

**ORA DATA REQUEST  
ORA-SCG-122-LMW  
SOCALGAS 2019 GRC – A.17-10-008  
SOCALGAS RESPONSE  
DATE RECEIVED: FEBRUARY 6, 2018  
DATE RESPONDED: FEBRUARY 23, 2018**

**Exhibit Reference:** SCG-23 - Capital

**SCG Witness:** Herrera

**Subject:** Fleet Services & Facilities

**Please provide the following:**

1. In response to data request ORA-SCG-037-LMW Q4f, SCG provided in service dates for the Chatsworth, Compton, Anaheim, and Pico Rivera facilities, noting that the forecasted Compton upgrades are delayed until 09/30/2018. Based on this, please provide/answer the following:

- a. For each of these facility improvements, provide a timeline indicating when the project will commence and be completed inclusive of milestones (e.g., request for proposals developed/completed, contractors approved, furniture ordered, etc).
- b. For each of these forecasted facility improvements has management approved the project? If yes, provide the level of approval. If no, then why have the projects not been approved considering the projects were requested in the prior rate-case?
- c. For each of these facility improvements, please confirm that all these projects are still in their “holistic” view stage. Also, provide a definition as to what is meant by “holistic”.
- d. For each of these forecasted facility improvements, were any Request for Proposals sent, or contractors hired? If no, then why?
- e. For each of these forecasted facility improvements, has any furniture been ordered? If no, then why?
- f. Provide an explanation why the Compton improvements completion date has been accelerated by 6 months.
- g. Have any of the Compton improvements started? If yes, please advise what improvements have been started.
- h. With the known asbestos and heavy metal exposure in Compton, Anaheim, and Pico Rivera why has SCG management delayed the upgrades given these upgrades were requested in the last rate-case?

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- i. Based on review of SCG's 5 years of historical data, ORA noted there were no costs recorded for facility renovations (00653B). Why are there no costs recorded? Were there any facility renovation costs for those historic years?
- j. In the last GRC, did SCG request recovery for facility renovations? If no, then why? If yes, please provide the amount by year by facility project requested and the amounts approved by the Commission.

**SoCalGas Response 1:**

- a. Generally, SoCalGas' GRC Application includes capital forecasts for assets projected to be in-service by the test year. These forecasts represent SoCalGas' projection of the expenditures over the GRC forecast period, and forecasts are reviewed and approved by management. The duration between the development of the GRC project forecasts and the planned in-service date can be three or more years. For example, a forecast for a project in the TY2016 GRC may have been developed in late 2013 with a projected in-service date in 2016. As emergent and unanticipated work or circumstances arises subsequent to the preparation and submittal of the GRC Application, SoCalGas may reprioritize or re-allocate capital work within and across areas in a manner consistent with providing safe and reliable services. Since the data request ORA-SCG-037-LMW, the holistic view phase has been completed and based on the results of that phase (see response to 1.c. for more detail about the holistic view phase), SoCalGas will increase the scope of the Pico Rivera, Monterey Park, and Bakersfield facilities and delay the upgrades to the Compton and Chatsworth facilities. Accordingly, a project schedule for Compton and Chatsworth are not available. The project schedule inclusive of milestones is not available for the Anaheim facility, however, an initial draft architectural plan has been completed.
- b. See response to 1.a.
- c. The holistic view is complete, inclusive of initial architectural plans and drawings. Holistic view in this instance is meant to describe an approach that looks across all of SoCalGas' regional headquarters to determine optimal utilization and appropriate work group co-location at each facility while working to maximize space efficiencies. This holistic approach allows SoCalGas to maximize use of our existing facilities and will be leveraged to prioritize and refine the scope for facilities renovation projects.
- d. SoCalGas has hired architectural design firms to create plans and drawings for these sites as well as completed the holistic view study of the regional headquarters. Please see response to 1.a., above.
- e. No. These projects are not yet at the stage where furniture would be ordered. Typically, furniture is ordered 12 weeks ahead of installation.

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f. The Compton improvements were delayed, not accelerated, to accommodate the completion of the holistic view study. Please see response to 1.a., above.

g. No.

h. SoCalGas objects to this request on the grounds that it assumes facts not in evidence and lacks foundation. Exhibit SCG-23 does not state that there is known asbestos and heavy metal exposure. SoCalGas also objects to this request on the grounds that the term “exposure” is vague and ambiguous. There is a difference between exposure and abatement. Subject to and without waiving these objections, SoCalGas responds as follows: The abatement of asbestos and heavy metals is only necessary as part of construction (and thus impacts the forecasted renovation costs). Abatement is not required if the materials are left undisturbed.

i. Various facility renovation projects were completed during the 2012 – 2016 period. However, these projects roll-up to the 00653 budget category listed in the 5-year historical data. Please see table below for recorded costs for facility renovations from 2012 – 2016 in nominal dollars (\$000). Historical recorded costs related to facility renovations may also be present in other budget categories. SoCalGas will continue to research and can provide updated analysis when available.

(\$000) Budget Code	2012	2013	2014	2015	2016
00653B	\$ 7,759	\$ 748	\$ 0	\$ 11	\$ 876

j. Please see Response 3a in SoCalGas Data Request response to ORA-SCG-037-LMW, copied here for convenience:

“Funding was requested in the TY2016 for Facility Renovations for Future Requirements. Please see TY2016 GRC, A.14-11-004, Exhibit SCG-15, page CLH-26 through CLH-27.”

Please see Joint Motion for Adoption of Settlement Agreements Regarding Southern California Gas Company’s Test Year 2016 General Rate Case, Including Attrition Years 2017 and 2018, page B-7, item 5, copied here for convenience:

**5. Fleet Services & Facility Operations**

Parties stipulate to ORA’s 2014 capital expenditure forecast of \$ 27.628 million.

Parties stipulate to SoCalGas 2015 capital expenditure forecast of \$ 36.050 million.

Parties stipulate to SoCalGas 2016 capital expenditure forecast of \$ 38.011 million.

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2. In response to data request ORA-SCG-037-LMW Q.3, SCG noted in the response known asbestos and heavy metal exposure in Compton, Anaheim, and Pico Rivera. Based on this, please provide/answer the following:

- a. Why has SCG management delayed the upgrades given these upgrades were requested in the last rate-case?
- b. Has the removal costs for asbestos and heavy metal been factored into SCG's forecasted costs?
- c. What is the level of exposure to SCG employees?

**SoCalGas Response 2:**

a. SoCalGas objects to this request on the grounds that it assumes facts not in evidence. Exhibit SCG-23 does not state that there is known asbestos and heavy metal exposure. SoCalGas also objects to this request on the grounds that the term "exposure" is vague and ambiguous. Subject to and without waiving these objections, SoCalGas responds as follows:

Generally, SoCalGas' GRC Application includes capital forecasts for assets projected to be in-service by the test year. These forecasts represent SoCalGas' projection of the expenditures over the GRC forecast period, and forecasts are reviewed and approved by management. The duration between the development of the GRC project forecasts and the planned in-service date can be three or more years. For example, a forecast for a project in the TY2016 GRC may have been developed in late 2013 with a projected in-service date in 2016. As emergent and unanticipated work arises subsequent to the preparation and submittal of the GRC Application, SoCalGas may reprioritize capital work within and across areas in a manner consistent with providing safe and reliable services.

b. SoCalGas incorporates by reference the objections asserted in response 2.a. In addition, SoCalGas objects to this request on the grounds that "removal" is vague and ambiguous. Subject to and without waiving these objections, SoCalGas responds as follows: Yes, the abatement costs for asbestos and heavy metal have been included in SoCalGas' forecasted costs.

c. SoCalGas incorporates by reference the objections asserted in response 2.a. Subject to and without waiving these objections, SoCalGas responds as follows: Please see response 1h.

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3. In response to data request ORA-SCG-037-LMW Q.4 related to the Gas Control Consolidation, SCG provided the justification for the project. Based on this, please provide/answer the following:

- a. Has a site been determined for the new facility?
- b. A timeline indicating when the project will commence and be completed inclusive of milestones (e.g., request for proposal developed/completed, contractors approved, furniture ordered, etc).
- c. Has management approved the project? If yes, provide the level of approval. If no, then why has the projects not been approved?

**SoCalGas Response 3:**

Question withdrawn

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4. In response to data request ORA-SCG-037-LMW Q.4 related to the Logistics Warehouse, SCG provided the justification for the project. Based on this, please provide/answer the following:

- a. Has a site been determined for the new facility?
- b. A timeline indicating when the project will commence and be completed inclusive of milestones (e.g., request for proposal developed/completed, contractors approved, furniture ordered, etc).
- c. Has management approved the project? If yes, provide the level of approval. If no, then why has the project not been approved considering the material traceability requirements?

**SoCalGas Response 4:**

- a. No. SoCalGas is exploring options at various Company owned sites.
- b. A detailed timeline for this project is not yet available pending phase 2 of the architectural study.
- c. Yes, management has approved the projected expenditures for this project over the GRC forecast period.

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5. In response to data request ORA-SCG-037-LMW Q.7 related to the Collaborative Training Facility, SCG provided the justification for the project. Based on this, please provide/answer the following:

- a. For this project, provide a timeline indicating when the project will commence and be completed inclusive of milestones (e.g., request for proposal developed and completed, contractors approved, furniture ordered, etc).
- b. Has management approved the project? If yes, provide the level of approval. If no, then why have the projects not been approved?
- c. The location of the Training Facility.
- d. ORA noted SCG did not supply a response to the question (DR-37 Q7d.) why the project is considered a necessity.
- e. What are the detrimental effects if the project is not approved?

**SoCalGas Response 5:**

Question withdrawn.

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6. In response to data request ORA-SCG-037-LMW Q7c., SCG responded “The Collaborative Training Center is needed to provide a flexible space dedicated to training SoCalGas represented employees throughout a variety of disciplines. The space needs to be flexible and adaptable to a variety of different training needs.” Based on this, please provide/answer the following:

- a. Why is a dedicated flexible space “needed” to train employees?
- b. SCG’s employees are trained now without a “flexible dedicated space” Is training inadequate? What are the issues with the current training space currently used?
- c. SCG states, “The space needs to be flexible and adaptable to a variety of different training needs.” Why does the space “need” to be flexible?
- d. What are the different training needs that “need” a flexible and adaptable space?
- e. How does this flexible and adaptable space work to benefit the variety of training needs?

**SoCalGas Response 6:**

Question withdrawn.



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7. Based on ORA’s review of the 5 years of historical data, SCG does not appear to provide any historical costs for Sustainability Projects (00653C). Please provide the historical costs from 2012 – 2016 for these types of projects. If there are no costs, please explain why. If costs for these types of projects were previously booked into different accounts or cost categories, please provide those costs and indicate in which accounts or cost categories they were booked.

**SoCalGas Response 7:**

Costs for Sustainability Projects (00653C) are grouped into the 00653 budget category in the 5 year historical data provided to ORA. Please see below for the costs specific to Sustainability Projects 00653C below in nominal dollars (\$000). Historical recorded costs related to sustainability projects may also be present in other budget categories. SoCalGas will continue to research and can provide updated analysis when available.

<b>(\$000)</b>					
<b>Budget Code</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>00653C</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,578</b>

Additionally, Sustainability Projects are often part of Facility Renovations, as such, several Sustainability Projects were also recorded in 00653B – Facility Renovations, please see response 1.i for recorded costs in Facility Renovations.

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8. In response to data request ORA-SCG-037-LMW Q.9e. SCG responded “The project has completed the RFP phase at the time of this data request and has incurred costs in 2017 related to architectural design & permitting. 2017 financial information is expected to be available in late Q1 2018.” Based on this please provide/answer the following:

- a. What constitutes the RFP phase and where does it fit into the timeline for project completion?
- b. A timeline indicating when the project will commence and be completed inclusive of milestones (e.g., request for proposal developed/completed, contractors approved, furniture ordered, etc).
- c. Has grading of the land started? If no, when does SCG plan to grade the land?
- d. Have all permits been obtained for site preparation? If no, when does SCG forecast the permits being obtained?
- e. Have any buildings been started on the site. If no, when does SCG forecast the start of building?
- f. When does SCG expect utilities to be run to the site?
- g. With an in-service date forecasted of 09/30/2018, please advise how SCG expects to meet this in service date given the current progress of the project.

**SoCalGas Response 8:**

- a. The Request for Proposal (RFP) phase indicates the project is gathering bids from vendors to complete the work. This is a pre-cursor to the start of construction.
- b. A preliminary schedule has been developed and is currently being finalized through contract negotiations. The schedule is anticipated to be available within the next two weeks.
- c. Grading is expected to begin mid-March due to Kern county requirements that land be undisturbed within the first 30 days of a building permit issuance.
- d. There are three permits that are required for this project, 1) Kern County building permit, 2) NGV station permit, and 3) underground fuel storage tank permit. The Kern County building permit is complete. The NGV station permit is expected to be complete by June 2018. The underground fuel storage tank is expected to be complete by June 2018.
- e. No. Based on current information, SoCalGas forecasts groundbreaking to begin in March 2018.

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f. Utilities to the site are complete at the street side of the property in December of 2017.

g. Based on current information, SoCalGas plans to substantially complete this project at 12/31/18, with an in-service date of 12/31/2018. Some line items like landscaping will be complete in Q1 2019.