

**DRA DATA REQUEST
DRA-SCG-088-DAO
SOCALGAS 2012 GRC – A.10-12-006
SOCALGAS RESPONSE
DATE RECEIVED: MAY 10, 2011
DATE RESPONDED: MAY 26, 2011**

Exhibit Reference: SCG-2 Gas Distribution O&M Expenses

Subject: Operations Management and Training-Traditional Support Resource Base

Please provide the following:

1. Referring to SCG's discussion of traditional support resource base, on page GOM-44 and GOM-45, please provide the number and annual expenses of the Gas Operations Services team resources dedicated full time to the OpEx 20/20 program each year from 2007-2011 YTD.

SoCalGas Response:

SoCalGas estimated the resources redeployed to support the OpEx 20/20 program to be equal to the difference between the Gas Operations Services (GOS) level of funding prior to the implementation of OpEx 20/20 (in 2006) and the funding in subsequent years. Please see the table below for an estimate of the annual expenses and FTEs of the GOS resources redeployed due to OpEx 20/20.

Description	Cost Center	2006		2007		2008		2009		2010	
		Total	FTEs	Total	FTEs	Total	FTEs	Total	FTEs	Total	FTEs
NEW BUSINESS	2200-0615	\$ 14,224	0.0	\$ 7,356	0.0	\$ 86,060	1.1	\$ 131,174	1.7	\$ 51,290	0.5
DART REPORTING - DISTRIBUTION	2200-0616	\$ 173,291	2.4	\$ 206,579	2.7	\$ 135,214	1.7	\$ 21,316	0.3	\$ 7,462	0.1
PROJECT MANAGERS	2200-0801	\$ 656,983	6.9	\$ 450,736	5.0	\$ 93,644	1.0	\$ 4,270	0.0	\$ 44,470	0.1
FIBRE IN GAS ADMIN COSTS & REVENUE	2200-2122	\$ 27	0.0	\$ -	0.0	\$ -	0.0	\$ 143	0.0	\$ 122	0.0
GAS TRANS & DISTR SERVICES DIR	2200-2144	\$ 216,852	2.0	\$ 78,829	0.9	\$ (34,953)	0.4	\$ 57,971	0.4	\$ 253,319	1.6
DISTRIBUTION FIELD SERVICES STAFF	2200-2345	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ 210,267	2.6
Total Adjusted Recorded (Nominal)		\$ 1,061,377	11.3	\$ 743,500	8.6	\$ 279,965	4.2	\$ 214,874	2.4	\$ 566,930	4.9
Total Adjusted Recorded (2009\$ with V&S)		\$ 1,342,032	13.4	\$ 909,723	10.2	\$ 351,025	5.0	\$ 248,562	2.9	\$ 638,981	5.8
Estimated GOS Resources Redeployed Due to OpEx 20/20 Program (2009\$ with V&S) (Difference from 2006 Level of Funding)		\$ -	0.0	\$ 432,309	3.2	\$ 991,007	8.3	\$ 1,093,470	10.5	\$ 703,050	7.6

SoCalGas has not yet finalized the review and any associated adjustments to its 2011 expense data, and is therefore unable to provide 2011 expense information at this time.

Some of these GOS resources were dedicated to the development of OpEx 20/20 projects over an extended period of time, while other GOS resources filled behind as employees from other departments moved to support the development of the OpEx 20/20 tools. Based on discussions with managers, SoCalGas has identified at least 8 employees who were in GOS prior to 2007 that subsequently went on to work on OpEx 20/20 projects.

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2. Referring to SCG's discussion of traditional support resource base, on page GOM-45, please identify the number of "reassignment" mentioned on line 10, and associated costs for each year, starting with 2012, as the phases of the OpEx 20/20 Program are completed.

SoCalGas Response:

As some of the projects under the OpEx 20/20 Program are completed, resources will again be required in Gas Operations Services to provide full support to the daily operations. As delineated in testimony (Exhibit SCG-02, page GOM-44) this includes performance analysis, compliance audits/reporting, and resource utilization.

By Test Year 2012, the expectation is that the GOS resource base will again reflect the 2006 historical level. In the year 2012, this will result in an incremental 10.5 FTEs over the 2009 level, with the associated costs estimated to be \$1,093,000 (2009 dollars). SoCalGas anticipates that the GOS staff will remain at this 2012 level after the Test Year. For the calculations, please see the supplemental workpaper in Exhibit SCG-02-WP, page 172 of 234.

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3. Referring to SCG's discussion of traditional support resource base, on page GOM-44 and GOM-45, please state whether or not the expenses for this resource group are being backed-out of the expenses associated with the OpEx 20/20 Program. If yes, please identify the amount, the year in which this occurred or will occur, and the account number. Please also cite the exhibit and page numbers where this information is being tracked. If the expenses have not or will not be backed-out, please explain why.

SoCalGas Response:

The forecasting methodology SoCalGas used to estimate the funds required for the OpEx 20/20 Program was zero based. Instead of basing the forecast on historical spending in the OpEx 20/20 cost centers, it was based on the funds required to continue building the OpEx 20/20 tools. Since the OpEx 20/20 Program forecast was not based on historical costs, there were no GOS expenses to be backed-out from the funding requirements presented in Testimony. As specific OpEx 20/20 projects are completed, the funding requirement (primarily capital expense) for these projects decreases as indicated in the Testimony of Rick Phillips. A description of the forecasting methodology used for the OpEx 20/20 Program can be found in the prepared direct testimony and workpapers of Mr. Richard Phillips, Exhibit SCG-13.