

**ORA DATA REQUEST
ORA-SCG-084-FH2
SOCALGAS 2019 GRC – A.17-10-008
SOCALGAS RESPONSE
DATE RECEIVED: JANUARY 12, 2018
DATE RESPONDED: JANUARY 29, 2018**

Exhibit Reference: SCG-33, page SL-5

SCG Witness: Stacey Lee

Subject: RAMP

Please provide the following:

1. Following up on SCG's response to data request ORA-SCG-056-FH2, Q.1 please provide a working spreadsheet to explain the derivation of 2019 forecast low and high amounts for the \$200,000 incremental average cost.

SoCalGas Response 1:

A working spreadsheet that shows how \$200,000 is the middle of a \$100,000 - \$300,000 range is not readily available nor necessary as the arithmetic is a simple average.. In 2007, Sempra Energy engaged KPMG to perform an initial assessment of the records management process related to administrative records. The cost of this assessment was approximately \$75K. This assessment and cost was used as a benchmark to forecast consultant costs for future assessments of the records management process related to operational records. The low forecast was estimated based on this figure, escalated for inflation.

The specific criteria used to develop the high forecast included the following six items:

1. increased scope of the project - which would include a review of SoCalGas' records management compliance program, focusing on operational records that potentially implicate safety;
2. specific operational areas within SoCalGas have unique requirements and complexity which drives the scope and associated costs;
3. the project would be completed in multiple phases, over multiple years;
4. assessment of time needed to perform a more robust assessment, rather than an initial maturity assessment of the records management process;
5. increased expertise required to complete the study and review, and;
6. an assessment of increasing billable rates for consultants.

The above criteria were considered in developing an estimate of the high range of \$300K.

The cost forecast of \$200K is based on the average of the low range of \$100K and the high range of \$300K.