

**UWUA DATA REQUEST
 UWUA-SCG-DR-01
 SOCALGAS 2016 GRC – A.14-11-004
 SOCALGAS RESPONSE
 DATE RECEIVED: JANUARY 22, 2015
 DATE RESPONDED: JANUARY 9, 2015**

1. Please List and describe in detail the elements and metrics that comprise "units of work" as used in the SoCalGas Direct Testimony of Frank Ayala (Gas Distribution) dated November 2014 (hereinafter "Ayala Testimony" or "FBA"), see e.g., at page FBA-viii, line 24.

SoCalGas Response 01:

A list of all historical units of work that were used to generate base forecasts or calculate incremental activity forecasts are shown in the table below.

Workgroup	Calculation	Work Unit	Exhibit Number	Page Number	Data Request Question
New Business Construction	Base Forecast	2009-2013 New Meter Sets	SCG-04	FBA-90	
Meters	Base Forecast	2009-2013 New and Replacement Meters	SCG-04-CWP	171	
Regulators	Base Forecast	2009-2013 Regulators Purchased	SCG-04-CWP	182	
Gas Energy Measurement Systems (GEMS)	Base Forecast	2013 New and Replacement GEMS	SCG-04-CWP	193	
Electronic Pressure Monitors (EPMs)	Base Forecast	2009-2013 New and Replacement EPMs	SCG-04-CWP	204	
Main Maintenance and Service Maintenance	Leak Reduction Effort	2013 Year End Leakage Backlog	N/A	N/A	ORA-SCG-DR-004-DAO ¹ Questions 3.d.vii - viii
Service Replacements	Replacement of Leaking Services	2013 Year End Leakage Backlog	N/A	N/A	ORA-SCG-DR-004-DAO Questions 3.d.vii - viii
Cathodic Protection (O&M) and Cathodic Protection Capital	Incremental Cathodic Protection System Enhancements	2013 Cathodic Protection Backlog	N/A	N/A	ORA-SCG-DR-021-DAO ² Questions 1.f. and 6.b.

¹ This data request information is provided separately in the file titled ORA-SCG-DR-004-DAO_Q3_Tab3.d.vii-viii.xlsx.

² Data request ORA-SCG-DR-021-DAO can be found here: http://socalgas.com/regulatory/documents/a-14-11-004/response/ORA-SCG-DR-021-DAO_final.pdf.

**UWUA DATA REQUEST
UWUA-SCG-DR-01
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE
DATE RECEIVED: JANUARY 22, 2015
DATE RESPONDED: JANUARY 9, 2015**

SoCalGas Response to Question 01, Continued:

In addition to the historical units of work listed above that were used in calculations, Gas Distribution also reviewed and provided information on historical work units for Leak Survey and Locate and Mark. These two items were not used in forecast calculations:

Workgroup	Calculation	Work Unit	Exhibit Number	Page Number
Locate & Mark	N/A	Locate & Mark USA Tickets	SCG-04-WP	12
Leak Survey	N/A	Total Leak Survey Footage	SCG-04	FBA-21

UWUA DATA REQUEST
UWUA-SCG-DR-01
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE
DATE RECEIVED: JANUARY 22, 2015
DATE RESPONDED: JANUARY 9, 2015

2. Please list and describe in detail the elements and metrics that comprise "labor expenses" as used in the Ayala Testimony and Workpapers.

SoCalGas Response 02:

Labor expenses include dollars associated with employee salaries or hourly pay, vacation and sick time, and escalation. For information on vacation and sick time calculations, please refer to the response to Question 7 below.

UWUA DATA REQUEST
UWUA-SCG-DR-01
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE
DATE RECEIVED: JANUARY 22, 2015
DATE RESPONDED: JANUARY 9, 2015

3. Please list and describe in detail the elements and metrics that comprise "non-labor expenses" as used in the Ayala Testimony.

SoCalGas Response 03:

Nonlabor expenses are those that are not directly attributable to wages and salaries such as materials, equipment, tools, consumables, office expenses, computer resources, training and travel expenses and the like. Contracted costs, which may include labor performed by contractors, is also classified as a nonlabor expense.

**UWUA DATA REQUEST
 UWUA-SCG-DR-01
 SOCALGAS 2016 GRC – A.14-11-004
 SOCALGAS RESPONSE
 DATE RECEIVED: JANUARY 22, 2015
 DATE RESPONDED: JANUARY 9, 2015**

4. Please describe in detail all factual and numerical data, metrics, and assumptions which SoCalGas used (uses) or made (makes) in determining any breakdown or allocation between labor and non-labor expenses, as those terms are used in the Ayala Testimony.

SoCalGas Response 04:

For most base forecasts, the labor and non-labor forecasts were based on historical labor and non-labor expenses. The historical labor and non-labor can be found in the workpapers, in the table under the heading “Summary of Results.” The base forecast method is shown in the table under the heading “Forecast Summary” for O&M workpapers and “Summary of Results” for capital workpapers. Below is an example of an O&M workpaper (pages 6 – 7 of Exhibit SCG-04-WP):

Summary of Results:

		In 2013\$ (000) Incurred Costs								
		Adjusted-Recorded					Adjusted-Forecast			
Years		2009	2010	2011	2012	2013	2014	2015	2016	
Labor		9,914	9,523	9,524	9,664	10,366	10,693	11,114	11,535	
Non-Labor		841	888	586	939	676	824	869	915	
NSE		0	0	0	0	0	0	0	0	
Total		10,755	10,411	10,109	10,603	11,042	11,517	11,983	12,449	
FTE		133.3	126.5	126.0	127.5	135.1	138.7	143.3	147.9	

Forecast Summary:

		In 2013 \$(000) Incurred Costs								
Forecast Method		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
Years		2014	2015	2016	2014	2015	2016	2014	2015	2016
Labor	3-YR Linear	10,693	11,114	11,535	0	0	0	10,693	11,114	11,535
Non-Labor	3-YR Linear	824	869	915	0	0	0	824	869	915
NSE	Zero-Based	0	0	0	0	0	0	0	0	0
Total		11,517	11,983	12,449	0	0	0	11,517	11,983	12,449
FTE	3-YR Linear	138.7	143.3	147.9	0.0	0.0	0.0	138.7	143.3	147.9

**UWUA DATA REQUEST
 UWUA-SCG-DR-01
 SOCALGAS 2016 GRC – A.14-11-004
 SOCALGAS RESPONSE
 DATE RECEIVED: JANUARY 22, 2015
 DATE RESPONDED: JANUARY 9, 2015**

SoCalGas Response to Question 04, Continued:

There are some base forecasts that are zero-based, instead of using historical spending levels. In those situations, the calculations, including labor and non-labor assumptions, are shown in supplemental workpapers. An example of a zero-based forecast that has both labor and non-labor components is New Business Construction (Exhibit SCG-04-CWP, page 13, Supplemental Workpaper SCG-FBA-CAP-SUP-001):

3-Year 2011-2013 Historical Data

	[A]	[B]	[C]	[D]	[E]	[F] ((C)/[E])	[G] ((B)/[A])
	Historical New Meter Set Installations	Adjusted Recorded Historical Total	Adjusted Recorded Historical Labor	Adjusted Recorded Historical Non-Labor	Historical FTEs	Historical 3-Yr Average Labor / FTE	Historical 3-Yr Average Cost Per Meter Set
2011	18,764	\$ 16,211,247	\$ 5,854,477	\$ 10,356,770	73.8		
2012	21,898	\$ 16,171,954	\$ 6,414,176	\$ 9,757,778	86.5		
2013	26,787	\$ 24,733,599	\$ 7,794,136	\$ 16,939,463	99.9		
3-Yr Total	67,449	\$ 57,116,800	\$ 20,062,789	\$ 37,054,011	260.2	\$ 77,105.26	\$ 846.81

	[H] ((C)/[B])
3-Year Historical Average Labor Ratio:	35%

Forecast Calculations

	[I]	[J] ([I]x[G])	[K] ([J]x[H])	[L] ([J]-[K])	[M] ([K]/[F])
	Projected Meter Set Installations	Total Forecast	Labor Forecast	Non-Labor Forecast	Forecasted FTEs
2014	35,089	\$ 29,713,879	\$ 10,438,486	\$ 19,275,393	135.4
2015	40,339	\$ 34,159,655	\$ 12,000,287	\$ 22,159,368	155.6
2016	44,894	\$ 38,016,898	\$ 13,355,336	\$ 24,661,560	173.2

A list of all of the workgroups that had base forecasts that were zero-based is shown in the table on page FBA-B-10 of Exhibit SCG-04. The table also includes the associated supplemental workpaper title and page number for the zero-based forecasts.

In the case of incremental activities, the labor and non-labor assumptions are described in the workpapers. Please refer to the workpaper examples provided below. The labor and non-labor assumptions and calculations for incremental activities are provided under the “Forecast Adjustment Details” section of the workpapers. If there is a supplemental workpaper showing more detailed calculations, it will be referenced in the same section.

**UWUA DATA REQUEST
 UWUA-SCG-DR-01
 SOCALGAS 2016 GRC – A.14-11-004
 SOCALGAS RESPONSE
 DATE RECEIVED: JANUARY 22, 2015
 DATE RESPONDED: JANUARY 9, 2015**

SoCalGas Response to Question 04, Continued:

For the first example shown below, the labor and non-labor assumptions and calculations are provided in the “Forecast Adjustment Details” section of the workpaper (Exhibit SCG-04-WP, page 83):

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2016	256	12	0	268	4.0	1-Sided Adj

b. Administrative Control Clerk for Pipeline Records Management - To adequately maintain pipeline system records, SoCalGas is requesting the addition of four Administrative Control Clerks (one per technical office). These Administrative Control Clerks will be responsible for daily record filing; keeping track of records being checked out to verify those documents are returned to archives, and reconciling and tracking high pressure project packages after new construction is completed.

Labor costs will be 4 FTEs X \$30.64 X 2088 = \$256K beginning in 2015. Associated non-labor expense is estimated to be 4 FTEs X \$3K = \$12K also beginning in 2015.

Total labor for TY2016 is 4 FTEs X \$30.64 X 2088 = \$256K. Total non-labor for TY2016 is 4 FTEs X \$3K = \$12K.

In other cases, where the non-labor includes more elements or more complex calculations, the information is provided in a supplemental workpaper. Below is an example of this situation. The listing under the “Forecast Adjustment Details” section of the workpaper (Exhibit SCG-04-WP, page 98) provides a brief description and includes a reference to the supplemental workpaper:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2016	0	363	0	363	0.0	1-Sided Adj

a.iii. SAP Enhancement for Operator Qualifications - A new electronic system will be required to process the large amount of paperwork as a result of the expanded Operator Qualification program. The cost of this new electronic system is estimated at \$363K and it is estimated that it will be implemented in 2016.

See Supplemental Workpaper SCG-FBA-O&M-SUP-006 for calculation details.

**UWUA DATA REQUEST
 UWUA-SCG-DR-01
 SOCALGAS 2016 GRC – A.14-11-004
 SOCALGAS RESPONSE
 DATE RECEIVED: JANUARY 22, 2015
 DATE RESPONDED: JANUARY 9, 2015**

SoCalGas Response to Question 04, Continued:

The information that can be found in the referenced supplemental workpaper, SCG-FBA-O&M-SUP-006 is shown below (Exhibit SCG-04-WP, page 107):

2016 Non-Labor for Centralized Training SAP / Vision Learning System enhancement for OpQual

Table 1: Vision Learning System

Vision Learning System	Units	Cost per unit	Cost
Base application / Server with Adobe CF "Standard"	1	\$ 45,000	\$45,000
Personal Stations	150	\$ 52.50	\$7,875
Maintenance - Renew Annually	52,878	\$ 0.18	\$9,518
Services to assist with integrating the data records with SAP			\$5,000
Sub Total			\$67,393

Table 2: Total Non-Labor for OpQual System Enhancements

<u>Software</u>	Hours	Hourly Rate (Contractor)	Cost
IT costs to set-up/integrate software enhancements into SoCalGas' systems	3,740	\$ 50.00	\$187,000
Vision Learning System (See Table 1 above)			\$67,393
<u>Hardware</u>	Units	Cost per Unit	
G1 Tablets	25	\$ 4,350.62	\$108,766
Grand Total Non-Labor for 2016			\$363,159

UWUA DATA REQUEST
UWUA-SCG-DR-01
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE
DATE RECEIVED: JANUARY 22, 2015
DATE RESPONDED: JANUARY 9, 2015

5. Does SoCalGas quantify labor expenses in terms of units of work or vice versa? Please provide the formula for converting one to the other.

SoCalGas Response 05:

For most base forecasts, the labor was based on historical labor expenses. The historical labor can be found in the workpapers, in the table under the heading “Summary of Results.” The base forecast method is shown in the table under the heading “Forecast Summary” for O&M workpapers and “Summary of Results” for capital workpapers. An example is shown in Question 4 above.

There are some base forecasts that are zero-based, instead of using historical spending levels. In those situations, the labor calculations are shown in supplemental workpapers. A list of all of the workgroups that had base forecasts that were zero-based is shown in the table on page FBA-B-10 of Exhibit SCG-04. The table also includes the associated supplemental workpaper title and page number for the zero-based forecasts. Labor for Gas Distribution’s zero-based forecasts is based on either historical labor dollars per unit or the historical ratio of labor dollars to total dollars. An example of a zero-based forecast with labor calculations (New Business Construction) is shown in Question 4 above.

For incremental activities, labor calculations are based on one of the following:

- Employee salary and estimated number of employees.
- Employee hourly pay and forecasted hours.
- Historical labor per unit of work.
- Current estimated labor rate per unit of work.

Details are shown in the workpapers under the “Forecast Adjustment Details” section or in the associated supplemental workpapers. Please see the workpaper example for the Administrative Control Clerk for Pipeline Records Management, provided in Question 4 above.

UWUA DATA REQUEST
UWUA-SCG-DR-01
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE
DATE RECEIVED: JANUARY 22, 2015
DATE RESPONDED: JANUARY 9, 2015

6. Does SoCalGas quantify non-labor expenses in terms of units of work or vice versa? Please provide the formula for converting one to the other.

SoCalGas Response 06:

For most base forecasts, the non-labor was based on historical non-labor expenses. The historical non-labor can be found in the workpapers, in the table under the heading “Summary of Results.” The base forecast method is shown in the table under the heading “Forecast Summary” for O&M workpapers and “Summary of Results” for capital workpapers. An example is shown in Question 4 above.

There are some base forecasts that are zero-based, instead of using historical spending levels. In those situations, the non-labor calculations are shown in supplemental workpapers. A list of all of the workgroups that had base forecasts that were zero-based is shown in the table on page FBA-B-10 of Exhibit SCG-04. The table also includes the associated supplemental workpaper title and page number for the zero-based forecasts. Non-labor for Gas Distribution’s zero-based forecasts is based on one of the following:

- Historical non-labor spending and credits.
- Historical ratio of non-labor dollars to total dollars.
- Historical non-labor dollars per unit.
- Current estimated non-labor cost per unit.

An example of a zero-based forecast with non-labor calculations (New Business Construction) is shown in Question 4 above.

For incremental activities, non-labor calculations are based on one of the following:

- Estimated non-labor dollars per FTE.
- Current estimated non-labor cost per unit.
- Historical non-labor dollars per unit.
- Contractor hourly rate and hours.

Details are shown in the workpapers under the “Forecast Adjustment Details” section or in the associated supplemental workpapers. Please refer to the workpaper example for SAP Enhancement for Operator Qualifications, provided in Question 4 above.

UWUA DATA REQUEST
UWUA-SCG-DR-01
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE
DATE RECEIVED: JANUARY 22, 2015
DATE RESPONDED: JANUARY 9, 2015

7. Does SoCalGas quantify labor expenses in terms of full-time equivalents (FTEs) or vice versa? Please provide the formula for converting one to the other, including factors related to non-work paid time, including vacation and sick pay, and expenses for employee fringe benefits.

SoCalGas Response 07:

For most base forecasts, the labor was based on historical labor expenses and the FTEs were based on the historical number of FTEs. The historical labor and FTEs can be found in the workpapers, in the table under the heading “Summary of Results.” The base forecast method is shown in the table under the heading “Forecast Summary” for O&M workpapers and “Summary of Results” for capital workpapers. An example is shown in Question 4 above. For these base forecasts, there is no formula relating these two historical components; however, they are generally related, since the labor dollars and FTEs are associated with the same employee hours.

There are some base forecasts that are zero-based, instead of using historical spending levels. In those situations, the labor and FTE calculations are shown in supplemental workpapers. A list of all of the workgroups that had base forecasts that were zero-based is shown in the table on page FBA-B-10 of Exhibit SCG-04. The table also includes the associated supplemental workpaper title and page number for the zero-based forecasts. An example of a zero-based forecast with labor and FTE calculations (New Business Construction) is shown in Question 4 above. If there is a relationship between the labor and FTE forecast, like there is in the example in Question 4, the calculation showing the relationship is provided in the supplemental workpaper.

For incremental activities, the relationship between labor and FTEs is described under the “Forecast Adjustment Details” section or in the associated supplemental workpapers, and will be shown as an hourly pay rate or a salary. Please see the workpaper example for the Administrative Control Clerk for Pipeline Records Management, provided in Question 4 above.

Vacation and sick (V&S) time calculations for each workgroup are shown in the workpaper, under “Determination of Adjusted-Recorded.” The percentages³ used in the labor and FTE vacation and sick time calculations are shown below:

Fiscal Year	V&S Factor for Labor	V&S Factor for FTEs
2009	18.07%	18.91%
2010	17.48%	18.08%
2011	16.61%	17.11%
2012	16.01%	16.59%
2013	16.62%	16.90%

Gas Distribution’s forecasts don’t include employee fringe benefits.

³ Please refer to the testimony of Mark Diancin (Exh. SCG-25) for additional information on the V&S percentages.

UWUA DATA REQUEST
UWUA-SCG-DR-01
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE
DATE RECEIVED: JANUARY 22, 2015
DATE RESPONDED: JANUARY 9, 2015

8. Does SoCalGas quantify non-labor expenses in terms of full-time equivalents (FTEs) or vice versa? Please provide the formula for converting one to the other, including factors related to non-work paid time, including vacation and sick pay, and expenses for employee fringe benefits.

SoCalGas Response 08:

As stated in the response to Question 3 above, non-labor expenses are those that are not directly attributable to wages and salaries such as materials, equipment, tools, consumables, office expenses, computer resources, training and travel expenses and the like. Contracted costs, which may include labor performed by contractors, is also classified as a non-labor expense. FTE's are associated with labor hours worked. Non-labor varies by activity.

Most of the base forecasts were based on historical spending. For these workgroups, the non-labor forecast was based on historical non-labor spending. Labor and FTEs are forecasted separately from the non-labor, and are based on historical labor expenses and the associated FTEs. The historical non-labor and FTEs can be found in the workpapers, in the table under the heading "Summary of Results." The base forecast method is shown in the table under the heading "Forecast Summary" for O&M workpapers and "Summary of Results" for capital workpapers. For these base forecasts, there is no formula relating these two historical components. An example is shown in Question 4 above.

There are some base forecasts that are zero-based, instead of using historical spending levels. In those situations, the non-labor and FTE calculations are shown in supplemental workpapers. An example of a zero-based forecast with non-labor and FTE calculations (New Business Construction) is shown in Question 4 above. Generally, for zero-based forecasts, the non-labor is not quantified in terms of FTEs, or vice versa; however, the calculations for the two components are related in most cases. In the zero-based forecast example in Question 4, the FTE calculation is based on the labor forecast, which is a ratio of the total forecast. Since the labor and non-labor are calculated based on a ratio of the total forecast, the calculations for the non-labor and FTEs are related. In cases where there is a relationship between the non-labor and FTE calculations, the details showing the relationship are provided in the supplemental workpaper. A list of all of the workgroups that had base forecasts that were zero-based is shown in the table on page FBA-B-10 of Exhibit SCG-04. The table also includes the associated supplemental workpaper title and page number for the zero-based forecasts.

UWUA DATA REQUEST
UWUA-SCG-DR-01
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE
DATE RECEIVED: JANUARY 22, 2015
DATE RESPONDED: JANUARY 9, 2015

SoCalGas Response to Question 08, Continued:

For incremental activities, if there is a relationship between non-labor and FTEs, it will be described under the “Forecast Adjustment Details” section or in the associated supplemental workpapers. In the example of the Administrative Control Clerk for Pipeline Records Management, provided in Question 4 above, there is a non-labor amount associated with each FTE.

Non-labor does not include vacation and sick pay. The calculations for vacation and sick time associated with FTEs is described in Question 7 above. Fringe benefits are not specifically or separately forecasted as part of the Gas Distribution case. To the extent items constituting employee fringe benefits reside in historical costs in Gas Distribution cost centers, those amounts would be forecast in accordance with the forecast for the overall cost center(s).

**UWUA DATA REQUEST
 UWUA-SCG-DR-01
 SOCALGAS 2016 GRC – A.14-11-004
 SOCALGAS RESPONSE
 DATE RECEIVED: JANUARY 22, 2015
 DATE RESPONDED: JANUARY 9, 2015**

9. Please list and describe in detail the elements and metrics which are currently maintained for Base Year (2013) which are, or are of a type which will be, stored in the Gas Distribution data warehouse identified in the Ayala Testimony at FBA-66, lines 16-25, and which are in any way related to employee performance, employee productivity, non-labor performance and/or productivity, and safety.

SoCalGas Response 09:

Please note that the incremental activity referenced on page FBA-66, lines 16 – 25 of testimony was not calculated based on employee performance, employee productivity, non-labor performance and / or productivity, or safety metrics. These metrics were not used to create any Gas Distribution forecasts.

The calculations for Gas Operations Pipeline Maintenance – Business Systems Advisors are shown in the O&M workpapers. The 2016 forecast is shown on page 95:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2016	200	6	0	206	2.0	1-Sided Adj

d.i. Gas Operations Pipeline Maintenance - Business Systems Advisors - SoCalGas is developing a Gas Distribution data warehouse (data repository) that will consolidate information from the current Distribution Maintenance and Inspection (M&I) applications and provide dashboards and reports for District, Region, Company, and Executive Views. Gas Operations Pipeline Maintenance Staff will need to add one Business Systems Advisors to develop, test, and implement this reporting tool.

Labor costs will be 1 FTE X \$100K = \$100K beginning in 2015. Associated non-labor expense is estimated to be 1 FTE X \$3K = \$3K also beginning in 2015.

Beginning in 2016, an additional Business Systems Advisor will be hired. Total labor for TY2016 is 2 FTEs X \$100K = \$200K. Total non-labor for TY2016 is 2 FTEs X \$3K = \$6K.

The requested data is not currently available for 2013. As described on page FBA-66, the forecasted incremental employees will develop, test, and implement a reporting tool that will access the data. This work is forecasted to start in 2015.

UWUA DATA REQUEST
UWUA-SCG-DR-01
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE
DATE RECEIVED: JANUARY 22, 2015
DATE RESPONDED: JANUARY 9, 2015

10. Please identify each and every individual who performed calculations on source data related to and culminating in labor and non-labor expense figures and projections in the Ayala Testimony and supporting Workpapers and, for each individual, describe the type of calculations he or she performed.

SoCalGas Response 10:

The GRC materials presented for the Gas Distribution area are sponsored by a witness, Frank Ayala. While other individuals can be asked to assist on an as-needed basis, the witness is the primary individual responsible for the prepared material.

**UWUA DATA REQUEST
UWUA-SCG-DR-01
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE
DATE RECEIVED: JANUARY 22, 2015
DATE RESPONDED: JANUARY 9, 2015**

Document Production Requests

11. The term "document" refers to all written, graphic, and/or computerized material, including all "writings" as that term is defined in California Evidence Code Section 250, however produced or reproduced, of every kind and description, including but not limited to originals and copies of correspondence, papers, including working papers, books, pamphlets, contracts, memoranda, periodicals, accounts, letters, photographs, objects, microfilm, videotape, audio tape, notes, policies, diagrams, memorials of any type of conversations, meetings, or conferences, minutes, interoffice communications, e-mail, records, reports, studies, analyses, estimates, licenses, agreements, ledgers, accounts, purchase orders, data sheets, data processing tapes or disks, information maintained in computerized form, printouts, handwritten notes, or things similar to any of the foregoing.
1. With respect to Ayala Testimony at FBA-13,14, please provide documents identifying:
 - a. the approximately 160 cost centers;
 - b. the "workgroups" into which the cost centers were aggregated;
 - c. the similar functions or "cost drivers" used to determine aggregation of "workgroups;" and
 - d. the categorization of the workgroup into Field Operations and Maintenance, Asset Management, Operations Management and Training, and Regional Public Affairs
 2. With respect to Ayala Testimony at FBA-14, lines 8-20, please provide any and all documents comprising the projections, analysis, review of the historical 2009 through 2013 spending; consideration of cost drivers; future expectations for cost drivers; forecast methodology; and analytical calculations.
 3. Any and all documents comprising the "expanded Operator Qualification program" referred to in the Ayala Testimony at FBA-26 and described in FBA Section II.D., including but not limited to all factual or numerical data which form the foundation of the program and the foundation of any and all details of aspects of the program found in supplemental workpapers to the Ayala Testimony (e.g., SCGFBA-O&M -SUP-006).

UWUA DATA REQUEST
UWUA-SCG-DR-01
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE
DATE RECEIVED: JANUARY 22, 2015
DATE RESPONDED: JANUARY 9, 2015

Question 11-(Continued):

4. Any and all documents describing application of the "expanded Operator Qualification program" to contractors, including but not limited to: "providing consultation to" and "reviewing and auditing" contractor qualification programs referred to at FBA-55, lines 24-25 and FBA-56, lines 23-24; evaluating and reevaluating impacted employees of contractors

5. Any and all documents describing and/or analyzing the provision of consultation to, and/or the review and auditing of, Operator Qualification programs of contractors during Base Year (2013) and any and all documents measuring the operator qualifications of employees of contractors during Base Year (2013).

6. For any and all categories of costs in the Ayala Testimony or supporting workpapers which are broken down into, or which are allocated between, labor and non-labor expenses, any and all documents which show the elements and metrics which comprise each category of expense (labor and non-labor).

Note: For example, at FBA-29-30, the Ayala Testimony states that plans to work 193 incremental cathodic protection ("CP") packages in 2014, 387 CP packages in 2015, and 581 CP packages in 2016 will require a labor cost of \$104,000 and a non-labor cost of \$2,190,000 for TY 2016. This request, therefore, includes any and all documents which show the cost elements and measurements which comprise the \$104,000 figure and, separately, the \$2,190,000 figure, including documents which explain the charts on SCG-FBA-O&M-SUP-004, page 40 of 182.

7. For any and all categories of costs in the Ayala Testimony or supporting workpapers which are broken down into, or which are allocated between, labor and non-labor expenses, any and all documents which show the breakdown between labor and non-labor expenses expressed in measurements of labor "units of work" and non-labor "units of work" or in labor full-time equivalents (FTEs) or non-labor full-time equivalents (FTEs).

8. For any and all categories of costs in the Ayala Testimony or supporting workpapers which are broken down into, or which are allocated between, labor and non-labor expenses, any and all information (in computerized format in which they are maintained and used, e.g., Excel, Access, etc.) which:

UWUA DATA REQUEST
UWUA-SCG-DR-01
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE
DATE RECEIVED: JANUARY 22, 2015
DATE RESPONDED: JANUARY 9, 2015

Question 11.8-(Continued):

(1) constitutes the source data from which the expenses set forth in the Ayala Testimony are derived (e.g., numbers of SoCalGas and contractor employees, numbers of hours worked, employee and contractor wage and benefit rates, contractor FTEs, etc.); and

(2) shows each and every calculation or manipulation of the source data performed, step by step, to reach the final listing of expenses set forth in the Ayala Testimony.

SoCalGas Response 11:

SoCalGas' Gas Distribution testimony (Exhibit SCG-04) and workpapers (Exhibits SCG-04-WP and SCG-04-CWP) include the assumptions and calculations that went into creating the forecasts. For additional information that has been provided in data requests, please refer to the questions above and the data requests listed here:

<http://socalgas.com/regulatory/A1411004.shtml>. ORA's data requests related to Gas Distribution all have the suffix "-DAO."

11.1.a. The non-shared O&M cost centers are listed in Appendix A of Gas Distribution's O&M workpapers, pages 179 – 182 of Exhibit SCG-04-WP.

11.1.b. A list of the O&M workgroups can be found in the Index of Workpapers, located on the second page of the O&M workpapers. Please note that these groupings are based on activity, not cost center, so many of the cost centers are spread across multiple workgroups.

11.1.c. A description of the activities that are grouped in each workgroup can be found in testimony. In each workgroup section, these activities are identified under the heading "Description of Costs and Underlying Activities."

**UWUA DATA REQUEST
UWUA-SCG-DR-01
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE
DATE RECEIVED: JANUARY 22, 2015
DATE RESPONDED: JANUARY 9, 2015**

SoCalGas Response to Question 11, (Continued):

- 11.1.d. A list of the O&M workgroup categories can be found in the Index of Workpapers, located on the second page of the O&M workpapers.
- 11.2 Cost drivers for each workgroup can be found in testimony. In each workgroup section, they are discussed under the heading “Cost Drivers.” For example, the Locate and Mark cost drivers can be found on pages FBA-18 – FBA-19 of testimony, Exhibit SCG-04.

The forecast method considered and selected for each workgroup is described in testimony under “Forecast Method” and in the workpapers under the heading “Forecast Explanations.” For the same Locate and Mark example, the forecast method is discussed on page FBA-18 of testimony and on page 6 of the O&M workpapers, Exhibit SCG-04-WP (shown below). The selected forecast method is shown in bold above the labor and non-labor forecast explanations.

**Forecast Explanations:
Labor - 3-YR Linear**

The activity in this workgroup is driven mainly by the level of construction activity. In general, IHS Global Insight forecasts that the non-farm employment growth rate is projected to increase in the Southern California area in the next few years. For this reason, the Locate and Mark forecast is based on the linear trend observed the last three years (2011 through 2013). Using a five-year average would not appropriately account for the increase in work anticipated over the forecast period, as construction activities continue to increase. Thus, to reflect these changing conditions and increase in Locate and Mark work, SoCalGas is projecting that forecasted expenses for this workgroup will follow the three-year historical trend. Therefore, a three-year (2011 through 2013) linear trend was used to calculate the labor requested for this group.

Non-Labor - 3-YR Linear

The activity in this workgroup is driven mainly by the level of construction activity. In general, IHS Global Insight forecasts that the non-farm employment growth rate is projected to increase in the Southern California area in the next few years. For this reason, the Locate and Mark forecast is based on the linear trend observed the last three years (2011 through 2013). Using a five-year average would not appropriately account for the increase in work anticipated over the forecast period, as construction activities continue to increase. Thus, to reflect these changing conditions and increase in Locate and Mark work, SoCalGas is projecting that forecasted expenses for this workgroup will follow the three-year historical trend. Therefore, a three-year (2011 through 2013) linear trend was used to calculate the non-labor requested for this group.

Analytical calculations used in the base forecasts and incremental activity forecasts are shown in the workpapers and supplemental workpapers. Please refer to the responses to Questions 4 through 6 above for workpaper locations where the information can be found and examples.

- 11.3. The expanded Operator Qualification program is based on American Society of Mechanical Engineers (ASME) B31Q standard. This document is copyrighted and has more than 200 pages. SoCalGas pays for access to the document, and is not permitted to share it.

UWUA DATA REQUEST
UWUA-SCG-DR-01
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE
DATE RECEIVED: JANUARY 22, 2015
DATE RESPONDED: JANUARY 9, 2015

SoCalGas Response to Question 11.3., (Continued):

The calculations and assumptions for the Operator Qualification expansion are shown in the referenced supplemental workpaper, SCG-FBA-O&M-SUP-006, on page 107 of the O&M workpapers.

Calculations for the additional hours required for field employee operator qualification training are shown in supplemental workpaper SCG-FBA-O&M-SUP-001 on page 27 of the O&M workpapers.

Please refer to data request ORA-SCG-DR-015-DAO⁴, Questions 2 and 3 for additional information that has been provided on the Operator Qualification program.

- 11.4. Please note that the testimony section referenced from page FBA-55, lines 24 – 25 is not related to operator qualification. Field supervisors provide consultation to pipeline contractors regarding job requirements and company procedures.

Contractors will need to have their employees qualified for the new and revised qualification tasks. Communication about changes to the operator qualification program comes through a third-party vendor that SoCalGas uses to manage the operator qualification programs of our contractors.

Please refer to the response to Question 11.3. above for information about B31Q, which is driving the operator qualification expansion.

- 11.5. This information cannot be provided. This request includes more than 500 documents, and includes confidential test material. This material is confidential in order to maintain the integrity of the tests.
- 11.6. Please see the responses to Questions 4 through 6 above for testimony and workpaper locations where the information can be found as well as examples.

Regarding supplemental workpaper SCG-FBA-O&M-SUP-004, the assumptions are listed at the top of the page, and the calculation equations are shown above each column in the tables. For additional information on the number of cathodic protection packages and additional cathodic protection information that was provided, please refer to data request ORA-SCG-DR-021-DAO⁵.

⁴ Data request ORA-SCG-DR-015-DAO can be found here: <http://socalgas.com/regulatory/documents/a-14-11-004/response/ORA-SCG-DR-015-DAO%20final.pdf>.

⁵ Data request ORA-SCG-DR-021-DAO can be found here: http://socalgas.com/regulatory/documents/a-14-11-004/response/ORA-SCG-DR-021-DAO_final.pdf.

**UWUA DATA REQUEST
UWUA-SCG-DR-01
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE
DATE RECEIVED: JANUARY 22, 2015
DATE RESPONDED: JANUARY 9, 2015**

SoCalGas Response to Question 11, (Continued):

- 11.7. Please refer to Questions 4 through 8 above.
- 11.8. Most of Gas Distribution’s labor, non-labor, and FTE forecasts were based on historical expense and FTE information and used forecasting functions within the database system used for GRC forecasting called ‘GRID.’ The workpapers are produced as a report from this larger GRID database system which contains some output in tabular-format, and does not originate as Excel worksheets or electronic form which has spreadsheet functionality; tables that are shown are not worksheets, therefore there are none to provide. For the forecasts and incremental additions that were not generated using the automated GRID forecasting functions, the calculations and assumptions are shown in the O&M and capital workpapers. This includes number of contractors and employees forecasted, wage rates, and hours. Simple calculations are shown under “Forecast Adjustment Details” in the workpapers, and more complex calculations are included in the supplemental workpapers. Please see the examples provide in Question 4 above.

The Excel files corresponding to the supplemental workpapers are provided separately in the files titled UWUA-DR-04_Q11.8_SCG-04-WP-SUP.xlsx (O&M supplemental workpapers) and UWUA-DR-04_Q11.8_SCG-04-CWP-SUP.xlsx (capital supplemental workpapers).