

ORA DATA REQUEST
ORA-SCG-090-NS4
SOCALGAS 2019 GRC – A.17-10-008
SOCALGAS RESPONSE
DATE RECEIVED: JANUARY 22, 2018
DATE RESPONDED: FEBRUARY 7, 2018

Exhibit Reference: Ex. SCG-02 / SDG&E-02

SCG Witness: Day, York

Subject: Risk Management Policy / RAMP to GRC Integration

The following questions generally refer to safety- and risk management-policy changes suggested by parties and the Commission in I. 16-11-015 (Sempra 2016 RAMP). ORA understands that the RAMP and SMAP proceedings are ongoing and safety-related policies are in transition. The following questions are intended to gauge approximate timelines for changes (with the understanding those timelines will likely change) and not to mandate or require specific dates.

Please provide the following:

1. Please provide Sempra's current best estimate of when the following recommendations will be fully or nearly-fully implemented in Sempra's risk-management policy and RAMP/GRC process, in number of years and/or GRC cycles:
 - a. Development of Risk-Spend Efficiency (RSE) Scores for alternative mitigations (in addition to proposed mitigations);
 - b. Inclusion of the timeframe over which risks/mitigations are measured;
 - c. Ability to compare RSE Scores across risks;
 - d. Provision of complete, unlocked RAMP workpapers at the time of RAMP application;
 - e. Reporting of added, removed, or changed risks since last RAMP filing;
 - f. Refinement of comparison statistics or metrics (for example, national data or comparisons to other states/regions);
 - g. Identification of SME input used and any supporting metrics/data;
 - h. Division of mitigations by activity (instead of "bundles");
 - i. Provision of a list of risks with risk score 3 (but not a full RAMP chapter for these risks);
 - j. Inclusion of expected-value or average probability events (instead of only worst case scenario events);
 - k. Inclusion of RSE Scores for the Climate Change Adaptation Risk;

ORA DATA REQUEST
ORA-SCG-090-NS4
SOCALGAS 2019 GRC – A.17-10-008
SOCALGAS RESPONSE
DATE RECEIVED: JANUARY 22, 2018
DATE RESPONDED: FEBRUARY 7, 2018

- l. Collection of data for existing metrics where data is currently lacking; and
- m. Determination of what necessary metrics are currently not measured and measurement of those metrics.

SoCalGas Response 1:

SoCalGas and SDG&E are proactively evolving our risk management practices. As stated in the Revised Testimony of Risk Management and Policy Witness Diana Day (Exhibit SCG-02-R/SDG&E-02-R Chapter 1), “SoCalGas and SDG&E have made progress to enhance the maturity of their respective risk, asset, and investment management processes and are committed to further progression” (DD-30, lines 17-19). This can be seen in the Companies’ “Risk Maturity and Integration of Risk, Asset, and Investment Management at SoCalGas: An Assessment Report,” attached to Ms. Day’s testimony (*See* SCG-02-R/SDG&E-02-R, Chapter 1, Appendix C and D). This can also be seen by the priorities and commitments illustrated in Figure DD-4, SoCalGas and SDG&E Strategic Planning Trajectory, on page DD-25.

With respect to future risk-related improvements, ORA is aware and acknowledges in this data request that requirements and associated timelines for providing additional information are currently in transition. Therefore, the response being provided herein is based on SoCalGas and SDG&E’s best estimate of timing considerations given what is known at this time. These timing estimates, as well as the activities themselves, may change due to revised requirements provided in forthcoming decisions adopted by the Commission in ongoing and upcoming proceedings, such as Phase 2 of the Safety Model Assessment Proceeding (S-MAP) and the second S-MAP. Given the foregoing, SoCalGas and SDG&E respond as follows:

- a. Anticipate being included in the next RAMP, as appropriate.
- b. Anticipate being included in the next RAMP, as appropriate.
- c. The goal for the next RAMP is to have the ability to compare RSE scores across risks. However, the ability to compare RSE scores across risks is at the early stages of development and has presented several challenges that we might not be able to fully overcome before our next RAMP. One of these challenges is around programs/projects that mitigate multiple risks. The ability to allocate costs and risk reduction benefits in a mutually exclusive way across multiple risks remains a key challenge that we are attempting to resolve before we can compare RSEs across risks. Additionally, any model that gets adopted in Phase 2 of the S-MAP will need to be tested and calibrated to increase confidence in the RSE calculations and the ability to compare RSEs across risks. Though the time it will take to get to that level of confidence is unknown, we are committed to showing improvements towards meeting this recommendation as appropriate, in our next RAMP.
- d. Anticipate being included in the next RAMP, as appropriate.
- e. Anticipate providing risks that have been added, removed, or changed from one RAMP submission to the next, in our next RAMP, as appropriate.

ORA DATA REQUEST
ORA-SCG-090-NS4
SOCALGAS 2019 GRC – A.17-10-008
SOCALGAS RESPONSE
DATE RECEIVED: JANUARY 22, 2018
DATE RESPONDED: FEBRUARY 7, 2018

SoCalGas Response 1: -Continued

- f. SoCalGas and SDG&E are continuously refining their metrics, to the extent that comparable and useful metrics are available, when analyzing their risks and as needed. As such, reviewing and refining comparison statistics and metrics are not limited to the filing of a RAMP. Further, SoCalGas and SDG&E anticipate refining their comparison statistics or metrics in the context of:
- Preparing for and lessons learned from our accountability reporting, estimated to begin in 2020 in accordance with D.14-12-025; and
 - Participating in the S-MAP metrics working group efforts, which are currently underway.
- g. Anticipate being included in the next RAMP, as appropriate.
- h. SoCalGas and SDG&E anticipate less bundling of mitigations in the next RAMP. While the goal for mitigation analysis is to strive for granularity, there may be instances where bundling activities makes sense. For example, if there is a request to purchase software and training is required for implementation of the software, it may be best to analyze these activities together in one bundle. This is because the software training is dependent on the purchasing of the software. In other words, we would not conduct the training as a stand-alone mitigation if no software was purchased.
- i. Commission guidance has not called for inclusion of risks with a score below 4, up to this point. Moreover, SoCalGas and SDG&E recognize that, depending on the outcome of Phase 2 of the S-MAP, the next RAMP may not utilize our current 7X7 risk matrix for determining the risks to be included in the RAMP. As such, risks with a risk score of 3 in the Health, Safety, and Environmental attribute may not be relevant when discussing the appropriate threshold for risks to be included in the RAMP. That being said, we anticipate providing that additional Commission guidance on this issue may be forthcoming, and we anticipate providing similar information about the scoring of our safety risks either in preparation for our next RAMP or in the next RAMP.
- j. We anticipate determining the appropriate level of modeling sophistication (e.g., calibrated subject matter expertise, fault/event tree, or stochastic modeling) for a given RAMP risk. Based on this, we will consider whether expected value or average probability events is meaningful and should be included.
- k. Should the Climate Change Adaptation risk be deemed appropriate or desirable to be included in the RAMP, it is anticipated that RSE calculations would be provided in the next RAMP, as available and appropriate.
- l. Determining if further data collection is needed or warranted for existing metrics where it may be lacking is an ongoing operations effort and must be considered with the cost of obtaining such data. We continue to analyze this in light of the development of metrics for the accountability reports and the S-MAP metrics working group.
- m. Similar to the response to part l of this response, determining the necessary metrics is an ongoing operations effort, which will continue in light of the development of metrics for the accountability reports and the S-MAP metrics working group.

ORA DATA REQUEST
ORA-SCG-090-NS4
SOCALGAS 2019 GRC – A.17-10-008
SOCALGAS RESPONSE
DATE RECEIVED: JANUARY 22, 2018
DATE RESPONDED: FEBRUARY 7, 2018

2. Please provide a spreadsheet of all funding requests (broken down by witness area) for each risk identified in Sempra's 2016 RAMP filing. For example, the section or sheet associated with "Workplace Violence" should include each funding request associated with the Workplace Violence Risk and the amount of funding requested in each instance.

If any witness areas explicitly address a risk but do not request funding, please include this area in the spreadsheet with a \$0 designation.

SoCalGas Response 2:

Please see the separately attached spreadsheet "*ORA-SCG-090_Q2-Q3_RAMP Mapping.xlsx*." Prior to reviewing or analyzing the information contained in the spreadsheet, please read the information on the Overview and Disclaimers tab. As noted on the Overview and Disclaimers tab, this spreadsheet reflects the information put forth in the revised testimony exhibits of SoCalGas and SDG&E, submitted on December 20, 2017. The RAMP-related cost information by line item is presented in the spreadsheet on the O&M RAMP Data and Capital RAMP Data tabs. These two tabs have the requested information and can be further filtered by header row, such as Company, RAMP risk, GRC witness, etc. For your reference, we have provided two summary tabs, O&M Summary Pivot and Capital Summary Pivot, to illustrate that the information in the spreadsheet is consistent with the tables included in Appendix A.2 of the Revised Testimony of Risk Management and Policy witness Diana Day (Exhibit SCG-02-R/SDG&E-02-R Chapter 1). Lastly, the tab labeled RAMP Risk List is being included for informational purposes.

ORA DATA REQUEST
ORA-SCG-090-NS4
SOCALGAS 2019 GRC – A.17-10-008
SOCALGAS RESPONSE
DATE RECEIVED: JANUARY 22, 2018
DATE RESPONDED: FEBRUARY 7, 2018

3. For each RAMP risk identified in Question 02 above, please identify the nominal and percent changes from the preliminary funding estimate in Sempra's RAMP filing.

SoCalGas Response 3:

The RAMP range for each applicable activity or line item is provided in the spreadsheet referenced in the response to Question 2. The RAMP range included in the spreadsheet reflects the amounts shown in GRC workpapers, which were entered by the GRC witness teams.

GRC witness teams did not consistently translate the estimated RAMP range from the RAMP report to their GRC workpapers. In other words, the RAMP range reflected in the GRC workpapers may not always align with the range put forth in the RAMP report. This largely occurred because RAMP mitigation activities may not have cleanly mapped to a single witness area, forecast adjustments or line items due to how the teams entered the activities into our GRC forecasting application. This issue is discussed in further detail in the direct testimony of Jamie York (SCG-02-R/SDG&E-02-R, Chapter 3, section F). For example, some GRC teams entered adjustments as an aggregated amount (i.e., multiple activities were entered as one line item), while others split costs for one activity between multiple workpapers based on where the costs are recorded. This would result in consolidating or splitting the ranges that appeared in the RAMP report. Another example is, if a GRC team entered an activity as multiple adjustments, the RAMP range may have been duplicated by the GRC team, since a RAMP range is associated with each adjustment. In other instances, the GRC witness team may have interpreted the RAMP range for a particular subject matter, resulting in the range from the RAMP report being partially represented.

Because of the foregoing, the calculations requested in this question and any comparisons based on the calculations should not be taken as a defining data point. Further, SoCalGas and SDG&E notes that the ranges presented in the RAMP were superseded by the specific requests made in supporting testimony in the GRC.