

NDC-SEU DATA REQUEST-007
SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8
DATE RECEIVED: APRIL 3, 2018
DATE RESPONDED: APRIL 20, 2018

1. NDC-01 Q5 requested detailed information on the programs that SDGE offers to develop minority businesses. The question asks to “Specify how much was spent for each program”. SDGE’s response provided annual totals for program spending, but did not provide a breakdown by individual program, and did not describe any specific program. Please provide a cost breakdown by program, and describe each program. This information is necessary to evaluate programs that target minority owned businesses.

In response to NDC-01 Q6, SDGE provided a list of Technical Assistance and Capacity Building programs it offers to diverse suppliers. Please respond to NDC-01 Q5 with a similar list (or the same list if appropriate), and specify how much was spent on each program annually since 2012.

Utilities Response 1:

In data request NDC-01 Q5, SDGE provided the complete list of community-based organizations (CBOs) that received funding for supplier programs, including an indication of the types of activities and summary of total dollars spent.

Each CBO must submit a grant request and receive approval for their proposed activities. The total dollars granted to each CBO is confidential. Public disclosure of this information could harm SDG&E’s ability to negotiate grant requests with CBOs, which could potentially decrease the funding available for successful supplier diversity capacity building programs. In addition, the National Diversity Coalition has been and can be a recipient of these funds; as such, it would not be appropriate for SDG&E to share this information with individual recipients.

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2. NDC-01 Q16 requested detailed information on the programs that SoCalGas offers to develop minority businesses. The question asks to “Specify how much was spent for each program”. SoCalGas’ response provided the 2017 annual total for program spending, but did not provide a breakdown by individual program, and did not describe the “Technical Assistance Programs”. For each year since 2012, please provide an annual cost breakdown by program, and describe each program. This information is necessary to evaluate programs that target minority owned businesses. For any new programs that have not had a full year of funding, please give the amount budgeted for their annual costs.

Utilities Response 2:

In data request NDC-01 Q16, SoCalGas provided the complete list of community-based organizations (CBOs) that received funding for supplier programs, including an indication of the types of activities and summary of total dollars spent.

Each CBO must submit a grant request and receive approval for their proposed activities. The total dollars granted to each CBO is confidential. Public disclosure of this information could harm SoCalGas’ ability to negotiate grant requests with CBOs, which could potentially decrease the funding available for successful supplier diversity capacity building programs. In addition, the National Diversity Coalition has been and can be a recipient of these funds; as such, it would not be appropriate for SoCalGas to share this information with individual recipients.

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3. In response to NDC-01 Q11, SDGE stated that Supplier Diversity non-labor forecast adjustments of \$100k for 2018 and 2019 are “required to ramp up our recruitment efforts for suppliers in underutilized areas, increase efforts for supplier development and expansion in highly specialized areas of the company such as Energy Storage and Smart Grid Technologies.”

a. Provide details of how the \$100k cost estimate was calculated, and a breakdown of how it will be spent.

b. Specifically, also state any commitments to spend with the National Diversity Coalition (SDGE-20-WP at 29).

Utilities Response 3:

a. Unfortunately, SDG&E has just realized that it erred in forecasting this \$100K increase in years 2018 and 2019 (in both SDG&E’s workpapers and in response to Question 11 of NDC-01). This correction will be addressed at a later time.

b. There is no commitment of spending an additional \$100k with the National Diversity Coalition. However, pursuant to the settlement agreement between the Joint Minority Parties and SDG&E and SoCalGas in the 2016 GRC proceeding (A.14-11-003/-004), SDG&E and SoCalGas committed to investing at least a combined amount of \$650,000 annually in technical assistance and capacity building programs to small minority owned businesses.

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4. In response to NDC-01 Q20, SoCalGas stated that Supplier Diversity non-labor forecast adjustments of \$100k for 2018 and 2019 are required to, among other things, “fund the implementation of supplier diversity workshops with the National Diversity Coalition”.

- a. Provide details of how the \$100k cost estimate was calculated, and a breakdown of how it will be spent.
- b. Specifically, also state any commitments to spend with the National Diversity Coalition (SCG-22-WP at 41).

Utilities Response 4:

- a. Unfortunately, SoCalGas has just realized that it erred in forecasting this \$100K increase in years 2018 and 2019 (in both SoCalGas’ workpapers and in response to Question 20 of NDC-01). This correction will be addressed at a later time.
- b. There is no commitment of spending an additional \$100k with the National Diversity Coalition. However, pursuant to the settlement agreement between the Joint Minority Parties and SDG&E and SoCalGas in the 2016 GRC proceeding (A.14-11-003/-004), SDG&E and SoCalGas committed to investing at least a combined amount of \$650,000 annually in technical assistance and capacity building programs to small minority owned businesses.

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5. The response provided for NDC-03 Q6 restated part of the original question, but cut off the last sentence of Q6(b). The last sentence should read “Also explain any costs that SoCalGas incurred in excess of normal operational expenses as a result of each instance.” Please resend the response with the full original question, or give NDC permission to reproduce the response with the full original question added.

Utilities Response 5:

The original NDC-SEU-003 Question 6 is being reproduced here at the request of this data request. The original question should have read:

6. SoCalGas states that the current Excel bill engine used for Major Market Billing “is cumbersome and inflexible. A new bill engine is needed to sustain the integrity, maintainability, accuracy, auditability, and provide agility/flexibility to quickly respond to future business and regulatory needs”. (SCG-19-R at MHB-69).

- a. Explain how SoCalGas determines when a system has become “cumbersome and inflexible”?
- b. For each year since 2012, describe the instances when SoCalGas was unable to sustain the integrity, maintainability, accuracy, auditability, or provide agility/flexibility of the current bill engine. Also explain any costs that SoCalGa incurred in excess of normal operational expenses as a result of each instance.

SoCalGas’ Response to the revised Question 6 from NDC-SEU-003 is:

- a. See the response provided to NDC-SEU-003 Question 5a.
- b. As previously stated, SoCalGas has been able to maintain the integrity of the system, despite the increasing complexity. Costs incurred in excess of normal operational expenses were not tracked.

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6. NDC-03 Q8(a) asked about the cost of the last upgrade to the CAT, CCS, and SCBE applications. The utility responded, “The last software version upgrade was in 2010, and was part of a larger effort to bring all Java based systems up to date. Cost attributed specifically to CAT, CCS, and SCBS applications was not tracked.” Provide data on the cost of the 2010 software version upgrade, including any available breakdown in costs.

Utilities Response 6:

SoCalGas objects to this request under Rule 10.1 of the Commission’s Rules of Practice and Procedure on the grounds that the timeframe encompassed in this request is not relevant to the subject matter involved in the pending proceeding and therefore, the burden, expense and intrusiveness of this request outweighs the likelihood that the information sought will lead to the discovery of relevant and admissible evidence. In particular, this request seeks information prior to 2012 and is thus, outside the scope of the relevant time period used by SoCalGas in developing its forecasts. Subject to and without waiving the foregoing objection, SoCalGas responds as follows: SoCalGas has no further update to its original response provided to NDC-SEU-003 Question 8(a) on March 21, 2018.

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7. NDC-05 Q11 asked: “In each year since 2012, what adjustments has the SoCalGas or SDG&E boards of directors made to individual Executive Incentive Compensation Plan awards?” The utility response provides only the number of adjustments made, with a comment for only 2015 indicating that the SDGE board reduced the payout. Describe each adjustments made each year. Indicate if each adjustment was an increase or decrease, the amount of the adjustments, to which executives they applied, and the reason for the adjustment.

Utilities Response 7:

SoCalGas and SDG&E objects to this request on the grounds that it is overbroad, unduly burdensome, out of scope, and on grounds that the burden and intrusiveness of the request outweighs the likelihood that it will lead to the discovery of admissible evidence. SoCalGas and SDG&E also object to this request to the extent that it seeks information that would violate employee privacy and confidentiality rights, if disclosed. SoCalGas and SDG&E note that detailed and thorough information regarding SoCalGas and SDG&E compensation is publicly reported and available via their annual G.O. 77 reports. SoCalGas and SDG&E also provide extensive information regarding their compensation and benefits policies via the Direct Testimony of Debbie Robinson (SCG-30/SDG&E-28). Subject to and without waiving these objections, SoCalGas and SDG&E provide the amount of the adjustments made each year, as follows.

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Utilities Response 7 Continued:

Please note that a correction was made to the number of adjustments for 2016 and 2017. These rows were inadvertently transposed in the response to NDC-5, question 11.

Year	# Officer Awards Adjusted	Amount of Adjustments	Comments
2017	1	Participant 1: \$7,900	
2016	2	Participant 1: \$78,000 Participant 2: \$78,000	
2015	All SDG&E and Shared Services officers + 1 additional adjustment	Participant 1: (\$16,675) Plan level adjustment reduced result for OSHA Recordable Incident Rate from maximum to zero applied to all SDG&E participants (9 officers) and Shared Services (10 officers). This performance measure was weighted at 8% of the total target payout in the SDG&E executive plan and 4% in the Shared Services executive plan.	SDG&E Board reduced the payout for the applicable safety measure (OSHA Recordable Incident Rate) from maximum to zero due to a work-related fatality.
2014	5	Participant 1: (\$46,390) Participant 2: (\$9,985) Participant 3: (\$3,555) Participant 4: (\$15,650) Participant 5: (\$20,070)	
2013	1	Participant 1: (\$16,390)	
2012	0		

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8. NDC-05 Q12 asked: “Provide a breakdown of the Executive Incentive Compensation Plan components and relative weight for each, similar to what is provided in *Tables DSR-6 and DSR-7* (SCG-30 at DSR-12 and DSR-13).”

The utility response provides a pie chart similar to *Figure DSR-1 and DSR-2* on SCG-30 at DSR-11, with broad data that was already shown in Table DSR-8 on SCG-30 at DSR-14. NDC’s request was to breakdown the general ICP weighting in a manner similar to the detailed breakdown provided in tables for non-executive ICP Performance measures.

Utility testimony states that “The 2017 executive ICP performance measures related to safety, customer service and supplier diversity and financial health are the same measures shown in Tables DSR-6 and DSR-7 using the weighting shown in DSR-8.” However, this statement is insufficient, as it does not indicate the weight given to sub-categories of performance measures. (For example, in executive ICP, it is not clear how much weight is given specifically to “Damage Prevention”. For non-exec ICP, it is clearly shown to be 5% for SDGE in Table DSR-6 and 3% for SoCalGas in Table DSR-7).

Provide a response to NDC-05 Q12 as requested, with granular data on executive ICP component weights, similar to Tables DSR-6 and DSR-7 in SCG-30.

Utilities Response 8:

The 2017 performance measures for the SDG&E Executive ICP and the SoCalGas Executive ICP are provided below, in the same format used in Tables DSR-6 and DSR-7.

2017 SDG&E Executive ICP	
Performance Measure	Weighting as a % of Target
Safety and Public Safety Related Operational Measures	50%
<i>Gas Safety:</i>	
Pipeline Safety Enhancement Program (PSEP) <ul style="list-style-type: none"> • Miles of Pipe Remediated • Number of Valves Retrofitted 	10%
Distribution System Integrity: Miles of non-state-of-the-art pipe replaced	8%
Damage Prevention	8%
<i>Electric Safety:</i>	
System Average Duration Interruption Index (SAIFI)	3%
Worst Circuit: SAIDI	2.5%
Worst Circuit: SAIFI	2.5%

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<i>Employee Safety:</i>	
Zero employee electric contacts	4%
Lost Time Incident (LTI) Rate	6%
Controllable Motor Vehicle Incidents (CMVI)	6%
Customer Service & Stakeholders	10%
Customer Connection Survey	4%
Overall Self-Service	4%
Supplier Diversity	2%
Financial Health	35%
SDG&E Earnings	15%
SEU (SDG&E and SoCalGas) Earnings	5%
Sempra Energy Earnings	15%
Strategic	5%
Strategic Goals	5%
Total Company Performance Component	100%

2017 SoCalGas Executive ICP	
Performance Measure	Weighting as a % of Target
Safety and Public Safety Related Operational Measures	50%
<i>Operational Safety:</i>	
Pipeline Safety Enhancement Program (PSEP) <ul style="list-style-type: none"> • Miles of Pipe Remediated • Number of Base Valves Retrofitted • Miles of Pipeline Projects Completed Close Out 	2% 2% 2%
Damage Prevention – Damages per USA ticket rate	5%
Distribution System Integrity: Main and Service Replacement	5%
Incomplete Orders Reduction (Customer Service Field Efficiency)	5%
AMI – Advanced Meter Module Installations <ul style="list-style-type: none"> • Installations • Cost-cap Variance • Meters Advanced and Automated for Billing 	3% 2% 4%

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Storage Integrity Management Program (SIMP)	4%
<i>Employee Safety:</i>	
Lost Time Incident (LTI) Rate	8%
Controllable Motor Vehicle Incidents (CMVI)	8%
Customer Service & Stakeholders	10%
Customer Insight Study (CIS)	4%
Paperless Billing Increase	4%
Supplier Diversity	2%
Financial Health	35%
SoCalGas Earnings	15%
SEU (SoCalGas and SDG&E) Earnings	5%
Sempra Energy Earnings	15%
Strategic	5%
Strategic Goals	5%
Total Company Performance Component	100%