

**ORA DATA REQUEST  
ORA-SDG&E-DR-050-SWC  
SDG&E 2016 GRC – A.14-11-003  
SDG&E RESPONSE**

**DATE RECEIVED: JANUARY 26, 2015  
DATE RESPONDED: FEBRUARY 5, 2015**

**Exhibit Reference:** SDG&E-16

**Subject:** Fleet Services

**Please provide the following:**

1. In Exhibit SDG&E-16-WP, page 39, SDG&E is requesting a \$538,000 increase in TY 2016 for “Equipment and installation costs for backup sensors and backup cameras for current OTR units to bring fleet in compliance with (early adoption of) the same NHTSA standard requiring manufacturers to install rear-view visibility systems in light duty vehicles by 2018.” In response to data request, ORA-SDG&E-DR-017-SWC, question 6(c), SDG&E states, “A premium of \$900 for backup cameras and sensors was added to each forecasted vehicle to account for the incremental costs of hardware and installation, which would be amortized over the life of the lease.”

Please explain why SDG&E included an increase of \$538,000 in Maintenance Operations Expense for the equipment and installation costs for the backup sensors and backup cameras and also added a \$900 premium in cost of each forecasted vehicle in the Amortization Expense for backup cameras and backup sensors. It appears that SDG&E is requesting funding for the backup cameras and backup sensors twice. Please explain how these requests are not double counting for the equipment and installation of the backup sensors and backup cameras.

**SDG&E Response:**

These requests are for two separate subsets of vehicles and are not overlapping costs.

As stated in Exhibit SDG&E-16-WP, the request of \$538,000 for TY 2016 is needed to install backup sensors and cameras on current over-the-road (OTR) vehicles. To clarify, current vehicles are existing fleet vehicles, purchased prior to 2014 and discussed in data request ORA-SDG&E-DR-017-SWC, which require the installations to comply with the NHTSA standard. This amount is included in the Maintenance Operations Expense because this group is responsible for the installation of the backup cameras and sensors on the existing fleet that they maintain.

The \$900 premium per vehicle cost for backup cameras and sensors is needed for forecasted (i.e. future) vehicles purchased 2014 to 2016. This is included in Amortization Expense because these are part of the vehicle purchase costs and are amortized over the life of the vehicle lease.

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2. In Exhibit SDG&E-16-WP, page 39, SDG&E states it is asking \$700,000 in TY 2016 for “Portable Diesel Engines Airborne Toxic Control Measures (ATCM). Units will have to be retrofit or replaced to comply with 2017 standard. 175-750bhp-2 @ \$150k=\$300k. Over 750bhp-1 unit @ \$400k.”
- a. How many total units of Portable Diesel Engines will have to be retrofitted or replaced to comply with 2017 standard?
  - b. If SDG&E has a total of three units of Portable Diesel Engines that need to be retrofitted or replaced, please explain whether the request of \$700,000 should be a one-time expense?

**SDG&E Response:**

Response to 2a.

The 3 Portable Diesel Engines listed SDG&E-16-WP are the only units in the current fleet identified to require retrofitting to comply with the 2017 standard.

Response to 2b.

This request for \$700,000 for TY 2016 is a one-time expense for these 3 units.