

**ORA DATA REQUEST**  
**ORA-SDG&E-DR-081-PM1**  
**SDG&E 2016 GRC – A.14-11-003**  
**SDG&E RESPONSE**  
**DATE RECEIVED: FEBRUARY 27, 2015**  
**DATE RESPONDED: MARCH 24, 2015**

**Exhibit Reference:** SDG&E-19

**Subject:** SDG&E Cybersecurity

**Please provide the following:**

1. In an email dated February 13, 2015, SDG&E identified that “Some of the cont[r]acts listed in our response support system-wide security controls and/or services that also protect FERC Electric Transmission (FERC ET) assets, therefore a percentage of those specific contracts have been allocated to FERC ET. As a result, the costs associated with each contract in our response represent only GRC funding, and do not include any of the FERC ET costs.” Please provide the following regarding Federal funding for cybersecurity:
  - a. Authorized Federal funding (in 2013 dollars) yearly 2009-2016, and delineate O&M expenses and capital funding separately.
  - b. Explain how SDG&E determines GRC funding vs. FERC funding for cybersecurity.
  - c. Identify if SDG&E receives funding from any sources other than SDG&E’s GRC or the Federal Government. For each such instance, provide yearly 2009-2013 O&M expenses and capital authorized funding, including the proceeding which approved funding.
  - d. Identify if Federal funding for cybersecurity incorporates assets other than FERC Electric Transmission. If so identify all other “assets” SDG&E receives Federal funding for to conduct cybersecurity activities.
  - e. What accounting methods does SDG&E use to account for Federal funding, including how SDG&E accounts for Federal funding in the GRC?
  - f. Please explain the method SDG&E uses to delineate between ratepayer funding through SDG&E’s GRC and Federal funding sources.
  - g. Does SDG&E allocate a portion of costs to FERC jurisdictional recovery? If so, how does SDG&E determine the amount allocated to GRC vs. FERC jurisdictional?

**SDG&E Response:**

- a. Please see attachment ORA-SDG&E-DR-081-PM1 Q1a Attachment.

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**Response to Question 1 (Continued)**

- b. SDG&E determines GRC funding vs. FERC funding the same way for all IT cost centers, including cybersecurity. A percentage of each IT cost center is allocated to FERC electric transmission (FERC ET) based upon a survey of the SDG&E clients that each cost center supports. Each IT cost center and/or area of management supports different parts of the company, therefore, the level of FERC ET may vary from cost center to cost center.
- c. SDG&E does not receive funding from any sources other than SDG&E's GRC or the Federal Government.
- d. Federal funding for cybersecurity does not incorporate assets other than FERC Electric Transmission.
- e. SDG&E uses the accounting methods described in the Uniform System of Accounts. Electric Public Utilities & Licensees, Natural Gas, and Oil Pipeline companies within FERC jurisdiction are required to maintain their books and records in accordance with the Commission's Uniform System of Accounts (USofA). (as per <http://www.ferc.gov/enforcement/acct-matts.asp>)
- f. IT costs for cybersecurity are charged to an internal order that settles to a FERC-Transmission account as CIP compliance activities fully support Transmission assets. Please see the testimony of Jeff Stein, SDG&E-41.
- g. SDG&E allocates a portion of costs to FERC jurisdictional recovery. Please refer to the testimony of Jeff Stein, SDG&E-41, for Segmentation & Reassignment of rates. This testimony discusses SDG&E's proposal to allocate common costs to its Business Segments. Specifically, Part IV of the testimony discusses the process used to allocate Electric Department costs between Electric Transmission Services and Electric Distribution.

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2. In response to ORA data request ORA-SDGE-DR-036-PM1 Q. 4, SDG&E stated “SDG&E does not currently quantify the costs to investigate, remediate or mitigate against future attacks on a per attack basis.” Please explain if or how SDG&E quantifies “the costs to investigate, remediate or mitigate against future attacks.” If SDG&E quantifies any costs related to the statement above please provide yearly recorded expenses from 2009-2013 for all such activities.

**SDG&E Response:**

The SEu Information Security program is grouped into four categories – Governance & Compliance, Awareness & Outreach, Security Engineering and Security Operations (see SDG&E Exh. 19, pages SJM-5 and SJM-6). Costs related to “investigate, remediate or mitigate against future attacks” are captured as part of the Security Operations function and are performed as a shared service (see SDG&E-19-WP, pages 522 – 530). Workpaper details are provided below for convenience:

	<b>In 2013\$ (000) Base year Costs</b>				
<b>Security Operations (2100-3775)</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Labor	-232	553	924	1,363	1,115
Non-Labor	-10	224	375	509	313
NSE	0	0	0	0	0
<b>Total</b>	<b>-242</b>	<b>777</b>	<b>1,299</b>	<b>1,872</b>	<b>1,429</b>

**Note:**

2009-2013 are adjusted recorded costs, and include employee transfers from SDG&E to SoCalGas. The adjusted employee transfer cost was based upon employees in this cost center as of 2012. The assumption made for the transfer was that the employees were active as far back as 2009, but may have been in various cost centers. There were very few labor costs in this cost center in 2009, which means that the employees represented in the transfer were charging their time elsewhere.