCG-23-WP, for each year 2017-2019:

> a. Please disaggregate the "Current Fleet" interest forecasts into separate (i) Runout and (ii) In-Process amounts (for reference, such a disaggregation was included on p. 10 of SDG&E-17-WP in the 2012 GRC).
>
> b. Please disaggregate the "Fleet Replacements 2017-2019" interest forecasts into separate (i) Replacement Plan and (ii) Backlog amounts (for reference, such a disaggregation was included on p. 10 of SDG&E-17-WP in the 2012 GRC).

Utility Response 07:
SoCalGas and SDG&E object to this request under Rule 10.1 of the Commission's Rules of Practice and Procedure on the grounds that the burden, expense and intrusiveness of this request clearly outweigh the likelihood that the information sought will lead to the discovery of admissible evidence. Subject to and without waiving the foregoing objection, SoCalGas and SDG&E respond as follows:

a. Please see TURN_DR-026-Q5-Q7-Disaggregate Forecast.

b. Please see TURN_DR-026-Q5-Q7-Disaggregate Forecast.

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8. SDG&E (footnote 7 on p. CLH-19 in SDG&E-21-R) and SCG (footnote 12 on p. CLH-19 SCG-23-R) state: "[The utility] has entered into a new fleet finance arrangement with a new vendor. As of the time of this filing, the impact of the new interest rate agreement is unknown. The forecast in this testimony is based on existing agreement terms."

a. Please identify the existing terms and provide the existing agreement.

b. On what date was the existing agreement signed?

c. Why have the utilities "entered into a new fleet finance arrangement with a new vendor?" Please identify and explain each factor. Please provide all documentation reflecting each utilities' assessment of the new agreement and basis of the decision to enter into the new agreement.

d. Which party initiated the termination of the "old" contract—i.e., was it the utilities or the "old" vendor—and what was the reason that the party had for terminating the "old" contract?

e. Why did the utilities decide to enter into the new contract with a new vendor instead of renegotiating the contract with the "old" vendor?

f. Please identify the new terms and provide the new agreement, to the extent that a new agreement has been finalized. To the extent that the new agreement is still not finalized, please:

i. Identify the date by which the utilities expects the new agreement to be finalized.

ii. Treat this as standing request for utilities to provide the terms of and the new agreement as soon as the agreement is finalized.

Utility Response 08:
This response contains Confidential and Protected Materials Pursuant to PUC Section 583, GO 66-D, and D.17-09-023.

a. Since we are providing the existing agreement, marked as confidential, TURN can answer this question based on its own review of the agreement. Please see the confidential attachment, TURN_DR-026-Q8a-Lease Agreement CONFIDENTIAL.

b. November 18, 2008.

Utility Response 08 Continued:

c. As a best practice, the utilities routinely reassess current agreements and where practical request quotes from the marketplace. See confidential attachment, TURN_DR-026-Q8c- New Lease Agreement RFP Recommendation CONFIDENTIAL for our internal assessment and reasoning for our decision to obtain a new agreement.

d. The existing agreement was not terminated, but rather is being allowed to sunset. See response 8c for reasoning behing the sourcing effort.

e. In order to facilitate transparent dealings, the utilities engage in the Request for Proposal process, which solicits bids from various vendors to ensure the marketplace is fairly evaluated. The existing vendor was invited to participate in the quote process.

f. Since the agreement is being provided, TURN can review it and answer this question.

i. The new agreement is finalized; signed on June 16, 2017 with the first leases on this new agreement effective Dec 1, 2017.

ii. The utilities have identical agreements, SDG&E's agreement is provided as reference. Please see the confidential attachment, TURN_DR-026-Q8f- New Lease Agreement CONFIDENTIAl.

9. SDG&E (p. CLH-8:18-21 of SDG&E-21) and SCG (p. CLH-20:18-21) state: "In prior years, [the utilities'] Fleet Services organization[s] could address regulatory changes through diesel particulate filters (i.e., retrofits). However, as discussed in detail below, these retrofits are no longer allowed. For instance, CARB requirements for ATCM requires early replacement of heavy duty vehicles." In support, of the second sentence, the utilities reference the CARB, Statewide Truck and Bus Regulations (December 11, 2008) and provide two different websites as support.

a. SDG&E referenced the webpage, https://www.arb.ca.gov/msprog/onrdiesel/documents/tbfinalreg.pdf, for the Statewide Truck and Bus Regulations (December 11, 2008), whereas SCG referenced https://www.arb.ca.gov/regact/2008/truckbus08/truckbus08.htm. Please confirm that SDG&E's webpage reference is the correct reference for the specific regulations.

b. Please identify and explain the basis for the utilities' understanding that diesel particulate filter retrofits and/or replacements that the utilities implemented in the past are no longer sufficient to address ATCM compliance for each company's heavy-duty vehicles, and that early replacement is instead required. Please include in the response (but do not necessarily limit it to) specific references to and interpretations of the passage(s) in the Statewide Truck and Bus Regulations that support the utilities' understanding for both medium and heavy-duty vehicles (consistent with the utilities' plans to replace both medium- and heavy duty vehicles, as shown in the responses to ORA-SCG-35-3a and ORASDG&E-47-3a).

c. For each utility, please explain why it decided to begin replacing ATCM vehicles in 2017, as is indicated on p. CLH-6:5-6 in SDG&E-21 and p. CLH-18:2-3 in SCG-23, given that the deadline is not until 2023.

d. For each utility, please provide the number of ATCM vehicles replaced in 2017. For the ATCM vehicles the utility forecasts replacing in 2018 and 2019, please also explain why it chose not to replace those vehicles in 2017.

Question 09 Continued:

e. Please describe what will happen to any balance remaining under the lease agreement for the vehicles being replaced. For example, will the balance be due to the lessee immediately? Please provide a copy of any agreement that the utility has with the lessee that sets forth a schedule of payments for the remaining lease balance.

f. Are expenses associated with the unamortized balance of the early-retired ATCM vehicles included in the test-year forecast for SCG? For SDG&E? If so, please identify the expenses associated with the remaining balance—both qualitatively and quantitatively, that each utility includes in the testyear forecast? Please quantify the test-year expenses separately for the vehicles that will be retired in each year, 2017, 2018, and 2019.

If so, why is this proposed ratemaking treatment reasonable?

Utility Response 09:

a. SDG&E's reference points to the correct regulation. The SoCalGas reference points to relevant regulations from CARB, with the third link titled "Final Regulation Order: Adopt new section 2025, title 13, CCR: Regulation to Reduce Emissions of Diesel Particulate Matter, Oxides of Nitrogen, and other Pollutants from In-Use Heavy-Duty Diesel-Fueled Vehicles REVISED (PDF - 240K)" pointing to the relevant CARB regulation.

b. SoCalGas and SDG&E object to this request on the grounds that it calls for a legal conclusion rather than the production of evidence or clarification of a factual matter.

c. In accordance with our response to 9.b., the companies begain replacing ATCM vehicles in 2017 to comply with the legal requirements.

d. SoCalGas replaced 43 ATCM required replacement vehicles in 2017. SDG&E replaced 71 ATCM required replacement vehicles in 2017. SoCalGas and SDG&E have forecasted ATCM required replacements to comply with CARB regulations.

e. The lease balance for the ATCM required replacements, if any, will be due to the Lessor at the time the vehicle is salvaged. Depending on the sale price of the unit, SoCalGas and SDG&E could see a liability or a credit for these units depending on individual vehicle age, mileage, and condition. These vehicles would not be California compliant and would require buyers from markets outside of the state. At the time the forecast was developed, 78% of the SoCalGas ATCM compliance required replacements and 97% of the SDG&E ATCM compliance required replacements did not have a lease balance. Although this will limit exposure to lease payoff

Utility Response 09 Continued:

payments, the vast majority of these ATCM compliance required replacement units had $0 amortization that will now be placed onto a new lease and increase amortization.

f. Balance pay-offs are calculated as part of amortization, but are not broken out into further detail. Please see attachments in response 1 for payoff amounts.

10. At p. 17 of the Statewide Truck and Bus Regulations cited in the utilities' testimony, the regulation states, "A fleet may meet PM BACT by installing the highest level VDECS [Verified Diesel Emissions Control System (]VDECS[)]…"

> a. Are the filter retrofits/replacements that SCG installed to meet ACMT compliance in prior years the "highest level VDECS," such that they meet the regulation's PM BACT requirements, as set forth in tables 1 and 2 on pp. 16 and 17 and the definition of "2010 Model Year Emissions Equivalent Engine" requirements on p. 3 the Statewide Truck and Bus Regulations?
> If so, why are the filters no longer sufficient to meet ACMT compliance, and instead, early vehicle-replacement is required?
> If not, why not?
>
> b. What is preventing the utilities from installing PM BACT-compliant VDECS on ATCM vehicles?
>
> c. Do the utilities agree that installing PM BACT-compliant VDECS on ATCM vehicles would make early vehicle replacement unnecessary? If not, why not?

Utility Response 10:

SoCalGas and SDG&E object to this request on the grounds that it calls for a legal conclusion rather than the production of evidence or clarification of a factual matter. Subject to and without waiving the foregoing objections, SoCalGas and SDG&E respond as follows:

a. Per the schedules quoted on page 16 and page 17, SoCalGas and SDG&E believe the filters are complianat.

b. SoCalGas and SDG&E have installed filters where appropriate, as this was an activity requested in the 2016 GRC. Please see response 9b for additional information.

c. No. The PM filters were an option to comply and prolong replacement of pre-2010 emissions standard engines. Filter installation is no longer available. Please see response 9b.

11. At p. 17 of the Statewide Truck and Bus Regulations cited in the utilities' testimony, the regulation states, "A fleet may meet the 2010 model year emissions equivalent engine requirement by replacing the engine or vehicle with one with a 2010 model year engine or later, retrofitting the engine with a [Verified Diesel Emissions Control System (]VDECS[)] that achieves 2010 model year equivalent emissions, or by replacing a vehicle with one that has a future compliance deadline."

> a. What is preventing the utilities from implementing measures that would result in a vehicle having an engine that meets the criteria set forth in the "2010 Model Year Emissions Equivalent Engine" definition from a NOx emissions perspective? If the response is different for different vehicle vintages, please respond for each vintage.
>
> b. Please provide a cost-benefit analysis that compares (i) the cost of all the upgrades necessary to bring the deficient vehicles up to the standards required to meet the "2010 Model Year Emissions Equivalent Engine" definition on p. 3 of the regulation to (ii) the cost of early vehicle replacement.

Utility Response 11:

SoCalGas and SDG&E object to this request to the extent that it calls for a legal conclusion rather than the production of evidence or clarification of factual matter. Subject to and without waiving the foregoing objections, SoCalGas and SDG&E respond as follows:

a. SoCalGas and SDG&E retrofitted vehicles with filters that met CARB compliance requirements in previous years. The option to retrofit vehicles to meet 2010 equivalent emissions standards is no longer applicable and vehicles must be replaced no later than the dates indicated in the cited the Statewide Truck and Bus Regulations on pages 16 and 17.

b. A quantitiate cost-benefit analysis for this scenario is not possible as filter retrofits are non-compliant with the CARB regulation.

12. For each utility, please identify the expected salvage value of the trucks that SDG&E and SCG plan to replace early as a result of ATCM compliance, in each year 2017-2019.

Utility Response 12:

SoCalGas and SDG&E object to this request under Rule 10.1 of the Commission's Rules of Practice and Procedure on the grounds that the burden, expense and intrusiveness of this request clearly outweigh the likelihood that the information sought will lead to the discovery of admissible evidence. Subject to and without waiving the foregoing objection, SoCalGas and SDG&E respond as follows: SoCalGas and SDG&E did not differentiate ATCM compliance required vehicle salvage forecasts from other vehicles. SoCalGas utilized a 5-year per vehicle average of $3,500, please see the workpapers of Carmen L. Herrera, Exhibit SCG-23-WP, page 31. SDG&E utilized a 5-year per vehicle average of $5,400, please see the workpapers of Carmen L. Herrera, Exhibit SDG&E-21, page 30.

13. Referencing the Forecast Adjustment Details for Fleet Amortization expense for the 2017, 2018, and 2019 adjustments, the utilities state, "Cash Flow Amortization forecast for existing replacement and backlog. The forecast considers the backlog of vehicles that need replacement in the years 2017-2019" (pp. 6-7 in both SDG&E-21-WP and SCG-23-WP).

a. Please define "backlog" as the utilities use it in the context of the referenced statement.

b. Please identify and briefly describe each reason for the existence of a backlog for each year that it existed, 2012-2017.

c. Please identify the most recent year for which SDG&E and SCG each did not have a replacement backlog.

d. Please identify the number of replacement backlog units that existed for each utility's fleet at the end of each year, 2008-2017.

e. Please identify the number of replacements that SDG&E and SCG recorded in each year, 2012-2017, disaggregated between "existing," "replacement," and "backlog". Please respond for each utility, individually.

f. Please identify the number of replacements that SDG&E and SCG forecast for each year, 2017-2019, disaggregated between "existing," "replacement," and "backlog" replacement. Please respond to each utility, individually.

g. The adjustments for "existing[,] replacement and backlog" on the referenced SDG&E pages are $10.528 million, $11.951 million, and $12.635 million for the years, 2017-2019, respectively. Please disaggregate each year's forecasted costs into costs for "existing," "replacement," and "backlog."

h. The adjustments for "existing[,] replacement and backlog" on the referenced SCG pages are $21.874 million, $23.045 million, and $24.279 million for the years, 2017-2019, respectively. Please disaggregate each year's forecasted costs into costs for "existing," "replacement," and "backlog."

Question 13 Continued:

i. Please confirm that, “replacement” as stated in the referenced passages has the same meaning as “scheduled vehicle replacements” does for the Fleet Interest expense adjustment explanation (pp. 18-19 in both SDG&E-21-WP and SCG-23-WP). If you cannot confirm, please explain the difference between the two.

j. For each utility, please explain in detail why it refrained from replacing the backlogged vehicles in 2016.

k. For each utility, please state whether its forecast for the test year 2016 GRC included any amount for replacing backlogged vehicles in 2016. Please also identify by volume and page number where the forecast for replacing backlogged vehicles was set forth in the utility’s testimony and workpapers for the test year 2016 GRC.

Utility Response 13:

a. “Backlog” is defined as vehicles that met age, mileage, or condition replacement criteria in prior years but have yet to be replaced.

b. The reason a backlog of vehicles exists is that SoCalGas’ GRC Application includes forecasts for activities to be complete in the GRC cycle. These forecasts represent SoCalGas’ projection of the expenditures over the GRC forecast period. As emergent and unanticipated work or circumstances arise subsequent to the preparation and submittal of the GRC Application, SoCalGas may reprioritize or re-allocate funding within and across areas in a manner consistent with providing safe and reliable services.

c. SoCalGas and SDG&E do not track this information separately.

d. As noted in response 13c, SocalGas and SDG&E do not have this information for historical years. Please see response 6c for the 2017-2019 forecast years.

e. SoCalGas and SDG&E do not track replacement vehicles in this manner. Please see response 4 for number of vehicles replaced in each year.

f. Please see response 6c.

g. Please see response 5a and 5c.

h. Please see response 5a and 5c.

Utility Response 13 Continued:

i. Yes, "replacement" and "scheduled vehicle replacements" are synonymous.

j. Please see response 13b.

k. Yes, backlog vehicles were included in forecasts in the 2016 GRC. Please see the workpapers for Carmen L. Herrera, SCG-15-WP, workpapers 2RF003.001 – 2RF003.002, pages 4 – 19 and SDGE-16-WP, workpapers 1FS001.001 – 1FS001.002, pages 4 – 20.

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14. Referencing the Forecast Explanations on p. 17 of SCG-23-WP, SCG states, "Interest costs in each forecast year are calculated from monthly outstanding lease balances multiplied by the London Interbank Offered Rate ("LIBOR") contained in the Global Insight Forecast plus a contractual spread for the payment month, then summed for the year."

a. Please identify the interest rate(s) that SCG uses to develop the 2017, 2018, and 2019 interest-expense estimate. Please disaggregate the rate(s) into the LIBOR and the contractual spread.

b. Please provide the document that contains the Global Insight Forecast that SCG uses, as well as the most recent document produced by Global Insight, if a more recent version exists.

Utility Response 14:
This response contains Confidential and Protected Materials Pursuant to PUC Section 583, GO 66-D, and D.17-09-023.

a. Please see the confidential attachment, TURN_DR-026-Q14-LIBOR CONFIDENTIAL, for a listing of LIBOR rates by quarter and contractual spreads.

b. Please see response 14a for the Global Insight rates provided by Global Insights forecast. Please see the confidential attachment, TURN_DR-026-Q14-LIBOR 2018 CONFIDENTIAL for the most recent Global Insights LIBOR forecast.

15. Referencing the Forecast Adjustment Details for Fleet Interest expense on pp. 18-19 of SCG-23-WP, SCG states for the 2017, 2018, and 2019 adjustments, "Cash Flow Interest forecast is based on the lease balance run-out; scheduled vehicle replacements and backlog using the Global Insights ("LIBOR") index plus a contractual spread."

The adjustments are $2.416 million, $2.826 million, and $3.489 million for the years, 2017-2019, respectively.

Please disaggregate each year's forecasted adjustment into costs for "leasebalance run-out", "existing replacement" and "backlog" replacement.

Utility Response 15:

Please see response 7a and 7b.

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16. Referencing the Forecast Adjustment Details for Fleet Interest expense on pp. 18-19 of SDG&E-21-WP, SDG&E states for the 2017, 2018, and 2019 adjustments, "Cash Flow Interest forecast is based on the lease balance run-out; scheduled vehicle replacements and backlog using the Global Insights ("LIBOR") index plus a contractual spread."

The adjustments are $1.278 million, $1.677 million, and $2.039 million for the years, 2017-2019, respectively.

Please disaggregate each year's forecasted adjustment into costs for "leasebalance run-out", "existing replacement" and "backlog" replacement.

Utility Response 16:

Please see response 7a and 7b.

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17. In the Forecast Adjustment Details for Maintenance Operations on p. 43 of SCG-23-WP, SCG adjusts the forecast by 10.5 FTE employees to account for backfilling Fleet technicians lost due to retirement.
(TURN is aware of SCG's claim in its response to ORA-SCG-33-2b, "retirements and backfill information were not used to derive the GRC forecast." However, TURN may choose to present a GRC forecast that uses this information. Therefore, TURN requests that SCG respond to each subpart of this request, whether or not the information was used to derive the utility's GRC forecast.)

a. Please identify:

i. The approximate date of each technician retirement.

ii. The salary or hourly wage of each of the retired technician identified in part (a.i) before the employee retired.

b. Please identify the number of Fleet technicians that SCG hired in 2017.

c. Please identify the starting salary or hourly wage of each technician that SCG hired in 2017 to backfill the vacancies left by the retired employees.

d. Please identify the number of FTE Fleet technicians that SCG recorded at the end of each month from September 2017 through February 2018, inclusive.

e. Please identify the recorded cost of the Maintenance Operations in 2017.

Utility Response 17:
SoCalGas and SDG&E object to this request under Rule 10.1 of the Commission's Rules of Practice and Procedure to the extent it seeks the production of information that is neither relevant to the subject matter involved in the pending proceeding nor is likely reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving the foregoing objection, SoCalGas and SDG&E respond as follows:

a.i – a.ii

#	RETIRE_DT	HOURLY_RT
1	5/1/2017	$ 43.28
2	5/1/2017	$ 43.28
3	3/1/2017	$ 44.37
4	5/1/2017	$ 45.12
5	5/1/2017	$ 45.43

6	5/1/2017	$ 43.36
7	5/1/2017	$ 44.01
8	5/1/2017	$ 43.28
9	5/1/2017	$ 45.14

Utility Response 17 Continued:

b. – c.
SoCalGas does not track backfill of positions. Below is the number of positions that have a "Job Entry Date" in 2017 for a Fleet Technician- this job entry date could represent a new employee hire, a technician moving from one location to another as part of the union bid process, or a technician changing titles due to promotion.

#	HOURLY_RT
1	$ 43.41
2	$ 42.11
3	$ 42.11
4	$ 42.11
5	$ 42.11
6	$ 45.12
7	$ 45.12
8	$ 31.68
9	$ 42.58
10	$ 45.12
11	$ 45.12
12	$ 44.27
13	$ 28.50
14	$ 42.11
15	$ 44.27
16	$ 31.68
17	$ 42.11
18	$ 42.11
19	$ 43.41
20	$ 44.27
21	$ 42.58
22	$ 43.41
23	$ 42.58
24	$ 42.58
25	$ 40.50
26	$ 40.50
27	$ 40.50

Utility Response 17 Continued:

d. Monthly data is not available. SoCalGas recorded 59.197 FTE's at year end 2017 in the 2RF002.000 workpaper.

e. 2017 recorded financial information was provided to TURN on 3/22/2018

17. In the Forecast Adjustment Details for Maintenance Operations on p. 43 of SCG-23-WP, SCG adjusts the forecast by 10.5 FTE employees to account for backfilling Fleet technicians lost due to retirement.
(TURN is aware of SCG's claim in its response to ORA-SCG-33-2b, "retirements and backfill information were not used to derive the GRC forecast." However, TURN may choose to present a GRC forecast that uses this information. Therefore, TURN requests that SCG respond to each subpart of this request, whether or not the information was used to derive the utility's GRC forecast.)

a. Please identify:

i. The approximate date of each technician retirement.

ii. The salary or hourly wage of each of the retired technician identified in part (a.i) before the employee retired.

b. Please identify the number of Fleet technicians that SCG hired in 2017.

c. Please identify the starting salary or hourly wage of each technician that SCG hired in 2017 to backfill the vacancies left by the retired employees.

d. Please identify the number of FTE Fleet technicians that SCG recorded at the end of each month from September 2017 through February 2018, inclusive.

e. Please identify the recorded cost of the Maintenance Operations in 2017.

Utility Response 17:

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18. At p. CLH-28 (lines 22-24) of the testimony, SCG states, "…in the last five years the cost of diesel has fluctuated an average of 35%. Additionally, the cost of reformulated gasoline has fluctuated by 29%."

Please provide workpapers containing the annual data as well as the calculations (with working cells) that support each of the fluctuation amounts stated in the testimony.

Utility Response 18:

Please see the citation included in CLH-23 (line 24), [31] U.S. Energy Information Administration, Petroleum & Other Liquids (Sept. 18, 2017), http://www.eia.gov/dnav/pet/pet_pri_gnd_dcus_r50_a.htm.

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19. Please explain the manner in which SDG&E and SCG account for the CNG that each uses to fuel Fleet vehicles. Please respond to each utility, individually.

a. Does the utility charge itself a tariffed rate? If so, which tariffed rate(s)? If not, please identify the basis of the charge (e.g., the cost of the gas (wholesale without compression), some other wholesale cost, or other).

b. Are the CNG-related costs that are included in the Automotive Fuel expenses (set forth on p. 54 of SDG&E-21-WP and p. 48 of SCG-23-WP) recorded using the same rate that each of the utilities identifies in response to part a of this request? If not, why not and what is the rate(s) that the recorded costs on p. 54 (SDGE-21-WP) and p. 48 (SCG-23-WP) are based on?

c. Is the cost of the CNG that each of the utilities sells itself for use by Fleet vehicles recorded against base revenue? If not, why not and where is it recorded?

Utility Response 19:

a. CNG costs used to fuel Fleet vehicles are recoverable as company use fuel through the utilities gas fixed cost balancing accounts. For SoCalGas, CNG costs are priced using SoCalGas' actual portfolio weighted average cost of gas (WACOG) rate for the month the fuel was consumed. For SDG&E, CNG costs are priced using the estimated WACOG rate provided by SoCalGas each month. Per D.07-12-019, SoCalGas manages the single, combined gas portfolio for procuring gas to serve both SoCalGas and SDG&E core customers including the purchase of company use fuel.

b. SoCalGas and SDG&E CNG costs for on-base Fleet fueling are not included in the GRC request.

c. No, CNG costs for on-base Fleet fueling are not included in the GRC request. Please see response 19a.

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b. Are the CNG-related costs that are included in the Automotive Fuel expenses (set forth on p. 54 of SDG&E-21-WP and p. 48 of SCG-23-WP) recorded using the same rate that each of the utilities identifies in response to part a of this request? If not, why not and what is the rate(s) that the recorded costs on p. 54 (SDGE-21-WP) and p. 48 (SCG-23-WP) are based on?

c. Is the cost of the CNG that each of the utilities sells itself for use by Fleet vehicles recorded against base revenue? If not, why not and where is it recorded?

Utility Response 19:

Response Pending

20. Please explain the manner in which SDG&E and SCG each accounts for the electricity that each uses to fuel Fleet vehicles.

a. Does the utility charge itself a tariffed rate? If so, which tariffed rate(s)? If not, please identify the basis of the charge (e.g., the cost of the gas (wholesale without compression), some other wholesale cost, or other).

b. Are the electricity-related charging costs that are included in the Automotive Fuel expenses (set forth on p. 54 of SDG&E-21-WP and p. 48 of SCG-23-WP) recorded using the same rate that each of the utilities identifies in response to part a of this request? If not, why not and what is the rate(s) that the recorded costs on p. 54 (SDGE-21-WP) and p. 48 (SCG-23-WP) are based on?

c. Is the cost of the electricity that each of the utilities sells itself for use by Fleet vehicles recorded against base revenue? If not, why not and where is it recorded?

Utility Response 20:

a.SDG&E does not charge itself a tariffed rate for electricity used to charge Fleet vehicle. SoCalGas electricity used to charge Fleet Pieces of Equipment (POE) is billed by Southern California Edison.

b. SDG&E electricity costs for on-base Fleet charging are not included in the GRC request. SoCalGas electricity costs for on-base Fleet charging are billed to Facility Operations, and would be included in Exhibit SCG-23-WP-2RF004.000 – Facility Operations. SoCalGas used a 5-year averaging methodology for Facility Oprations O&M costs.

c. SDG&E electricity costs for on-base charging are not included in the GRC request. These costs are included in Company use electricity as part of the Energy Resource Recovery Account (ERRA) proceeding. SoCalGas electricity costs for on-base charging are included in base revenue.

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20. Please explain the manner in which SDG&E and SCG each accounts for the electricity that each uses to fuel Fleet vehicles.

a. Does the utility charge itself a tariffed rate? If so, which tariffed rate(s)? If not, please identify the basis of the charge (e.g., the cost of the gas (wholesale without compression), some other wholesale cost, or other).

b. Are the electricity-related charging costs that are included in the Automotive Fuel expenses (set forth on p. 54 of SDG&E-21-WP and p. 48 of SCG-23-WP) recorded using the same rate that each of the utilities identifies in response to part a of this request? If not, why not and what is the rate(s) that the recorded costs on p. 54 (SDGE-21-WP) and p. 48 (SCG-23-WP) are based on?

c. Is the cost of the electricity that each of the utilities sells itself for use by Fleet vehicles recorded against base revenue? If not, why not and where is it recorded?

Utility Response 20:

Response Pending

21. Does the Results of Operations model for each utility automatically adjust the Automotive Fuel forecast based on the number of incremental vehicles in the Fleet vehicle-count forecast that the Commission may authorize relative to SCG's forecast? Please describe in general how such adjustment occurs in the RO model.

Utility Response 21:

The 2019 GRC Results of Operations (RO) model does not automatically adjust the automotive fuel forecast based on any revisions made to the number of incremental vehicles in the Fleet vehicle-count forecast.

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22. Does the Results of Operations model for each utility automatically adjust the Fleet Cost of Ownership (i.e., amortization, interest, etc.) expense forecast based on the incremental FTE employees in the FTE employee forecast that the Commission may authorize relative to the utility's forecast? Please describe in general how such adjustment occurs in the RO model.

Utility Response 22:

The 2019 GRC Results of Operations (RO) model does not automatically adjust the Fleet cost of ownership expense forecasts based on any revisions made to the incremental FTE forecast.

23. For each utility, for each year 2012-2017 (recorded) and 2017-2019 (forecasted), please identify the (i) number of vehicles in the fleet at the end of each year, (ii) the number of vehicles acquired, (iii) the average fuel consumption (miles per gallon of gasoline equivalent (GGE)), and (iv) the total vehicle-miles travelled (VMT) for the vehicles in each vehicle class listed below. If either utility is unable to provide the data broken out at the level of detail listed below, please provide the data at the most detailed level available to the company. Please

provide the data in an Excel spreadsheet.
-- Passenger Vehicles (Gasoline)
-- Passenger Vehicle (Hybrid)
-- Passenger Vehicle (CNG)
-- Passenger Vehicle (Electric, SDG&E only)
-- Passenger Vehicle (BiFuel; SCG only)
-- Full Size Truck, Van (Gasoline)
-- Full Size Truck, Van (Diesel)
-- Full Size Truck, Van (Hybrid)
-- Full Size Truck, Van (CNG)
-- Medium-Duty Truck (Diesel)
-- Medium-Duty Truck (CNG)
-- Medium-Duty Truck (CNG-Hybrid, SDG&E only)
-- Heavy-Duty Truck (Diesel)
-- Heavy-Duty Truck (CNG)
-- Heavy-Duty Truck (CNG-Hybrid, SDG&E only)

Utility Response 23:

i. Please see TURN_DR-026-Q23i-Number of Vehicles at Year End, for the period 2012-2017. Please see attachments TURN_DR-026-Q23-SDGE Amortization Supplemental and TURN_DR-026-Q23-SoCalGas Amortization Supplemental which update the information in SCG-23-WP and SDG&E-21, page 12 for the number of forecasted Fleet replacements (non-AFV), number of AFV replacements in each year, ATCM vehicles, and incremental Fleet for Business Needs.

ii. Please see TURN_DR-026-Q23ii-Number of Vehicles Acquired, for the period 2012 – 2017. Please see attachments TURN_DR-026-Q23-SDGE Amortization Supplemental and TURN_DR-026-Q23-SoCalGas Amortization Supplemental which update the information in SCG-23-WP and SDG&E-21, page 12 for the number of forecasted Fleet replacements (non-

Utility Response 23 Continued:

AFV), number of AFV replacements in each year, ATCM vehicles, and incremental Fleet for Business Needs.

iii. SoCalGas and SDG&E do not track GGE by unit.

iv. SoCalGas and SDG&E do not track total vehicle miles traveled by unit.

24. Please identify the average recorded cost of automotive fuel per unit in each year, 2015-2017, for each utility:

-- Gasoline ($/gallon)
-- Electricity ($/kW and $/gallon of gasoline equivalent (GGE), if available)
-- CNG ($/gallon of gasoline equivalent (GGE))
-- Diesel ($/gallon)
-- BiFuel ($/GGE)

Utility Response 24:

SoCalGas and SDG&E do not track costs of automotive fuel by unit.

25. Regarding Table CLH-6 in SDG&E-21-R (p. CLH-13) and Table CLH-11 in SCG-23-R (p. CLH-26):

a. For each table, please provide a workpaper that shows the calculation of and assumptions used to arrive at the recorded and forecasted Automotive Fuels calculations, including (but not limited to) the number of cars, the cost of fuel (both spot and hedged), and fuel efficiency assumptions in the calculations.

b. What is the average fuel economy (miles/gallon) of each of SDG&E and SCG's current fleet of road-based vehicles?

c. What is each utility's assumption about the average fuel economy (miles/gallon) of road-based vehicles in the Test Year?

d. What does each utility base its fuel-economy values on?

e. Does the Test Year assumption about the average fuel economy include any improvement for increased AFV counts? Why or why not?

Utility Response 25:

a. Please see attachments TURN_DR-026-Q25-Automotive Fuel SoCalGas and TURN_DR-026-Q25-Automotive Fuel SDGE.

b. SoCalGas and SDG&E do not utilize assumptions about fuel economy; instead average gallons of fuel consumed is used. Please see attachments in response 25a.

c. Please see response 25b.

d.Please see response 25b.

e. No, SoCalGas and SDG&E utilized the 5-year average of fuel expenses due to the volatility of fuel prices and incremental costs of fuel for incremental vehicles for business needs and incremental taxes due to Senate Bill 1.

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26. Regarding the attachment to SDG&E's response to ORA-SDG&E-47-3a, there is an error in the column titled "Age (Months)". Please provide a correction.

Utility Response 26:
This response contains Confidential and Protected Materials Pursuant to PUC Section 583, GO 66-D, and D.17-09-023.

Please see attached confidential workpaper, TURN_DR-026-Q26-ORA-3A CONFIDENTIAL with correction.