

FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015

Escalation

FEA 02 - 1. Labor O&M Escalation. Refer to Exhibit No. SDG&E-33-WP. On this worksheet, has SDG&E reflected wage increases for utility service workers (union contract escalations), managers and administrators and professional and technical for the years 2015, 2016, 2017 and 2018? If so, please identify the wage increases applied to each category in 2015, 2016, 2017 and 2018. Explain the basis for the wage increases.

SDG&E Response:

The following refers to page 1 of Exhibit No. SDG&E-33-WP (Mr. Wilder's workpapers). U.S. wage increases in private-industry worker categories are reflected in the three respective escalation series shown in the worksheet. The first three series below the worksheet's subheading "Components from Global Insight" are identified as "Utility Service Workers", "Managers & Administrators", and "Professional & Technical". The annual percentage increases in these three respective series for years 2015, 2016, 2017, and 2018 are:

Utility Service Workers:	2.13%, 2.47%, 2.61%, 2.53%;
Managers & Administrators:	2.43%, 2.66%, 2.72%, 2.65%;
Professional & Technical:	2.43%, 2.74%, 2.76%, 2.64%.

The basis: all three labor cost series were taken from IHS Global Insight's 4th Quarter 2013 Power Planner utility cost forecast, released in February 2014. The indexes were then set to 2013=1.0000 to align with this proceeding's Base Year.

FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015

FEA 02 - 2. Labor O&M Escalation. Refer to Exhibit No. SDG&E-33-WP. On this worksheet, has SDG&E reflected wage increases for managers and administrators and professional and technical in the years 2009, 2010, , 2011, 2012, 2013 and 2014? If so, please identify the wage increases applied to each category in each year.

SDG&E Response:

The following refers to page 1 of Exhibit No. SDG&E-33-WP (Mr. Wilder's workpapers). U.S. wage increases in the private-industry categories are reflected in the two respective escalation series shown in the worksheet. They represent national wage and salary costs for these classes of workers. The second and third series below the worksheet's subheading "Components from Global Insight" are identified as "Managers & Administrators", and "Professional & Technical". The annual percentage increases in these two series for years 2009, 2010, 2011, 2011, 2013, and 2014 are:

Managers & Administrators: 1.12%, 1.99%, 1.69%, 1.70%, 2.18%, 1.93%;
Professional & Technical: 1.84%, 1.43%, 1.65%, 1.80%, 1.96%, 2.04%.

Both labor cost series were taken from IHS Global Insight's 4th Quarter 2013 Power Planner utility cost forecast, released in February 2014. The indexes were then set to 2013=1.0000 to align with this proceeding's Base Year.

FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015

New Environmental Regulatory Balancing Account (NERBA)

FEA 02 - 3. Refer to page RSP-10 of R. Scott Pearson's testimony (lines 7-8). Has a consultant been retained for analyzing the impact of the PCB Phase out? If so, please provide a copy of the contract. If not, identify when it is anticipated that the consultant will be retained.

SDG&E Response:

The section referenced on page RSP-10 of R. Scott Pearson's testimony describes the justification related to the Municipal Separate Storm Sewer System (MS4) permit requirements and not the PCB Phase out.

The scope of work to support SDG&E in determining the impacts of new MS4 regulations/ordinances on operations is part of an existing contract for stormwater-related services with Mikael Ogawa Engineering (MOE). MOE has been under contract with SDG&E for these services since August 2014. Final stormwater ordinances adopted by all of the MS4 co-permittees in the SDG&E service territory are anticipated to be submitted to the State Board by August 2015.

RESPONSE REMOVED DUE TO CONFIDENTIALITY

**FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015**

FEA 02 - 4. Refer to page RSP-8 of R. Scott Pearson's testimony (line 27-29). Provide a copy of the Notice of Proposed Rulemaking to be issued in February 2015.

SDG&E Response:

The Notice of Proposed Rulemaking governing Polychlorinated Biphenyls (PCBs) reassessment of use of authorizations has not been issued by the Environmental Protection Agency (EPA). The EPA website currently projects that the Notice of Proposed Rulemaking is anticipated to be issued in July 2015.

The EPA website address is <http://yosemite.epa.gov/opei/rulegate.nsf/byRIN/2070-AJ38>

FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015

FEA 02 - 5. Refer to page RSP-8 of R. Scott Pearson's testimony (line 31). Has a consultant been retained for analyzing the impact of the PCB Phase out? If so, please provide a copy of the contract. If not, identify when it is anticipated that the consultant will be retained.

SDG&E Response:

A consultant has not been retained for the analysis for the impact of the PCB Phase Out. It is anticipated that the consultant will be retained once the final rule is adopted when a clear scope of work can be developed. In R. Scott Pearson's workpapers, SDG&E-18-WP, Page 30 of 132 for cost center 1EV000.001, the consultant costs for analyzing the PCB Phase Out are in calendar year 2016.

**FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015**

FEA 02 - 6. Refer to page RSP-11 of R. Scott Pearson's testimony (lines 1-2). When are the final requirements expected to be known?

SDG&E Response:

Scott Pearson's testimony, RSP-11, lines 1-2, refer to SB 1371. On April 22, 2015, the California Air Resources Board (CARB) published a draft proposed regulation order incorporating requirements set forth in SB 1371. Most provisions of the regulation order would be effective January 1, 2017. Based on the comment and review schedule provided by CARB, SDG&E anticipates knowing the final requirements of this regulation order (Article 3. Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities) at least six months prior to the effective date, or by July 1, 2016.

FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015

FEA 02 - 7. Refer to the chart on page RSP-7 of Exhibit SDG&E-18 and provide the calculations supporting each of the 2016 cost amounts included in the table, including any documents supporting the Company's estimate.

SDG&E Response:

This information is contained in the workpapers of: R. Scott Pearson (Exhibit SDG&E-18-WP) for 1EV000.001 and 1EV000.002; James Carl Seifert (Exhibit SDG&E-17-CWP, Page 29 of 109) for Budget Code 703; and, John L. Dagg (Exhibit SDG&E-05-WP) for 1GT001.000.

NERBA Item	2016 Cost (\$000)	Base Year Spend	Incremental Increase	Supplemental Work Paper Detailing Incremental Increase
AB32 Administrative Fees – Electric	\$310	\$223	\$87	SDG&E-18-WP, Page 42 of 132
AB32 Administrative Fees - Gas	\$560	\$560	\$0	N/A
Subpart W	\$3	\$3	\$0	N/A
PCB Phase Out	\$75	\$0	\$75	SDG&E-18-WP, Pages 48 of 132
MS4 – O&M	\$19	\$0	\$19	SDG&E-18-WP, Pages 46-47 of 132
MS4 – Capital*	\$6,348	\$0	\$6,348	SDG&E-17-CWP, Page 29 of 109
LDAR**	\$42	\$0	\$42	SDG&E-18-WP, Pages 43-45 of 132
LDAR**	\$74 \$42	\$0	\$74 \$42	SDG&E-05-WP, Page 15 of 25
Gas Cap and Trade	N/A	Remove from NERBA		

* See also the response to question FEA 02 – Q30 for documents supporting the company's estimate.

** For the LDAR estimates, the incremental O&M of \$42K listed in Scott Pearson's testimony (SDG&E-18, Pages RSP-7 to RSP-8) and workpapers (SDG&E-18-WP, Page 36-37 of 132) was included in error and should be removed. The 2016 incremental O&M forecast amount of \$74K appearing in John Dagg's (SDG&E-05) testimony is an appropriate NERBA item; however, the forecast should have reflected \$42K (as supported by the supplemental workpaper for LDAR shown on SDG&E-18-WP, Pages 43-45 of 132) instead of \$74K.

FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015

FEA 02 - 8. Refer to the chart on page RSP-7 of Exhibit SDG&E-18. Provide a reconciliation of the costs shown here and the 2016 TY cost of 1.009 million shown on page RSP-4 to be included in the NERBA. Is the company proposing to include the capital portion associated with the MS4 of \$6.348 included in rate base and any incremental increase or decrease to be recovered through the NERBA?

SDG&E Response:

The \$1.009 million referenced on page RSP-4 only includes those items covered by the testimony and workpapers for R. Scott Pearson. The \$6.348 million and the \$74K are costs covered by the testimony and workpapers for James Carl Seifert and John L. Dagg, respectively.

As stated on page RSP-6 of Exhibit SDG&E-18 (lines 19-20), Environmental Services requests the inclusion of the capital costs for compliance with the new MS4 permit as new costs to be recorded in the NERBA.

FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015

FEA 02 - 9. NERBA. Refer to FEA Attachment 1-95. Provide the monthly NERBA balances, separated by Gas & Electric, for October, November and December 2015 and through the most recent month of 2015 available.

SDG&E Response:

This request seeks 2014 data. The GRC forecast was developed according to the Rate Case Plan, which does not contemplate the use of 2014 data and the forecasts were not developed using that information. While that data may indicate lower spending than forecasted in some areas, it may also indicate higher spending than forecasted in others. Although SDG&E is providing that data in the spirit of cooperation, the utility is not permitted to revise its forecasts using that data, either up or down, once the application is filed. With these conditions in mind, and without waiving the right to contest or respond to how the data is used, SDG&E responds to this question as follows:

SDG&E interprets this question to be regarding October, November and December 2014 not 2015.

E/G	Account Name	Oct-14	Nov-14	Dec-14
E	NERBA - New Environmental Regulatory Balancing Account	\$ (281,141)	\$ (317,416)	\$ (353,694)
	AB 32 Admin Fees Subaccount	(281,141)	(317,416)	(353,694)
	PCB Sub Account	-	-	-
	C&T Subaccount	-	-	-
G	NERBA - New Environmental Regulatory Balancing Account	\$ (137,521)	\$ (179,271)	\$ (206,982)
	AB 32 Admin Subaccount	577,333	532,462	487,584
	Subpart W Subaccount	(1,135,749)	(1,160,845)	(1,185,943)
	C&T Facilities Subaccount	420,895	449,112	491,377
	C&T End User Subaccount	-	-	-

E/G	Account Name	Jan-15	Feb-15	Mar-15
E	NERBA - New Environmental Regulatory Balancing Acct	\$ (390,491)	\$ (427,782)	\$ (465,077)
	AB 32 Admin Fees Subaccount	(390,491)	(427,782)	(465,077)
	PCB Sub Account	-	-	-
	C&T Subaccount	-	-	-
G	NERBA - New Environmental Regulatory Balancing Acct	\$ (621,037)	\$ (546,834)	\$ (472,624)
	AB 32 Admin Subaccount	488,921	490,254	491,587
	Subpart W Subaccount	(1,109,958)	(1,037,088)	(964,211)
	C&T Facilities Subaccount	-	-	-
	C&T End User Subaccount	-	-	-

Balances in parenthesis are over-collected, others are under-collected.

**FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015**

FEA 02 - 10. NERBA. Refer to the response to UCAN Data Request -001, No. 49. Please explain why the following amounts shown for the Gas NERBA are negative, (\$890,489) for Subpart W and (\$278,580) for AB32 Administrative Fees. Do these represent over collections?

SDG&E Response:

Yes, amounts shown in parenthesis represent over-collections.

**FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015**

FEA 02 - 11. NERBA. Refer to the response to UCAN Data Request -001, No. 49. Identify the 2014 ending NERBA balance, separated by Gas & Electric.

SDG&E Response:

Please refer to SDG&E's response to FEA 02 - 09 above.

**FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015**

Labor

FEA 02 - 12. Identify the actual annual percentage wage increases for SDG&E union employees for each of the years: 2010, 2011, 2012, 2013, and 2014. Also provide the actual annual percentage wage increase for 2015 if it is available.

SDG&E Response:

	2010	2011	2012	2013	2014	2015
Annual increase	3.8%	2.58%	2.5%	2.5%	2.75%	TBD

**FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015**

Material and Supplies

FEA 02 - 13. Refer to Jesse Aragon's workpapers (pages 620-632). Provide monthly materials and supplies balances (separately for SDG&E's electric and gas operations) for each of the years 2010, 2011, 2012, and 2014. For each of the years 2010-12, provide the SONGS balance separately. Provide monthly year to date balances for each month of 2015 if available.

SDG&E Response 13:

Please see attachments noted below for the monthly materials and supplies balances for 2010, 2011, 2012 and 2014. Although 2014 data is not part of SDG&E's forecasts or within the scope of this case, SDG&E is providing 2014 data in the spirit of cooperation without waiving the right to contest or respond to how the data is used.

2015 financial information will not be available until after SDG&E makes its 10-K filing with the SEC in early 2016.

- FEA DR-02 Q-13 Electric M&S Attachment.xlsx
- FEA DR-02 Q-13 Gas M&S Attachment.xlsx

FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015

Fuel in Storage

FEA 02 - 14. Provide the December 31 balances for each of the years: 2010, 2011, 2012, and 2014. Provide monthly year to date balances for each month of 2015 if available.

SDG&E Response 14:

Please see listed below the December 31 year-end balances for Fuel in Storage for each of the years 2010, 2011, 2012 and 2014.

2010 = \$297,942

2011 = \$303,997

2012 = \$131,484

2014 = \$360,930

Although this data is not part of SDG&E's forecasts or within the scope of this case, SDG&E is providing 2014 data in the spirit of cooperation without waiving the right to contest or respond to how the data is used. 2015 financial information will not be available until after SDG&E makes its 10-K filing with the SEC in early 2016.

FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015

Capital Expenditures

FEA 02 - 15. Refer to the excel spreadsheet titled “2014 Recorded capital expenditures – SDG&E tab titled 2014 SDG&E” Adj-Rec, pages 2 through 6 of 9. Include a column which indicates which category of management each project corresponds to in relation to Table 2 on page JDJ-26 of John D. Jenkin's testimony.

SDG&E Response:

Although 2014 data is not part of SDG&E’s forecasts or within the scope of this case, SDG&E is providing 2014 data in the spirit of cooperation without waiving the right to contest or respond to how the data is used. Please see the attached EXCEL file title “2014 Recorded Capital Expenditures – SDGE_FEA 02 – 15.xlsx” which indicates the category of management for each project/budget code on the “2014 SDGE Adj-Rec” tab.

In addition, the following worksheets in this file show a reconciliation of historical and forecasted costs for all of the categories of management for Electric Distribution Capital, mappings of related budgets, and the addition of historical items (carryover or new budget codes) that were excluded from the 2014 GRID history file that were previously submitted:

- 2014 SDGE Adj-Rec_ED Capital_R1
- Smart Grid Portfolio Road Map
- Advanced Energy Storage

Please refer to the “Notes” tab for detailed explanations of what each tab represents as well as key items of note.

FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015

Wildfire Insurance

FEA 02 - 16. Refer to the excel spreadsheet titled "2014 Recorded operating costs – SDG&E" tab titled 2014 SDG&E Adj-Rec, page 13 of 17. Confirm the following workpaper numbers correspond to the insurance categories listed:

- 1SN000.000 - Property
- 1SN000.002 - Excess Liability
- 1SN000.003 - Excess Workmans Comp
- 1SN000.004 - Other Liability
- 1SN000.006 - Wildfire Liability

SDG&E Response 16:

Although this data is not part of SDG&E's forecasts or within the scope of this case, SDG&E is providing 2014 data in the spirit of cooperation without waiving the right to contest or respond to how the data is used. The insurance categories listed refer to the workpaper numbers as follows:

1SN000.000 – Property

- A-1.1 Primary
- A-2.1 All Risk Excess
- A-4.1 Crime
- A-5.1 Yuma 500KV
- A-5.2 Control of Well
- A-6.1 Broker Fees

1SN000.002 - Excess Liability

- B-1.1 Excess

1SN000.003 - Excess Workmans Comp

- B-5.1 Excess Workers
- B-5.2 Global Workers

1SN000.004 - Other Liability

- B-3.1 D&O
- B-4.1 Fiduciary
- B-7.1 Yuma 500KV
- B-7.3 Auto
- B-8.1 Broker Fees

1SN000.006 - Wildfire Liability

- B-2.1 – Excess Fire
- B-2.2 – Wildfire Damage Reinsurance

**FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015**

FEA 02 - 17. Insurance. Refer to MDR Chapter 38, No. 1, Confidential attachment titled “Chapter 38 SDG&E Corp Center Insurance(C).xlsx”. Please update this response to include 2014 information.

SDG&E Response 17:

CONFIDENTIAL PROTECTED INFORMATION PURSUANT TO THE SIGNED NDA IN THIS PROCEEDING

RESPONSE REMOVED DUE TO CONFIDENTIALITY

**FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015**

FEA 02 - 18. Wildfire Liability Insurance. Provide the coverage limit and deductibles (separate for Utilities & Global) for 2014.

SDG&E Response 18:

The information in this response is **CONFIDENTIAL PROTECTED INFORMATION
PURSUANT TO THE SIGNED NDA IN THIS PROCEEDING**

RESPONSE REMOVED DUE TO CONFIDENTIALITY

**FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015**

FEA 02 - 19. Wildfire Damage Property Reinsurance. Provide the coverage limit and deductibles (separate for Utilities & Global) for 2014.

SDG&E Response 19:

The information in this response is **CONFIDENTIAL PROTECTED INFORMATION
PURSUANT TO THE SIGNED NDA IN THIS PROCEEDING**

RESPONSE REMOVED DUE TO CONFIDENTIALITY

**FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015**

Wildfire Insurance

FEA 02 - 20. Customer growth for each of the following years; provide the actual annual customer growth for the years 2004-2014.

SDG&E Response 20:

Historical average annual customer counts for 1994 through 2014 are available in the included file named “FEA DR-02 Q20-21 Attachment.xlsx”. Although this data is not part of SDG&E’s forecasts or within the scope of this case, SDG&E is providing 2014 data in the spirit of cooperation without waiving the right to contest or respond to how the data is used.

**FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015**

FEA 02 - 21. Customer growth for each of the following years; provide the forecasted annual customer growth for the years 2004-2015-2018.

SDG&E Response 21:

Forecasted average annual customer counts for 2015 through 2018 are available in the included file named "FEA DR-02 Q20-21 Attachment.xlsx".

**FEA DATA REQUEST
 FEA-SDG&E-DR-02
 SDG&E 2016 GRC – A.14-11-003
 SDG&E RESPONSE
 DATE RECEIVED: APRIL 21, 2015
 DATE RESPONDED: MAY 5, 2015**

Wildfire Insurance

FEA 02 - 22. Injuries and Damages Expense. a) Identify the amount of injuries and damages expense included in the recorded year 2013, 2014, and the 2016 test year. b) Identify the amount of injuries and damages expense in each of the following years: 2009, 2010, 2011, and 2012. c) Provide the corresponding monthly injuries and damages reserve balance for each of the years 2010, 2011, 2012, 2013, 2014, and year to date 2015.

SDG&E Response:

- a) Identify the amount of injuries and damages expense included in the recorded year 2013, 2014, and the 2016 test year.

The GRC forecast was developed according to the Rate Case Plan, which does not contemplate the use of 2014 recorded data and the forecasts were not developed using that information. While that recorded data may indicate lower spending than forecasted in some areas, it may also indicate higher spending than forecasted in others. Although SDG&E provides that data in the spirit of cooperation, the utility is not permitted to revise its forecasts using that data, either up or down, once the application is filed. Notwithstanding, see table below:

	2013\$		
	2013	2014	2016
Total Claim Payments/Recovery Expenses	2,090,972	2,954,521	3,853,882
Figures excludes payments associated with the wildfire			
Certain adjustments discovered after the filing of the GRC Application related to claims payment data have not yet been incorporated into the testimony and related workpapers due to the timing of the Revised filing and will be adjusted. This information is also not yet reflected in the testimony of other witnesses. However, the data provided herein represents the adjusted figures and as such the Test-Year 2016 number has been revised.			

**FEA DATA REQUEST
 FEA-SDG&E-DR-02
 SDG&E 2016 GRC – A.14-11-003
 SDG&E RESPONSE
 DATE RECEIVED: APRIL 21, 2015
 DATE RESPONDED: MAY 5, 2015**

Response to Question 22 (Continued)

b) Identify the amount of injuries and damages expense in each of the following years: 2009, 2010, 2011, and 2012.

	2013\$			
	2009	2010	2011	2012
Total Claim Payments/Recovery Expenses	4,645,296	6,126,324	3,196,342	3,210,476

Figures excludes payments associated with the wildfires

Certain adjustments discovered after the filing of the GRC Application related to claims payment data have not yet been incorporated into the testimony and related workpapers due to the timing of the Revised filing and will be adjusted. This information is also not yet reflected in the testimony of other witnesses. The data provided herein represents the adjusted figures.

c) Provide the corresponding monthly injuries and damages reserve balance for each of the years 2010, 2011, 2012, 2013, 2014, and year to date 2015.

The GRC forecast was developed according to the Rate Case Plan, which does not contemplate the use of 2014 recorded data and the forecasts were not developed using that information. While that recorded data may indicate lower spending than forecasted in some areas, it may also indicate higher spending than forecasted in others. Although SDG&E provides that data in the spirit of cooperation, the utility is not permitted to revise its forecasts using that data, either up or down, once the application is filed. Notwithstanding, see the attached file “FEA DR-02 Q22 Attachment.xlsx” for years 2010, 2011, 2012, 2013, and 2014. Balances for 2015 have not been released.

**FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015**

Tree Trimming Balancing Account (TTBA)

FEA 02 - 23. TTBA. Refer to the response to UCAN Data Request -001 No 48. Identify the 2014 ending TTBA balance.

SDG&E Response:

The 2014 ending balance for SDG&E's Tree Trimming Balancing Account is (\$13,063,490) over-collected. The GRC forecast was developed according to the Rate Case Plan, which does not contemplate the use of 2014 recorded data and the forecasts were not developed using that information. While that recorded data may indicate lower spending than forecasted in some areas, it may also indicate higher spending than forecasted in others. Although SDG&E provided that data in the spirit of cooperation, the utility is not permitted to revise its forecasts, either up or down, once the application is filed.

**FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015**

FEA 02 - 24. TTBA. Refer to the response to UCAN Data Request -001 No 48. For each year shown and 2014, provide a reconciliation of annual tree trimming balance, the authorized annual amount of spending, and the actual spending.

SDG&E Response:

Please refer to SDG&E's response to FEA 02-27 below.

FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015

FEA 02 - 25. TTBA. Refer to FEA Attachment 1-68 and provide the monthly TTBA balances for October, November and December 2015 and through the most recent month of 2015 available.

SDG&E Response:

The GRC forecast was developed according to the Rate Case Plan, which does not contemplate the use of 2014 recorded data and the forecasts were not developed using that information. While that recorded data may indicate lower spending than forecasted in some areas, it may also indicate higher spending than forecasted in others. Although SDG&E provided that data in the spirit of cooperation, the utility is not permitted to revise its forecasts using that data, either up or down, once the application is filed. Notwithstanding, SDG&E interprets this request to be regarding October, November and December 2014 not 2015 (which are not available for release)

Account Name	Oct-14	Nov-14	Dec-14
TTBA - Tree Trimming Balancing Account	\$(14,533,735)	\$(14,943,073)	\$(13,063,490)

Balances in parenthesis are over-collected.

**FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015**

FEA 02 - 26. Tree trimming. Refer to p. 73 of 172 SDG&E-10-WP/J. Woldemariam. Update the 2014 administrative operational and information technology related O&M expense associated with the PowerWorkz Vegetation Management information System for actual costs, separated by labor and non-labor.

SDG&E Response:

2014 PowerWorkz:

Labor: \$173,094
Non-Labor: \$1,481
TOTAL: \$174,575

FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015

FEA 02 - 27. Tree trimming. Refer to the Attachment to FEA 1-68. For each year shown (2010-2014), show how the year-end balance was derived (i.e., provide a calculation showing the annual amount of authorized revenues, the actual tree trimming expense and associated interest expense.)

SDG&E Response:

The GRC forecast was developed according to the Rate Case Plan, which does not contemplate the use of 2014 recorded data and the forecasts were not developed using that information. While that recorded data may indicate lower spending than forecasted in some areas, it may also indicate higher spending than forecasted in others. Although SDG&E provided that data in the spirit of cooperation, the utility is not permitted to revise its forecasts using that data, either up or down, once the application is filed.

	2010	2011	2012	2013	2014
Beg Balance	4,085,450	4,089,214	2,770,553	6,032,280	(6,843,273)
Authorized Revenue	(19,652,000)	(19,652,004)	(19,652,004)	(35,972,996)	(28,951,000)
Authorized Amortization	1,525,000				
Expense	18,131,000	18,336,830	22,913,731	23,099,660	22,740,731
Interest	(236)	(3,487)		(2,217)	(9,948)
Ending Balance	4,089,214	2,770,553	6,032,280	(6,843,273)	(13,063,490)

**FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015**

FEA 02 - 28. MS4 Permit Capital Costs. Refer to Exhibit SDG&E-17, page JCS-2, line 31. Please identify the page number of SDG&E-17-CWP on which "Budget Code 703" appears on.

SDG&E Response:

The page number that Budget Code 703 begins is on Page 19.

**FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015**

FEA 02 - 29. MS4 Permit Capital Costs. Refer to Exhibit SDG&E-17, page JCS-6, lines 1-6. Please identify the page number of SDG&E-17-CW that supports the \$9.5, \$3.2 and \$6.3 million associated with the MS4 regulation requirements.

SDG&E Response:

The page number that supports the MS4 regulation requirements are on Page 29.

**FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015**

FEA 02 - 30. MS4 Permit Capital Costs. Refer to Exhibit SDG&E-17, page JCS-6, lines 1-6. Please provide the documentation the company relied upon in deriving the amounts of \$3.2 and \$6.3 million associated with the MS4 regulation requirements (e.g, contractor estimates, real estate values, etc.).

SDG&E Response:

Please refer to Exhibit SDGE-17 CWP Page 29 to see description of project.

See attachments FEA-DR-02 Q30 Attachment1 & 2:

ATTACHMENT 1 REFERENCED IS *PROTECTED MATERIALS, SUBMITTED PURSUANT TO THE SIGNED NDA IN THIS PROCEEDING.*

RESPONSE REMOVED DUE TO CONFIDENTIALITY

FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015

Tree Trimming Balancing Account (TTBA)

FEA 02 - 31. Tree trimming. In the previous GRC, the company included costs related to a VMS rewrite. The response to UCAN 8-3 in that case stated:

The VMS rewrite is an update to the software and hardware systems that will be used to manage current and future work streams. The current VMS software is obsolete and no longer supported by the vendor.

Please identify the total cost of the VMS rewrite. Identify the annual administrative, operational and information technology related expenses associated with the VMS system in each of the years 2010, 2011, 2012, 2013 and 2014, that was included as part of vegetation management expense-tree trimming

SDG&E Response 31:

The VMS rewrite became the PowerWorkz project. Accordingly, costs were charged to Capital. There was no O&M impact until 2014. For 2014- beginning in May- total O&M costs associated with PowerWorkz was \$173,094 (\$173,094 in labor; \$1,481 in non-labor).

FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015

FEA 02 - 32. Tree trimming. In the current case, the company has included administrative, operational and information technology related expenses associated with a new PowerWorkz Vegetation Information Management System. a) What is the total cost of the new PowerWorkz Vegetation Information Management System? b) Identify the amount and the workpaper where this is included in the filing. c) Provide the contracts or other documents the company relied on for the administrative operational and information technology O&M expense associated with the new PowerWorkz Vegetation Information Management System supporting the \$394,000 the company has forecasted annually.

SDG&E Response 32:

- a) \$14.5 Million
- b) The \$14.5 Million in response to question a) was charged as a Capital project. There were no O&M expenditures for PowerWorkz in 2013.
- c) \$394k increase request is broken out as follows:
 - \$130k in labor for two systems support analysts
 - \$264k in non-labor for enhancements. These include improvements related to more efficient navigation, troubleshooting/creating reports, and continued system training

FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015

FEA 02 - 33. Pole brushing. Refer to Exhibit No. SDG&E -10-WP-R/Witness J Woldemariam, page 66 of 172. Provide an explanation why the 2012 expense was much higher than the years shown.

SDG&E Response 33:

A primary driver behind the higher pole brushing in 2012 is contractor insurance reimbursement costs. In 2012, \$985,482 was paid in contractor insurance reimbursement. This compares to \$511,024 in 2010, \$801,083 in 2011, \$447,191 in 2013, and \$141,820 in 2014.

The remaining variance is for environmental costs associated with pole brushing activities. In 2012, the decision was made to expand from a 10 ft radius to an 11 ft radius. This was done in an effort to ensure compliance and improve safety. Results did not warrant continued efforts for an expanded radius.

**FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015**

FEA 02 - 34. Pole brushing. Provide an explanation why pole brushing expense has declined in 2013 and 2014.

SDG&E Response 34:

The primary driver behind the reduction in pole brushing costs is a reduction in contractor insurance reimbursements. In 2012, \$985,482 was paid out. This figure dropped to \$447,191 in 2013 and \$149,820 in 2014.

Contractor insurance reimbursements increased in 2012 due to higher premiums paid by the contractors themselves. SDG&E required these contractors to provide evidence for the cost of the premiums, and the contractors were reimbursed for these amounts.

**FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015**

FEA 02 - 35. Pole brushing. Refer to Exhibit No. SDG&E -10-WP-R/Witness J Woldemariam, page 69 of 172. Provide the pole brushing associated portion of the insurance reimbursement made to vegetation management contractors in 2014.

SDG&E Response 35:

In 2014, the pole brushing portion of the contractor insurance reimbursement was \$149,820.

FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015

FEA 02 - 36. Pole brushing. Refer to Exhibit No. SDG&E -10-WP-R/Witness J Woldemariam, page 69 of 172. Provide an explanation how the pole brushing associated portion of the insurance reimbursement made to vegetation management contractors are determined. Show all calculations for the amounts shown on this workpaper.

SDG&E Response 36:

Contractor insurance reimbursement allocation is based on contractor spend in the vegetation accounts & wood pole inspection (the activities performed by the two vegetation contractors).

<u>I/O#</u>	<u>I/O Name</u>	<u>I/O Type</u>	<u>I/O Ferc</u>	<u>Plan Cat</u>	<u>Total %</u>
6010250	Distrib Tree Trim	Distrib	593.21	Ref-TTBA	77%
6013464	Distrib Pole Brush	Distrib	593.22	O&M	14%
6013465	Transm Tree Trim	Transm	571.21	Ref- Transm	3%
6013466	Transm Pole Brush	Transm	571.22	Ref- Transm	0%
200390762	Transm Brush Clear	Transm	571.11	Ref- Transm	0%
	Total Vegetation I/Os				<u>94%</u>
200314789	CA Pool Collector	CA Pool	107.53	Capital	<u>6%</u>
	Total Vegetation Contractors				<u>100%</u>

**FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015**

FEA 02 - 37. Pole brushing. Refer to Exhibit No. SDG&E -10-WP-R/Witness J Woldemariam, page 69 of 172. Provide an explanation why the insurance reimbursement was significantly higher in 2012.

SDG&E Response 37:

Contractor insurance reimbursements increased in 2012 due to higher premiums paid by the contractors themselves. SDG&E required these contractors to provide evidence for the cost of the premiums, and the contractors were reimbursed for these amounts.

FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015

Pension Balancing Account (PBA)

FEA 02 - 38. PBA. Refer to FEA 1-98 and provide the monthly PBA balances for October, November and December 2015 and through the most recent month of 2015 available.

SDG&E Response:

The GRC forecast was developed according to the Rate Case Plan, which does not contemplate the use of 2014 recorded data and the forecasts were not developed using that information. While that recorded data may indicate lower spending than forecasted in some areas, it may also indicate higher spending than forecasted in others. Although SDG&E provided that data in the spirit of cooperation, the utility is not permitted to revise its forecasts using that data, either up or down, once the application is filed. Notwithstanding, SDG&E interprets this request to be regarding October, November and December 2014 not 2015. Balances for 2015 have not been released.

E/G	Account Name	Oct-14	Nov-14	Dec-14
E	PBA - Pension Balancing Account	\$ 5,774,717	\$ 4,011,199	\$ 7,266,721
G	PBA - Pension Balancing Account	\$ 1,218,824	\$ 597,574	\$ 1,996,640

Numbers in parenthesis represent “over-collected” balances, other numbers represent “under-collected” balances.

FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015

FEA 02 - 39. PBA. Provide a schedule reconciling the year end PBA balances for 2010 through 2014 and 2015 year to date with the actual and forecasted minimum contributions, i.e., for each year, start with the forecasted minimum contribution, then show the actual minimum contribution, and the resulting year end PBA balance for each calendar year 2010, 2011, 2012, 2013 and 2014.

SDG&E Response:

The GRC forecast was developed according to the Rate Case Plan, which does not contemplate the use of 2014 recorded data and the forecasts were not developed using that information. While that recorded data may indicate lower spending than forecasted in some areas, it may also indicate higher spending than forecasted in others. Although SDG&E provided that data in the spirit of cooperation, the utility is not permitted to revise its forecasts using that data, either up or down, once the application is filed. Notwithstanding, SDG&E is providing a schedule reconciling the year-end PBA balances for 2010 through 2014 for Electric and Gas. Balances for 2015 have not been released.

PBA for 2010, 2011, 2012, 2013 and 2014					
5/5/15 JP					
ELECTRIC					
	2010	2011	2012	2013	2014
Beg Balance	(3,205,486)	(4,072,445)	(1,253,826)	(6,167,424)	10,185,010
Authorized Revenue	(22,208,986)	(22,409,862)	(22,409,865)	(4,089,947)	(13,792,309)
Authorized Amortization	3,516,000	3,628,000	1,239,720	5,996,323	(8,490,450)
Expense	17,875,167	21,617,528	16,216,259	14,434,992	19,357,497
Interest	(49,140)	(17,047)	40,288	11,066	6,973
Ending Balance	(4,072,445)	(1,253,826)	(6,167,424)	10,185,010	7,266,721
GAS					
	2010	2011	2012	2013	2014
Beg Balance	3,877,357	(1,629,481)	1,149,897	255,867	2,000,751
Authorized Revenue	(7,013,522)	(7,149,930)	(7,149,933)	(3,903,892)	(5,753,164)
Authorized Amortization	(4,266,628)	1,430,000	(1,155,000)	(332,210)	(1,881,760)
Expense	5,813,117	8,506,406	7,386,311	5,978,614	7,629,451
Interest	(39,805)	(7,098)	24,592	2,372	1,362
Ending Balance	(1,629,481)	1,149,897	255,867	2,000,751	1,996,640

FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015

FEA 02 - 40. PBA. Provide a similar schedule as that requested in the previous question but assume that the change the company is requesting to make to the PBA was in effect during the entire time period shown. Include a separate line item showing the amount for "income taxes associated with the unamortized balance of pension costs capitalized to utility rate base along with the currently balanced depreciation and return components of capital costs."

SDG&E Response:

No such analysis using that assumption exists, as the proposed change would be made on a go-forward basis once a final GRC decision is effective and implemented.

**FEA DATA REQUEST
 FEA-SDG&E-DR-02
 SDG&E 2016 GRC – A.14-11-003
 SDG&E RESPONSE
 DATE RECEIVED: APRIL 21, 2015
 DATE RESPONDED: MAY 5, 2015**

Post Retirement Benefits Other Than Pension Balancing Account (PBOPBA)

FEA 02 - 41. PBOPBA. Refer to FEA 1-114 and provide the monthly PBOPBA balances for October, November and December 2015 and through the most recent month of 2015 available.

SDG&E Response:

The GRC forecast was developed according to the Rate Case Plan, which does not contemplate the use of 2014 recorded data and the forecasts were not developed using that information. While that recorded data may indicate lower spending than forecasted in some areas, it may also indicate higher spending than forecasted in others. Although SDG&E provided that data in the spirit of cooperation, the utility is not permitted to revise its forecasts using that data, either up or down, once the application is filed. Notwithstanding, SDG&E interprets this request to be regarding October, November and December **2014** not 2015. Balances for 2015 have not been released.

E/G	Account Name	Oct-14	Nov-14	Dec-14
E	PBOPBA- Post Retirement Benefits Other Than Pension BA	\$ 568,374	\$ 161,979	\$ 438,058
G	PBOPBA- Post Retirement Benefits Other Than Pension BA	\$ (328,452)	\$ (477,504)	\$ (351,967)

Numbers in parenthesis represent “over-collected” balances, other numbers represent “under-collected” balances.

FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015

FEA 02 - 42. PBOPBA. Provide a schedule reconciling the year end PBOPBA balances for 2010 through 2014 and 2015 year to date with the actual and forecasted minimum contributions, i.e., for each year, start with the forecasted minimum contribution, then show the actual minimum contribution, and the resulting year end PBOPBA balance for each calendar year 2010, 2011, 2012, 2013 and 2014.

SDG&E Response:

The GRC forecast was developed according to the Rate Case Plan, which does not contemplate the use of 2014 recorded data and the forecasts were not developed using that information. While that recorded data may indicate lower spending than forecasted in some areas, it may also indicate higher spending than forecasted in others. Although SDG&E provided that data in the spirit of cooperation, the utility is not permitted to revise its forecasts using that data, either up or down, once the application is filed. Notwithstanding, SDG&E is providing a schedule reconciling the year-end PBOPBA balances for 2010 through 2014 for Electric and Gas. Balances for 2015 have not been released.

PBOPBA for 2010, 2011, 2012, 2013 and 2014					
5/5/15 JP					
ELECTRIC					
	2010	2011	2012	2013	2014
Beg Balance	(3,262,155)	(2,268,830)	(2,012,213)	(2,291,737)	401,908
Authorized Revenue	(7,138,445)	(7,230,967)	(7,230,967)	(3,778,488)	(5,730,071)
Authorized Amortization	2,907,000	2,151,997	1,995,612	2,265,630	459,800
Expense	5,245,684	5,342,688	4,940,252	4,206,490	5,306,777
Interest	(20,914)	(7,101)	15,579	13	(356)
Ending Balance	(2,268,830)	(2,012,213)	(2,291,737)	401,908	438,058
GAS					
	2010	2011	2012	2013	2014
Beg Balance	245,591	(1,069,552)	(240,854)	(29,569)	(576,535)
Authorized Revenue	(2,226,458)	(2,280,691)	(2,280,686)	(2,299,061)	(2,383,610)
Authorized Amortization	(506,008)	1,014,000	234,372	17,795	536,325
Expense	1,433,616	2,098,485	2,248,028	1,735,053	2,072,607
Interest	(16,293)	(3,096)	9,571	(753)	(754)
Ending Balance	(1,069,552)	(240,854)	(29,569)	(576,535)	(351,967)

FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015

FEA 02 - 43. PBOPBA. Provide a similar schedule as that requested in the previous question but assume that the changes the company is requesting to make to the PBOPBA was in effect for the entire time period shown. Include a separate line item showing the amount for "income taxes associated with the unamortized balance of pension costs capitalized to utility rate base along with the currently balanced depreciation and return components of capital costs."

SDG&E Response:

No such analysis using that assumption exists, as the proposed change would be made on a go-forward basis once a final GRC decision is effective and implemented.

FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015

ELECTRIC DISTRIBUTION O&M EXPENSES

FEA 02 - 44. Electric Distribution O&M Expense. Refer to Exhibit SDG&E-10-R, pages JTW-40 and 41. a) Provide SDG&E's definition of linear forecast. b) Provide an explanation supporting SDG&E's use of a linear forecast as opposed to a non-linear forecast to project the 2016 TY distribution operations expense. Provide copies of all workpapers used, including output of other forecast methods to project this expense.

SDG&E Response:

- a) For GRC purposes, SDG&E defines a linear forecast as a simple linear regression of least squares; a straight-line forecast using historical data. SDG&E used the built-in functions for linear regression found in Microsoft SQL Server 2008, the underlying database management system on which its forecasting model is built.
- b) SDG&E does not attempt to justify a nonlinear forecast as it presupposes an increased complexity between the independent variable(s) and the dependent variable, and poses a much more complex rationale about choosing what order relationship (exponential, inverse, logarithmic etc.) to use. SDG&E's use of trending is a simple linear relationship of first order ($y=mx+b$) to illustrate the relationship of expense as a function of successive years, rather than to develop complex correlation coefficients for many input variables such as weather, location, load, customer growth and the like. For many situations it is presumed that where multiple independent variables drive the expenses they are reflected historically through the passage of time, and that in certain cases the past is a reasonable indication of future needs. In this method it is straightforward to use the incremental year as the independent variable. There may be no particular rationale to suppose that funding needs are of a nonlinear nature, and it becomes overly complex and burdensome to test the possible permutations of nonlinear types or multivariate inputs.

FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015

FEA 02 - 45. Electric Distribution O&M Expense. Refer to Exhibit SDG&E-10-WP-R/Witness J Woldemariam, page 44 of 172. a) Identify the three years used in the 3 year linear forecast. b) Provide all calculations and assumptions used to derive each of the 2014, 2015 and 2016 amounts for labor and non-labor shown on this page. Also, provide the workpapers in excel format with all formulas and cell references intact.

SDG&E Response:

- a) 2011, 2012, and 2013
- b) **Labor:** The Business Solutions and Training Team, created in 2013, supports training, ensures compliance, develops processes, policies and procedures, facilitates collaborative efforts and aligns projects with corporate business practices. There are six employees in the group charging 30% Distribution O&M, with the 2013 labor costs equaling \$208k representing 1.8FTE. The 2013 non-labor costs charged to this account equal \$14k. For test year 2016, this group is not forecasting incremental funding. In 2013, SDG&E started an Apprentice Distribution System Operators (ADSO) class that is a 2-year training program to fill some of the vacancies within the control center. As provided in the table below, there were ten vacancies for each of the years of 2011 through 2013. The ten vacancies are all related to the Distribution System Operator (DSO) position. The cost increase shown in 2013 is due to the Apprentice Distribution System Operators class. The forecasted costs associated with filling each position is estimated at \$90K per year.

Electric Distribution Operations Distribution System Operator Historical Data			
Years	2011	2012	2013
Existing DSO's	24	24	24
# of Vacancies	10	10	10
Associated Costs (\$000)	\$1,921	\$1,995	\$2,730

From base year (2012) to test year (2016), the additional 16.2 FTEs represent filling existing positions that were vacant when the base year data was determined. The other forecast methodologies do not account for these developments and therefore understate the level of support required to maintain them.

Non-labor: The amount forecasted for hardware and software is \$2,475k, primarily due to the maintenance cost for existing and additional weather instrumentation, cameras, and SCADA devices, as well as to maintain the servers that manage and collect the data for these devices. The amount forecasted for

**FEA DATA REQUEST
FEA-SDG&E-DR-02
SDG&E 2016 GRC – A.14-11-003
SDG&E RESPONSE
DATE RECEIVED: APRIL 21, 2015
DATE RESPONDED: MAY 5, 2015**

Response to Question 45b (Continued)

exempt materials is \$7,136k for material items that are replenished as “truck stock”. The allocation and distribution of this pool is located in the testimony of Mr. Jeff Stein, Exhibit SDG&E-41.

The workpapers are produced as a report from a larger database system, and do not originate as Excel worksheets or electronic form which has spreadsheet functionality; tables that are shown are not worksheets, therefore there are none to provide.