

ORA DATA REQUEST
ORA-SDG&E-DR-027-PM1
SDG&E 2016 GRC – A.14-11-003
SDG&E PARTIAL RESPONSE
DATE RECEIVED: DECEMBER 16, 2014
DATE RESPONDED: JANUARY 12, 2015

Exhibit Reference: SDG&E-19

Subject: SDG&E Global

Please provide the following:

1. Please provide the following regarding IT software delineated by the lines of business listed on Ex. SDG&E-19, p. SMJ-22, Table SMJ-14, and sub-categorized by IT project:
 - a. A list of all software licenses that SDG&E has forecast to be replaced with a new license or will no longer be supported from 2014-2016. For each instance, identify the software forecast to be replaced.
 - b. Provide a list of all software licenses that expired or are no longer being supported in 2013.
 - c. A list of all software licenses that have/will expire or will no longer be supported from January 1, 2014 to December 31, 2018.
 - d. The yearly recorded O&M expenses 2009-2013 and forecast O&M expenses 2014-2018 for items a-c, include the number and cost per license (in nominal 2013 and base year dollars).

SDG&E Response 01:

A list of software licenses that are being replaced, expired or no longer supported is not available. Individual licenses are not currently tracked for these purposes.

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2. Please provide the yearly O&M expenses for hardware 2009-2013 and forecast from 2014-2016 (in nominal 2013 and base year dollars), delineated by shared and non-shared services and sub-categorized by the “Categories of Management” listed on Tables SMJ-4 and SMJ-8. Include an itemized list of the hardware with number of units, cost per unit, installation cost and any other cost associated with the hardware (if other costs are included explain why these costs were incurred).

SDG&E Response 02:

For the yearly O&M expenses for hardware for 2009-2013 and forecast for 2014-2016, please see the attached excel ‘ORA-SDGE-DR-027-PM1 Q2’ at Tab A.

For an itemized list of hardware categories, please see the attached excel ‘ORA-SDGE-DR-027-PM1 Q2’ at Tab B. The description of those categories is referenced below:

- The Accessories category includes items, such as batteries, cables, cases, keyboards, and mice, etc. The unit costs for these types of items typically range from \$12 to \$120.
- The Desktops category includes basic and high-end desktop computers. The unit costs for these types of items typically range from \$520 to \$7,000.
- The Laptops category includes basic and high-end laptops, and tablets. The unit costs for these types of items typically range from \$760 to \$2,000.
- The Mobile Device Terminal (MDT) category includes ruggedized laptop devices for field workers. The unit cost for these types of items is typically \$3,800.
- The Monitors category includes various sizes of monitors. The unit costs for these types of items typically range from \$145 to \$550.
- The Other category includes miscellaneous items including, but not limited to:
 - hardware items, such as cameras, cords, printers, projectors, and storage devices. The unit costs for these types of items typically range from \$2 to \$1,000;
 - some installation related costs, such as costs for asset tagging (\$5 per device), recycle fees (typically ranging from \$3-16 per device), and hardware warranties (not to exceed \$60 per device); and
 - costs for catalog hosting services. These costs totaled approximately \$56,200 from 2010 to 2013.
- The Software category includes a small number of software items purchased with hardware transactions. The total software costs is approximately \$16,000 over 2010-2013.

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SDG&E Response 02: -Continued

In general, the installation cost for hardware devices was embedded in the contract costs for the end user computing support vendor. Between 2010 and 2013, the costs typically were in the range of \$82-\$86/device for installs, adds and changes (IACs) within the range 1,041 to 1,272 IACs per month. For installation activity above 1,272 IACs, the incremental installation charge was billed separately. For installation activity below 1,041 IACs, the incremental installation charge appeared as a credit on the invoice.

Note that the cost range of \$82-\$86 was based on increased yearly incremental contract escalation costs.

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3. Please provide a list of all the software SDG&E has replaced or forecasts to replace from 2013-2016.

SDG&E Response 03:

A list of software licenses that are being replaced is not available. Individual license replacements are not currently tracked on a historical basis. Individual license replacements are also not used to develop the GRC forecasts for 2014, 2015 or 2016.

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4. Provide a list of all the software licenses that SDG&E has or forecasts to transition from Capital to O&M from 2013-2016. Include an explanation of SDG&E's treatment of capitalizing verses expensing software licenses. If SDG&E's justification for treatment of software licenses is based on any specific statute, case, decision, rule, order or other authority, please identify what that authority is and provide copies of relevant information.

SDG&E Response 04:

A list of software licenses that have or will transition from Capital to O&M is not available. Individual licenses are not currently tracked for this purpose.

Please see attachment ORA-SDG&E-DR-027-PM1 Q4 for the treatment of capital versus expense of software licenses. This is our internal Capital Accounting Policy based on our interpretation of guidance provided by Financial Accounting Standards Board (FASB) ASC 350-40, which is available in attachment ORA-SDG&E-DR-027-PM1 Q4.1 in conjunction with the concurrence of our SEC external auditors, Deloitte.

For further information about accounting treatment process, please reference the testimony of Jesse Aragon, (Ex. SDG&E-27).

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5. Please provide the yearly capitalized hardware costs 2009-2013 and forecast from 2014-2016 (in nominal 2013 and base year dollars) delineated by the “Categories of Management” listed on Table SMJ-14. Include an itemized list of the hardware replaced (2011-2013) and forecast to be replaced (2014-2016) with number of units, cost per unit, installation cost and any other cost associated with the hardware (if other costs are included explain why these costs were incurred).

SDG&E Response 05:

A list of itemized hardware that is being replaced is not available. Individual hardware replacements are not currently tracked at the individual project level for GRC purposes. Historical cost for capitalized hardware cost from 2009-2013 by the categories of management is available in attachment ORA-SDG&E-027-PM1 Q5. The requested information for forecast costs (years 2014-2016) are also attached on ORA-SDG&E-027-PM1 Q5. Please note that the forecasted cost shown is cost related to proposed hardware project. All non-labor related cost is listed and can include non-labor cost associated with the hardware purchase.

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6. Please provide SDG&E's policy on the treatment of charging hardware costs to capital versus O&M accounts. If SDG&E's justification for treatment of hardware costs is based on any specific statute, decision, rule, order or other authority, please identify what that authority is and provide copies of relevant information.

SDG&E Response 06:

Please see attachment ORA-SDG&E-DR-027-PM1 Q6 for the treatment of capital versus expense of hardware cost. This is our internal Capital Accounting Policy based on our interpretation of guidance provided by Financial Accounting Standards Board (FASB) in conjunction with the concurrence of our SEC external auditors, Deloitte.

For further information about accounting treatment process, please reference the testimony of Jesse Aragon, (Ex. SDG&E-27).

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7. Please provide justification for how SDG&E determined the forecast costs of \$100,000 for staffing increases, and \$10,000 per employee in associated NL (non-labor) costs.

SDG&E Response 07:

SDG&E determined the forecast costs of \$100,000 by calculating the average IT employee salary in 2013. \$10,000 per employee in associated NL costs was based upon management estimates to cover employee related expenses such as travel, office supplies, furniture, etc.

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8. Please provide an explanation of how SDG&E determined the partial FTE forecasts for each incremental FTE increase forecast for O&M labor from recorded 2013 to forecast 2016.

SDG&E Response 08:

O&M Full-time-equivalents (FTEs) are calculated by estimating the percentage of an employee's time that will be charged to O&M vs. Capital. Many IT employees split their time between O&M and capital, therefore there will be numerous partial FTEs.

Additional IT employees were also forecasted as part of organic growth. The funding for these employees was allocated across categories of management on a weighted average of O&M labor spend in 2013. This allocation resulted in partial FTE forecasts.