

ORA DATA REQUEST
ORA-SCG-001-MW5 AMENDED RESPONSE
SOCALGAS 2019 GRC – A.17-10-007
SOCALGAS AMENDED RESPONSE
DATE RECEIVED: OCTOBER 23, 2017
DATE OF ORIGINAL RESPONSE: NOVEMBER 6, 2017
DATE OF AMENDED RESPONSE: MARCH 21, 2018

Subject: Exhibit No. SCG-17, SCG-17-WP or SCG-17-CWP

Please provide the following:

1. Please provide the 2012-2016 recorded historical costs for labor, non-labor and NSE for the following subcategories that were previously recorded in the balancing account. As noted on pages 6 and 7 of 49 in SCG/ADVANCED METERING, Exh. No: SCG-17-WP/Witness: R. Garcia:
 - a. Network Management
 - b. Business Systems Analytics
 - c. Network Maintenance and Construction
 - d. System Operations
 - e. RAMP- Employee Contractor Customer and Public Safety (Advanced Meter (AM) Analytics)
 - f. RAMP Employee Contractor Customer and Public Safety (related to Data Collector Unit poles)

SoCalGas Amended Response 01:

Due to an error that was found while responding to another data request, SoCalGas is providing the revised tables below, which correct the original responses to questions 1a – 1d from ORA-SCG-001-MW5 that was originally submitted to ORA on November 6, 2017.

a – d:

Between 2012 and 2016, costs for Advanced Meter Operations (AMO) included AMI deployment related costs for the subcategories shown above (a – d). Costs provided below for the AMO subcategories include O&M and capital expenditures in those years, which are not inclusive of all dollars recorded to the balancing account for other activities. As such, a kind-for-kind comparison of costs, activities and FTEs between the deployment and TY 2019 is not available for these subcategories.

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SoCalGas Amended Response 01 Continued:

Summary:

Southern California Gas Company
Advanced Meter
2012-2016 Direct Cost (O&M and Capital)
(\$ in millions)

AMO	2012	2013	2014	2015	2016
O&M	1.196	4.100	6.288	6.594	7.274
Capital	43.031	39.415	26.543	21.379	17.306
Total	44.227	43.515	32.832	27.973	24.580

Details:

Southern California Gas Company
Advanced Meter
2012-2016 Direct Cost (O&M and Capital)
(\$ in millions)

O&M	2012	2013	2014	2015	2016
Network Management					
Labor	-	0.007	0.006	0.284	0.565
Non-labor	-	0.062	0.192	0.239	0.459
Total	-	0.069	0.198	0.523	1.024
Business Systems Analytics					
Labor	0.015	0.073	0.115	0.303	0.384
Non-labor	0.132	0.481	0.538	0.525	0.448
Total	0.147	0.554	0.653	0.828	0.832
Network Maintenance and Construction					
Labor	0.057	0.138	0.039	0.452	0.631
Non-labor	0.325	0.907	1.134	0.591	1.112
Total	0.383	1.045	1.173	1.043	1.743
IT/System Operations					
Labor	0.205	1.005	2.212	1.828	1.721
Non-labor	0.461	1.426	2.052	2.372	1.954
Total	0.667	2.432	4.264	4.200	3.675
O&M Total	1.196	4.100	6.288	6.594	7.274

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SoCalGas Amended Response 01 Continued:

Capital	2012	2013	2014	2015	2016
Network					
Labor	2.444	4.134	5.702	5.077	4.206
Non-labor	14.384	21.958	14.480	8.926	9.034
Total	16.828	26.092	20.182	14.004	13.241
IT/System Operations					
Labor	4.575	3.268	2.128	2.319	1.646
Non-labor	21.628	10.055	4.233	5.056	2.419
Total	26.203	13.323	6.361	7.375	4.065
Capital Total	43.031	39.415	26.543	21.379	17.306

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2. If there are no recorded historical costs in the balancing account for any of the subcategories listed above, please provide an explanation as to why there is now a forecast expense.

SoCalGas Response 02:

There are no historical costs in the balancing account between 2012 and 2016 for Advanced Meter's RAMP-related Data Analytics activity because it is an activity SoCalGas initiated in 2017.

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3. Summarizing lines 10 through 15 on page RFG-13, SoCalGas is seeking full financial recovery from the vendor for costs associated with the curb meter MTU issue. SoCalGas is not requesting costs to remediate curb meters in the TY 2019 GRC. Instead, SoCalGas will record costs within the AMIBA.
 - a. Provide an explanation as to what happens to the curb meter MTU costs after they are recorded in the balancing account?
 - b. Provide an explanation as to what happens if the vendor refuses to cover the full financial costs associated with the curb meter MTU issue?
 - c. What is the full financial cost of the curb meter MTU issue? Please provide supporting workpapers.
 - d. Will SoCalGas request recovery for costs in a GRC, Advice Letter or other CPUC proceeding at a later date?
 - e. Will costs be removed from the balancing account if the full financial burden is paid by the vendor? If not, please explain why not.

SoCalGas Response 03:

- a. Costs recorded in the AMIBA related to the curb meter issues, as described in SCG-17, section III.2.b, would be offset by funds recovered from the technology vendor.
- b. SoCalGas is currently involved in negotiations with the technology vendor regarding remediation, product quality and cost recovery concerning these curb meter issues. SoCalGas continues to weigh the efficacy of all resolution options including litigation.
- c. Scope, costs, and recovery as a result of these curb meter issues are being determined and negotiated between SoCalGas and the technology vendor.

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SoCalGas Response 03:-Continued

- d. SoCalGas is not requesting GRC recovery for costs incurred associated with these curb meter issues. Since the issues were identified during the AMI deployment, costs, net of vendor credits are deployment related and subject to the AMI Balancing Account (AMIBA) true-up guidelines and mechanism adopted in the AMI Decision.¹
- e. Vendor compensation specific to these curb meter issues will offset associated costs recorded to the AMIBA.

¹ D.10-04-027

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4. Please provide an analysis of the benefits and constraints by using Siterra versus SAP, regarding the DCU Compliance Inspection Work Management Project as mentioned in SCG-17 page RFG-25. Please provide supporting workpapers.

SoCalGas Response 04:

The following table outlines benefits and constraints by using SAP versus Siterra.

	Benefits	Constraints
SAP PM	<ul style="list-style-type: none"> • No incremental license fees. • SAP is the system of record for other SoCalGas and SDG&E Distribution assets. • Standardized processes used for other SoCalGas and SDG&E distribution assets can be used to support the DCU Compliance Inspection workflow. • Standardized reports can be utilized to create DCU Compliance Inspection reports. • Standardized relational databases can be used to support DCU Compliance Inspections. • Existing policies, processes and procedures can be used to manage the site selection, construction and yearly inspection of poles and DCUs. 	<ul style="list-style-type: none"> • Upfront costs to implement the SAP solution.

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SoCalGas Response 04:-Continued

<p>Siterra</p>	<ul style="list-style-type: none"> • Siterra tracks possible DCU site locations in support of Network Deployment. • Siterra supports contractual vendor obligations in support of Network Deployment. • Siterra supports asset management and incident tracking for all DCUs and is the system of record for Network Deployment. 	<ul style="list-style-type: none"> • Annual license fees. • Siterra was not developed to support DCU compliance inspection tasks. • Siterra does not have the capability to create one record per DCU with all historical inspections, putting at risk our ability to effectively manage inspection compliance records and increasing our maintenance costs. • Siterra does not support enhancements without complex, customized re-work of the base product.
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Subject: The following questions refer to SCG/ Information Technology, Exh. No: SCG-26-CWP/ Witness: C. Olmsted.

Please provide the following:

5. According to SCG's forecast methodology, the Project Manager and the Subject Matter Expert estimates the given labor and non-labor forecasts. Please provide all supporting documentation such as estimates, calculations, studies or surveys that the Project Manager or the Subject Matter Expert used to estimate the following forecasts:
 - a) Labor: 2018 cost of \$0.085 million and the 2019 costs of \$0.357 million that are shown on page 848 of 871 in SCG/Information Technology, Exh. No: SCG-26-CWP/ Witness: C. Olmsted.
 - b) Non-labor: 2018 cost of \$0.966 million and the 2019 costs of \$3.908 million that are shown on page 848 of 871 in SCG/Information Technology, Exh. No: SCG-26-CWP/ Witness: C. Olmsted.
 - c) Labor: 2018 cost of \$0.072 million and the 2019 costs of \$0.092 million that are shown on page 854 of 871 in SCG/Information Technology, Exh. No: SCG-26-CWP/ Witness: C. Olmsted.
 - d) Non-labor: 2018 cost of \$0.176 million and the 2019 costs of \$0.224 million that are shown on page 854 of 871 in SCG/Information Technology, Exh. No: SCG-26-CWP/ Witness: C. Olmsted.
 - e) Labor: 2018 cost of \$0.469 million and the 2019 costs of \$0.234 million that are shown on page 860 of 871 in SCG/Information Technology, Exh. No: SCG-26-CWP/ Witness: C. Olmsted.

SoCalGas Response 05:

Attached are the concept documents for the DCU LTE Upgrade Program, DCU Software Information Security (IS) Upgrade Project, and DCU Compliance Inspection Work Management (Siterra to SAP) project. These documents include project elements such as cost estimates, business benefits and project schedules. Additional detail regarding the project concept process can be found in the testimony of Chris Olmsted (Exhibit SCG-26, Section V.B).

- a – b: See attachment SCG-ORA-DR-001-MW5-Q5a-b Attachment
- c – d: See attachment SCG-ORA-DR-001-MW5-Q5c-d Attachment
- e: See attachment SCG-ORA-DR-001-MW5-Q5e Attachment

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6. As described on page 848 of 871 in SCG/ Information Technology, Exh. No: SCG-26-CWP/ Witness: C. Olmsted, what is the time frame SoCalGas anticipates for the removal and replacement of the 4,600 DCU cellular communications cards? Please provide supporting workpapers.

SoCalGas Response 06:

SoCalGas estimates approximately 3,000 DCU LTE cards will be upgraded by the end of TY 2019. The remainder will be presented for replacement in a subsequent GRC.