

DRA DATA REQUEST
DRA-SCG-128-MPS
SOCALGAS 2012 GRC – A.10-12-006
SOCALGAS RESPONSE
DATE RECEIVED: JULY 19, 2011
DATE RESPONDED: AUGUST 2, 2011

Exhibit Reference: SCG-11

Subject: Fleet Services

Please provide the following: For data and formulas use Excel format please and provide an electronic attachment of all Excel files including formulas and links.

1. Provide the following for O&M Non-Shared Services Ownership Costs:
 - a. Provide detailed explanation of the recorded dollar amount decreased from 2008 to 2009.
 - b. Provide detailed explanation and supportive documentation justifying your forecasted dollar amount increase for 2012.
 - c. Provide detailed description and explanation of the cash-flow model developed in-house using Excel.
 - d. Provide a copy of the cash-flow model.

SoCalGas Response:

- 1.a. As discussed on page 8 of SCG-11/WP, there is a one-time expense adjustment for sales tax payments associated with the transfer of vehicle leases.
- 1.b. Full detail and supporting documents are presented in pages 10 through 19 in SCG-11/WP. Disruptions in normal vehicle replacement schedules and meltdown of the financial markets in the 2007-2009 time period created a substantial backlog of delayed vehicle replacements. Actions necessary to recover from these disruptions are reflected in the 2010-2012 forecasts to bring replacement planning back to a pre-disruption schedule.
- 1.c. The Microsoft Excel cash-flow model consists of various worksheets of “input” data that are populated either manually or automated through M4 database extracts executed in embedded Visual Basic for Applications (VBA) macros during the model run. The information in these “input” worksheets is then used within the model software to generate cash-flow forecasts for designated date ranges, resulting in a series of “output” worksheets that roll up to the summary worksheet presented on page 9 of SCG-11/WP.

The software logic in the forecast model performs the following functions:

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SoCalGas Response 01-Continued:

1. Extracts from the M4 database the acquisition date and amount for the most recent vehicle purchased within each vehicle class, then escalates that acquisition amount using the Global Insights Gas Utility Non-Labor index to the projected replacement date for each new vehicle in the class as presented in the “input” worksheets
2. Extracts from the M4 database the beginning date, term and amount for all active leases
3. Calculates the monthly payment for each lease (active and projected new for vehicles on the “input” worksheets) to aggregate monthly cash-flow within the designated date range
4. Exports monthly amortization and balance forecasts to separate “output” worksheets for each “input,” then applies the associated interest rate to the forecast monthly balances
5. Rolls up the forecasts from all “output” worksheets to the summary worksheet presented on page 10 of SCG-11/WP.

1.d. **CONFIDENTIAL AND PROTECTED INFORMATION PROVIDED PURSUANT TO PUBLIC UTILITIES CODE SECTION 583 & GENERAL ORDER 66-C.**

ATTACHMENT REMOVED DUE TO CONFIDENTIALITY

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2. Provide the following for O&M Non-Shared Services Maintenance Operations:
 - a. Provide detailed explanation of the recorded dollar amount decreased from 2008 to 2009.
 - b. Provide detailed explanation and supportive documentation justifying your forecasted dollar amount increased for 2012.
 - c. Provide historical number of technicians in the 49 garage locations from (2005-2010).
 - d. Provide justification and supportive documentation for the additional 12 technicians.

SoCalGas Response:

- 2.a. As explained on page 41 and 53 (with supporting documentation on page 55), of SCG-11/WP, the 2009 reduction resulted from an adjustment, whereby ATCM retrofit costs originally recorded in Maintenance Operations were transferred to a separate ATCM work paper section. The decrease in Maintenance Operations is offset by an increase in ATCM retrofits for 2009.
- 2.b. The 2012 increase is the result of new training requirements associated with compliance with clean air regulations. Detailed explanations and calculations are presented on page 43 of SCG-11/WP.
- 2.c. Because of the need for flexibility in moving technicians among garage locations to meet work demands, forecasts are not made at the garage level. Recorded and forecast labor, non-labor, and FTEs for maintenance and repair operations in the garages are presented in the previously-submitted work papers, beginning on page 37 from SCG-11/WP.
- 2.d. As explained on page 38 and 39 of SCG-11/WP, the technicians are added to backfill shop work while other technicians are being trained in compliance related requirements, new technologies including hybrids, CNG vehicles, emissions, and ATCM filter replacement.

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3. Provide the following for O&M Non-Shared Services Maintenance Management:
 - a. Provide historical head count of supervision and support for (2005-2010), including position titles.
 - b. Provide justification and supportive documentation for the additional personnel.
 - c. Provide detailed explanation and supportive documentation justifying your forecasted dollar amount increase for 2012
 - d. Provide a list of the new challenges facing operations and explain how SCG dealt with the previous challenges for the last five years, provide a list of old challenges and their outcomes.


SoCalGas Response:

- 3.a. Historical 2005-2010 count of supervisors and support FTEs is presented on page 61 of SCG-11/WP. Titles include: Maintenance Manager (1), Fleet Supervisor (6), Admin Clerk (5), and Admin Assoc (1).
- 3.b. As discussed on page 59 of SCG-11/WP, the 2012 increase in personnel results from the application of a 5-year linear trend forecast to 2005-2009 actual FTEs. The linear trend forecast method is justified because of the pressures on maintenance management to adjust the workforce to rapidly-changing technologies and increased regulatory compliance requirements.
- 3.c. Consistent with the FTE forecast described in 3.b. above, the 2012 increase results from the application of a 5-year linear trend forecast to 2005-2009 actual dollar amounts. The linear trend forecast method is justified because of the pressures on maintenance management to adjust the workforce to rapidly-changing technologies and increased regulatory compliance requirements.
- 3.d. Challenges facing Fleet Services are presented on page HM-5 of testimony Exhibit SCG-11-R. As a support operation, the challenges Fleet has faced, and continues to face, are all driven by external forces, including but not limited to: (1) operating department needs, (2) vehicle and equipment manufacturer issues, (3) regulatory requirements, and (4) trained workforce availability. The requested analysis of specific historical challenges and outcomes is not something that is readily available, and therefore, cannot be provided in response to this data request.

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4. Provide the following for O&M Shared Services Maintenance Management:
 - a. Provide a cost benefit analysis for in-house vs. off-site training.
 - b. Provide a copy of all suppliers that you contacted including bids from them to train SCG company technicians.
 - c. Provide a spreadsheet with historical number of trainings from (2005-2010) including a description of training and how many per year.
 - d. Provide detailed explanation of the recorded dollar amount decreased from 2008 to 2009
 - e. Provide detailed explanation and supportive documentation justifying your forecasted dollar amount increase for 2012.

SoCalGas Response:

- 4.a. No such analysis was prepared for the single trainer (1.1 FTE) on staff (see page 141 of SCG-11/WP). Outside suppliers are employed to meet highly specialized and peak training requirements, while the in-house trainer primarily schedules and ensures compliance with recurring training requirements associated with such subjects as safety, emergency operations, environmental regulations, corporate policies, document retention, and new employee orientation. On-site training is preferred because technicians are trained on company vehicles and equipment instead of off-site where the “trainer” vehicles and equipment may differ from company-owned. Training on-site also minimizes travel costs and lost technician hours on the shop floor.
- 4.b. The projected 2010-2012 increase in vended training services involves different training classes from various vendors and is evaluated on a case by case basis. Cost estimates are aggregate totals, not a lump sum that would meet company bidding requirements.
- 4.c. The attached worksheet DRA-SDGE-128-MPS.4.c.xls shows the number of trainings by category. Available data being provided goes back to 2008.

DRA-SCG-128-MPS.4
.c.xls
- 4.d. There is no discernable decrease in recorded dollar amount from 2008 to 2009.
- 4.e. Detailed explanation of the dollar amount increase for 2012 is provided on page 144 of SCG-11/WP. 100% of the increase is for vendor-provided classes and materials associated with new vehicle and equipment technologies.

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5. Provide detail explanation and supportive documentation justifying your forecasted dollar amount increase for 2012 for O&M Shared Services Director.
 - a. Provide a spreadsheet with recorded monthly fees per year from (2005-2010) including number of employees per year taking company vehicles home.

SoCalGas Response:

The 2012 forecast increase over the base year 2009 amount resulted from the addition of one engineer in 2011 to perform an assessment of natural gas vehicle stations, including the financial implication of decommissioning, possible relocation of stations to meet future NGV demand, and implementing the resulting plan.

- 5.a. The attached spreadsheet DRA-SCG-128-MPS.5a.xls contains the monthly fees recorded each year 2005-2010. Late 2005 was the first year in which the fees were credited to Fleet Services. Company policy restricts the taking of company vehicles home to specific job functions and first responders, and fees ranging from \$90 to \$120 per month are automatically deducted from employee pay checks for credit to Fleet Services. Records from the payroll system are not readily available for providing the number of employees per year that are subject to this payroll withholding.



DRA-SCG-128-MPS-5
a.xls