

ORA DATA REQUEST
ORA-SCG-151-YNL
SOCALGAS 2019 GRC – A.17-10-008
SOCALGAS RESPONSE
DATE RECEIVED: MARCH 2, 2018
DATE RESPONDED: MARCH 20, 2018

Exhibit Reference: SCG-09-R, SCG-09-WP-R

SCG Witness: Deanna R. Haines

Subject: Gas Engineering

Please provide the following:

1. Referring to Ex. SCG-09-WP-R, p.128 of 153, SCG makes a 2019 RnwblGas-SB 1283 adjustment of \$136,000 for labor and \$220,000 for non-labor. Please provide a more detailed description as to why this adjustment is needed. Specifically, is SCG requesting new FTEs and if so how many, for what purpose and at what labor rates? Is the \$220,000 non-labor adjustment for contracted labor? If so, what will the contracted labor be used for and at what rates? If not, please provide a description for the need behind the \$220,000 non-labor adjustment.

SOCALGAS Response 01:

The 2019 RnwblGas-SB 1383 adjustments of \$136,000 for labor and \$220,000 for non-labor are in support of the SB1383 dairy clusters. Specifically, this expense is for determining the gas quality from each dairy farm that will be feeding into conditioning plants. An accurate design basis is essential to designing a conditioning plant that will process the gas to ultimately meet the Tariff specifications needed to enter utility pipelines. There are no new FTEs being requested; rather, the labor is the combination of several employees that are needed to support the sampling of gas at each dairy farm. This labor entails preparation time and long driving distances (e.g., from the Pico Rivera lab to the dairies in the northern San Joaquin Valley). Further, the sampling process entails a day of set up and testing. Rather than simply grabbing a canister sample, gas must also be sampled through liquids, solid adsorbents, condensers and filters. Estimates assumed that sampling would take place at 15 dairy farms (5 clusters, each with 3 farms). The samples in the canister, adsorbents, liquids and filters are then sent out to the various 3rd party labs; this makes up the bulk of the non-labor cost. There was no contracted labor as part of the \$220,000 adjustment. Due to the long travel distances, non-labor costs also include overnight stays for our personnel who sample the gas. Additional anticipated non-labor costs include composite sample tanks (15 farms) and on-line biogas analyzers that allow remote monitoring.

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2. Referring to Ex. SCG-09-WP-R, p. 66 of 153, SCG makes a 2019 adjustment to incorporate two FTE migrating from the Advanced Meter capital projects to operations, policy, procedures, training, special studies, and RMA. Is ORA correct to assume that SCG is moving personnel from one department to another and all else held equal the total labor and non-labor expenses would not change? If so, please refer to SCG's testimony and workpapers where the \$200,000 labor and \$10,000 non-labor expenses would be offset by this move from Advanced Meter capital projects.

SOCALGAS Response 02:

As the Advanced Metering Infrastructure (AMI) project nears completion, SoCalGas is moving personnel from AMI to the Measurement, Regulation & Control group within Gas Engineering. However, since costs for the AMI project are being recorded to the Advanced Metering Infrastructure Balancing Account (AMIBA) through 2018, there are no offsetting historical adjustments in workpapers. TY 2019 is the first opportunity to present AMI-related operating costs into the GRC. Please refer to the revised testimony of Rene F. Garcia (Exhibit SCG-17-R) for additional information

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3. Referring to Ex. SCG-09-WP-R pp. 40-128 of 153, SCG often makes adjustments to various categories by requesting additional FTEs (project managers, engineers, technical advisors and other full-time employees). Please provide a description of how SCG estimated its need for additional FTEs. Has SCG performed studies or any type of assessments to justify its requests for additional FTEs? Please provide any documents, studies or workpapers justifying SCG's need for additional personnel.

SOCALGAS Response 03:

FTEs are distinct from headcount. An FTE is a number of labor hours per year, normally 2080. An FTE does not necessarily correspond directly to headcount, for example 1 person (1 head) may work overtime, so that 1 person may represent more than 1 FTE; for example if a person works every Saturday for 4 hours in addition to the routine 40 hour workweek (an electric troubleshooter for example), then that person works 2288 hours in the year, or $2288/2080 = 1.1$ FTE. A person working half-time would be 0.5 FTE and so on.

The FTE value in history is simply the historical charged hours divided by 2080 (or the appropriate value of work hours in the year). FTEs in forecasts are frequently derived by an average or trend of the historical years, or are discretely calculated based on the number of labor hours thought to be needed.

Adjustments made in addition to the selected methodology are driven by labor estimates from combined employees, upward pressures such as renewable gas projects (SB-1383), CPUC audit recommendations, and Risk Assessment Mitigation Phase programs and projects.