

| | | |
|--|---|-------------|
| Application of SAN DIEGO GAS & ELECTRIC |) | |
| COMPANY for authority to update its gas and electric |) | A-14-11-003 |
| revenue requirement and base rates |) | |
| <u>effective January 1, 2016 (U 902-M)</u> |) | |
| Application of SOUTHERN CALIFORNIA GAS |) | |
| COMPANY for authority to update its gas revenue |) | A-14-11-004 |
| requirement and base rates |) | |
| <u>effective January 1, 2016 (U 904-G)</u> |) | |

LITIGATION COMPARISON EXHIBIT
of SAN DIEGO GAS & ELECTRIC COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

AUGUST 2015



LITIGATION COMPARISON EXHIBIT OF SAN DIEGO GAS & ELECTRIC COMPANY

I. INTRODUCTION

This litigation comparison exhibit presents the litigated material issues existing as of the date of service between San Diego Gas and Electric Company (SDG&E) and the following intervenors, to the best of SDG&E's knowledge: the Commission's Office of Ratepayer Advocates (ORA), The Utility Reform Network (TURN), the Utility Consumers' Action Network (UCAN), Federal Executive Agencies (FEA), San Diego Consumers' Action Network (SDCAN), Mussey Grade Road Alliance (MGRA), Coalition of California Utility Employees (CCUE), Joint Minority Parties (JMP) and Environmental Defense Fund (EDF).

In drafting this exhibit, SDG&E endeavored to present each party's position on material issues in an objective fashion. Although SDG&E sought input from all of the above intervenors in finalizing this litigation comparison exhibit, input has been modified as needed for materiality, and to present issue positions plainly and without argument, in a non-biased fashion. However, SDG&E's inclusion of any issues or language in this exhibit does not signify agreement with the language or presentation of those issues, nor does inclusion waive any argument regarding the materiality of those issues. SDG&E reserves the right to present argument in briefing regarding any identified issue or language included in this comparison exhibit, as well as any other issue that may not be included, and SDG&E assumes that other parties will do the same.

TABLE OF CONTENTS

| | |
|---|------------|
| 1. Reports and References | 1 |
| A. Exhibit References | |
| 1. Exhibit Reference sorted by Hearing Exhibit..... | 2 |
| 2. Exhibit Reference sorted by Original Exhibit No..... | 10 |
| 2. Differences Between SDG&E and ORA | 18 |
| A. O&M and Capital Expenditures | |
| 1. SDG&E-02 (Exh 15) - RISK MANAGEMENT AND POLICY..... | 19 |
| 2. SDG&E-04 (Exh 62) - GAS DISTRIBUTION..... | 21 |
| 3. SDG&E-05 (Exh 40) - GAS TRANSMISSION..... | 43 |
| 4. SDG&E-06 (Exh 29) - GAS ENGINEERING..... | 46 |
| 5. SDG&E-07 (Exh 53) - TIMP & DIMP..... | 62 |
| 6. SDG&E-09-R (Exh 134) - ELECTRIC DISTRIBUTION CAPITAL..... | 68 |
| 7. SDG&E-10-R (Exh 70) - ELECTRIC DISTRIBUTION O&M..... | 114 |
| 8. SDG&E-11 (Exh 74) - ELECTRIC GENERATION..... | 133 |
| 9. SDG&E-13 (Exh 86) - CS - FIELD..... | 149 |
| 10. SDG&E-14 (Exh 101) - CS - OPERATIONS, INFORMATION & TECHNOLOGIES..... | 152 |
| 11. SDG&E-15 (Exh 131) - SUPPLY MANAGEMENT & SUPPLIER DIVERSITY..... | 160 |
| 12. SDG&E-16 (Exh 166) - FLEET SERVICES..... | 173 |
| 13. SDG&E-17 (Exh 270) - REAL ESTATE, LAND SERVICES AND FACILITIES..... | 180 |
| 14. SDG&E-18 (Exh 174) - ENVIRONMENTAL..... | 189 |
| 15. SDG&E-19-R (Exh 153) - INFORMATION TECHNOLOGY..... | 193 |
| 16. SDG&E-20 (Exh 222) - CORPORATE CENTER - GENERAL ADMINISTRATION..... | 216 |
| 17. SDG&E-21 (Exh 210) - CORPORATE CENTER - INSURANCE..... | 218 |
| 18. SDG&E-22 (Exh 193) - COMPENSATION, HEALTH, & WELFARE..... | 220 |
| 19. SDG&E-24 (Exh 121) - HR, SAFETY, DISABILITY, & WORKERS COMP..... | 233 |
| 20. SDG&E-25-R (Exh 259) - REG AFFAIRS, CONTROLLER, FINANCE, LEGAL & EXT REL..... | 239 |
| B. Capital-Related Costs | |
| 1. SDG&E-29-R (Exh 247) - TAXES..... | 245 |
| 2. SDG&E-30-R (Exh 234) - WORKING CASH..... | 248 |
| 3. SDG&E-31 (Exh 256) - ELECTRIC CUSTOMERS AND SALES..... | 250 |
| 4. SDG&E-32 (Exh 362) - CUSTOMERS..... | 253 |
| 5. SDG&E-33 (Exh 305) - ESCALATION..... | 256 |
| 6. SDG&E-34-R-A (Exh 231) - MISCELLANEOUS REVENUES..... | 258 |
| C. Other | |
| 1. SDG&E-14 (Exh 101) - CS - OPERATIONS, INFORMATION & TECHNOLOGIES..... | 261 |
| 2. SDG&E-19-R (Exh 153) - INFORMATION TECHNOLOGY..... | 263 |
| 3. SDG&E-22 (Exh 193) - COMPENSATION, HEALTH, & WELFARE..... | 265 |
| 4. SDG&E-37-R (Exh 95) - POST-TEST YEAR RATEMAKING..... | 267 |
| 5. SDG&E-38-R (Exh 183) - COMPLIANCE..... | 273 |
| 3. Differences Between SDG&E and UCAN | 275 |
| A. O&M and Capital Expenditures (No Issues) | |
| B. Capital-Related Costs | |
| 1. SDG&E-31 (Exh 256) - ELECTRIC CUSTOMERS AND SALES..... | 276 |
| 2. SDG&E-34-R-A (Exh 231) - MISCELLANEOUS REVENUES..... | 280 |

| | |
|--|------------|
| C. Other | |
| 1. SDG&E-07 (Exh 53) - TIMP & DIMP..... | 282 |
| 2. SDG&E-09-R (Exh 134) - ELECTRIC DISTRIBUTION CAPITAL..... | 284 |
| 3. SDG&E-10-R (Exh 70) - ELECTRIC DISTRIBUTION O&M..... | 286 |
| 4. SDG&E-13 (Exh 86) - CS - FIELD..... | 289 |
| 5. SDG&E-14 (Exh 101) - CS - OPERATIONS, INFORMATION & TECHNOLOGIES..... | 291 |
| 6. SDG&E-21 (Exh 210) - CORPORATE CENTER - INSURANCE..... | 294 |
| 7. SDG&E-35 (Exh 253) - REGULATORY ACCOUNTS..... | 297 |
| 8. SDG&E-37-R (Exh 95) - POST-TEST YEAR RATEMAKING..... | 300 |
| 9. SDG&E-39-R (Exh 203) - ELECTRIC REVENUES AND RATES..... | 302 |
| 4. Differences Between SDG&E and TURN | 304 |
| A. O&M and Capital Expenditures (No Issues) | |
| B. Capital-Related Costs | |
| 1. SDG&E-29-R (Exh 247) - TAXES..... | 305 |
| 2. SDG&E-30-R (Exh 234) - WORKING CASH..... | 307 |
| C. Other | |
| 1. SDG&E-07 (Exh 53) - TIMP & DIMP..... | 310 |
| 2. SDG&E-09-R (Exh 134) - ELECTRIC DISTRIBUTION CAPITAL..... | 312 |
| 3. SDG&E-16 (Exh 166) - FLEET SERVICES..... | 316 |
| 4. SDG&E-20 (Exh 222) - CORPORATE CENTER - GENERAL ADMINISTRATION..... | 321 |
| 5. SDG&E-21 (Exh 210) - CORPORATE CENTER - INSURANCE..... | 327 |
| 6. SDG&E-22 (Exh 193) - COMPENSATION, HEALTH, & WELFARE..... | 330 |
| 7. SDG&E-24 (Exh 121) - HR, SAFETY, DISABILITY, & WORKERS COMP..... | 338 |
| 8. SDG&E-25-R (Exh 259) - REG AFFAIRS, CONTROLLER, FINANCE, LEGAL & EXT REL..... | 340 |
| 5. Differences Between SDG&E and CCUE | 344 |
| A. O&M and Capital Expenditures (No Issues) | |
| B. Capital-Related Costs (No Issues) | |
| C. Other | |
| 1. SDG&E-04 (Exh 62) - GAS DISTRIBUTION..... | 345 |
| 2. SDG&E-07 (Exh 53) - TIMP & DIMP..... | 347 |
| 3. SDG&E-09-R (Exh 134) - ELECTRIC DISTRIBUTION CAPITAL..... | 349 |
| 4. SDG&E-10-R (Exh 70) - ELECTRIC DISTRIBUTION O&M..... | 358 |
| 5. SDG&E-18 (Exh 174) - ENVIRONMENTAL..... | 361 |
| 6. SDG&E-35 (Exh 253) - REGULATORY ACCOUNTS..... | 363 |
| 6. Differences Between SDG&E and FEA | 366 |
| A. O&M and Capital Expenditures (No Issues) | |
| B. Capital-Related Costs | |
| 1. SDG&E-30-R (Exh 234) - WORKING CASH..... | 367 |
| 2. SDG&E-33 (Exh 305) - ESCALATION..... | 369 |
| C. Other | |
| 1. SDG&E-09-R (Exh 134) - ELECTRIC DISTRIBUTION CAPITAL..... | 371 |

| | |
|--|------------|
| 2. SDG&E-10-R (Exh 70) - ELECTRIC DISTRIBUTION O&M..... | 373 |
| 3. SDG&E-18 (Exh 174) - ENVIRONMENTAL..... | 379 |
| 4. SDG&E-21 (Exh 210) - CORPORATE CENTER - INSURANCE..... | 381 |
| 5. SDG&E-35 (Exh 253) - REGULATORY ACCOUNTS..... | 384 |
| 7. Differences Between SDG&E and JMP | 386 |
| A. O&M and Capital Expenditures (No Issues) | |
| B. Capital-Related Costs (No Issues) | |
| C. Other | |
| 1. SDG&E-14 (Exh 101) - CS - OPERATIONS, INFORMATION & TECHNOLOGIES..... | 387 |
| 2. SDG&E-15 (Exh 131) - SUPPLY MANAGEMENT & SUPPLIER DIVERSITY..... | 389 |
| 3. SDG&E-22 (Exh 193) - COMPENSATION, HEALTH, & WELFARE..... | 391 |
| 4. SDG&E-39-R (Exh 203) - ELECTRIC REVENUES AND RATES..... | 393 |
| 5. SDG&E-40-R (Exh 190) - REVENUES AT PRESENT AND PROPOSED RATES..... | 395 |
| 8. Differences Between SDG&E and MGRA | 397 |
| A. O&M and Capital Expenditures (No Issues) | |
| B. Capital-Related Costs (No Issues) | |
| C. Other | |
| 1. SDG&E-02 (Exh 15) - RISK MANAGEMENT AND POLICY..... | 398 |
| 2. SDG&E-09-R (Exh 134) - ELECTRIC DISTRIBUTION CAPITAL..... | 400 |
| 9. Differences Between SDG&E and EDF | 403 |
| A. O&M and Capital Expenditures (No Issues) | |
| B. Capital-Related Costs (No Issues) | |
| C. Other | |
| 1. SDG&E-04 (Exh 62) - GAS DISTRIBUTION..... | 404 |
| 2. SDG&E-18 (Exh 174) - ENVIRONMENTAL..... | 406 |
| 10. Differences Between SDG&E and SDCAN | 409 |
| 1. SDG&E-10-R (Exh 70) - ELECTRIC DISTRIBUTION O&M..... | 410 |
| 2. SDG&E-13 (Exh 86) - CS - FIELD..... | 412 |
| 3. SDG&E-14 (Exh 101) - CS - OPERATIONS, INFORMATION & TECHNOLOGIES..... | 414 |
| 4. SDG&E-15 (Exh 131) - SUPPLY MANAGEMENT & SUPPLIER DIVERSITY..... | 419 |
| 5. SDG&E-25-R (Exh 259) - REG AFFAIRS, CONTROLLER, FINANCE, LEGAL & EXT REL..... | 421 |
| 6. SDG&E-39-R (Exh 203) - ELECTRIC REVENUES AND RATES..... | 423 |
| 7. SDG&E-43 (Exh 17) - RESPONSE TO SAFETY & ENFORCEMENT DIVISION (SED) REPORT..... | 426 |

Chapter 1

Reports and References

EXHIBIT REFERENCE SORTED BY HEARING EXHIBIT NUMBER

| Hearing Exhibit # | Party | Original Exhibit # | Description | Witness |
|--------------------------|--------------|---------------------------|--|---|
| | SDG&E | Exh No:SDG&E-42 | UPDATED RESULTS OF OPERATIONS REPORT | Nguyen, Khai |
| | SCG | Exh No:SCG-40 | UPDATED RESULTS OF OPERATIONS REPORT | Nguyen, Khai |
| Exh 1 | SCG | Exh No:SCG-01-R | SOCALGAS POLICY OVERVIEW | Lane, J. Bret |
| Exh 2 | SDG&E | Exh No:SDG&E-01-R | SDG&E POLICY OVERVIEW | Winn, Caroline A. and Drury, Scott D. |
| Exh 13 | SCG | Exh No:SCG-02 | RISK MANAGEMENT AND POLICY | Day, Diana |
| Exh 15 | SDG&E | Exh No:SDG&E-02 | RISK MANAGEMENT AND POLICY | Day, Diana |
| Exh 17 | SDG&E | Exh No:SDG&E-43 | RESPONSE TO SAFETY & ENFORCEMENT DIVISION (SED) REPORT | Day, Diana |
| Exh 17 | SCG | Exh No:SCG-41 | RESPONSE TO SAFETY & ENFORCEMENT DIVISION (SED) REPORT | Day, Diana |
| Exh 18 | SDG&E-SCG | Exh No:SDG&E-202/SCG | RISK MANAGEMENT AND POLICY | Day, Diana |
| Exh 19 | SCG | Exh No:SCG-03 | GAS OPERATIONS RISK POLICY | Schneider, Douglas M. |
| Exh 21 | SDG&E | Exh No:SDG&E-03 | ELECTRIC OPERATIONS RISK POLICY AND GAS OPERATIONS RISK POLICY | Geier, David L. and Schneider, Douglas M. |
| Exh 25 | SCG | Exh No:SCG-07 | GAS ENGINEERING | Stanford, Raymond K |
| Exh 28 | SCG | Exh No:SCG-207 | GAS ENGINEERING AND GAS TRANSMISSION CAPITAL | Stanford, Raymond K |
| Exh 29 | SDG&E | Exh No:SDG&E-06 | GAS ENGINEERING | Stanford, Raymond K |
| Exh 32 | SDG&E | Exh No:SDG&E-206 | GAS ENGINEERING AND GAS TRANSMISSION CAPITAL | Stanford, Raymond K |
| Exh 33 | SCGC | SCGC | Direct Testimony of C. Yap on behalf of SCGC | C. Yap |
| Exh 35 | SCG | Exh No:SCG-05 | GAS TRANSMISSION O&M | Musich, Beth |
| Exh 38 | SCG | Exh No:SCG-205 | GAS TRANSMISSION O&M | Musich, Beth |
| Exh 40 | SDG&E | Exh No:SDG&E-05 | GAS TRANSMISSION O&M | Musich, Beth |
| Exh 43 | SDG&E | Exh No:SDG&E-205 | GAS TRANSMISSION O&M | Musich, Beth |
| Exh 45 | SCG | Exh No:SCG-06 | UNDERGROUND STORAGE | Baker, Phillip E. |
| Exh 48 | SCG | Exh No:SCG-206 | UNDERGROUND STORAGE | Baker, Phillip E. |
| Exh 49 | SCG | Exh No:SCG-08 | TIMP & DIMP | Martinez, Maria T. |
| Exh 52 | SCG | Exh No:SCG-208 | TIMP & DIMP | Martinez, Maria T. |
| Exh 53 | SDG&E | Exh No:SDG&E-07 | TIMP & DIMP | Martinez, Maria T. |

EXHIBIT REFERENCE SORTED BY HEARING EXHIBIT NUMBER

| Hearing Exhibit # | Party | Original Exhibit # | Description | Witness |
|--------------------------|--------------|---------------------------|---|---------------------------|
| Exh 56 | SDG&E | Exh No:SDG&E-207 | TIMP & DIMP | Martinez, Maria T. |
| Exh 58 | SCG | Exh No:SCG-04-R | GAS DISTRIBUTION | Ayala, Frank |
| Exh 61 | SCG | Exh No:SCG-204 | GAS DISTRIBUTION | Ayala, Frank |
| Exh 62 | SDG&E | Exh No:SDG&E-04 | GAS DISTRIBUTION | Ayala, Frank |
| Exh 65 | SDG&E | Exh No:SDG&E-204 | GAS DISTRIBUTION | Ayala, Frank |
| Exh 70 | SDG&E | Exh No:SDG&E-10-R | ELECTRIC DISTRIBUTION O&M | Woldemariam, Jonathan T. |
| Exh 72 | SDG&E | Exh No:SDG&E-210 | ELECTRIC DISTRIBUTION O&M | Woldemariam, Jonathan T. |
| Exh 74 | SDG&E | Exh No:SDG&E-11 | ELECTRIC GENERATION | La Peter, Carl |
| Exh 77 | SDG&E | Exh No:SDG&E-211 | ELECTRIC GENERATION | La Peter, Carl |
| Exh 80 | SDG&E | Exh No:SDG&E-12-R | SONGS | DeMarco, Michael L. |
| Exh 83 | SDG&E | Exh No:SDG&E-212 | SONGS | DeMarco, Michael L. |
| Exh 84 | SDG&E | Exh No:SDG&E-08 | ELECTRIC & FUEL PROCUREMENT | Garcia, Sue E |
| Exh 86 | SDG&E | Exh No:SDG&E-13 | CS - FIELD | Franke, Sara A. |
| Exh 88 | SDG&E | Exh No:SDG&E-213 | CS - FIELD | Franke, Sara A. |
| Exh 89 | SCG | Exh No:SCG-10 | CS - FIELD & METER READING | Franke, Sara A. |
| Exh 91 | SCG | Exh No:SCG-210 | CS - FIELD & METER READING | Franke, Sara A. |
| Exh 92 | SCG | Exh No:SCG-35-R | POST-TEST YEAR RATEMAKING | Van der Leeden, Ronald M. |
| Exh 94 | SCG | Exh No:SCG-235 | POST-TEST YEAR RATEMAKING | Van der Leeden, Ronald M. |
| Exh 95 | SDG&E | Exh No:SDG&E-37-R | POST-TEST YEAR RATEMAKING | Hrna, Sandra K. |
| Exh 97 | SDG&E | Exh No:SDG&E-237 | POST-TEST YEAR RATEMAKING | Hrna, Sandra K. |
| Exh 101 | SDG&E | Exh No:SDG&E-14 | CS - OPERATIONS, INFORMATION & TECHNOLOGIES | Baugh, Bradley M. |
| Exh 104 | SDG&E | Exh No:SDG&E-214 | CS - OPERATIONS, INFORMATION & TECHNOLOGIES | Baugh, Bradley M. |
| Exh 106 | SCG | Exh No:SCG-23-R | PRES/COO, HR, WORKERS COMP & DISABILITY | Serrano, Mark L. |
| Exh 108 | SCG | Exh No:SCG-223 | HUMAN RESOURCES, DISABILITY & WORKERS COMP | Serrano, Mark L. |
| Exh 110 | SCG | Exh No:SCG-11 | CS - OFFICE OPERATIONS | Goldman, Evan D. |
| Exh 113 | SCG | Exh No:SCG-211 | CS - OFFICE OPERATIONS | Goldman, Evan D. |
| Exh 115 | SCG | Exh No:SCG-12-R | CS - INFORMATION | Ayres, Ann D. |
| Exh 117 | SCG | Exh No:SCG-212 | CS - INFORMATION | Ayres, Ann D. |
| Exh 119 | SCG | Exh No:SCG-09 | PROCUREMENT | Chang, Ibtissam T |

EXHIBIT REFERENCE SORTED BY HEARING EXHIBIT NUMBER

| Hearing Exhibit # | Party | Original Exhibit # | Description | Witness |
|--------------------------|--------------|---------------------------|---|-------------------------|
| Exh 121 | SDG&E | Exh No:SDG&E-24 | HR, SAFETY, DISABILITY, & WORKERS COMP | Edgar, Sarah E |
| Exh 123 | SDG&E | Exh No:SDG&E-224 | HR, SAFETY, DISABILITY, & WORKERS COMP | Edgar, Sarah E |
| Exh 124 | SCG | Exh No:SCG-39 | ADVANCED METERING INFRASTRUCTURE POLICY | Garcia, Rene F. |
| Exh 125 | SCG | Exh No:SCG-239 | ADVANCED METERING INFRASTRUCTURE POLICY | Garcia, Rene F. |
| Exh 127 | SCG | Exh No:SCG-14 | SUPPLY MANAGEMENT | Hobbs, Richard D. |
| Exh 129 | SCG | Exh No:SCG-214 | SUPPLY MANAGEMENT | Hobbs, Richard D. |
| Exh 131 | SDG&E | Exh No:SDG&E-15 | SUPPLY MANAGEMENT & SUPPLIER DIVERSITY | Furbush, Sydney L. |
| Exh 133 | SDG&E | Exh No:SDG&E-215 | SUPPLY MANAGEMENT & SUPPLIER DIVERSITY | Furbush, Sydney L. |
| Exh 134 | SDG&E | Exh No:SDG&E-09-R | ELECTRIC DISTRIBUTION CAPITAL | Jenkins, John D. |
| Exh 136 | SDG&E | Exh No:SDG&E-209 | ELECTRIC DISTRIBUTION CAPITAL | Jenkins, John D. |
| Exh 148 | SCG | Exh No:SCG-18-R | INFORMATION TECHNOLOGY | Olmsted, Christopher R. |
| Exh 151 | SCG | Exh No:SCG-218 | INFORMATION TECHNOLOGY | Olmsted, Christopher R. |
| Exh 153 | SDG&E | Exh No:SDG&E-19-R-A | INFORMATION TECHNOLOGY | Mikovits, Stephen J. |
| Exh 156 | SDG&E | Exh No:SDG&E-219 | INFORMATION TECHNOLOGY | Mikovits, Stephen J. |
| Exh 162 | SCG | Exh No:SCG-15 | FLEET & FACILITY OPERATIONS | Herrera, Carmen L. |
| Exh 165 | SCG | Exh No:SCG-215 | FLEET SERVICES & FACILITY OPERATIONS | Herrera, Carmen L. |
| Exh 166 | SDG&E | Exh No:SDG&E-16 | FLEET SERVICES | Herrera, Carmen L. |
| Exh 168 | SDG&E | Exh No:SDG&E-216 | FLEET SERVICES | Herrera, Carmen L. |
| Exh 174 | SDG&E | Exh No:SDG&E-18 | ENVIRONMENTAL | Pearson, R. Scott |
| Exh 176 | SDG&E | Exh No:SDG&E-218 | ENVIRONMENTAL | Pearson, R. Scott |
| Exh 177 | SCG | Exh No:SCG-17-R | ENVIRONMENTAL | Tracy, Jill |
| Exh 179 | SCG | Exh No:SCG-217 | ENVIRONMENTAL | Tracy, Jill |
| Exh 182 | SCG | Exh No:SCG-36-R | COMPLIANCE | Shimansky, Gregory D |
| Exh 183 | SDG&E | Exh No:SDG&E-38-R | COMPLIANCE | Shimansky, Gregory D |

EXHIBIT REFERENCE SORTED BY HEARING EXHIBIT NUMBER

| Hearing Exhibit # | Party | Original Exhibit # | Description | Witness |
|--------------------------|--------------|---------------------------|---|-------------------------|
| Exh 184 | SDG&E-SCG | Exh No:SDG&E-243/SCG | RESULT OF EXAMINATION AND OTHER FINANCIAL ISSUES | Shimansky, Gregory D |
| Exh 185 | SCG | Exh No:SCG-13-R | CS - TECHNOLOGIES, POLICIES & SOLUTIONS | Reed, Jeffrey G. |
| Exh 187 | SCG | Exh No:SCG-213 | CS - TECHNOLOGIES, POLICIES & SOLUTIONS | Reed, Jeffrey G. |
| Exh 189 | SCG | Exh No:SCG-37-R | REVENUES AT PRESENT AND PROPOSED RATES | Lenart, Gary G |
| Exh 190 | SDG&E | Exh No:SDG&E-40-R | REVENUES AT PRESENT AND PROPOSED RATES | Lenart, Gary G |
| Exh 191 | SCG | Exh No:SCG-21 | COMPENSATION, HEALTH, & WELFARE | Robinson, Debbie |
| Exh 193 | SDG&E | Exh No:SDG&E-22 | COMPENSATION, HEALTH, & WELFARE | Robinson, Debbie |
| Exh 195 | SDG&E-SCG | Exh No:SDG&E-222/SCG | COMPENSATION AND BENEFITS | Robinson, Debbie S. |
| Exh 200 | SDG&E-SCG | Exh No:SDG&E-242/SCG | FINANCIAL COMPONENTS OF SHORT TERM INCENTIVE COMPENSATION | Schlax, Robert |
| Exh 203 | SDG&E | Exh No:SDG&E-39-R | ELECTRIC REVENUES AND RATES | Fang, Cynthia |
| Exh 204 | SDG&E | Exh No:SDG&E-239 | ELECTRIC REVENUES AND RATES | Fang, Cynthia |
| Exh 208 | SCG | Exh No:SCG-20 | CORPORATE CENTER - INSURANCE | Carbon, Katherine |
| Exh 210 | SDG&E | Exh No:SDG&E-21 | CORPORATE CENTER - INSURANCE | Carbon, Katherine |
| Exh 212 | SDG&E-SCG | Exh No:SDG&E-221/SCG | CORPORATE CENTER - INSURANCE | Carbon, Katherine |
| Exh 218 | SCG | Exh No:SCG-34-R | SUMMARY OF EARNINGS | Nguyen, Khai |
| Exh 219 | SDG&E | Exh No:SDG&E-36-R | SUMMARY OF EARNINGS | Nguyen, Khai |
| Exh 220 | SCG | Exh No:SCG-19 | CORPORATE CENTER - GENERAL ADMINISTRATION | Devine, Hannah L. |
| Exh 222 | SDG&E | Exh No:SDG&E-20 | CORPORATE CENTER - GENERAL ADMINISTRATION | Devine, Hannah L. |
| Exh 224 | SDG&E-SCG | Exh No:SDG&E-220/SCG | CORPORATE CENTER - GENERAL ADMINISTRATION | Devine, Hannah L. |
| Exh 228 | SCG | Exh No:SCG-32-R | MISCELLANEOUS REVENUES | Somerville, Michelle A. |
| Exh 230 | SCG | Exh No:SCG-232 | MISCELLANEOUS REVENUES | Somerville, Michelle A. |
| Exh 231 | SDG&E | Exh No:SDG&E-34-R | MISCELLANEOUS REVENUES | Somerville, Michelle A. |
| Exh 233 | SDG&E | Exh No:SDG&E-234 | MISCELLANEOUS REVENUES | Somerville, Michelle A. |

EXHIBIT REFERENCE SORTED BY HEARING EXHIBIT NUMBER

| Hearing Exhibit # | Party | Original Exhibit # | Description | Witness |
|--------------------------|--------------|---------------------------|---|------------------------|
| Exh 234 | SDG&E | Exh No:SDG&E-30-R | WORKING CASH | Lewis, Jack S |
| Exh 236 | SDG&E | Exh No:SDG&E-230 | WORKING CASH | Lewis, Jack S |
| Exh 241 | SCG | Exh No:SCG-29-R | WORKING CASH | Foster, Michael W. |
| Exh 243 | SCG | Exh No:SCG-229 | WORKING CASH | Foster, Michael W. |
| Exh 244 | SCG | Exh No:SCG-28-R | TAXES | Reeves, Ragan G. |
| Exh 246 | SCG | Exh No:SCG-228 | TAXES | Reeves, Ragan G. |
| Exh 247 | SDG&E | Exh No:SDG&E-29-R | TAXES | Reeves, Ragan G. |
| Exh 249 | SDG&E | Exh No:SDG&E-229 | TAXES | Reeves, Ragan G. |
| Exh 250 | SCG | Exh No:SCG-33 | REGULATORY ACCOUNTS | Austria, Reginald M. |
| Exh 252 | SCG | Exh No:SCG-233 | REGULATORY ACCOUNTS | Austria, Reginald M. |
| Exh 253 | SDG&E | Exh No:SDG&E-35 | REGULATORY ACCOUNTS | Jasso, Norma G. |
| Exh 254 | SDG&E | Exh No:SDG&E-235 | REGULATORY ACCOUNTS | Jasso, Norma G. |
| Exh 256 | SDG&E | Exh No:SDG&E-31 | ELECTRIC CUSTOMERS AND SALES | Schiermeyer, Kenneth E |
| Exh 258 | SDG&E | Exh No:SDG&E-231 | ELECTRIC CUSTOMERS AND SALES | Schiermeyer, Kenneth E |
| Exh 259 | SDG&E | Exh No:SDG&E-25-R | REG AFFAIRS, CONTROLLER, FINANCE, LEGAL & EXT REL | Deremer, Kenneth J |
| Exh 261 | SDG&E | Exh No:SDG&E-225 | REG AFFAIRS, CONTROLLER, FINANCE, LEGAL & EXT REL | Deremer, Kenneth J |
| Exh 266 | SDG&E | Exh No:SDG&E-240 | ELECTRIC RELIABILITY PERFORMANCE INCENTIVES | Withers, Mason |
| Exh 267 | SCG | Exh No:SCG-16 | REAL ESTATE | Seifert, James Carl |
| Exh 269 | SCG | Exh No:SCG-216 | REAL ESTATE | Seifert, James Carl |
| Exh 270 | SDG&E | Exh No:SDG&E-17 | REAL ESTATE, LAND SERVICES AND FACILITIES | Seifert, James Carl |
| Exh 273 | SDG&E | Exh No:SDG&E-217 | REAL ESTATE AND FACILITIES | Seifert, James Carl |
| Exh 277 | SCG | Exh No:SCG-22 | PENSION & PBOPs | Sarkaria, David I |
| Exh 280 | SDG&E | Exh No:SDG&E-23 | PENSION & PBOPs | Sarkaria, David I |
| Exh 283 | SCG | Exh No:SCG-24-R | REG AFF/A&F/LEGAL/EXT AFF | Gonzales, Ramon |
| Exh 285 | SCG | Exh No:SCG-224 | REG AFF/A&F/LEGAL/EXT AFF | Gonzales, Ramon |

EXHIBIT REFERENCE SORTED BY HEARING EXHIBIT NUMBER

| Hearing Exhibit # | Party | Original Exhibit # | Description | Witness |
|--------------------------|--------------|---------------------------|--|---------------------------------------|
| Exh 287 | SCG | Exh No:SCG-25-R | SHARED SVCS AND SHARED ASSETS BILLING POL AND PROCESS | Diancin, Mark A. |
| Exh 290 | SDG&E | Exh No:SDG&E-26-R | SHARED SVCS AND SHARED ASSETS BILLING POL AND PROCESS | Diancin, Mark A. |
| Exh 293 | SDG&E | Exh No:SDG&E-27-R | RATE BASE | Aragon, Jesse S. |
| Exh 295 | SDG&E | Exh No:SDG&E-28-R | DEPRECIATION | Wieczorek, Robert J |
| Exh 298 | SCG | Exh No:SCG-26-R | RATE BASE | Yee, Garry G |
| Exh 300 | SCG | Exh No:SCG-27-R | DEPRECIATION | Ngai, Flora |
| Exh 303 | SCG | Exh No:SCG-31 | ESCALATION | Wilder, Scott R |
| Exh 305 | SDG&E | Exh No:SDG&E-33 | ESCALATION | Wilder, Scott R |
| Exh 307 | SCG | Exh No:SCG-38-R | REASSIGNMENT RATES | Stein, Jeff |
| Exh 309 | SDG&E | Exh No:SDG&E-41-R | SEGMENTATION & REASSIGNMENT RATES | Stein, Jeff |
| Exh 311 | SDG&E-SCG | Exh No:SDG&E-241/SCG | TOTAL COMPENSATION STUDY | Beal, Rick |
| Exh 312 | EDF | EDF | Opening Testimony of T. O'Connor on behalf of EDF | T. O'Connor |
| Exh 313 | EDF | EDF | Rebuttal Testimony of T. O'Connor on behalf of EDF | T. O'Connor |
| Exh 314 | FEA | FEA | Direct Testimony of R. Smith on behalf of FEA | R. Smith |
| Exh 316 | JMP | JMP | Testimony of F. Bautista, M. Whitlock and T. Martinez on behalf of JMP | F. Bautista, M. Whitlock, T. Martinez |
| Exh 317 | MGRA | MGRA | Direct Testimony of J. Mitchell on behalf of MGRA | J. Mitchell |
| Exh 319 | SDCAN | SDCAN | Prepared Testimony of M. Shames on behalf of SDCAN | M. Shames |
| Exh 320 | UWUA | UWUA-1 | Utility Workers Union of America - 1 | C. Wood |
| Exh 321 | UWUA | UWUA-2 | Utility Workers Union of America - 2 | J. Acosta |
| Exh 322 | UWUA | UWUA-3 | Utility Workers Union of America - 3 | R. Downs |
| Exh 323 | UWUA | UWUA-4 | Utility Workers Union of America - 4 | D. Sherman |
| Exh 324 | UWUA | UWUA-5 | Utility Workers Union of America - 5 | P. Carriera |
| Exh 325 | UWUA | UWUA-6 | Utility Workers Union of America - 6 | D. Brown |
| Exh 326 | UWUA | UWUA-7 | Utility Workers Union of America - 7 | D. Kick |
| Exh 327 | UWUA | UWUA-8 | Utility Workers Union of America - 8 | E. Hofmann |
| Exh 328 | UWUA | UWUA-9 | Utility Workers Union of America - 9 | M. Barber |
| Exh 329 | UWUA | UWUA-10 | Utility Workers Union of America - 10 | J. Simon |
| Exh 331 | ORA | ORA-5 | SDG&E - Electric Distribution Expenses | E. Jaeger |

EXHIBIT REFERENCE SORTED BY HEARING EXHIBIT NUMBER

| Hearing Exhibit # | Party | Original Exhibit # | Description | Witness |
|--------------------------|--------------|---------------------------|---|-------------------------------|
| Exh 333 | ORA | ORA-17 | Compensation, Incentives, Benefits, Pension, and Postretirement Benefits Other Than Pension | S. Hunter |
| Exh 337 | CCUE | CCUE | Prepared Testimony of D. Marcus on behalf of CCUE | D. Marcus |
| Exh 340 | CCUE | CCUE | Rebuttal Testimony of D. Marcus on behalf of CCUE | D. Marcus |
| Exh 345 | UCAN | UCAN | Testimony of R. Sulpizio on behalf of UCAN | R. Sulpizio |
| Exh 347 | UCAN | UCAN | Testimony of Kobor-Norin-Fulmer on behalf of UCAN | B. Kobor, L. Norin, M. Fulmer |
| Exh 350 | ORA | ORA-10 | SoCalGas - Gas Distribution | D. Phan |
| Exh 353 | ORA | ORA-13 | Customer Services | T. Godfrey |
| Exh 358 | SCG | Exh No:SCG-30 | CUSTOMERS | Payan, Rose-Marie |
| Exh 360 | SCG | Exh No:SCG-230 | CUSTOMERS | Payan, Rose-Marie |
| Exh 362 | SDG&E | Exh No:SDG&E-32 | CUSTOMERS | Payan, Rose-Marie |
| Exh 364 | SDG&E | Exh No:SDG&E-232 | CUSTOMERS | Payan, Rose-Marie |
| Exh 366 | ORA | ORA-1 | Executive Summary | C. Tang |
| Exh 367 | ORA | ORA-2 | Summary of Earnings, Segmentation and Reassignment Rates | J. Oh |
| Exh 369 | ORA | ORA-3 | Customers, Sales, Cost Escalation | T. Renaghan |
| Exh 371 | ORA | ORA-4 | Miscellaneous Revenues | M. Kanter |
| Exh 374 | ORA | ORA-6 | SDG&E - Electric Distribution Capital Expenditures Part 1 of 2 | G. Wilson |
| Exh 376 | ORA | ORA-7 | SDG&E - Electric Distribution Capital Expenditures Part 2 of 2 | S. Logan |
| Exh 377 | ORA | ORA-8 | SDG&E - Electric Generation and SONGS | M. Loy |
| Exh 378 | ORA | ORA-9 | SDG&E - Gas Distribution, Transmission, Engineering, and Pipeline Integrity | G. Ezekwo |
| Exh 379 | ORA | ORA-11 | SoCalGas - Gas Transmission, Underground Storage, Engineering, and Pipeline Integrity | K. C. Lee |
| Exh 381 | ORA | ORA-12 | Risk Management and Procurement | T. Burns |
| Exh 383 | ORA | ORA-14 | Supply Management & Supplier Diversity, Fleet Services, Real Estate, Land Services & Facilities, and Environmental Services | S. Chia |
| Exh 385 | ORA | ORA-15 | Information Technology | P. Morse |

EXHIBIT REFERENCE SORTED BY HEARING EXHIBIT NUMBER

| Hearing Exhibit # | Party | Original Exhibit # | Description | Witness |
|--------------------------|--------------|---------------------------|---|---|
| Exh 387 | ORA | ORA-16 | Corporate Center – Shared Services & Shared Assets | J. Oh |
| Exh 389 | ORA | ORA-18 | Administrative & General Expenses Part 1 of 2 | L. Laserson |
| Exh 391 | ORA | ORA-19 | Administrative & General Expenses Part 2 of 2 | G. Dunham |
| Exh 393 | ORA | ORA-20 | Depreciation Expense and Reserve | M. Karie |
| Exh 394 | ORA | ORA-21 | Taxes | M. Campbell |
| Exh 396 | ORA | ORA-22 | Working Cash and Rate Base | K. McNabb |
| Exh 398 | ORA | ORA-23 | Post-Test Year Ratemaking and SCG Advanced Metering Infrastructure Policy | C. Tang |
| Exh 399 | ORA | ORA-24 | Report on the Results of Examination for SDG&E and SCG Test Year 2016 GRC | M. Waterworth, G. Novack, J. Lee, F. Hadiprodjo |
| Exh 400 | TURN | TURN | Direct Testimony of W. B. Marcus on behalf of TURN | W. B. Marcus |
| Exh 402 | TURN | TURN | Direct Testimony of J. Sugar on behalf of TURN | J. Sugar |
| Exh 404 | TURN | TURN | Direct Testimony of G. Jones on behalf of TURN | G. Jones |
| Exh 408 | TURN | TURN | Direct Testimony of E. Borden on behalf of TURN | E. Borden |

EXHIBIT REFERENCE SORTED BY PARTY AND ORIGINAL EXHIBIT NUMBER

| Party | Original Exhibit # | Hearing Exhibit # | Description | Witness |
|--------------|---------------------------|--------------------------|--|---|
| SDG&E | Exh No:SDG&E-01-R | Exh 2 | SDG&E POLICY OVERVIEW | Winn, Caroline A. and Drury, Scott D. |
| SDG&E | Exh No:SDG&E-02 | Exh 15 | RISK MANAGEMENT AND POLICY | Day, Diana |
| SDG&E | Exh No:SDG&E-03 | Exh 21 | ELECTRIC OPERATIONS RISK POLICY AND GAS OPERATIONS RISK POLICY | Geier, David L. and Schneider, Douglas M. |
| SDG&E | Exh No:SDG&E-04 | Exh 62 | GAS DISTRIBUTION | Ayala, Frank |
| SDG&E | Exh No:SDG&E-05 | Exh 40 | GAS TRANSMISSION O&M | Musich, Beth |
| SDG&E | Exh No:SDG&E-06 | Exh 29 | GAS ENGINEERING | Stanford, Raymond K |
| SDG&E | Exh No:SDG&E-07 | Exh 53 | TIMP & DIMP | Martinez, Maria T. |
| SDG&E | Exh No:SDG&E-08 | Exh 84 | ELECTRIC & FUEL PROCUREMENT | Garcia, Sue E |
| SDG&E | Exh No:SDG&E-09-R | Exh 134 | ELECTRIC DISTRIBUTION CAPITAL | Jenkins, John D. |
| SDG&E | Exh No:SDG&E-10-R | Exh 70 | ELECTRIC DISTRIBUTION O&M | Woldemariam, Jonathan T. |
| SDG&E | Exh No:SDG&E-11 | Exh 74 | ELECTRIC GENERATION | La Peter, Carl |
| SDG&E | Exh No:SDG&E-12-R | Exh 80 | SONGS | DeMarco, Michael L. |
| SDG&E | Exh No:SDG&E-13 | Exh 86 | CS - FIELD | Franke, Sara A. |
| SDG&E | Exh No:SDG&E-14 | Exh 101 | CS - OPERATIONS, INFORMATION & TECHNOLOGIES | Baugh, Bradley M. |
| SDG&E | Exh No:SDG&E-15 | Exh 131 | SUPPLY MANAGEMENT & SUPPLIER DIVERSITY | Furbush, Sydney L. |
| SDG&E | Exh No:SDG&E-16 | Exh 166 | FLEET SERVICES | Herrera, Carmen L. |
| SDG&E | Exh No:SDG&E-17 | Exh 270 | REAL ESTATE, LAND SERVICES AND FACILITIES | Seifert, James Carl |
| SDG&E | Exh No:SDG&E-18 | Exh 174 | ENVIRONMENTAL | Pearson, R. Scott |
| SDG&E | Exh No:SDG&E-19-R-A | Exh 153 | INFORMATION TECHNOLOGY | Mikovits, Stephen J. |
| SDG&E | Exh No:SDG&E-20 | Exh 222 | CORPORATE CENTER - GENERAL ADMINISTRATION | Devine, Hannah L. |
| SDG&E | Exh No:SDG&E-21 | Exh 210 | CORPORATE CENTER - INSURANCE | Carbon, Katherine |
| SDG&E | Exh No:SDG&E-22 | Exh 193 | COMPENSATION, HEALTH, & WELFARE | Robinson, Debbie |
| SDG&E | Exh No:SDG&E-23 | Exh 280 | PENSION & PBOPs | Sarkaria, David I |
| SDG&E | Exh No:SDG&E-24 | Exh 121 | HR, SAFETY, DISABILITY, & WORKERS COMP | Edgar, Sarah E |

EXHIBIT REFERENCE SORTED BY PARTY AND ORIGINAL EXHIBIT NUMBER

| Party | Original Exhibit # | Hearing Exhibit # | Description | Witness |
|--------------|---------------------------|--------------------------|--|--------------------------|
| SDG&E | Exh No:SDG&E-25-R | Exh 259 | REG AFFAIRS, CONTROLLER, FINANCE, LEGAL & EXT REL | Deremer, Kenneth J |
| SDG&E | Exh No:SDG&E-26-R | Exh 290 | SHARED SVCS AND SHARED ASSETS BILLING POL AND PROCESS | Diancin, Mark A. |
| SDG&E | Exh No:SDG&E-27-R | Exh 293 | RATE BASE | Aragon, Jesse S. |
| SDG&E | Exh No:SDG&E-28-R | Exh 295 | DEPRECIATION | Wieczorek, Robert J |
| SDG&E | Exh No:SDG&E-29-R | Exh 247 | TAXES | Reeves, Ragan G. |
| SDG&E | Exh No:SDG&E-30-R | Exh 234 | WORKING CASH | Lewis, Jack S |
| SDG&E | Exh No:SDG&E-31 | Exh 256 | ELECTRIC CUSTOMERS AND SALES | Schiermeyer, Kenneth E |
| SDG&E | Exh No:SDG&E-32 | Exh 362 | CUSTOMERS | Payan, Rose-Marie |
| SDG&E | Exh No:SDG&E-33 | Exh 305 | ESCALATION | Wilder, Scott R |
| SDG&E | Exh No:SDG&E-34-R | Exh 231 | MISCELLANEOUS REVENUES | Somerville, Michelle A. |
| SDG&E | Exh No:SDG&E-35 | Exh 253 | REGULATORY ACCOUNTS | Jasso, Norma G. |
| SDG&E | Exh No:SDG&E-36-R | Exh 219 | SUMMARY OF EARNINGS | Nguyen, Khai |
| SDG&E | Exh No:SDG&E-37-R | Exh 95 | POST-TEST YEAR RATEMAKING | Hrna, Sandra K. |
| SDG&E | Exh No:SDG&E-38-R | Exh 183 | COMPLIANCE | Shimansky, Gregory D |
| SDG&E | Exh No:SDG&E-39-R | Exh 203 | ELECTRIC REVENUES AND RATES | Fang, Cynthia |
| SDG&E | Exh No:SDG&E-40-R | Exh 190 | REVENUES AT PRESENT AND PROPOSED RATES | Lenart, Gary G |
| SDG&E | Exh No:SDG&E-41-R | Exh 309 | SEGMENTATION & REASSIGNMENT RATES | Stein, Jeff |
| SDG&E | Exh No:SDG&E-42 | | UPDATED RESULTS OF OPERATIONS REPORT | Nguyen, Khai |
| SDG&E | Exh No:SDG&E-43 | Exh 17 | RESPONSE TO SAFETY & ENFORCEMENT DIVISION (SED) REPORT | Day, Diana |
| SDG&E | Exh No:SDG&E-204 | Exh 65 | GAS DISTRIBUTION | Ayala, Frank |
| SDG&E | Exh No:SDG&E-205 | Exh 43 | GAS TRANSMISSION O&M | Musich, Beth |
| SDG&E | Exh No:SDG&E-206 | Exh 32 | GAS ENGINEERING AND GAS TRANSMISSION CAPITAL | Stanford, Raymond K |
| SDG&E | Exh No:SDG&E-207 | Exh 56 | TIMP & DIMP | Martinez, Maria T. |
| SDG&E | Exh No:SDG&E-209 | Exh 136 | ELECTRIC DISTRIBUTION CAPITAL | Jenkins, John D. |
| SDG&E | Exh No:SDG&E-210 | Exh 72 | ELECTRIC DISTRIBUTION O&M | Woldemariam, Jonathan T. |
| SDG&E | Exh No:SDG&E-211 | Exh 77 | ELECTRIC GENERATION | La Peter, Carl |

EXHIBIT REFERENCE SORTED BY PARTY AND ORIGINAL EXHIBIT NUMBER

| Party | Original Exhibit # | Hearing Exhibit # | Description | Witness |
|--------------|---------------------------|--------------------------|---|-------------------------|
| SDG&E | Exh No:SDG&E-212 | Exh 83 | SONGS | DeMarco, Michael L. |
| SDG&E | Exh No:SDG&E-213 | Exh 88 | CS - FIELD | Franke, Sara A. |
| SDG&E | Exh No:SDG&E-214 | Exh 104 | CS - OPERATIONS, INFORMATION & TECHNOLOGIES | Baugh, Bradley M. |
| SDG&E | Exh No:SDG&E-215 | Exh 133 | SUPPLY MANAGEMENT & SUPPLIER DIVERSITY | Furbush, Sydney L. |
| SDG&E | Exh No:SDG&E-216 | Exh 168 | FLEET SERVICES | Herrera, Carmen L. |
| SDG&E | Exh No:SDG&E-217 | Exh 273 | REAL ESTATE AND FACILITIES | Seifert, James Carl |
| SDG&E | Exh No:SDG&E-218 | Exh 176 | ENVIRONMENTAL | Pearson, R. Scott |
| SDG&E | Exh No:SDG&E-219 | Exh 156 | INFORMATION TECHNOLOGY | Mikovits, Stephen J. |
| SDG&E | Exh No:SDG&E-224 | Exh 123 | HR, SAFETY, DISABILITY, & WORKERS COMP | Edgar, Sarah E |
| SDG&E | Exh No:SDG&E-225 | Exh 261 | REG AFFAIRS, CONTROLLER, FINANCE, LEGAL & EXT REL | Deremer, Kenneth J |
| SDG&E | Exh No:SDG&E-229 | Exh 249 | TAXES | Reeves, Ragan G. |
| SDG&E | Exh No:SDG&E-230 | Exh 236 | WORKING CASH | Lewis, Jack S |
| SDG&E | Exh No:SDG&E-231 | Exh 258 | ELECTRIC CUSTOMERS AND SALES | Schiermeyer, Kenneth E |
| SDG&E | Exh No:SDG&E-232 | Exh 364 | CUSTOMERS | Payan, Rose-Marie |
| SDG&E | Exh No:SDG&E-234 | Exh 233 | MISCELLANEOUS REVENUES | Somerville, Michelle A. |
| SDG&E | Exh No:SDG&E-235 | Exh 254 | REGULATORY ACCOUNTS | Jasso, Norma G. |
| SDG&E | Exh No:SDG&E-237 | Exh 97 | POST-TEST YEAR RATEMAKING | Hrna, Sandra K. |
| SDG&E | Exh No:SDG&E-239 | Exh 204 | ELECTRIC REVENUES AND RATES | Fang, Cynthia |
| SDG&E | Exh No:SDG&E-240 | Exh 266 | ELECTRIC RELIABILITY PERFORMANCE INCENTIVES | Withers, Mason |
| SCG | Exh No:SCG-01-R | Exh 1 | SOCALGAS POLICY OVERVIEW | Lane, J. Bret |
| SCG | Exh No:SCG-02 | Exh 13 | RISK MANAGEMENT AND POLICY | Day, Diana |
| SCG | Exh No:SCG-03 | Exh 19 | GAS OPERATIONS RISK POLICY | Schneider, Douglas M. |
| SCG | Exh No:SCG-04-R | Exh 58 | GAS DISTRIBUTION | Ayala, Frank |
| SCG | Exh No:SCG-05 | Exh 35 | GAS TRANSMISSION O&M | Musich, Beth |
| SCG | Exh No:SCG-06 | Exh 45 | UNDERGROUND STORAGE | Baker, Phillip E. |
| SCG | Exh No:SCG-07 | Exh 25 | GAS ENGINEERING | Stanford, Raymond K |

EXHIBIT REFERENCE SORTED BY PARTY AND ORIGINAL EXHIBIT NUMBER

| Party | Original Exhibit # | Hearing Exhibit # | Description | Witness |
|--------------|---------------------------|--------------------------|---|-------------------------|
| SCG | Exh No:SCG-08 | Exh 49 | TIMP & DIMP | Martinez, Maria T. |
| SCG | Exh No:SCG-09 | Exh 119 | PROCUREMENT | Chang, Ibtissam T |
| SCG | Exh No:SCG-10 | Exh 89 | CS - FIELD & METER READING | Franke, Sara A. |
| SCG | Exh No:SCG-11 | Exh 110 | CS - OFFICE OPERATIONS | Goldman, Evan D. |
| SCG | Exh No:SCG-12-R | Exh 115 | CS - INFORMATION | Ayres, Ann D. |
| SCG | Exh No:SCG-13-R | Exh 185 | CS - TECHNOLOGIES, POLICIES & SOLUTIONS | Reed, Jeffrey G. |
| SCG | Exh No:SCG-14 | Exh 127 | SUPPLY MANAGEMENT | Hobbs, Richard D. |
| SCG | Exh No:SCG-15 | Exh 162 | FLEET & FACILITY OPERATIONS | Herrera, Carmen L. |
| SCG | Exh No:SCG-16 | Exh 267 | REAL ESTATE | Seifert, James Carl |
| SCG | Exh No:SCG-17-R | Exh 177 | ENVIRONMENTAL | Tracy, Jill |
| SCG | Exh No:SCG-18-R | Exh 148 | INFORMATION TECHNOLOGY | Olmsted, Christopher R. |
| SCG | Exh No:SCG-19 | Exh 220 | CORPORATE CENTER - GENERAL ADMINISTRATION | Devine, Hannah L. |
| SCG | Exh No:SCG-20 | Exh 208 | CORPORATE CENTER - INSURANCE | Carbon, Katherine |
| SCG | Exh No:SCG-21 | Exh 191 | COMPENSATION, HEALTH, & WELFARE | Robinson, Debbie |
| SCG | Exh No:SCG-22 | Exh 277 | PENSION & PBOPs | Sarkaria, David I |
| SCG | Exh No:SCG-23-R | Exh 106 | PRES/COO, HR, WORKERS COMP & DISABILITY | Serrano, Mark L. |
| SCG | Exh No:SCG-24-R | Exh 283 | REG AFF/A&F/LEGAL/EXT AFF | Gonzales, Ramon |
| SCG | Exh No:SCG-25-R | Exh 287 | SHARED SVCS AND SHARED ASSETS BILLING POL AND PROCESS | Diancin, Mark A. |
| SCG | Exh No:SCG-26-R | Exh 298 | RATE BASE | Yee, Garry G |
| SCG | Exh No:SCG-27-R | Exh 300 | DEPRECIATION | Ngai, Flora |
| SCG | Exh No:SCG-28-R | Exh 244 | TAXES | Reeves, Ragan G. |
| SCG | Exh No:SCG-29-R | Exh 241 | WORKING CASH | Foster, Michael W. |
| SCG | Exh No:SCG-30 | Exh 358 | CUSTOMERS | Payan, Rose-Marie |
| SCG | Exh No:SCG-31 | Exh 303 | ESCALATION | Wilder, Scott R |
| SCG | Exh No:SCG-32-R | Exh 228 | MISCELLANEOUS REVENUES | Somerville, Michelle A. |

EXHIBIT REFERENCE SORTED BY PARTY AND ORIGINAL EXHIBIT NUMBER

| Party | Original Exhibit # | Hearing Exhibit # | Description | Witness |
|--------------|---------------------------|--------------------------|--|---------------------------|
| SCG | Exh No:SCG-33 | Exh 250 | REGULATORY ACCOUNTS | Austria, Reginald M. |
| SCG | Exh No:SCG-34-R | Exh 218 | SUMMARY OF EARNINGS | Nguyen, Khai |
| SCG | Exh No:SCG-35-R | Exh 92 | POST-TEST YEAR RATEMAKING | Van der Leeden, Ronald M. |
| SCG | Exh No:SCG-36-R | Exh 182 | COMPLIANCE | Shimansky, Gregory D |
| SCG | Exh No:SCG-37-R | Exh 189 | REVENUES AT PRESENT AND PROPOSED RATES | Lenart, Gary G |
| SCG | Exh No:SCG-38-R | Exh 307 | REASSIGNMENT RATES | Stein, Jeff |
| SCG | Exh No:SCG-39 | Exh 124 | ADVANCED METERING INFRASTRUCTURE POLICY | Garcia, Rene F. |
| SCG | Exh No:SCG-40 | | UPDATED RESULTS OF OPERATIONS REPORT | Nguyen, Khai |
| SCG | Exh No:SCG-41 | Exh 17 | RESPONSE TO SAFETY & ENFORCEMENT DIVISION (SED) REPORT | Day, Diana |
| SCG | Exh No:SCG-204 | Exh 61 | GAS DISTRIBUTION | Ayala, Frank |
| SCG | Exh No:SCG-205 | Exh 38 | GAS TRANSMISSION O&M | Musich, Beth |
| SCG | Exh No:SCG-206 | Exh 48 | UNDERGROUND STORAGE | Baker, Phillip E. |
| SCG | Exh No:SCG-207 | Exh 28 | GAS ENGINEERING AND GAS TRANSMISSION CAPITAL | Stanford, Raymond K |
| SCG | Exh No:SCG-208 | Exh 52 | TIMP & DIMP | Martinez, Maria T. |
| SCG | Exh No:SCG-210 | Exh 91 | CS - FIELD & METER READING | Franke, Sara A. |
| SCG | Exh No:SCG-211 | Exh 113 | CS - OFFICE OPERATIONS | Goldman, Evan D. |
| SCG | Exh No:SCG-212 | Exh 117 | CS - INFORMATION | Ayres, Ann D. |
| SCG | Exh No:SCG-213 | Exh 187 | CS - TECHNOLOGIES, POLICIES & SOLUTIONS | Reed, Jeffrey G. |
| SCG | Exh No:SCG-214 | Exh 129 | SUPPLY MANAGEMENT | Hobbs, Richard D. |
| SCG | Exh No:SCG-215 | Exh 165 | FLEET SERVICES & FACILITY OPERATIONS | Herrera, Carmen L. |
| SCG | Exh No:SCG-216 | Exh 269 | REAL ESTATE | Seifert, James Carl |
| SCG | Exh No:SCG-217 | Exh 179 | ENVIRONMENTAL | Tracy, Jill |
| SCG | Exh No:SCG-218 | Exh 151 | INFORMATION TECHNOLOGY | Olmsted, Christopher R. |
| SCG | Exh No:SCG-223 | Exh 108 | HUMAN RESOURCES, DISABILITY & WORKERS COMP | Serrano, Mark L. |
| SCG | Exh No:SCG-224 | Exh 285 | REG AFF/A&F/LEGAL/EXT AFF | Gonzales, Ramon |

EXHIBIT REFERENCE SORTED BY PARTY AND ORIGINAL EXHIBIT NUMBER

| Party | Original Exhibit # | Hearing Exhibit # | Description | Witness |
|--------------|---------------------------|--------------------------|---|---------------------------|
| SCG | Exh No:SCG-228 | Exh 246 | TAXES | Reeves, Ragan G. |
| SCG | Exh No:SCG-229 | Exh 243 | WORKING CASH | Foster, Michael W. |
| SCG | Exh No:SCG-230 | Exh 360 | CUSTOMERS | Payan, Rose-Marie |
| SCG | Exh No:SCG-232 | Exh 230 | MISCELLANEOUS REVENUES | Somerville, Michelle A. |
| SCG | Exh No:SCG-233 | Exh 252 | REGULATORY ACCOUNTS | Austria, Reginald M. |
| SCG | Exh No:SCG-235 | Exh 94 | POST-TEST YEAR RATEMAKING | Van der Leeden, Ronald M. |
| SCG | Exh No:SCG-239 | Exh 125 | ADVANCED METERING INFRASTRUCTURE POLICY | Garcia, Rene F. |
| SDG&E-SCG | Exh No:SDG&E-202/SCG | Exh 18 | RISK MANAGEMENT AND POLICY | Day, Diana |
| SDG&E-SCG | Exh No:SDG&E-220/SCG | Exh 224 | CORPORATE CENTER - GENERAL ADMINISTRATION | Devine, Hannah L. |
| SDG&E-SCG | Exh No:SDG&E-221/SCG | Exh 212 | CORPORATE CENTER - INSURANCE | Carbon, Katherine |
| SDG&E-SCG | Exh No:SDG&E-222/SCG | Exh 195 | COMPENSATION AND BENEFITS | Robinson, Debbie S. |
| SDG&E-SCG | Exh No:SDG&E-241/SCG | Exh 311 | TOTAL COMPENSATION STUDY | Beal, Rick |
| SDG&E-SCG | Exh No:SDG&E-242/SCG | Exh 200 | FINANCIAL COMPONENTS OF SHORT TERM INCENTIVE COMPENSATION | Schlax, Robert |
| SDG&E-SCG | Exh No:SDG&E-243/SCG | Exh 184 | RESULT OF EXAMINATION AND OTHER FINANCIAL ISSUES | Shimansky, Gregory D |
| ORA | ORA-1 | Exh 366 | Executive Summary | C. Tang |
| ORA | ORA-2 | Exh 367 | Summary of Earnings, Segmentation and Reassignment Rates | J. Oh |
| ORA | ORA-3 | Exh 369 | Customers, Sales, Cost Escalation | T. Renaghan |
| ORA | ORA-4 | Exh 371 | Miscellaneous Revenues | M. Kanter |
| ORA | ORA-5 | Exh 331 | SDG&E - Electric Distribution Expenses | E. Jaeger |
| ORA | ORA-6 | Exh 374 | SDG&E - Electric Distribution Capital Expenditures Part 1 of 2 | G. Wilson |
| ORA | ORA-7 | Exh 376 | SDG&E - Electric Distribution Capital Expenditures Part 2 of 2 | S. Logan |
| ORA | ORA-8 | Exh 377 | SDG&E - Electric Generation and SONGS | M. Loy |
| ORA | ORA-9 | Exh 378 | SDG&E - Gas Distribution, Transmission, Engineering, and Pipeline Integrity | G. Ezekwo |
| ORA | ORA-10 | Exh 350 | SoCalGas - Gas Distribution | D. Phan |

EXHIBIT REFERENCE SORTED BY PARTY AND ORIGINAL EXHIBIT NUMBER

| Party | Original Exhibit # | Hearing Exhibit # | Description | Witness |
|--------------|---------------------------|--------------------------|---|---|
| ORA | ORA-11 | Exh 379 | SoCalGas - Gas Transmission, Underground Storage, Engineering, and Pipeline Integrity | K. C. Lee |
| ORA | ORA-12 | Exh 381 | Risk Management and Procurement | T. Burns |
| ORA | ORA-13 | Exh 353 | Customer Services | T. Godfrey |
| ORA | ORA-14 | Exh 383 | Supply Management & Supplier Diversity, Fleet Services, Real Estate, Land Services & Facilities, and Environmental Services | S. Chia |
| ORA | ORA-15 | Exh 385 | Information Technology | P. Morse |
| ORA | ORA-16 | Exh 387 | Corporate Center – Shared Services & Shared Assets | J. Oh |
| ORA | ORA-17 | Exh 333 | Compensation, Incentives, Benefits, Pension, and Postretirement Benefits Other Than Pension | S. Hunter |
| ORA | ORA-18 | Exh 389 | Administrative & General Expenses Part 1 of 2 | L. Laserson |
| ORA | ORA-19 | Exh 391 | Administrative & General Expenses Part 2 of 2 | G. Dunham |
| ORA | ORA-20 | Exh 393 | Depreciation Expense and Reserve | M. Karie |
| ORA | ORA-21 | Exh 394 | Taxes | M. Campbell |
| ORA | ORA-22 | Exh 396 | Working Cash and Rate Base | K. McNabb |
| ORA | ORA-23 | Exh 398 | Post-Test Year Ratemaking and SCG Advanced Metering Infrastructure Policy | C. Tang |
| ORA | ORA-24 | Exh 399 | Report on the Results of Examination for SDG&E and SCG Test Year 2016 GRC | M. Waterworth, G. Novack, J. Lee, F. Hadiprodjo |
| UCAN | UCAN | Exh 347 | Testimony of Kobor-Norin-Fulmer on behalf of UCAN | B. Kobor, L. Norin, M. Fulmer |
| UCAN | UCAN | Exh 345 | Testimony of R. Sulpizio on behalf of UCAN | R. Sulpizio |
| TURN | TURN | Exh 408 | Direct Testimony of E. Borden on behalf of TURN | E. Borden |
| TURN | TURN | Exh 404 | Direct Testimony of G. Jones on behalf of TURN | G. Jones |
| TURN | TURN | Exh 400 | Direct Testimony of W. B. Marcus on behalf of TURN | W. B. Marcus |
| TURN | TURN | Exh 402 | Direct Testimony of J. Sugar on behalf of TURN | J. Sugar |
| SDCAN | SDCAN | Exh 319 | Prepared Testimony of M. Shames on behalf of SDCAN | M. Shames |
| MGRA | MGRA | Exh 317 | Direct Testimony of J. Mitchell on behalf of MGRA | J. Mitchell |

EXHIBIT REFERENCE SORTED BY PARTY AND ORIGINAL EXHIBIT NUMBER

| Party | Original Exhibit # | Hearing Exhibit # | Description | Witness |
|--------------|---------------------------|--------------------------|--|---------------------------------------|
| CCUE | CCUE | Exh 337 | Prepared Testimony of D. Marcus on behalf of CCUE | D. Marcus |
| CCUE | CCUE | Exh 340 | Rebuttal Testimony of D. Marcus on behalf of CCUE | D. Marcus |
| FEA | FEA | Exh 314 | Direct Testimony of R. Smith on behalf of FEA | R. Smith |
| JMP | JMP | Exh 316 | Testimony of F. Bautista, M. Whitlock and T. Martinez on behalf of JMP | F. Bautista, M. Whitlock, T. Martinez |
| SCGC | SCGC | Exh 33 | Direct Testimony of C. Yap on behalf of SCGC | C. Yap |
| EDF | EDF | Exh 312 | Opening Testimony of T. O'Connor on behalf of EDF | T. O'Connor |
| EDF | EDF | Exh 313 | Rebuttal Testimony of T. O'Connor on behalf of EDF | T. O'Connor |
| UWUA | UWUA-1 | Exh 320 | Utility Workers Union of America - 1 | C. Wood |
| UWUA | UWUA-2 | Exh 321 | Utility Workers Union of America - 2 | J. Acosta |
| UWUA | UWUA-3 | Exh 322 | Utility Workers Union of America - 3 | R. Downs |
| UWUA | UWUA-4 | Exh 323 | Utility Workers Union of America - 4 | D. Sherman |
| UWUA | UWUA-5 | Exh 324 | Utility Workers Union of America - 5 | P. Carriera |
| UWUA | UWUA-6 | Exh 325 | Utility Workers Union of America - 6 | D. Brown |
| UWUA | UWUA-7 | Exh 326 | Utility Workers Union of America - 7 | D. Kick |
| UWUA | UWUA-8 | Exh 327 | Utility Workers Union of America - 8 | E. Hofmann |
| UWUA | UWUA-9 | Exh 328 | Utility Workers Union of America - 9 | M. Barber |
| UWUA | UWUA-10 | Exh 329 | Utility Workers Union of America - 10 | J. Simon |

Chapter 2

Differences Between SDG&E and ORA

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

1. SDG&E-02 (Exh 15) - RISK MANAGEMENT AND POLICY

a. O&M - SHARED

| Workpaper | ORA vs. SDG&E (2016) | Reference |
|-------------------|----------------------|-----------|
| 1. 1RM00A-USS.ALL | (1,903) | 2A1-a1 |

CHAPTER 2A1-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-02
Area: RISK MANAGEMENT AND POLICY
Witness: Day, Diana L.

SHARED SERVICES O&M

Subject: Risk Management
Workpaper: 1RM00A-USS.ALL

SDG&E Position: SDG&E's TY 2016 request is \$2.964 million. Included in this request is the addition of 9 full-time equivalents (FTEs) on a combined basis for SDG&E and SCG.

Exhibit SDG&E-02, Page DD-10

ORA Position: ORA recommends that SDG&E receive \$1.061 million for SDG&E and SCG ERM expenses, SDG&E's 2014 adjusted recorded expense amount.

Exhibit ORA-12, Page 5

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| SDG&E | Labor | NLbr | NSE | Total |
|-------------------|--------------|---------------|------------|---------------|
| 2100-3590.000 | 1,224 | 1,740 | 0 | 2,964 |
| Total | 1,224 | 1,740 | 0 | 2,964 |
| | | | | |
| ORA | Labor | NLbr | NSE | Total |
| 2100-3590.000 | 811 | 250 | 0 | 1,061 |
| Total | 811 | 250 | 0 | 1,061 |
| | | | | |
| Difference | Labor | NLbr | NSE | Total |
| 2100-3590.000 | -413 | -1,490 | 0 | -1,903 |
| Total | -413 | -1,490 | 0 | -1,903 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

2. SDG&E-04 (Exh 62) - GAS DISTRIBUTION

a. O&M - NON-SHARED

| Workpaper | ORA vs. SDG&E (2016) | Reference |
|---------------|----------------------|-----------|
| 1. 1GD000.004 | (61) | 2A2-a1 |
| 2. 1GD000.005 | (45) | 2A2-a2 |
| 3. 1GD000.006 | (13) | 2A2-a3 |
| 4. 1GD000.007 | (648) | 2A2-a4 |
| 5. 1GD001.000 | (237) | 2A2-a5 |
| 6. 1GD002.000 | (339) | 2A2-a6 |
| 7. 1GD004.000 | (322) | 2A2-a7 |

CHAPTER 2A2-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-04
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

NONSHARED O&M

Subject: Field O&M - Service Maintenance
Workpaper: 1GD000.004

SDG&E Position: SDG&E shows a recorded base year figure of \$1.183 million and a forecasted incremental increase of \$61.0 million resulting in a TY 2016 expense of \$1.244 million.

Exhibit SDG&E-04, Page FBA-23

ORA Position: ORA recommends \$1.1830 million for TY 2016 which is close to the recorded five-year (2010 through 2014) average.

Exhibit ORA-9, Page 9

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 1,134 | 1,078 | -56 |
| NonLabor | 110 | 105 | -5 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 1,244 | 1,183 | -61 |

CHAPTER 2A2-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-04
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

NONSHARED O&M

Subject: Field O&M - Tools Fittings & Materials
Workpaper: 1GD000.005

SDG&E Position: SDG&E shows a recorded base year figure of \$.328 million and a forecasted incremental increase of \$.139 million resulting in a TY 2016 expense of \$.467 million.

Exhibit SDG&E-04, Page FBA-26

ORA Position: ORA recommends \$.422 million for TY 2016, based on the most recent recorded five-year (2010 through 2014) average. ORA's use of a five year average provides a more reliable TY forecast due to its reliance on updated historical data.

Exhibit ORA-9, Page 10

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 6 | 5 | -1 |
| NonLabor | 461 | 417 | -44 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 467 | 422 | -45 |

CHAPTER 2A2-a3

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-04
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

NONSHARED O&M

Subject: Field O&M - Electric Support
Workpaper: 1GD000.006

SDG&E Position: SDG&E shows a recorded base year figure of \$.606 million and a forecast incremental increase of \$.131 million resulting in a TY 2016 expense of \$.737 million.

Exhibit SDG&E-04, Page FBA-27

ORA Position: ORA recommends \$.724 million for TY 2016, based on the most recent recorded five-year (2010 through 2014) average. ORA's use of a five year average provides a more reliable TY forecast due to its reliance on updated historical data.

Exhibit ORA-9, Page 11

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 637 | 626 | -11 |
| NonLabor | 100 | 98 | -2 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 737 | 724 | -13 |

CHAPTER 2A2-a4

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-04
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

NONSHARED O&M

Subject: Field O&M - Supervision & Training
Workpaper: 1GD000.007

SDG&E Position: SDG&E shows a recorded base year figure of \$2.498 million and a forecast incremental increase of \$.343 resulting in a TY 2016 expense of \$2.841 million.

Exhibit SDG&E-04, Page FBA-28

ORA Position: ORA recommends \$2.193 million for TY 2016, based on the most recent recorded five-year (2010 through 2014) average. ORA's use of a five-year average provides a more reliable TY forecast due to its reliance on updated historical data.

Exhibit ORA-9, Page 13

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 2,634 | 2,033 | -601 |
| NonLabor | 207 | 160 | -47 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 2,841 | 2,193 | -648 |

CHAPTER 2A2-a5

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-04
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

NONSHARED O&M

Subject: Asset Management
Workpaper: 1GD001.000

SDG&E Position: SDG&E shows a recorded base year figure of \$1.624 million and a forecast incremental increase of \$.224 million resulting in a TY 2016 expense of \$1.848 million.

Exhibit SDG&E-04, Page FBA-45

ORA Position: ORA recommends \$1.612 million for TY 2016, based on the most recent recorded five-year (2010 through 2014) average. ORA's use of a five-year average provides a more reliable TY forecast due to its reliance on updated historical data.

Exhibit ORA-9, Page 17

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 1,400 | 1,221 | -179 |
| NonLabor | 449 | 391 | -58 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 1,849 | 1,612 | -237 |

CHAPTER 2A2-a6

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-04
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

NONSHARED O&M

Subject: Measurement & Regulation
Workpaper: 1GD002.000

SDG&E Position: SDG&E shows a recorded base year figure of \$3.058 million and a forecasted incremental increase of \$.406 million resulting in a TY 2016 expense of \$3.464 million.

Exhibit SDG&E-04, Page FBA-31

ORA Position: ORA recommends \$3.125 million for TY 2016, based on the most recent recorded two-year (2013 and 2014) average.

Exhibit ORA-9, Page 14

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 2,531 | 2,283 | -248 |
| NonLabor | 933 | 842 | -91 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 3,464 | 3,125 | -339 |

CHAPTER 2A2-a7

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-04
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

NONSHARED O&M

Subject: Operations Management & Training
Workpaper: 1GD004.000

SDG&E Position: SDG&E shows a recorded base year figure of \$2.238 million and a forecasted incremental increase of \$1.166 million resulting in a TY 2016 expense of \$3.404 million.

Exhibit SDG&E-04, Page FBA-52

ORA Position: ORA recommends \$3.082 million for TY 2016, based on the most recent recorded five-year (2010 through 2014) average, plus SDG&E's requested incremental additions of \$1.166 million. According to SDG&E the incremental cost includes the Expansion of the Operator Qualification Program, Additional Annual Welding Training, Leak Survey and CP Quality Assurance Specialist, Additional Compliance Technical Advisor and Technical Service Specialist.

Exhibit ORA-9, Page 18

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 2,820 | 2,553 | -267 |
| NonLabor | 584 | 529 | -55 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 3,404 | 3,082 | -322 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

2. SDG&E-04 (Exh 62) - GAS DISTRIBUTION

b. CAPITAL

| Project | ORA vs. SDG&E (2014+2015+2016) | Reference |
|-----------------|--------------------------------|-----------|
| 1. 00500.0.ALL | (814) | 2A2-b1 |
| 2. 00501.0.ALL | 639 | 2A2-b2 |
| 3. 00502.0.ALL | 377 | 2A2-b3 |
| 4. 00503.0.ALL | (1,061) | 2A2-b4 |
| 5. 00504.0.ALL | 44 | 2A2-b5 |
| 6. 00505.0.ALL | 294 | 2A2-b6 |
| 7. 00506.0.ALL | 150 | 2A2-b7 |
| 8. 00507.0.ALL | 173 | 2A2-b8 |
| 9. 00508.0.ALL | 1,750 | 2A2-b9 |
| 10. 00509.0.ALL | 506 | 2A2-b10 |
| 11. 00510.0.ALL | (985) | 2A2-b11 |
| 12. 00902.0.ALL | (617) | 2A2-b12 |
| 13. 12551.0.ALL | (13) | 2A2-b13 |

CHAPTER 2A2-b1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-04
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: GD NEW CUSTOMERS
Budget Code: 00500.0.ALL

SDG&E Position: Forecasted capital expenditures for this category for years 2014, 2015, and 2016 are \$7.042 million, \$9.584 million, and \$12.500 million, respectively. Exhibit SDG&E-04, Page FBA-61

ORA Position: ORA reviewed SDG&E's capital forecast for 2014, 2015 and 2016. ORA does not take issue with how the forecast was derived. SDG&E's total 2014 recorded expenditures is less than five percent of the SDG&E's 2014 requested amount. Based on this, ORA recommends that the Commission adopt the 2014 recorded capital expenditures and also accept SDG&E's 2015 and 2016 capital forecast.

Exhibit ORA-9, Page 20

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|--------------|--------------|---------------|---------------|
| 005000.001 | 5,891 | 8,018 | 10,458 | 24,367 |
| 005000.002 | 1,151 | 1,566 | 2,042 | 4,759 |
| Total | 7,042 | 9,584 | 12,500 | 29,126 |
| | | | | |
| ORA | 2014 | 2015 | 2016 | Total |
| 005000.001 | 5,508 | 8,018 | 10,458 | 23,984 |
| 005000.002 | 720 | 1,566 | 2,042 | 4,328 |
| Total | 6,228 | 9,584 | 12,500 | 28,312 |
| | | | | |
| Difference | 2014 | 2015 | 2016 | Total |
| 005000.001 | -383 | 0 | 0 | -383 |
| 005000.002 | -431 | 0 | 0 | -431 |
| Total | -814 | 0 | 0 | -814 |

CHAPTER 2A2-b2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-04
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: GD SYS MINOR ADD/RLC/RTR
Budget Code: 00501.0.ALL

SDG&E Position: Forecasted capital expenditures for this category for years 2014, 2015, and 2016 are \$1.450 million, \$1.450 million, and \$1.450 million, respectively.
Exhibit SDG&E-04, Page FBA-63

ORA Position: ORA reviewed SDG&E's capital forecast for 2014, 2015 and 2016. ORA does not take issue with how the forecast was derived. SDG&E's total 2014 recorded expenditures is less than five percent of the SDG&E's 2014 requested amount. Based on this, ORA recommends that the Commission adopt the 2014 recorded capital expenditures and also accept SDG&E's 2015 and 2016 capital forecast.
Exhibit ORA-9, Page 20

Note: This exhibit does not show the uncontested project sub-accounts. SoCalGas' total request for Budget Code 00501 is \$1.450 million for 2014, \$3.356 million for 2015, and \$3.356 million for 2016.

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|--------------|--------------|--------------|--------------|
| 005010.001 | 668 | 668 | 668 | 2,004 |
| 005010.002 | 411 | 411 | 411 | 1,233 |
| 005010.005 | 371 | 371 | 371 | 1,113 |
| Total | 1,450 | 1,450 | 1,450 | 4,350 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|--------------|--------------|--------------|--------------|
| 005010.001 | 963 | 668 | 668 | 2,299 |
| 005010.002 | 592 | 411 | 411 | 1,414 |
| 005010.005 | 534 | 371 | 371 | 1,276 |
| Total | 2,089 | 1,450 | 1,450 | 4,989 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 005010.001 | 295 | 0 | 0 | 295 |
| 005010.002 | 181 | 0 | 0 | 181 |
| 005010.005 | 163 | 0 | 0 | 163 |
| Total | 639 | 0 | 0 | 639 |

CHAPTER 2A2-b3

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-04
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: GD METERS & REGULATORS
Budget Code: 00502.0.ALL

SDG&E Position: Forecasted capital expenditures for this category for years 2014, 2015, and 2016 are \$7.175 million, \$7.378 million, and \$7.610 million, respectively.
Exhibit SDG&E-04, Page FBA-66

ORA Position: ORA reviewed SDG&E's capital forecast for 2014, 2015 and 2016. ORA does not take issue with how the forecast was derived. SDG&E's total 2014 recorded expenditures is less than five percent of the SDG&E's 2014 requested amount. Based on this, ORA recommends that the Commission adopt the 2014 recorded capital expenditures and also accept SDG&E's 2015 and 2016 capital forecast.
Exhibit ORA-9, Page 20

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|--------------|--------------|--------------|---------------|
| 005020.001 | 7,175 | 7,378 | 7,610 | 22,163 |
| Total | 7,175 | 7,378 | 7,610 | 22,163 |
| | | | | |
| ORA | 2014 | 2015 | 2016 | Total |
| 005020.001 | 7,552 | 7,378 | 7,610 | 22,540 |
| Total | 7,552 | 7,378 | 7,610 | 22,540 |
| | | | | |
| Difference | 2014 | 2015 | 2016 | Total |
| 005020.001 | 377 | 0 | 0 | 377 |
| Total | 377 | 0 | 0 | 377 |

CHAPTER 2A2-b4

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-04
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: GD SYS REINFORCEMENT
Budget Code: 00503.0.ALL

SDG&E Position: Forecasted capital expenditures for this category for years 2014, 2015, and 2016 are \$2.304 million, \$2.304 million, and \$2.304 million, respectively.
Exhibit SDG&E-04, Page FBA-68

ORA Position: ORA reviewed SDG&E's capital forecast for 2014, 2015 and 2016. ORA does not take issue with how the forecast was derived. SDG&E's total 2014 recorded expenditures is less than five percent of the SDG&E's 2014 requested amount. Based on this, ORA recommends that the Commission adopt the 2014 recorded capital expenditures and also accept SDG&E's 2015 and 2016 capital forecast.
Exhibit ORA-9, Page 20

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|---------------|--------------|--------------|---------------|
| 005030.001 | 2,304 | 2,304 | 2,304 | 6,912 |
| Total | 2,304 | 2,304 | 2,304 | 6,912 |
| | | | | |
| ORA | 2014 | 2015 | 2016 | Total |
| 005030.001 | 1,243 | 2,304 | 2,304 | 5,851 |
| Total | 1,243 | 2,304 | 2,304 | 5,851 |
| | | | | |
| Difference | 2014 | 2015 | 2016 | Total |
| 005030.001 | -1,061 | 0 | 0 | -1,061 |
| Total | -1,061 | 0 | 0 | -1,061 |

CHAPTER 2A2-b5

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-04
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: GD EASEMENTS
Budget Code: 00504.0.ALL

SDG&E Position: Forecasted capital expenditures for this category for years 2014, 2015, and 2016 are \$.028 million, \$.028 million, and \$.028 million, respectively.
Exhibit SDG&E-04, Page FBA-70

ORA Position: ORA reviewed SDG&E's capital forecast for 2014, 2015 and 2016. ORA does not take issue with how the forecast was derived. SDG&E's total 2014 recorded expenditures is less than five percent of the SDG&E's 2014 requested amount. Based on this, ORA recommends that the Commission adopt the 2014 recorded capital expenditures and also accept SDG&E's 2015 and 2016 capital forecast.
Exhibit ORA-9, Page 20

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|--------------|-----------|-----------|-----------|-----------|
| 005040.001 | 28 | 28 | 28 | 84 |
| Total | 28 | 28 | 28 | 84 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|-----------|-----------|-----------|------------|
| 005040.001 | 72 | 28 | 28 | 128 |
| Total | 72 | 28 | 28 | 128 |

| Difference | 2014 | 2015 | 2016 | Total |
|--------------|-----------|----------|----------|-----------|
| 005040.001 | 44 | 0 | 0 | 44 |
| Total | 44 | 0 | 0 | 44 |

CHAPTER 2A2-b6

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-04
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: STR & HIGHWAY RELOCATION
Budget Code: 00505.0.ALL

SDG&E Position: Forecasted capital expenditures for this category for years 2014, 2015, and 2016 are \$3.970 million, \$3.970 million, and \$3.970 million, respectively.
Exhibit SDG&E-04, Page FBA-71

ORA Position: ORA reviewed SDG&E's capital forecast for 2014, 2015 and 2016. ORA does not take issue with how the forecast was derived. SDG&E's total 2014 recorded expenditures is less than five percent of the SDG&E's 2014 requested amount. Based on this, ORA recommends that the Commission adopt the 2014 recorded capital expenditures and also accept SDG&E's 2015 and 2016 capital forecast.
Exhibit ORA-9, Page 20

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|--------------|--------------|--------------|---------------|
| 005050.001 | 3,920 | 3,920 | 3,920 | 11,760 |
| 005050.002 | 50 | 50 | 50 | 150 |
| Total | 3,970 | 3,970 | 3,970 | 11,910 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|--------------|--------------|--------------|---------------|
| 005050.001 | 4,210 | 3,920 | 3,920 | 12,050 |
| 005050.002 | 54 | 50 | 50 | 154 |
| Total | 4,264 | 3,970 | 3,970 | 12,204 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 005050.001 | 290 | 0 | 0 | 290 |
| 005050.002 | 4 | 0 | 0 | 4 |
| Total | 294 | 0 | 0 | 294 |

CHAPTER 2A2-b7

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-04
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: GD TOOLS & EQUIPMENT
Budget Code: 00506.0.ALL

SDG&E Position: Forecasted capital expenditures for this category for years 2014, 2015, and 2016 are \$1.865 million, \$1.601 million, and \$.422 million, respectively.
Exhibit SDG&E-04, Page FBA-73

ORA Position: ORA reviewed SDG&E's capital forecast for 2014, 2015 and 2016. ORA does not take issue with how the forecast was derived. SDG&E's total 2014 recorded expenditures is less than five percent of the SDG&E's 2014 requested amount. Based on this, ORA recommends that the Commission adopt the 2014 recorded capital expenditures and also accept SDG&E's 2015 and 2016 capital forecast.
Exhibit ORA-9, Page 20

Note: This exhibit does not show the uncontested project sub-accounts. SoCalGas' total request for Budget Code 00506 is \$1.865 million for 2014, \$1.871 million for 2015, and \$1.955 million for 2016.

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|--------------|--------------|-------------|--------------|
| 005060.001 | 422 | 677 | 422 | 1,521 |
| 005060.002 | 1,443 | 924 | 0 | 2,367 |
| Total | 1,865 | 1,601 | 422 | 3,888 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|--------------|--------------|-------------|--------------|
| 005060.001 | 456 | 677 | 422 | 1,555 |
| 005060.002 | 1,559 | 924 | 0 | 2,483 |
| Total | 2,015 | 1,601 | 422 | 4,038 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 005060.001 | 34 | 0 | 0 | 34 |
| 005060.002 | 116 | 0 | 0 | 116 |
| Total | 150 | 0 | 0 | 150 |

CHAPTER 2A2-b8

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-04
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: GD CODE COMPLIANCE
Budget Code: 00507.0.ALL

SDG&E Position: Forecasted capital expenditures for this category for years 2014, 2015, and 2016 are \$.320 million, \$.320 million, and \$.320 million, respectively.
Exhibit SDG&E-04, Page FBA-77

ORA Position: ORA reviewed SDG&E's capital forecast for 2014, 2015 and 2016. ORA does not take issue with how the forecast was derived. SDG&E's total 2014 recorded expenditures is less than five percent of the SDG&E's 2014 requested amount. Based on this, ORA recommends that the Commission adopt the 2014 recorded capital expenditures and also accept SDG&E's 2015 and 2016 capital forecast.
Exhibit ORA-9, Page 20

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|-------------|-------------|-------------|--------------|
| 005070.001 | 320 | 320 | 320 | 960 |
| Total | 320 | 320 | 320 | 960 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|-------------|-------------|-------------|--------------|
| 005070.001 | 493 | 320 | 320 | 1,133 |
| Total | 493 | 320 | 320 | 1,133 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 005070.001 | 173 | 0 | 0 | 173 |
| Total | 173 | 0 | 0 | 173 |

CHAPTER 2A2-b9

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-04
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: MAINS & SERV REPL
Budget Code: 00508.0.ALL

SDG&E Position: Forecasted capital expenditures for this category for years 2014, 2015, and 2016 are \$1.726 million, \$1.726 million, and \$1.726 million, respectively. Exhibit SDG&E-04, Page FBA-80

ORA Position: ORA reviewed SDG&E's capital forecast for 2014, 2015 and 2016. ORA does not take issue with how the forecast was derived. SDG&E's total 2014 recorded expenditures is less than five percent of the SDG&E's 2014 requested amount. Based on this, ORA recommends that the Commission adopt the 2014 recorded capital expenditures and also accept SDG&E's 2015 and 2016 capital forecast. Exhibit ORA-9, Page 20

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|--------------|--------------|--------------|--------------|
| 005080.001 | 1,726 | 1,726 | 1,726 | 5,178 |
| Total | 1,726 | 1,726 | 1,726 | 5,178 |
| | | | | |
| ORA | 2014 | 2015 | 2016 | Total |
| 005080.001 | 3,476 | 1,726 | 1,726 | 6,928 |
| Total | 3,476 | 1,726 | 1,726 | 6,928 |
| | | | | |
| Difference | 2014 | 2015 | 2016 | Total |
| 005080.001 | 1,750 | 0 | 0 | 1,750 |
| Total | 1,750 | 0 | 0 | 1,750 |

CHAPTER 2A2-b10

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-04
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: CATHODIC PROTECTION
Budget Code: 00509.0.ALL

SDG&E Position: Forecasted capital expenditures for this category for years 2014, 2015, and 2016 are \$.586 million, \$.600 million, and \$.614 million, respectively.
Exhibit SDG&E-04, Page FBA-82

ORA Position: ORA reviewed SDG&E's capital forecast for 2014, 2015 and 2016. ORA does not take issue with how the forecast was derived. SDG&E's total 2014 recorded expenditures is less than five percent of the SDG&E's 2014 requested amount. Based on this, ORA recommends that the Commission adopt the 2014 recorded capital expenditures and also accept SDG&E's 2015 and 2016 capital forecast.
Exhibit ORA-9, Page 20

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|--------------|-------------|-------------|--------------|
| 005090.001 | 586 | 600 | 614 | 1,800 |
| Total | 586 | 600 | 614 | 1,800 |
| | | | | |
| ORA | 2014 | 2015 | 2016 | Total |
| 005090.001 | 1,092 | 600 | 614 | 2,306 |
| Total | 1,092 | 600 | 614 | 2,306 |
| | | | | |
| Difference | 2014 | 2015 | 2016 | Total |
| 005090.001 | 506 | 0 | 0 | 506 |
| Total | 506 | 0 | 0 | 506 |

CHAPTER 2A2-b11

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-04
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: GD SYS RELIAB & SAFETY IMPR
Budget Code: 00510.0.ALL

SDG&E Position: Forecasted capital expenditures for this category for years 2014, 2015, and 2016 are \$1.256 million, \$.737 million, and \$.463 million, respectively.
Exhibit SDG&E-04, Page FBA-85

ORA Position: ORA reviewed SDG&E's capital forecast for 2014, 2015 and 2016. ORA does not take issue with how the forecast was derived. SDG&E's total 2014 recorded expenditures is less than five percent of the SDG&E's 2014 requested amount. Based on this, ORA recommends that the Commission adopt the 2014 recorded capital expenditures and also accept SDG&E's 2015 and 2016 capital forecast.
Exhibit ORA-9, Page 20

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|--------------|--------------|------------|------------|--------------|
| 005100.001 | 1,256 | 737 | 463 | 2,456 |
| Total | 1,256 | 737 | 463 | 2,456 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|------------|------------|------------|--------------|
| 005100.001 | 271 | 737 | 463 | 1,471 |
| Total | 271 | 737 | 463 | 1,471 |

| Difference | 2014 | 2015 | 2016 | Total |
|--------------|-------------|----------|----------|-------------|
| 005100.001 | -985 | 0 | 0 | -985 |
| Total | -985 | 0 | 0 | -985 |

CHAPTER 2A2-b12

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-04
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: Local Engineering Pool - GD Pool
Budget Code: 00902.0.ALL

SDG&E Position: Forecasted capital expenditures for this category for years 2014, 2015, and 2016 are \$4.343 million, \$5.136 million, and \$5.772 million, respectively. Exhibit SDG&E-04, Page FBA-89

ORA Position: ORA reviewed SDG&E's capital forecast for 2014, 2015 and 2016. ORA does not take issue with how the forecast was derived. SDG&E's total 2014 recorded expenditures is less than five percent of the SDG&E's 2014 requested amount. Based on this, ORA recommends that the Commission adopt the 2014 recorded capital expenditures and also accept SDG&E's 2015 and 2016 capital forecast. Exhibit ORA-9, Page 20

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|--------------|--------------|--------------|---------------|
| 009020.001 | 4,343 | 5,136 | 5,772 | 15,251 |
| Total | 4,343 | 5,136 | 5,772 | 15,251 |
| | | | | |
| ORA | 2014 | 2015 | 2016 | Total |
| 009020.001 | 3,726 | 5,136 | 5,772 | 14,634 |
| Total | 3,726 | 5,136 | 5,772 | 14,634 |
| | | | | |
| Difference | 2014 | 2015 | 2016 | Total |
| 009020.001 | -617 | 0 | 0 | -617 |
| Total | -617 | 0 | 0 | -617 |

CHAPTER 2A2-b13

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-04
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: CATHODIC PROTECTION SYSTEM ENHANCEMENTS
Budget Code: 12551.0.ALL

SDG&E Position: Forecasted capital expenditures for this category for years 2014, 2015, and 2016 are \$.313 million, \$.353 million, and \$.353 million, respectively.
Exhibit SDG&E-04, Page FBA-82

ORA Position: ORA reviewed SDG&E's capital forecast for 2014, 2015 and 2016. ORA does not take issue with how the forecast was derived. SDG&E's total 2014 recorded expenditures is less than five percent of the SDG&E's 2014 requested amount. Based on this, ORA recommends that the Commission adopt the 2014 recorded capital expenditures and also accept SDG&E's 2015 and 2016 capital forecast.
Exhibit ORA-9, Page 20

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 125510.001 | 313 | 353 | 353 | 1,019 |
| Total | 313 | 353 | 353 | 1,019 |
| | | | | |
| ORA | 2014 | 2015 | 2016 | Total |
| 125510.001 | 300 | 353 | 353 | 1,006 |
| Total | 300 | 353 | 353 | 1,006 |
| | | | | |
| Difference | 2014 | 2015 | 2016 | Total |
| 125510.001 | -13 | 0 | 0 | -13 |
| Total | -13 | 0 | 0 | -13 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

3. SDG&E-05 (Exh 40) - GAS TRANSMISSION

a. O&M - NON-SHARED

| Workpaper | ORA vs. SDG&E (2016) | Reference |
|---------------|----------------------|-----------|
| 1. 1GT000.000 | (185) | 2A3-a1 |
| 2. 1GT001.000 | (306) | 2A3-a2 |

CHAPTER 2A3-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-05
Area: GAS TRANSMISSION
Witness: Musich-Barry, Elizabeth A.

NONSHARED O&M

Subject: Pipeline Operations
Workpaper: 1GT000.000

SDG&E Position: SDG&E shows a recorded 2013 base year cost of \$1.055 million and a forecasted incremental increase of \$.188 million (a 17.8% increase) resulting in a TY 2016 expense of \$1.243 million.

Exhibit SDG&E-05, Page JLD-5

ORA Position: ORA recommends \$1.058 million for TY 2016, based on the most recent recorded five-year (2010 through 2014) average. ORA's use of a five-year average is based on their belief that it provides a more reliable TY forecast due to its reliance on historical data.

Exhibit ORA-9, Page 23

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 925 | 787 | -138 |
| NonLabor | 257 | 219 | -38 |
| Nonstandard | 61 | 52 | -9 |
| TOTAL | 1,243 | 1,058 | -185 |

CHAPTER 2A3-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-05
Area: GAS TRANSMISSION
Witness: Musich-Barry, Elizabeth A.

NONSHARED O&M

Subject: Compression Stations Operations
Workpaper: 1GT001.000

SDG&E Position: SDG&E shows a recorded 2013 base year cost of \$2.969 million and a forecasted incremental increase of \$.345 million (a 11.6% increase)resulting in a TY 2016 expense of \$3.314* million.

Exhibit SDG&E-05, Page JLD-9

ORA Position: ORA recommends \$3.008 million for TY 2016, based on the most recent recorded five-year (2010 through 2014) average. ORA's use of a five-year average provides a more reliable TY forecast due to its reliance on updated historical data.

Exhibit ORA-9, Page 25

Note: * Test Year 2016 forecast is adjusted by (\$32K) as correction to forecast for NERBA-GHG Mitigation/Compliance.

Exhibit SDG&E-205

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 1,473 | 1,337 | -136 |
| NonLabor | 1,705 | 1,548 | -157 |
| Nonstandard | 136 | 123 | -13 |
| TOTAL | 3,314 | 3,008 | -306 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

4. SDG&E-06 (Exh 29) - GAS ENGINEERING

a. O&M - NON-SHARED

| Workpaper | ORA vs. SDG&E (2016) | Reference |
|------------------|---------------------------------|------------------|
| 1. 1EN000.000 | (204) | 2A4-a1 |
| 2. 1EN003.000 | (244) | 2A4-a2 |

CHAPTER 2A4-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-06
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

NONSHARED O&M

Subject: Gas Engineering
Workpaper: 1EN000.000

SDG&E Position: SDG&E's expense forecast for TY 2016 is \$.257 million.

Exhibit SDG&E-06, Page RKS-6

ORA Position: ORA recommends \$.053 million for TY 2016 and this amount was SDG&E's 2014 recorded expense.

Exhibit ORA-9, Page-30

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 119 | 0 | -119 |
| NonLabor | 138 | 53 | -85 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 257 | 53 | -204 |

CHAPTER 2A4-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-06
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

NONSHARED O&M

Subject: Public Awareness
Workpaper: 1EN003.000

SDG&E Position: SDG&E shows a recorded 2013 base year figure of \$.260 million and forecasts an incremental increase of \$.201 million resulting in a TY expense of \$.461 million.

Exhibit SDG&E-06, Page RKS-8

ORA Position: ORA recommends the 2014 recorded amount of \$.217 million for TY 2016 because it is close to the five-year (2010 through 2014) average.

Exhibit ORA-9, Page 31

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 0 | 0 | 0 |
| NonLabor | 461 | 217 | -244 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 461 | 217 | -244 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

4. SDG&E-06 (Exh 29) - GAS ENGINEERING

b. O&M - SHARED

| Workpaper | ORA vs. SDG&E (2016) | Reference |
|-------------------|----------------------|-----------|
| 1. 1EN00A-USS.ALL | (57) | 2A4-b1 |

CHAPTER 2A4-b1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-06
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

SHARED SERVICES O&M

Subject: Gas Engineering
Workpaper: 1EN00A-USS.ALL

SDG&E Position: SDG&E's expense forecast for TY2016 is \$.092 million. SDG&E asserts that this forecast expense represents an increase of \$.051 million over the five-year average (2009-2013).

Exhibit SDG&E-06, Page RKS-12

ORA Position: ORA recommends \$.035 million for TY 2016, which is the five-year (2010 through 2014) average.

Exhibit ORA-9, Page 33

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| SDG&E | Labor | NLbr | NSE | Total |
|-------------------|--------------|-------------|------------|--------------|
| 2100-3563.000 | 90 | 2 | 0 | 92 |
| Total | 90 | 2 | 0 | 92 |
| | | | | |
| ORA | Labor | NLbr | NSE | Total |
| 2100-3563.000 | 35 | 0 | 0 | 35 |
| Total | 35 | 0 | 0 | 35 |
| | | | | |
| Difference | Labor | NLbr | NSE | Total |
| 2100-3563.000 | -55 | -2 | 0 | -57 |
| Total | -55 | -2 | 0 | -57 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

4. SDG&E-06 (Exh 29) - GAS ENGINEERING

c. CAPITAL

| Project | ORA vs. SDG&E (2014+2015+2016) | Reference |
|-----------------|--------------------------------|-----------|
| 1. 00411.0.ALL | (200) | 2A4-c1 |
| 2. 00412.0.ALL | 1,772 | 2A4-c2 |
| 3. 00413.0.ALL | (298) | 2A4-c3 |
| 4. 00414.0.ALL | (176) | 2A4-c4 |
| 5. 00415.0.ALL | (274) | 2A4-c5 |
| 6. 00416.0.ALL | (130) | 2A4-c6 |
| 7. 00417.0.ALL | (437) | 2A4-c7 |
| 8. 00418.0.ALL | (67) | 2A4-c8 |
| 9. 00436.0.ALL | (53) | 2A4-c9 |
| 10. 00903.0.ALL | 16 | 2A4-c10 |

CHAPTER 2A4-c1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-06
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

CAPITAL EXPENDITURES

Project: GT PIPELINE NEW ADD.-EXTERNALLY DRIVEN
Budget Code: 00411.0.ALL

SDG&E Position: Forecasted capital expenditures for this category for years 2014, 2015, and 2016 are \$.210 million, \$.592 million, and \$1.012 million, respectively.
Exhibit SDG&E-06, Page RKS-15

ORA Position: ORA reviewed SDG&E's capital forecast for 2014, 2015 and 2016. ORA does not take issue with how the forecast was derived. SDG&E's total 2014 recorded expenditures are inline with SDG&E's 2014 requested amount. Based on this, ORA recommends that the Commission adopt the 2014 recorded capital expenditures and also accept SDG&E's 2015 and 2016 capital forecast.
Exhibit ORA-9, Page 28

Note: *ORA agrees with SDG&E's clarification that the 2014 actuals for 00411B.001 should be changed from \$0 to \$16 thousand.

Data Request SEU-ORA-DR-10, Question 1

**SDG&E agrees with the ORA's proposal to adopt 2014 actuals. ORA does not oppose SDG&E forecasts for 2015 and 2016.

Exhibit SDG&E-206, page RKS-4

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|--------------|--------------|
| 00411A.001 | 105 | 525 | 945 | 1,575 |
| 00411B.001 | 38 | 0 | 0 | 38 |
| 00411C.001 | 67 | 67 | 67 | 201 |
| Total | 210 | 592 | 1,012 | 1,814 |
| | | | | |
| ORA | 2014 | 2015 | 2016 | Total |
| 00411A.001 | 10 | 525 | 945 | 1,480 |
| 00411B.001 | 0 | 0 | 0 | 0 |
| 00411C.001 | 0 | 67 | 67 | 134 |
| Total | 10 | 592 | 1,012 | 1,614 |
| | | | | |
| Difference | 2014 | 2015 | 2016 | Total |
| 00411A.001 | -95 | 0 | 0 | -95 |
| 00411B.001 | -38 | 0 | 0 | -38 |
| 00411C.001 | -67 | 0 | 0 | -67 |
| Total | -200 | 0 | 0 | -200 |

CHAPTER 2A4-c2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-06
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

CAPITAL EXPENDITURES

Project: GT PL REPLACE/EXTERNAL DRIVEN
Budget Code: 00412.0.ALL

SDG&E Position: Forecasted capital expenditures for this category for years 2014, 2015, and 2016 are \$1.213 million, \$.680 million, and \$.680 million, respectively.
Exhibit SDG&E-06, Page RKS-17

ORA Position: ORA reviewed SDG&E's capital forecast for 2014, 2015 and 2016. ORA does not take issue with how the forecast was derived. SDG&E's total 2014 recorded expenditures are inline with SDG&E's 2014 requested amount. Based on this, ORA recommends that the Commission adopt the 2014 recorded capital expenditures and also accept SDG&E's 2015 and 2016 capital forecast.
Exhibit ORA-9, Page 28

Note: SDG&E agrees with the ORA's proposal to adopt 2014 actuals. ORA does not oppose SDG&E forecasts for 2015 and 2016.

Exhibit SDG&E-206, page RKS-4

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|--------------|-------------|-------------|--------------|
| 004120.001 | 849 | 476 | 476 | 1,801 |
| 004120.002 | 364 | 204 | 204 | 772 |
| Total | 1,213 | 680 | 680 | 2,573 |
| | | | | |
| ORA | 2014 | 2015 | 2016 | Total |
| 004120.001 | 2,089 | 476 | 476 | 3,041 |
| 004120.002 | 896 | 204 | 204 | 1,304 |
| Total | 2,985 | 680 | 680 | 4,345 |
| | | | | |
| Difference | 2014 | 2015 | 2016 | Total |
| 004120.001 | 1,240 | 0 | 0 | 1,240 |
| 004120.002 | 532 | 0 | 0 | 532 |
| Total | 1,772 | 0 | 0 | 1,772 |

CHAPTER 2A4-c3

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-06
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

CAPITAL EXPENDITURES

Project: GT PL RELOC-FWAY/EXTERNAL DRIVEN
Budget Code: 00413.0.ALL

SDG&E Position: Forecasted capital expenditures for this category for years 2014, 2015, and 2016 are \$.298 million, \$.298 million, and \$.298 million, respectively.
Exhibit SDG&E-06, Page RKS-19

ORA Position: ORA reviewed SDG&E's capital forecast for 2014, 2015 and 2016. ORA does not take issue with how the forecast was derived. SDG&E's total 2014 recorded expenditures are inline with SDG&E's 2014 requested amount. Based on this, ORA recommends that the Commission adopt the 2014 recorded capital expenditures and also accept SDG&E's 2015 and 2016 capital forecast.
Exhibit ORA-9, Page 28

Note: SDG&E agrees with the ORA's proposal to adopt 2014 actuals. ORA does not oppose SDG&E forecasts for 2015 and 2016.

Exhibit SDG&E-206, page RKS-4

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 004130.001 | 298 | 298 | 298 | 894 |
| Total | 298 | 298 | 298 | 894 |
| | | | | |
| ORA | 2014 | 2015 | 2016 | Total |
| 004130.001 | 0 | 298 | 298 | 596 |
| Total | 0 | 298 | 298 | 596 |
| | | | | |
| Difference | 2014 | 2015 | 2016 | Total |
| 004130.001 | -298 | 0 | 0 | -298 |
| Total | -298 | 0 | 0 | -298 |

CHAPTER 2A4-c4

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-06
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

CAPITAL EXPENDITURES

Project: GT PL RELOC-FRAN/PRV ROW/EXTERNAL DRIVEN
Budget Code: 00414.0.ALL

SDG&E Position: Forecasted capital expenditures for this category for years 2014, 2015, and 2016 are \$.176 million, \$.176 million, and \$.176 million, respectively.
Exhibit SDG&E-06, Page RKS-19

ORA Position: ORA reviewed SDG&E's capital forecast for 2014, 2015 and 2016. ORA does not take issue with how the forecast was derived. SDG&E's total 2014 recorded expenditures are inline with SDG&E's 2014 requested amount. Based on this, ORA recommends that the Commission adopt the 2014 recorded capital expenditures and also accept SDG&E's 2015 and 2016 capital forecast.
Exhibit ORA-9, Page 28

Note: SDG&E agrees with the ORA's proposal to adopt 2014 actuals. ORA does not oppose SDG&E forecasts for 2015 and 2016.

Exhibit SDG&E-206, page RKS-4

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 004140.001 | 176 | 176 | 176 | 528 |
| Total | 176 | 176 | 176 | 528 |
| | | | | |
| ORA | 2014 | 2015 | 2016 | Total |
| 004140.001 | 0 | 176 | 176 | 352 |
| Total | 0 | 176 | 176 | 352 |
| | | | | |
| Difference | 2014 | 2015 | 2016 | Total |
| 004140.001 | -176 | 0 | 0 | -176 |
| Total | -176 | 0 | 0 | -176 |

CHAPTER 2A4-c5

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-06
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

CAPITAL EXPENDITURES

Project: GT COMP STA ADD/RPL / EXTERNAL DRIVEN
Budget Code: 00415.0.ALL

SDG&E Position: Forecasted capital expenditures for this category for years 2014, 2015, and 2016 are \$3.127 million, \$3.127 million, and \$3.127 million, respectively.
Exhibit SDG&E-06, Page RKS-22

ORA Position: ORA reviewed SDG&E's capital forecast for 2014, 2015 and 2016. ORA does not take issue with how the forecast was derived. SDG&E's total 2014 recorded expenditures are inline with SDG&E's 2014 requested amount. Based on this, ORA recommends that the Commission adopt the 2014 recorded capital expenditures and also accept SDG&E's 2015 and 2016 capital forecast.
Exhibit ORA-9, Page 28

Note: SDG&E agrees with the ORA's proposal to adopt 2014 actuals. ORA does not oppose SDG&E forecasts for 2015 and 2016.

Exhibit SDG&E-206, page RKS-4

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|--------------|--------------|--------------|--------------|
| 004150.001 | 3,063 | 3,063 | 3,063 | 9,189 |
| 004150.002 | 64 | 64 | 64 | 192 |
| Total | 3,127 | 3,127 | 3,127 | 9,381 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|--------------|--------------|--------------|--------------|
| 004150.001 | 2,795 | 3,063 | 3,063 | 8,921 |
| 004150.002 | 58 | 64 | 64 | 186 |
| Total | 2,853 | 3,127 | 3,127 | 9,107 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 004150.001 | -268 | 0 | 0 | -268 |
| 004150.002 | -6 | 0 | 0 | -6 |
| Total | -274 | 0 | 0 | -274 |

CHAPTER 2A4-c6

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-06
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

CAPITAL EXPENDITURES

Project: GT CATHODIC PROTECTION/EXTERNAL DRIVEN
Budget Code: 00416.0.ALL

SDG&E Position: Forecasted capital expenditures for this category for years 2014, 2015, and 2016 are \$.241 million, \$.262 million, and \$.262 million, respectively.
Exhibit SDG&E-06, Page RKS-23

ORA Position: ORA reviewed SDG&E's capital forecast for 2014, 2015 and 2016. ORA does not take issue with how the forecast was derived. SDG&E's total 2014 recorded expenditures are inline with SDG&E's 2014 requested amount. Based on this, ORA recommends that the Commission adopt the 2014 recorded capital expenditures and also accept SDG&E's 2015 and 2016 capital forecast.
Exhibit ORA-9, Page 28

Note: SDG&E agrees with the ORA's proposal to adopt 2014 actuals. ORA does not oppose SDG&E forecasts for 2015 and 2016.

Exhibit SDG&E-206, page RKS-4

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 004160.001 | 241 | 262 | 262 | 765 |
| Total | 241 | 262 | 262 | 765 |
| | | | | |
| ORA | 2014 | 2015 | 2016 | Total |
| 004160.001 | 111 | 262 | 262 | 635 |
| Total | 111 | 262 | 262 | 635 |
| | | | | |
| Difference | 2014 | 2015 | 2016 | Total |
| 004160.001 | -130 | 0 | 0 | -130 |
| Total | -130 | 0 | 0 | -130 |

CHAPTER 2A4-c7

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-06
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

CAPITAL EXPENDITURES

Project: Land Rights
Budget Code: 00417.0.ALL

SDG&E Position: Forecasted capital expenditures for this category for years 2014, 2015, and 2016 are \$.500 million, \$0 million, and \$0 million, respectively.
Exhibit SDG&E-06, Page RKS-24

ORA Position: ORA reviewed SDG&E's capital forecast for 2014, 2015 and 2016. ORA does not take issue with how the forecast was derived. SDG&E's total 2014 recorded expenditures are inline with SDG&E's 2014 requested amount. Based on this, ORA recommends that the Commission adopt the 2014 recorded capital expenditures and also accept SDG&E's 2015 and 2016 capital forecast.
Exhibit ORA-9, Page 28

Note: SDG&E agrees with the ORA's proposal to adopt 2014 actuals. ORA does not oppose SDG&E forecasts for 2015 and 2016.

Exhibit SDG&E-206, page RKS-4

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 004170.001 | 500 | 0 | 0 | 500 |
| Total | 500 | 0 | 0 | 500 |
| | | | | |
| ORA | 2014 | 2015 | 2016 | Total |
| 004170.001 | 63 | 0 | 0 | 63 |
| Total | 63 | 0 | 0 | 63 |
| | | | | |
| Difference | 2014 | 2015 | 2016 | Total |
| 004170.001 | -437 | 0 | 0 | -437 |
| Total | -437 | 0 | 0 | -437 |

CHAPTER 2A4-c8

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-06
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

CAPITAL EXPENDITURES

Project: GT M&R STA ADD/RPL / EXTERNAL DRIVEN
Budget Code: 00418.0.ALL

SDG&E Position: Forecasted capital expenditures for this category for years 2014, 2015, and 2016 are \$1.184 million, \$1.184 million, and \$1.184 million, respectively.
Exhibit SDG&E-06, Page RKS-26

ORA Position: ORA reviewed SDG&E's capital forecast for 2014, 2015 and 2016. ORA does not take issue with how the forecast was derived. SDG&E's total 2014 recorded expenditures are inline with SDG&E's 2014 requested amount. Based on this, ORA recommends that the Commission adopt the 2014 recorded capital expenditures and also accept SDG&E's 2015 and 2016 capital forecast.
Exhibit ORA-9, Page 28

Note: SDG&E agrees with the ORA's proposal to adopt 2014 actuals. ORA does not oppose SDG&E forecasts for 2015 and 2016.

Exhibit SDG&E-206, page RKS-4

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|--------------|--------------|--------------|--------------|
| 004180.001 | 435 | 435 | 435 | 1,305 |
| 004180.002 | 708 | 708 | 708 | 2,124 |
| 004180.003 | 41 | 41 | 41 | 123 |
| Total | 1,184 | 1,184 | 1,184 | 3,552 |
| | | | | |
| ORA | 2014 | 2015 | 2016 | Total |
| 004180.001 | 410 | 435 | 435 | 1,280 |
| 004180.002 | 668 | 708 | 708 | 2,084 |
| 004180.003 | 39 | 41 | 41 | 121 |
| Total | 1,117 | 1,184 | 1,184 | 3,485 |
| | | | | |
| Difference | 2014 | 2015 | 2016 | Total |
| 004180.001 | -25 | 0 | 0 | -25 |
| 004180.002 | -40 | 0 | 0 | -40 |
| 004180.003 | -2 | 0 | 0 | -2 |
| Total | -67 | 0 | 0 | -67 |

CHAPTER 2A4-c9

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-06
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

CAPITAL EXPENDITURES

Project: GT CAPITAL TOOLS / QUALITY-ECON DRIVEN
Budget Code: 00436.0.ALL

SDG&E Position: Forecasted capital expenditures for this category for years 2014, 2015, and 2016 are \$.130 million, \$.130 million, and \$.130 million, respectively.
Exhibit SDG&E-06, Page RKS-27

ORA Position: ORA reviewed SDG&E's capital forecast for 2014, 2015 and 2016. ORA does not take issue with how the forecast was derived. SDG&E's total 2014 recorded expenditures are inline with SDG&E's 2014 requested amount. Based on this, ORA recommends that the Commission adopt the 2014 recorded capital expenditures and also accept SDG&E's 2015 and 2016 capital forecast.
Exhibit ORA-9, Page 28

Note: SDG&E agrees with the ORA's proposal to adopt 2014 actuals. ORA does not oppose SDG&E forecasts for 2015 and 2016.

Exhibit SDG&E-206, page RKS-4

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 004360.001 | 130 | 130 | 130 | 390 |
| Total | 130 | 130 | 130 | 390 |
| | | | | |
| ORA | 2014 | 2015 | 2016 | Total |
| 004360.001 | 77 | 130 | 130 | 337 |
| Total | 77 | 130 | 130 | 337 |
| | | | | |
| Difference | 2014 | 2015 | 2016 | Total |
| 004360.001 | -53 | 0 | 0 | -53 |
| Total | -53 | 0 | 0 | -53 |

CHAPTER 2A4-c10

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-06
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

CAPITAL EXPENDITURES

Project: Local Engineering Pool - GT Pool
Budget Code: 00903.0.ALL

SDG&E Position: Forecasted capital expenditures for this category for years 2014, 2015, and 2016 are \$.133 million, \$.133 million, and \$.133 million, respectively.
Exhibit SDG&E-06, Page RKS-28

ORA Position: ORA reviewed SDG&E's capital forecast for 2014, 2015 and 2016. ORA does not take issue with how the forecast was derived. SDG&E's total 2014 recorded expenditures are inline with SDG&E's 2014 requested amount. Based on this, ORA recommends that the Commission adopt the 2014 recorded capital expenditures and also accept SDG&E's 2015 and 2016 capital forecast.

Exhibit ORA-9, Page 28

Note: SDG&E agrees with the ORA's proposal to adopt 2014 actuals. ORA does not oppose SDG&E forecasts for 2015 and 2016.

Exhibit SDG&E-206, page RKS-4

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 009030.001 | 133 | 133 | 133 | 399 |
| Total | 133 | 133 | 133 | 399 |
| | | | | |
| ORA | 2014 | 2015 | 2016 | Total |
| 009030.001 | 149 | 133 | 133 | 415 |
| Total | 149 | 133 | 133 | 415 |
| | | | | |
| Difference | 2014 | 2015 | 2016 | Total |
| 009030.001 | 16 | 0 | 0 | 16 |
| Total | 16 | 0 | 0 | 16 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

5. SDG&E-07 (Exh 53) - TIMP & DIMP

a. O&M - NON-SHARED

| Workpaper | ORA vs. SDG&E (2016) | Reference |
|---------------|----------------------|-----------|
| 1. 1TD000.000 | (961) | 2A5-a1 |
| 2. 1TD000.001 | (1,225) | 2A5-a2 |

CHAPTER 2A5-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-07
Area: TIMP & DIMP
Witness: Martinez, Maria T.

NONSHARED O&M

Subject: TIMP
Workpaper: 1TD000.000

SDG&E Position: SDG&E shows a recorded 2013 base year figure of \$4.206 million and forecasts an incremental increase of \$1.245 million resulting in a TY 2016 expense of \$5.451 million.

Exhibit SDG&E-07, Page MTM-7

ORA Position: ORA recommends that SDG&E's TY 2016 proposed expense of \$5.451 million be reduced to \$4.490 million. This recommendation is based on the four-year average of historical data.

Exhibit ORA-09, Page 35

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 559 | 460 | -99 |
| NonLabor | 4,892 | 4,030 | -862 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 5,451 | 4,490 | -961 |

CHAPTER 2A5-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-07
Area: TIMP & DIMP
Witness: Martinez, Maria T.

NONSHARED O&M

Subject: DIMP
Workpaper: 1TD000.001

SDG&E Position: SDG&E shows a recorded 2013 base year figure of \$3.203 million and forecasts an incremental increase of \$2.830 million, resulting in a TY expense of \$6.033 million.

Exhibit SDG&E-07, Page MTM-7

ORA Position: ORA recommends \$4.808 million for TY 2016, based on the most recent recorded four-year (2011 through 2014) average. ORA's use of a four-year average provides a more reliable TY forecast due to its reliance on updated historical data.

Exhibit ORA-9, Page 36

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 1,472 | 1,173 | -299 |
| NonLabor | 4,561 | 3,635 | -926 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 6,033 | 4,808 | -1,225 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

5. SDG&E-07 (Exh 53) - TIMP & DIMP

b. CAPITAL

| Project | ORA vs. SDG&E (2014+2015+2016) | Reference |
|----------------|--------------------------------|-----------|
| 1. 03468.0.ALL | 2,689 | 2A5-b1 |
| 2. 09546.0.ALL | (677) | 2A5-b2 |

CHAPTER 2A5-b1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-07
Area: TIMP & DIMP
Witness: Martinez, Maria T.

CAPITAL EXPENDITURES

Project: PIPELINE INTEGRITY FOR GAS TRANSMISSION
Budget Code: 03468.0.ALL

SDG&E Position: SDG&E is requesting total TIMP capital expenditures of \$5.180 million for 2014; \$3.996 million for 2015 and \$3.996 million for 2016.

Exhibit SDG&E-07, Page MTM-18

ORA Position: ORA reviewed the SDG&E's capital forecast for 2014, 2015 and 2016. ORA accepts SDG&E's forecast methodology. ORA recommends that the Commission adopt the 2014 recorded capital expenditures and also accept SDG&E's 2015 and 2016 capital forecast.

Exhibit ORA-9, Page 37

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|--------------|--------------|--------------|---------------|
| 034680.001 | 5,180 | 3,996 | 3,996 | 13,172 |
| Total | 5,180 | 3,996 | 3,996 | 13,172 |
| | | | | |
| ORA | 2014 | 2015 | 2016 | Total |
| 034680.001 | 7,869 | 3,996 | 3,996 | 15,861 |
| Total | 7,869 | 3,996 | 3,996 | 15,861 |
| | | | | |
| Difference | 2014 | 2015 | 2016 | Total |
| 034680.001 | 2,689 | 0 | 0 | 2,689 |
| Total | 2,689 | 0 | 0 | 2,689 |

CHAPTER 2A5-b2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-07
Area: TIMP & DIMP
Witness: Martinez, Maria T.

CAPITAL EXPENDITURES

Project: Distribution Integrity Mgmt Program
Budget Code: 09546.0.ALL

SDG&E Position: SDG&E is requesting total DIMP capital expenditures of \$2.777 million for 2014; \$2.794 million for 2015 and \$20.219 million for 2016.

Exhibit SDG&E-7, Page MTM-18

ORA Position: ORA reviewed the SDG&E's capital forecast for 2014, 2015 and 2016. ORA accepts SDG&E's forecast methodology. ORA recommends that the Commission adopt the 2014 recorded capital expenditures and also accept SDG&E's 2015 and 2016 capital forecast.

Exhibit ORA-9, Page 37

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|--------------|--------------|---------------|---------------|
| 095460.001 | 2,777 | 2,794 | 20,219 | 25,790 |
| Total | 2,777 | 2,794 | 20,219 | 25,790 |
| | | | | |
| ORA | 2014 | 2015 | 2016 | Total |
| 095460.001 | 2,100 | 2,794 | 20,219 | 25,113 |
| Total | 2,100 | 2,794 | 20,219 | 25,113 |
| | | | | |
| Difference | 2014 | 2015 | 2016 | Total |
| 095460.001 | -677 | 0 | 0 | -677 |
| Total | -677 | 0 | 0 | -677 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

6. SDG&E-09-R (Exh 134) - ELECTRIC DISTRIBUTION CAPITAL

a. CAPITAL

| Project | ORA vs. SDG&E (2014+2015+2016) | Reference |
|-----------------|--------------------------------|-----------|
| 1. 00100.0.ALL | (9,221) | 2A6-a1 |
| 2. 00202.0.ALL | (67,018) | 2A6-a2 |
| 3. 00203.0.ALL | (40,539) | 2A6-a3 |
| 4. 00205.0.ALL | (35,538) | 2A6-a4 |
| 5. 00206.0.ALL | (1,064) | 2A6-a5 |
| 6. 00209.0.ALL | (153) | 2A6-a6 |
| 7. 00214.0.ALL | (14,663) | 2A6-a7 |
| 8. 00228.0.ALL | 1,223 | 2A6-a8 |
| 9. 00229.0.ALL | (8,754) | 2A6-a9 |
| 10. 00901.0.ALL | (55,291) | 2A6-a10 |
| 11. 00904.0.ALL | (13,647) | 2A6-a11 |
| 12. 00905.0.ALL | (2,304) | 2A6-a12 |
| 13. 00906.0.ALL | (3,359) | 2A6-a13 |
| 14. 02252.0.ALL | (5,471) | 2A6-a14 |
| 15. 02258.0.ALL | (366) | 2A6-a15 |
| 16. 04250.0.ALL | (951) | 2A6-a16 |
| 17. 06247.0.ALL | (37,343) | 2A6-a17 |
| 18. 07245.0.ALL | (1) | 2A6-a18 |
| 19. 07249.0.ALL | (3) | 2A6-a19 |
| 20. 07253.0.ALL | 0 | 2A6-a20 |
| 21. 08253.0.ALL | (5,447) | 2A6-a21 |
| 22. 08259.0.ALL | 0 | 2A6-a22 |
| 23. 09136.0.ALL | 2,317 | 2A6-a23 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

6. SDG&E-09-R (Exh 134) - ELECTRIC DISTRIBUTION CAPITAL

| | | |
|-----------------|---------|---------|
| 24. 09271.0.ALL | 0 | 2A6-a24 |
| 25. 09274.0.ALL | 0 | 2A6-a25 |
| 26. 09276.0.ALL | 251 | 2A6-a26 |
| 27. 10266.0.ALL | (404) | 2A6-a27 |
| 28. 10270.0.ALL | (147) | 2A6-a28 |
| 29. 10272.0.ALL | 0 | 2A6-a29 |
| 30. 11244.0.ALL | 0 | 2A6-a30 |
| 31. 11257.0.ALL | (442) | 2A6-a31 |
| 32. 11259.0.ALL | 0 | 2A6-a32 |
| 33. 13250.0.ALL | (241) | 2A6-a33 |
| 34. 13260.0.ALL | (52) | 2A6-a34 |
| 35. 13263.0.ALL | 0 | 2A6-a35 |
| 36. 97248.0.ALL | (1,637) | 2A6-a36 |

CHAPTER 2A6-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: Transmission/FERC Driven Projects
Budget Code: 00100.0.ALL

SDG&E Position: This category of projects covers transmission projects with a distribution component. The distribution costs are included in SDG&E's TY2016 GRC forecasts and the FERC costs are recovered through the formula ratemaking process. The forecasts for this category for 2014, 2015, and 2016 are \$14.550 million, \$14.496 million, and \$10.777, respectively.

Exhibit SDG&E-09, Page JDJ-25

ORA Position: Most of the Transmission/FERC Driven projects are for electric system reliability. Other project purposes include fire safety, compliance, and blanket budget projects. ORA reviewed the project description, forecast method, goals, and cost driver(s) of each of the 18 projects in this program category. ORA accepts these justifications for SDG&E's forecast. As with all other electric distribution program categories, ORA recommends that the 2014 adjusted-recorded data be used for the 2014 forecast.

Exhibit ORA-7, Page 13

CHAPTER 2A6-a1

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|---------------|---------------|---------------|---------------|
| 001000.001 | 1,045 | 1,045 | 1,045 | 3,135 |
| 001020.001 | 50 | 50 | 50 | 150 |
| 061320.001 | 210 | 1,309 | 0 | 1,519 |
| 061320.003 | 84 | 82 | 90 | 256 |
| 071390.001 | 1,608 | 0 | 0 | 1,608 |
| 071440.001 | 2,136 | 2,136 | 2,136 | 6,408 |
| 081650.001 | 58 | 2,044 | 839 | 2,941 |
| 081650.002 | 40 | 895 | 472 | 1,407 |
| 081650.003 | 82 | 1,162 | 911 | 2,155 |
| 091250.001 | 1,859 | 0 | 0 | 1,859 |
| 09153A.001 | 52 | 0 | 0 | 52 |
| 091660.001 | 8 | 620 | 0 | 628 |
| 10135A.001 | 6,802 | 5,136 | 5,234 | 17,172 |
| 10150A.003 | 285 | 0 | 0 | 285 |
| 11126A.001 | 49 | 17 | 0 | 66 |
| 11127A.001 | 52 | 0 | 0 | 52 |
| 12156A.001 | 130 | 0 | 0 | 130 |
| Total | 14,550 | 14,496 | 10,777 | 39,823 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|--------------|---------------|---------------|---------------|
| 001000.001 | -218 | 1,045 | 1,045 | 1,872 |
| 001020.001 | 6 | 50 | 50 | 106 |
| 061320.001 | 2 | 1,309 | 0 | 1,311 |
| 061320.003 | 0 | 82 | 90 | 172 |
| 071390.001 | 1,652 | 0 | 0 | 1,652 |
| 071440.001 | 1,986 | 2,136 | 2,136 | 6,258 |
| 081650.001 | -12 | 2,044 | 839 | 2,871 |
| 081650.002 | 0 | 895 | 472 | 1,367 |
| 081650.003 | 0 | 1,162 | 911 | 2,073 |
| 091250.001 | 1,784 | 0 | 0 | 1,784 |
| 09153A.001 | 0 | 0 | 0 | 0 |
| 091660.001 | 39 | 620 | 0 | 659 |
| 10135A.001 | 0 | 5,136 | 5,234 | 10,370 |
| 10150A.003 | 88 | 0 | 0 | 88 |
| 11126A.001 | 0 | 17 | 0 | 17 |
| 11127A.001 | 2 | 0 | 0 | 2 |
| 12156A.001 | 0 | 0 | 0 | 0 |
| Total | 5,329 | 14,496 | 10,777 | 30,602 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 001000.001 | -1,263 | 0 | 0 | -1,263 |
| 001020.001 | -44 | 0 | 0 | -44 |
| 061320.001 | -208 | 0 | 0 | -208 |
| 061320.003 | -84 | 0 | 0 | -84 |
| 071390.001 | 44 | 0 | 0 | 44 |
| 071440.001 | -150 | 0 | 0 | -150 |
| 081650.001 | -70 | 0 | 0 | -70 |
| 081650.002 | -40 | 0 | 0 | -40 |
| 081650.003 | -82 | 0 | 0 | -82 |
| 091250.001 | -75 | 0 | 0 | -75 |
| 09153A.001 | -52 | 0 | 0 | -52 |
| 091660.001 | 31 | 0 | 0 | 31 |
| 10135A.001 | -6,802 | 0 | 0 | -6,802 |
| 10150A.003 | -197 | 0 | 0 | -197 |

CHAPTER 2A6-a1

| | | | | |
|--------------|---------------|----------|----------|---------------|
| 11126A.001 | -49 | 0 | 0 | -49 |
| 11127A.001 | -50 | 0 | 0 | -50 |
| 12156A.001 | -130 | 0 | 0 | -130 |
| Total | -9,221 | 0 | 0 | -9,221 |

CHAPTER 2A6-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: New Business Capital Projects
Budget Code: 00202.0.ALL

SDG&E Position: Forecasted capital expenditures for this category for years 2014, 2015, and 2016 are \$58.592 million, \$70.653 million, and \$81.962 million, respectively.

Exhibit SDG&E-09, Page JDJ-76

ORA Position: ORA is not recommending that any of SDG&E's proposed capital projects be eliminated. Instead, ORA has incorporated adjusted-recorded 2014 data and revised the proposed expenditures to reflect the link between gross meter sets and forecasts for customer driven capital projects. Such a linkage is utilized by other energy utilities, and makes logical sense.

Exhibit ORA-6, Page 26

CHAPTER 2A6-a2

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|---------------|---------------|---------------|----------------|
| 002020.001 | 4,036 | 4,488 | 4,769 | 13,293 |
| 002040.001 | 143 | 175 | 183 | 501 |
| 002040.002 | 3,825 | 4,682 | 4,901 | 13,408 |
| 002110.001 | 1,342 | 1,476 | 1,624 | 4,442 |
| 002110.002 | 464 | 509 | 560 | 1,533 |
| 002150.001 | 219 | 289 | 350 | 858 |
| 002150.002 | 369 | 486 | 587 | 1,442 |
| 002160.001 | 199 | 263 | 318 | 780 |
| 002160.002 | 930 | 1,227 | 1,484 | 3,641 |
| 002170.001 | 1,794 | 2,368 | 2,865 | 7,027 |
| 002170.002 | 7,290 | 9,620 | 11,638 | 28,548 |
| 002180.001 | 2,269 | 2,995 | 3,624 | 8,888 |
| 002180.002 | 4,589 | 6,056 | 7,326 | 17,971 |
| 002190.001 | 3,050 | 4,026 | 4,871 | 11,947 |
| 002190.002 | 8,067 | 10,644 | 12,878 | 31,589 |
| 002240.001 | 319 | 421 | 510 | 1,250 |
| 002240.002 | 4,865 | 6,419 | 7,764 | 19,048 |
| 002250.001 | 2,780 | 3,059 | 3,364 | 9,203 |
| 002250.002 | 5,221 | 5,741 | 6,314 | 17,276 |
| 002350.001 | 30 | 32 | 34 | 96 |
| 002350.002 | 5,226 | 5,677 | 5,998 | 16,901 |
| 022640.001 | 1,565 | 0 | 0 | 1,565 |
| Total | 58,592 | 70,653 | 81,962 | 211,207 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|---------------|---------------|---------------|----------------|
| 002020.001 | 1,491 | 2,219 | 2,681 | 6,391 |
| 002040.001 | 52 | 78 | 94 | 224 |
| 002040.002 | 1,398 | 2,080 | 2,513 | 5,991 |
| 002110.001 | 1,390 | 2,070 | 2,500 | 5,960 |
| 002110.002 | 480 | 714 | 862 | 2,056 |
| 002150.001 | 170 | 254 | 307 | 731 |
| 002150.002 | 287 | 426 | 515 | 1,228 |
| 002160.001 | 77 | 115 | 139 | 331 |
| 002160.002 | 362 | 538 | 650 | 1,550 |
| 002170.001 | 756 | 1,125 | 1,359 | 3,240 |
| 002170.002 | 3,071 | 4,572 | 5,522 | 13,165 |
| 002180.001 | 988 | 1,471 | 1,777 | 4,236 |
| 002180.002 | 1,998 | 2,974 | 3,592 | 8,564 |
| 002190.001 | 1,071 | 1,595 | 1,926 | 4,592 |
| 002190.002 | 2,833 | 4,216 | 5,093 | 12,142 |
| 002240.001 | 233 | 347 | 419 | 999 |
| 002240.002 | 3,551 | 5,286 | 6,384 | 15,221 |
| 002250.001 | 3,182 | 4,738 | 5,723 | 13,643 |
| 002250.002 | 5,975 | 8,893 | 10,741 | 25,609 |
| 002350.001 | 23 | 33 | 41 | 97 |
| 002350.002 | 3,983 | 5,930 | 7,162 | 17,075 |
| 022640.001 | 267 | 397 | 480 | 1,144 |
| Total | 33,638 | 50,071 | 60,480 | 144,189 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 002020.001 | -2,545 | -2,269 | -2,088 | -6,902 |
| 002040.001 | -91 | -97 | -89 | -277 |
| 002040.002 | -2,427 | -2,602 | -2,388 | -7,417 |
| 002110.001 | 48 | 594 | 876 | 1,518 |

CHAPTER 2A6-a2

| | | | | |
|--------------|----------------|----------------|----------------|----------------|
| 002110.002 | 16 | 205 | 302 | 523 |
| 002150.001 | -49 | -35 | -43 | -127 |
| 002150.002 | -82 | -60 | -72 | -214 |
| 002160.001 | -122 | -148 | -179 | -449 |
| 002160.002 | -568 | -689 | -834 | -2,091 |
| 002170.001 | -1,038 | -1,243 | -1,506 | -3,787 |
| 002170.002 | -4,219 | -5,048 | -6,116 | -15,383 |
| 002180.001 | -1,281 | -1,524 | -1,847 | -4,652 |
| 002180.002 | -2,591 | -3,082 | -3,734 | -9,407 |
| 002190.001 | -1,979 | -2,431 | -2,945 | -7,355 |
| 002190.002 | -5,234 | -6,428 | -7,785 | -19,447 |
| 002240.001 | -86 | -74 | -91 | -251 |
| 002240.002 | -1,314 | -1,133 | -1,380 | -3,827 |
| 002250.001 | 402 | 1,679 | 2,359 | 4,440 |
| 002250.002 | 754 | 3,152 | 4,427 | 8,333 |
| 002350.001 | -7 | 1 | 7 | 1 |
| 002350.002 | -1,243 | 253 | 1,164 | 174 |
| 022640.001 | -1,298 | 397 | 480 | -421 |
| Total | -24,954 | -20,582 | -21,482 | -67,018 |

CHAPTER 2A6-a3

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: Reliability/Improvements Capital Projects
Budget Code: 00203.0.ALL

SDG&E Position: Customer's expectations with regard to availability of service continue to be driven up by widespread use of computers and other electronic devices. SDG&E has been proactive over the past two decades in trying to address this increased expectation and aging infrastructure issues. The forecasts for this category for 2014, 2015, and 2016 are 81.848 million, \$102.934 million, and \$74.427 million, respectively.

Exhibit SDG&E-09, Page JDJ-22

ORA Position: ORA is not recommending that any of SDG&E's proposed capital projects be eliminated. Instead, ORA has incorporated adjusted-recorded 2014 data and revised the proposed expenditure patterns to conform to the new completion dates that were provided by SDG&E.

Exhibit ORA-6, Page 33

CHAPTER 2A6-a3

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|---------------|----------------|---------------|----------------|
| 002030.001 | 1,526 | 1,538 | 1,634 | 4,698 |
| 002260.001 | 9,273 | 9,273 | 9,273 | 27,819 |
| 002270.001 | 3,708 | 3,708 | 3,708 | 11,124 |
| 002300.001 | 13,005 | 13,339 | 13,049 | 39,393 |
| 002360.001 | 3,844 | 3,844 | 3,844 | 11,532 |
| 01269A.001 | 234 | 11,042 | 0 | 11,276 |
| 062540.001 | 386 | 386 | 386 | 1,158 |
| 062600.001 | 3,096 | 3,032 | 2,965 | 9,093 |
| 081620.001 | 834 | 834 | 834 | 2,502 |
| 08261A.001 | 884 | 0 | 0 | 884 |
| 10261E.001 | 10,428 | 10,512 | 10,476 | 31,416 |
| 10261E.002 | 1,836 | 1,848 | 1,848 | 5,532 |
| 112470.001 | 2,562 | 0 | 0 | 2,562 |
| 112610.001 | 2,228 | 1,616 | 0 | 3,844 |
| 121250.001 | 1,414 | 450 | 0 | 1,864 |
| 12266A.001 | 3,276 | 3,300 | 3,216 | 9,792 |
| 12266A.002 | 576 | 576 | 564 | 1,716 |
| 13242B.001 | 857 | 15,255 | 650 | 16,762 |
| 142430.001 | 4,788 | 4,932 | 4,824 | 14,544 |
| 142430.002 | 840 | 864 | 852 | 2,556 |
| 932400.001 | 10,218 | 10,611 | 10,380 | 31,209 |
| 942410.001 | 140 | 187 | 233 | 560 |
| 992820.001 | 5,895 | 5,787 | 5,691 | 17,373 |
| Total | 81,848 | 102,934 | 74,427 | 259,209 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|---------------|---------------|----------------|----------------|
| 002030.001 | 675 | 1,538 | 1,634 | 3,847 |
| 002260.001 | 4,651 | 9,273 | 9,273 | 23,197 |
| 002270.001 | 2,729 | 3,708 | 3,708 | 10,145 |
| 002300.001 | 7,898 | 13,339 | 13,049 | 34,286 |
| 002360.001 | 4,722 | 3,844 | 3,844 | 12,410 |
| 01269A.001 | 1,314 | 9,962 | 0 | 11,276 |
| 062540.001 | 22 | 386 | 386 | 794 |
| 062600.001 | 0 | 3,032 | 2,965 | 5,997 |
| 081620.001 | 400 | 834 | 834 | 2,068 |
| 08261A.001 | 4 | 0 | 880 | 884 |
| 10261E.001 | 0 | 10,430 | 10,507 | 20,937 |
| 10261E.002 | 0 | 1,834 | 1,853 | 3,687 |
| 112470.001 | 0 | 2,562 | 0 | 2,562 |
| 112610.001 | 15 | 0 | 3,829 | 3,844 |
| 121250.001 | 712 | 1,152 | 0 | 1,864 |
| 12266A.001 | 1,538 | 1,739 | 6,514 | 9,791 |
| 12266A.002 | 271 | 304 | 1,142 | 1,717 |
| 13242B.001 | 39 | 818 | 15,905 | 16,762 |
| 142430.001 | 915 | 3,874 | 9,750 | 14,539 |
| 142430.002 | 160 | 679 | 1,722 | 2,561 |
| 932400.001 | 2,335 | 10,611 | 10,380 | 23,326 |
| 942410.001 | 1 | 187 | 233 | 421 |
| 992820.001 | 277 | 5,787 | 5,691 | 11,755 |
| Total | 28,678 | 85,893 | 104,099 | 218,670 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 002030.001 | -851 | 0 | 0 | -851 |
| 002260.001 | -4,622 | 0 | 0 | -4,622 |

CHAPTER 2A6-a3

| | | | | |
|--------------|----------------|----------------|---------------|----------------|
| 002270.001 | -979 | 0 | 0 | -979 |
| 002300.001 | -5,107 | 0 | 0 | -5,107 |
| 002360.001 | 878 | 0 | 0 | 878 |
| 01269A.001 | 1,080 | -1,080 | 0 | 0 |
| 062540.001 | -364 | 0 | 0 | -364 |
| 062600.001 | -3,096 | 0 | 0 | -3,096 |
| 081620.001 | -434 | 0 | 0 | -434 |
| 08261A.001 | -880 | 0 | 880 | 0 |
| 10261E.001 | -10,428 | -82 | 31 | -10,479 |
| 10261E.002 | -1,836 | -14 | 5 | -1,845 |
| 112470.001 | -2,562 | 2,562 | 0 | 0 |
| 112610.001 | -2,213 | -1,616 | 3,829 | 0 |
| 121250.001 | -702 | 702 | 0 | 0 |
| 12266A.001 | -1,738 | -1,561 | 3,298 | -1 |
| 12266A.002 | -305 | -272 | 578 | 1 |
| 13242B.001 | -818 | -14,437 | 15,255 | 0 |
| 142430.001 | -3,873 | -1,058 | 4,926 | -5 |
| 142430.002 | -680 | -185 | 870 | 5 |
| 932400.001 | -7,883 | 0 | 0 | -7,883 |
| 942410.001 | -139 | 0 | 0 | -139 |
| 992820.001 | -5,618 | 0 | 0 | -5,618 |
| Total | -53,170 | -17,041 | 29,672 | -40,539 |

CHAPTER 2A6-a4

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: Franchise Capital Projects
Budget Code: 00205.0.ALL

SDG&E Position: This category of projects is required to perform municipal overhead to underground conversion work or work in accordance with SDG&E’s franchise agreements. The two categories of projects in the Franchise Category are those devoted to conversion of overhead distribution systems to underground and street or highway relocations due to improvements by governmental agencies. SDG&E has used a five year average to develop forecasts \$41.764 million a year for 2014, 2015, and 2016.

Exhibit SDG&E-09, Page JDJ-17

ORA Position: ORA is not recommending that any of SDG&E’s proposed capital projects be eliminated. Instead, ORA has incorporated adjusted-recorded 2014 data. ORA is recommending Franchise capital expenditures of \$29.918 million in 2014, 2015, and 2016.

Exhibit ORA-6, Page 21

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|---------------|---------------|---------------|----------------|
| 002050.001 | 906 | 906 | 906 | 2,718 |
| 002050.002 | 5,173 | 5,173 | 5,173 | 15,519 |
| 002100.001 | 13,025 | 13,025 | 13,025 | 39,075 |
| 002130.001 | 22,660 | 22,660 | 22,660 | 67,980 |
| Total | 41,764 | 41,764 | 41,764 | 125,292 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|---------------|---------------|---------------|---------------|
| 002050.001 | 635 | 635 | 635 | 1,905 |
| 002050.002 | 3,627 | 3,627 | 3,627 | 10,881 |
| 002100.001 | 8,339 | 8,339 | 8,339 | 25,017 |
| 002130.001 | 17,317 | 17,317 | 17,317 | 51,951 |
| Total | 29,918 | 29,918 | 29,918 | 89,754 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|----------------|----------------|----------------|----------------|
| 002050.001 | -271 | -271 | -271 | -813 |
| 002050.002 | -1,546 | -1,546 | -1,546 | -4,638 |
| 002100.001 | -4,686 | -4,686 | -4,686 | -14,058 |
| 002130.001 | -5,343 | -5,343 | -5,343 | -16,029 |
| Total | -11,846 | -11,846 | -11,846 | -35,538 |

CHAPTER 2A6-a5

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: ELECTRIC DISTRIBUTION TOOLS/EQUIPMENT
Budget Code: 00206.0.ALL

SDG&E Position: The forecasts for Electric Distribution Tools/Equipment for 2014, 2015, and 2016 are \$1.372 million, \$1.372 million, and \$1.372 million, respectively. This is an ongoing project that is expected to continue through the Test Year. This blanket project is required to purchase new electric distribution tools and equipment required by field personnel to inspect, operate and maintain the electric distribution system.

Exhibit SDG&E-09, Page JDJ-57

ORA Position: The recorded spending for 2013 and 2014 is below the forecast levels in 2015 and 2016. It is reasonable to assume that these fluctuations are consistent with the historical spending patterns. Therefore, it is reasonable to adopt the adjusted recorded 2014 data for the 2014 forecast. ORA's recommendation is \$1.0 million below SDG&E's request. SDG&E's requests \$1.4 million each year for 2015 and 2016. ORA accepts these forecasts because they follow the pattern of historical spending.

Exhibit ORA-7, Page 14

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|---------------|--------------|--------------|---------------|
| 002060.001 | 1,372 | 1,372 | 1,372 | 4,116 |
| Total | 1,372 | 1,372 | 1,372 | 4,116 |
| | | | | |
| ORA | 2014 | 2015 | 2016 | Total |
| 002060.001 | 308 | 1,372 | 1,372 | 3,052 |
| Total | 308 | 1,372 | 1,372 | 3,052 |
| | | | | |
| Difference | 2014 | 2015 | 2016 | Total |
| 002060.001 | -1,064 | 0 | 0 | -1,064 |
| Total | -1,064 | 0 | 0 | -1,064 |

CHAPTER 2A6-a6

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: FIELD SHUNT CAPACITORS
Budget Code: 00209.0.ALL

SDG&E Position: SDG&E forecasts \$.594 million for 2014, \$.594 million for 2015, and \$.594 million for 2016.

Exhibit SDG&E-09, Page JDJ-28

ORA Position: ORA is not recommending that this proposed capital projects be eliminated. Instead, ORA has incorporated adjusted-recorded 2014 data.

Exhibit ORA-6, Page 11

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|-------------|-------------|-------------|--------------|
| 002090.001 | 594 | 594 | 594 | 1,782 |
| Total | 594 | 594 | 594 | 1,782 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|-------------|-------------|-------------|--------------|
| 002090.001 | 441 | 594 | 594 | 1,629 |
| Total | 441 | 594 | 594 | 1,629 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 002090.001 | -153 | 0 | 0 | -153 |
| Total | -153 | 0 | 0 | -153 |

CHAPTER 2A6-a7

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: TRANSFORMERS
Budget Code: 00214.0.ALL

SDG&E Position: The forecast for the Transformers project for 2014, 2015, and 2016 are \$18.287 million, \$19.158 million, and \$20.029 million, respectively. The forecasts for this project are zero based. This project is required to provide distribution transformers necessary to operate and maintain the electric distribution system. This blanket project is required to purchase transformers, supplying new and replacement equipment and maintaining inventory at each electric distribution service center.

Exhibit SDG&E-09, Page JDJ-69

ORA Position: Based on the 2014 adjusted-recorded data, ORA recommends a 2014 budget of \$12.8 million. Based on the 2013 and 2014 recorded data, and the fact that the trend in historical spending does not justify the requested 2015 budget, an adjustment is warranted. ORA recommends that the 2015 forecast be based on the 2013 expenditures. The 2013 expenditures are more reflective of historical spending, and should be considered a base year for the purposes of 2015 forecasting. ORA recommends a 2015 Materials capital expenditure forecast of \$15.6 million. ORA does not contest the 2016 forecast.

Exhibit ORA-7, Page 11

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|---------------|---------------|---------------|----------------|
| 002140.001 | 21,024 | 22,025 | 23,027 | 66,076 |
| Total | 21,024 | 22,025 | 23,027 | 66,076 |
| | | | | |
| ORA | 2014 | 2015 | 2016 | Total |
| 002140.001 | 12,781 | 15,605 | 23,027 | 51,413 |
| Total | 12,781 | 15,605 | 23,027 | 51,413 |
| | | | | |
| Difference | 2014 | 2015 | 2016 | Total |
| 002140.001 | -8,243 | -6,420 | 0 | -14,663 |
| Total | -8,243 | -6,420 | 0 | -14,663 |

CHAPTER 2A6-a8

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: REACTIVE SMALL CAPITAL PROJECTS
Budget Code: 00228.0.ALL

SDG&E Position: SDG&E forecasts \$1.448 million in 2014, \$1.448 million in 2015, and \$1.448 million in 2016.

Exhibit SDG&E-09, Page JDJ-29

ORA Position: ORA is not recommending that this proposed capital projects be eliminated. Instead, ORA has incorporated adjusted-recorded 2014 data.

Exhibit ORA-6, Page 11

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|--------------|--------------|--------------|--------------|
| 002280.001 | 1,448 | 1,448 | 1,448 | 4,344 |
| Total | 1,448 | 1,448 | 1,448 | 4,344 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|--------------|--------------|--------------|--------------|
| 002280.001 | 2,671 | 1,448 | 1,448 | 5,567 |
| Total | 2,671 | 1,448 | 1,448 | 5,567 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|--------------|-------------|-------------|--------------|
| 002280.001 | 1,223 | 0 | 0 | 1,223 |
| Total | 1,223 | 0 | 0 | 1,223 |

CHAPTER 2A6-a9

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: Mandated Programs
Budget Code: 00229.0.ALL

SDG&E Position: Mandated projects are those required by CPUC and other regulatory agencies. Mandated programs help promote public safety and employee safety. In addition, these programs protect SDG&E's capital investments of overhead and underground distribution facilities, maintain quality of service to SDG&E's customers, and avoid degradation of reliability due to aging electric systems. The forecasts for this category for 2014, 2015, and 2016 are \$37.872 million, \$38.148 million, and \$39.063, respectively.

Exhibit SDG&E-09, Page JDJ-18

ORA Position: Most of the activities in the Mandated subcategories are performed for safety purposes and regulatory requirements. ORA recommends that the adjusted 2014 Mandated capital expenditure forecast be adopted. ORA accepts the company's forecast for 2015 and Test Year 2016 for this program category, based on its review.

Exhibit ORA-7, Page 10

CHAPTER 2A6-a9

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|---------------|---------------|---------------|----------------|
| 002290.001 | 8,652 | 8,464 | 8,954 | 26,070 |
| 002890.001 | 12,191 | 12,328 | 12,466 | 36,985 |
| 012950.001 | 302 | 302 | 302 | 906 |
| 102650.001 | 1,680 | 1,645 | 1,609 | 4,934 |
| 872320.001 | 15,047 | 15,409 | 15,732 | 46,188 |
| Total | 37,872 | 38,148 | 39,063 | 115,083 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|---------------|---------------|---------------|----------------|
| 002290.001 | 9,343 | 8,464 | 8,954 | 26,761 |
| 002890.001 | 5,327 | 12,328 | 12,466 | 30,121 |
| 012950.001 | 20 | 302 | 302 | 624 |
| 102650.001 | 1,470 | 1,645 | 1,609 | 4,724 |
| 872320.001 | 12,958 | 15,409 | 15,732 | 44,099 |
| Total | 29,118 | 38,148 | 39,063 | 106,329 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|---------------|-------------|-------------|---------------|
| 002290.001 | 691 | 0 | 0 | 691 |
| 002890.001 | -6,864 | 0 | 0 | -6,864 |
| 012950.001 | -282 | 0 | 0 | -282 |
| 102650.001 | -210 | 0 | 0 | -210 |
| 872320.001 | -2,089 | 0 | 0 | -2,089 |
| Total | -8,754 | 0 | 0 | -8,754 |

CHAPTER 2A6-a10

San Diego Gas & Electric Company
 2016 Test Year GRC A-14-11-003
 ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: Local Engineering Pool - ED Pool
Budget Code: 00901.0.ALL

SDG&E Position: The forecasts for the Local Engineering - Electric Distribution (ED) Pool for 2014, 2015, and 2016 are \$84.987 million, \$93.688 million, and \$92.593 million, respectively.

The Local Engineering - ED Pool consists of Planners, Designers and Engineers, and support personnel who research, analyze, and design the facilities needed to serve customers. These persons address the engineering needs for new services, facilities relocations, overhead-to-underground conversions, capacity, and reliability projects.

Exhibit SDG&E-09, Page JDJ-83

ORA Position: The historical costs for 2009-2012 for ED Pool activities show this sub category's costs were about 18.5% of the "basis of forecast" costs. The 2013 costs were about 25.7% of the "basis of forecast" costs. The 25.7% figure is the assumption used by SDG&E for its 2014-2016 forecasts. ORA accepts the company's method to forecast the overhead pools budget, but recommends that the 2014 budget be based on the adjusted-recorded costs.

Exhibit ORA-7, Page 6

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|----------------|----------------|---------------|----------------|
| 009010.001 | 84,987 | 93,688 | 92,593 | 271,268 |
| Total | 84,987 | 93,688 | 92,593 | 271,268 |
| | | | | |
| ORA | 2014 | 2015 | 2016 | Total |
| 009010.001 | 49,364 | 75,899 | 90,714 | 215,977 |
| Total | 49,364 | 75,899 | 90,714 | 215,977 |
| | | | | |
| Difference | 2014 | 2015 | 2016 | Total |
| 009010.001 | -35,623 | -17,789 | -1,879 | -55,291 |
| Total | -35,623 | -17,789 | -1,879 | -55,291 |

CHAPTER 2A6-a11

San Diego Gas & Electric Company
 2016 Test Year GRC A-14-11-003
 ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: Local Engineering Pool - Substation Pool
Budget Code: 00904.0.ALL

SDG&E Position: The forecasts for the Local Engineering - Substation Pool for 2014, 2015, and 2016 are \$15.328 million, \$15.147 million, and \$7.045 million, respectively. The Local Engineering – Substation Pool consists of the pool of planners, designers and engineers and support personnel who research, analyze, and design the facilities needed to serve customers.

Exhibit SDG&E-09, Page JDJ-85

ORA Position: For the Substation Pool, ORA did not perform a “basis of forecast” analysis. ORA accepts SDG&E’s assumption of 24.5 percent of the “basis of forecast for the developing the Substation Pool forecast, since 24.5 percent is very close to the 2014 recorded cost data. For 2014, ORA uses the 2014 Substation Pool recorded costs. ORA then uses the 2014 recorded data as the starting point for its 2015 forecast. This recommended budget will be very close to the Substation Pool 2015 forecast that would result from a “basis of forecast” analysis. In other words, ORA accepts SDG&E’s method of forecasting, but does not replicate that forecast method here. ORA accepts SDG&E’s 2016 forecast.

Exhibit ORA-7, Page 7

Note: ORA accepts the "Recalculated ORA Forecast" presented in Exhibit SDG&E-209, Page JDJ-36. ORA's updated forecast is the following:

2014 = \$8,414
 2015 = \$10,662
 2016 = \$12,545

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|---------------|---------------|--------------|----------------|
| 009040.001 | 15,328 | 15,147 | 7,045 | 37,520 |
| Total | 15,328 | 15,147 | 7,045 | 37,520 |
| | | | | |
| ORA | 2014 | 2015 | 2016 | Total |
| 009040.001 | 8,414 | 8,414 | 7,045 | 23,873 |
| Total | 8,414 | 8,414 | 7,045 | 23,873 |
| | | | | |
| Difference | 2014 | 2015 | 2016 | Total |
| 009040.001 | -6,914 | -6,733 | 0 | -13,647 |
| Total | -6,914 | -6,733 | 0 | -13,647 |

CHAPTER 2A6-a12

San Diego Gas & Electric Company
 2016 Test Year GRC A-14-11-003
 ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: Department Overhead Pool
Budget Code: 00905.0.ALL

SDG&E Position: The forecasts for the Department Overhead Pool for 2014, 2015, and 2016 are \$3.319 million, \$3.727 million, and \$4.139 million, respectively. Department Overheads are those costs for supervision and administration of crews in the SDG&E Construction and Operation (C&O) districts. Department Overhead is charged for expenses that are not attributable to one particular project, but benefit many projects, or the Construction and Operation (C&O) districts as a whole.

Exhibit SDG&E-09, Page JDJ-86

ORA Position: For the Department Overhead Pools, ORA uses an approach identical to the one used for the Substation Pool. The 2014 and 2015 forecasts are based on the 2014 recorded costs. For 2016, ORA accepts SDG&E's forecasts for this subcategory. Again, ORA accepts SDG&E's forecast method as reasonable, but the ORA forecast amounts presented in this testimony are not based on that method. The percentages of the bases of the forecasts for the Department Overhead Pools is 1.3 percent percent. These values are reasonable as they reflect the 2014 adjusted-recorded cost data.

Exhibit ORA-7, Page 8

Note: ORA accepts the "Recalculated ORA Forecast" presented in Exhibit SDG&E-209, Page JDJ-36. ORA's updated forecast is the following:

2014 = \$2,371
 2015 = \$3,020
 2016 = \$3,464

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|--------------|---------------|--------------|---------------|
| 009050.001 | 3,319 | 3,727 | 4,139 | 11,185 |
| Total | 3,319 | 3,727 | 4,139 | 11,185 |
| ORA | 2014 | 2015 | 2016 | Total |
| 009050.001 | 2,371 | 2,371 | 4,139 | 8,881 |
| Total | 2,371 | 2,371 | 4,139 | 8,881 |
| Difference | 2014 | 2015 | 2016 | Total |
| 009050.001 | -948 | -1,356 | 0 | -2,304 |
| Total | -948 | -1,356 | 0 | -2,304 |

CHAPTER 2A6-a13

San Diego Gas & Electric Company
 2016 Test Year GRC A-14-11-003
 ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: Contract Administration Pool
Budget Code: 00906.0.ALL

SDG&E Position: The forecasts for the CA Pool project for 2014, 2015, and 2016 are \$4.918 million, \$5.795 million, and \$6.447 million, respectively. The CA pool consists of those expenses necessary for the administration of projects that are performed by contractors for SDG&E. The expenses to this pool consist of labor for Contract Administrators and support personnel, as well as the associated non-labor support costs such as office and field supplies.

Exhibit SDG&E-09, Page JDJ-88

ORA Position: For the Contract Administration Pools, ORA uses an approach identical to the one used for the Substation Pool. The 2014 and 2015 forecasts are based on the 2014 recorded costs. For 2016, ORA accepts SDG&E's forecasts for this subcategory. Again, ORA accepts SDG&E's forecast method as reasonable, but the ORA forecast amounts presented in this testimony are not based on that method. The percentages of the bases of the forecasts for the Contract Administration Pools is 2.2 percent percent. These values are reasonable as they reflect the 2014 adjusted-recorded cost data.

Exhibit ORA-7, Page 8

Note: ORA accepts the "Recalculated ORA Forecast" presented in Exhibit SDG&E-209, Page JDJ-36. ORA's updated forecast is the following:

2014 = \$3,677
 2015 = \$4,747
 2016 = \$5,404

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|---------------|---------------|--------------|---------------|
| 00906A.001 | 4,918 | 5,795 | 6,447 | 17,160 |
| Total | 4,918 | 5,795 | 6,447 | 17,160 |
| ORA | 2014 | 2015 | 2016 | Total |
| 00906A.001 | 3,677 | 3,677 | 6,447 | 13,801 |
| Total | 3,677 | 3,677 | 6,447 | 13,801 |
| Difference | 2014 | 2015 | 2016 | Total |
| 00906A.001 | -1,241 | -2,118 | 0 | -3,359 |
| Total | -1,241 | -2,118 | 0 | -3,359 |

CHAPTER 2A6-a14

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: MIRA SORRENTO 138/12KV SUB & C1442 T0 46
Budget Code: 02252.0.ALL

SDG&E Position: SDG&E forecasts \$12.218 million in 2014, \$0 in 2015, and \$0 in 2016.

Exhibit SDG&E-09, Page JDJ-30

ORA Position: ORA is not recommending that this proposed capital project be eliminated. Instead, ORA has incorporated adjusted-recorded 2014 data.

Exhibit ORA-6, Page 11

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|---------------|-------------|-------------|---------------|
| 022520.001 | 12,218 | 0 | 0 | 12,218 |
| Total | 12,218 | 0 | 0 | 12,218 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|--------------|-------------|-------------|--------------|
| 022520.001 | 6,747 | 0 | 0 | 6,747 |
| Total | 6,747 | 0 | 0 | 6,747 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|---------------|-------------|-------------|---------------|
| 022520.001 | -5,471 | 0 | 0 | -5,471 |
| Total | -5,471 | 0 | 0 | -5,471 |

CHAPTER 2A6-a15

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: Salt Creek & New Circuits
Budget Code: 02258.0.ALL

SDG&E Position: This project had a 3/31/16 completion date. SDG&E subsequently revised this to the third quarter of 2016.

Exhibit SDG&E-09, Page JDJ-31

ORA Position: ORA did not use the revised date provided by SDG&E. ORA's reason for deviating from the revised date has to do with the fact that this project requires a Permit To Construct (PTC) before the project can begin. The Commission's California Environmental Quality Act (CEQA) team has informed ORA that the draft Environmental Impact Report (EIR) will not be published until late summer of this year, followed by 24 months of construction that would be completed in 2017. Therefore, for this single project, ORA is using a different completion date, namely July of 2017. ORA has assumed that expenditures in 2015 will be the same as 2014, since the PTC will not be issued. For 2016, ORA is assuming that SDG&E will spend what it had budgeted for 2015. All remaining costs will be completed in 2017.

Exhibit ORA-6, Page 12

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|--------------|---------------|--------------|--------------|
| 022580.001 | 1,008 | 5,065 | 1,816 | 7,889 |
| Total | 1,008 | 5,065 | 1,816 | 7,889 |
| | | | | |
| ORA | 2014 | 2015 | 2016 | Total |
| 022580.001 | 1,229 | 1,229 | 5,065 | 7,523 |
| Total | 1,229 | 1,229 | 5,065 | 7,523 |
| | | | | |
| Difference | 2014 | 2015 | 2016 | Total |
| 022580.001 | 221 | -3,836 | 3,249 | -366 |
| Total | 221 | -3,836 | 3,249 | -366 |

CHAPTER 2A6-a16

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: SMART METER PROJECT-METER DEVELOPMENT
Budget Code: 04250.0.ALL

SDG&E Position: The forecasts for the Smart Meter project for 2014, 2015, and 2016 are \$1.116 million, \$0 million, and \$0 million, respectively. The purpose of the Smart Meter project was to deploy “intelligent” meters that could be read/viewed and operated remotely. The Smart Meter project increased operational efficiency and reduced the need to have field personnel perform meter reading activities.

Exhibit SDG&E-09, Page JDJ-132

ORA Position: ORA recommends that the adjusted-recorded spending of \$.165 million be adopted for 2014. The company forecasts \$0 for program spending in 2015 and 2016. ORA accepts the 2015 and 2016 forecast.

Exhibit ORA-7, Page 15

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|--------------|-------------|-------------|--------------|
| 042500.001 | 1,116 | 0 | 0 | 1,116 |
| Total | 1,116 | 0 | 0 | 1,116 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|-------------|-------------|-------------|--------------|
| 042500.001 | 165 | 0 | 0 | 165 |
| Total | 165 | 0 | 0 | 165 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 042500.001 | -951 | 0 | 0 | -951 |
| Total | -951 | 0 | 0 | -951 |

CHAPTER 2A6-a17

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: Safety & Risk Management Capital Projects
Budget Code: 06247.0.ALL

SDG&E Position: A new major category of projects/budgets since the TY2012 GRC is the Safety & Risk Management category. The capital investments requested in this category address the mitigation of safety and physical system security risks. SDG&E forecasts \$26.209 million, \$40.684 million, and \$75.423 million, for 2014, 2015, and 2016, respectively.

Exhibit SDG&E-09, Page JDJ-23

ORA Position: ORA is not recommending that any of SDG&E's proposed capital projects be eliminated. Instead, ORA has incorporated adjusted-recorded 2014 data and revised the proposed expenditures to reflect the budgetary constraints imposed by the two FIRM capital projects. ORA is recommending Safety & Risk Management capital expenditures of \$18.083 million in 2014, \$27.406 million in 2015, and \$59.484 million in 2016.

Exhibit ORA-6, Page 37

Note: The totals in the SDG&E and ORA position summaries do not tie with the tables below due to the exclusion of uncontested capital projects in the tables.

CHAPTER 2A6-a17

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|---------------|---------------|---------------|----------------|
| 062470.001 | 843 | 843 | 843 | 2,529 |
| 112430.001 | 285 | 0 | 0 | 285 |
| 122560.001 | 468 | 0 | 0 | 468 |
| 122650.001 | 186 | 0 | 0 | 186 |
| 13247A.001 | 13,056 | 12,780 | 12,496 | 38,332 |
| 132550.001 | 186 | 0 | 0 | 186 |
| 13266A.001 | 140 | 140 | 140 | 420 |
| 14247A.001 | 11,045 | 24,323 | 44,950 | 80,318 |
| Total | 26,209 | 38,086 | 58,429 | 122,724 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|---------------|---------------|---------------|---------------|
| 062470.001 | 383 | 843 | 843 | 2,069 |
| 112430.001 | 414 | 0 | 0 | 414 |
| 122560.001 | 596 | 0 | 0 | 596 |
| 122650.001 | 59 | 0 | 0 | 59 |
| 13247A.001 | 8,368 | 12,780 | 17,184 | 38,332 |
| 132550.001 | 81 | 0 | 0 | 81 |
| 13266A.001 | 0 | 140 | 140 | 280 |
| 14247A.001 | 8,182 | 11,045 | 24,323 | 43,550 |
| Total | 18,083 | 24,808 | 42,490 | 85,381 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|---------------|----------------|----------------|----------------|
| 062470.001 | -460 | 0 | 0 | -460 |
| 112430.001 | 129 | 0 | 0 | 129 |
| 122560.001 | 128 | 0 | 0 | 128 |
| 122650.001 | -127 | 0 | 0 | -127 |
| 13247A.001 | -4,688 | 0 | 4,688 | 0 |
| 132550.001 | -105 | 0 | 0 | -105 |
| 13266A.001 | -140 | 0 | 0 | -140 |
| 14247A.001 | -2,863 | -13,278 | -20,627 | -36,768 |
| Total | -8,126 | -13,278 | -15,939 | -37,343 |

CHAPTER 2A6-a18

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: Telegraph Canyon-4th 138/12kV Bank & C1226
Budget Code: 07245.0.ALL

SDG&E Position: This project originally had a 6/30/14 completion date, which was updated to the fourth quarter of 2015.

Exhibit SDG&E-09, Page JDJ-33

ORA Position: Nothing was spent on this project in 2014. Therefore, ORA has assumed that the costs for this project should be moved into 2015.

Exhibit ORA-6, Page 13

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|--------------|-------------|-------------|--------------|
| 072450.001 | 3,080 | 0 | 0 | 3,080 |
| Total | 3,080 | 0 | 0 | 3,080 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|-------------|--------------|-------------|--------------|
| 072450.001 | -1 | 3,080 | 0 | 3,079 |
| Total | -1 | 3,080 | 0 | 3,079 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|---------------|--------------|-------------|--------------|
| 072450.001 | -3,081 | 3,080 | 0 | -1 |
| Total | -3,081 | 3,080 | 0 | -1 |

CHAPTER 2A6-a19

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: SAN YSIDRO-NEW 12KV CKT. 1202
Budget Code: 07249.0.ALL

SDG&E Position: The San Ysidro 12kV Circuit project originally had a 5/31/14 completion date, which was updated to the third quarter of 2015.

Exhibit SDG&E-09, Page JDJ-34

ORA Position: Nothing was spent on this project in 2014. Therefore, ORA has assumed that the costs for this project should be moved into 2015.

Exhibit ORA-6, Page 13

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|-------------|-------------|-------------|--------------|
| 072490.001 | 748 | 0 | 0 | 748 |
| Total | 748 | 0 | 0 | 748 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|-------------|-------------|-------------|--------------|
| 072490.001 | -3 | 748 | 0 | 745 |
| Total | -3 | 748 | 0 | 745 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 072490.001 | -751 | 748 | 0 | -3 |
| Total | -751 | 748 | 0 | -3 |

CHAPTER 2A6-a20

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: C1161, BD - New 12kV circuit
Budget Code: 07253.0.ALL

SDG&E Position: This project originally had a 5/31/14 completion date, which was updated to the third quarter of 2015.

Exhibit SDG&E-09, Page JDJ-35

ORA Position: Nothing was spent on this project in 2014. Therefore, ORA has assumed that the costs for this project should be moved into 2015.

Exhibit ORA-6, Page 13

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|--------------|-------------|-------------|--------------|
| 072530.001 | 1,315 | 0 | 0 | 1,315 |
| Total | 1,315 | 0 | 0 | 1,315 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|-------------|--------------|-------------|--------------|
| 072530.001 | 0 | 1,315 | 0 | 1,315 |
| Total | 0 | 1,315 | 0 | 1,315 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|---------------|--------------|-------------|--------------|
| 072530.001 | -1,315 | 1,315 | 0 | 0 |
| Total | -1,315 | 1,315 | 0 | 0 |

CHAPTER 2A6-a21

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: Substation 12kV Capacitor Upgrades
Budget Code: 08253.0.ALL

SDG&E Position: SDG&E forecasts \$3.278 million for 2014, \$3.278 million for 2015, and \$3.278 million for 2016.

Exhibit SDG&E-09, Page JDJ-36

ORA Position: ORA is not recommending that this proposed capital project be eliminated. Instead, ORA has incorporated adjusted-recorded 2014 data.

Exhibit ORA-6, Page 11

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|--------------|--------------|--------------|--------------|
| 082530.001 | 3,278 | 3,278 | 3,278 | 9,834 |
| Total | 3,278 | 3,278 | 3,278 | 9,834 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|---------------|--------------|--------------|--------------|
| 082530.001 | -2,169 | 3,278 | 3,278 | 4,387 |
| Total | -2,169 | 3,278 | 3,278 | 4,387 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|---------------|-------------|-------------|---------------|
| 082530.001 | -5,447 | 0 | 0 | -5,447 |
| Total | -5,447 | 0 | 0 | -5,447 |

CHAPTER 2A6-a22

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: C917, CC: New 12kV Circuit
Budget Code: 08259.0.ALL

SDG&E Position: The original 6/30/14 completion date has been revised to the third quarter of 2016.

Exhibit SDG&E-09, Page JDJ-37

ORA Position: Nothing was spent on this project in 2014. Since the completion date has been moved to 2016, ORA is assuming that nothing will be spent in 2015 either. Therefore, ORA has pushed all of the costs for this project out to 2016.

Exhibit ORA-6, Page 13

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|--------------|-------------|-------------|--------------|
| 08259A.001 | 1,450 | 0 | 0 | 1,450 |
| Total | 1,450 | 0 | 0 | 1,450 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|-------------|-------------|--------------|--------------|
| 08259A.001 | 0 | 0 | 1,450 | 1,450 |
| Total | 0 | 0 | 1,450 | 1,450 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|---------------|-------------|--------------|--------------|
| 08259A.001 | -1,450 | 0 | 1,450 | 0 |
| Total | -1,450 | 0 | 1,450 | 0 |

CHAPTER 2A6-a23

San Diego Gas & Electric Company
 2016 Test Year GRC A-14-11-003
 ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: TL6914 Los Coches-Loveland SW Pole Repl
Budget Code: 09136.0.ALL

SDG&E Position: The forecasts for the TL6914 Los Coches-Loveland Wood-to-Steel project for 2014, 2015, and 2016 are \$58, \$2,396, and \$0, respectively. The TL 6914 Los Coches to Loveland SW Pole Replacements project will improve the reliability of transmission line 6914 in fire-prone or wind-prone areas by replacing 125 wood poles with equivalent steel poles for a distance of approximately 8 miles.

Exhibit SDG&E-09, Page JDJ-142

ORA Position: Most of the Transmission/FERC Driven projects are for electric system reliability. Other project purposes include fire safety, compliance, and blanket budget projects. ORA reviewed the project description, forecast method, goals, and cost driver(s) of each of the 18 projects in this program category. ORA accepts these justifications for SDG&E's forecast. As with all other electric distribution program categories, ORA recommends that the 2014 adjusted-recorded data be used for the 2014 forecast.

Exhibit ORA-7, Page 13

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|--------------|--------------|-------------|--------------|
| 091360.001 | 58 | 2,396 | 0 | 2,454 |
| Total | 58 | 2,396 | 0 | 2,454 |
| | | | | |
| ORA | 2014 | 2015 | 2016 | Total |
| 091360.001 | 2,375 | 2,396 | 0 | 4,771 |
| Total | 2,375 | 2,396 | 0 | 4,771 |
| | | | | |
| Difference | 2014 | 2015 | 2016 | Total |
| 091360.001 | 2,317 | 0 | 0 | 2,317 |
| Total | 2,317 | 0 | 0 | 2,317 |

CHAPTER 2A6-a24

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: C1259, MAR: New 12kV Circuit
Budget Code: 09271.0.ALL

SDG&E Position: The original completion date of 5/31/15 has been revised to the third quarter of 2016.

Exhibit SDG&E-09, JDJ-38

ORA Position: SDG&E was proposing to spend the entire cost for this project in 2015. ORA has moved this expenditure into 2016 to conform to the new date.

Exhibit ORA-6, Page 13

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|-------------|-------------|-------------|--------------|
| 09271A.001 | 0 | 961 | 0 | 961 |
| Total | 0 | 961 | 0 | 961 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|-------------|-------------|-------------|--------------|
| 09271A.001 | 0 | 0 | 961 | 961 |
| Total | 0 | 0 | 961 | 961 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 09271A.001 | 0 | -961 | 961 | 0 |
| Total | 0 | -961 | 961 | 0 |

CHAPTER 2A6-a25

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: C1282, LC - New circuit
Budget Code: 09274.0.ALL

SDG&E Position: The original completion date of 8/31/14 has been moved to the third quarter of 2016.

Exhibit SDG&E-09, Page JDJ-39

ORA Position: Very little money was spent on this project in 2014. Due to the new 2016 completion date, ORA has moved the remaining costs for this project into 2016.

Exhibit ORA-6, Page 14

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|--------------|-------------|-------------|--------------|
| 092740.001 | 4,031 | 0 | 0 | 4,031 |
| Total | 4,031 | 0 | 0 | 4,031 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|-------------|-------------|--------------|--------------|
| 092740.001 | 23 | 0 | 4,008 | 4,031 |
| Total | 23 | 0 | 4,008 | 4,031 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|---------------|-------------|--------------|--------------|
| 092740.001 | -4,008 | 0 | 4,008 | 0 |
| Total | -4,008 | 0 | 4,008 | 0 |

CHAPTER 2A6-a26

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: Poseidon - Cannon substation Modification
Budget Code: 09276.0.ALL

SDG&E Position: This project that has a new completion date that is earlier than the original. The initial completion date was 1/31/15, which was revised to the fourth quarter of 2014.

Exhibit SDG&E-09, Page JDJ-40

ORA Position: ORA is not recommending that this proposed capital projects be eliminated. Instead, ORA has incorporated adjusted-recorded 2014 data and revised the proposed expenditure patterns to conform to the new completion dates that were provided by SDG&E.

Since the completion date is in 2014, ORA has assumed that the project was completed by the end of that year. Therefore, any proposed expenditures after 2014 were eliminated by ORA.

Exhibit ORA-6, Page 14

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|--------------|-------------|-------------|---------------|
| 092760.001 | 9,402 | 808 | 0 | 10,210 |
| Total | 9,402 | 808 | 0 | 10,210 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|---------------|-------------|-------------|---------------|
| 092760.001 | 10,461 | 0 | 0 | 10,461 |
| Total | 10,461 | 0 | 0 | 10,461 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|--------------|-------------|-------------|--------------|
| 092760.001 | 1,059 | -808 | 0 | 251 |
| Total | 1,059 | -808 | 0 | 251 |

CHAPTER 2A6-a27

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: C350, LI: Reconductor, Install Reg, RFS Cap
Budget Code: 10266.0.ALL

SDG&E Position: The original completion date for this project was 5/31/14. The revised date is now the fourth quarter of 2014.

Exhibit SDG&E-09, Page JDJ-42

ORA Position: ORA is not recommending that this proposed capital projects be eliminated. Instead, ORA has incorporated adjusted-recorded 2014 data and revised the proposed expenditure patterns to conform to the new completion dates that were provided by SDG&E.

ORA assumes that this project was completed by the end of 2014.

Exhibit ORA-6, Page 14

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|-------------|-------------|-------------|--------------|
| 10266A.001 | 933 | 0 | 0 | 933 |
| Total | 933 | 0 | 0 | 933 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|-------------|-------------|-------------|--------------|
| 10266A.001 | 529 | 0 | 0 | 529 |
| Total | 529 | 0 | 0 | 529 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 10266A.001 | -404 | 0 | 0 | -404 |
| Total | -404 | 0 | 0 | -404 |

CHAPTER 2A6-a28

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: C1049, CSW: New 12kV Circuit
Budget Code: 10270.0.ALL

SDG&E Position: The original completion date of 8/31/14 was extended to the fourth quarter of 2014.

Exhibit SDG&E-09, Page JDJ-43

ORA Position: ORA is not recommending that this proposed capital projects be eliminated. Instead, ORA has incorporated adjusted-recorded 2014 data and revised the proposed expenditure patterns to conform to the new completion dates that were provided by SDG&E.

ORA assumes that this project was completed by the end of 2014.

Exhibit ORA-6, Page 14

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|--------------|-------------|-------------|--------------|
| 10270A.001 | 2,506 | 0 | 0 | 2,506 |
| Total | 2,506 | 0 | 0 | 2,506 |
| | | | | |
| ORA | 2014 | 2015 | 2016 | Total |
| 10270A.001 | 2,359 | 0 | 0 | 2,359 |
| Total | 2,359 | 0 | 0 | 2,359 |
| | | | | |
| Difference | 2014 | 2015 | 2016 | Total |
| 10270A.001 | -147 | 0 | 0 | -147 |
| Total | -147 | 0 | 0 | -147 |

CHAPTER 2A6-a29

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: Middletown 4kV Sub RFS
Budget Code: 10272.0.ALL

SDG&E Position: The original 5/31/14 completion date has been revised to the second quarter of 2015.

Exhibit SDG&E-09, Page JDJ-44

ORA Position: ORA assumes that the remaining expenditures for this project should be moved into 2015.

Exhibit ORA-6, Page 14

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|-------------|-------------|-------------|--------------|
| 10272A.001 | 734 | 0 | 0 | 734 |
| Total | 734 | 0 | 0 | 734 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|-------------|-------------|-------------|--------------|
| 10272A.001 | 230 | 504 | 0 | 734 |
| Total | 230 | 504 | 0 | 734 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 10272A.001 | -504 | 504 | 0 | 0 |
| Total | -504 | 504 | 0 | 0 |

CHAPTER 2A6-a30

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: C928, POM: New 12kV Circuit
Budget Code: 11244.0.ALL

SDG&E Position: The original 6/30/14 completion date has been modified to the third quarter of 2016.

Exhibit SDG&E-09, Page JDJ-45

ORA Position: SDG&E made no expenditures on the project in 2014. Since the new completion date now occurs in 2016, ORA has shifted the expenditures into that year.

Exhibit ORA-6, Page 15

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|-------------|-------------|-------------|--------------|
| 11244A.001 | 734 | 0 | 0 | 734 |
| Total | 734 | 0 | 0 | 734 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|-------------|-------------|-------------|--------------|
| 11244A.001 | 0 | 0 | 734 | 734 |
| Total | 0 | 0 | 734 | 734 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 11244A.001 | -734 | 0 | 734 | 0 |
| Total | -734 | 0 | 734 | 0 |

CHAPTER 2A6-a31

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: CAMP PENDLETON 12KV SERVICE
Budget Code: 11257.0.ALL

SDG&E Position: SDG&E forecasts \$.612 million for 2014, \$0 for 2015, and \$0 for 2016.

Exhibit SDG&E-09, Page JDJ-46

ORA Position: ORA is not recommending that this proposed capital project be eliminated. Instead, ORA has incorporated adjusted-recorded 2014 data.

Exhibit ORA-6, Page 11

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|-------------|-------------|-------------|--------------|
| 112570.001 | 612 | 0 | 0 | 612 |
| Total | 612 | 0 | 0 | 612 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|-------------|-------------|-------------|--------------|
| 112570.001 | 170 | 0 | 0 | 170 |
| Total | 170 | 0 | 0 | 170 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 112570.001 | -442 | 0 | 0 | -442 |
| Total | -442 | 0 | 0 | -442 |

CHAPTER 2A6-a32

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: C100, OT: 12kV Circuit Extension
Budget Code: 11259.0.ALL

SDG&E Position: The original completion date for this project was 11/30/14. It has subsequently been modified to the third quarter of 2016.

Exhibit SDG&E-09, Page JDJ-46

ORA Position: SDG&E made no expenditures for this project in 2014. Since the new completion date now occurs in 2016, ORA has shifted all of the expenditures into that year.

Exhibit ORA-6, Page 15

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|--------------|-------------|-------------|--------------|
| 11259A.001 | 1,858 | 0 | 0 | 1,858 |
| Total | 1,858 | 0 | 0 | 1,858 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|-------------|-------------|--------------|--------------|
| 11259A.001 | 0 | 0 | 1,858 | 1,858 |
| Total | 0 | 0 | 1,858 | 1,858 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|---------------|-------------|--------------|--------------|
| 11259A.001 | -1,858 | 0 | 1,858 | 0 |
| Total | -1,858 | 0 | 1,858 | 0 |

CHAPTER 2A6-a33

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: C108, B: Circuit Reconfiguration
Budget Code: 13250.0.ALL

SDG&E Position: SDG&E has revised the original 5/31/14 completion date to the third quarter of 2014.

Exhibit SDG&E-09, Page JDJ-47

ORA Position: ORA is not recommending that this proposed capital projects be eliminated. Instead, ORA has incorporated adjusted-recorded 2014 data and revised the proposed expenditure patterns to conform to the new completion dates that were provided by SDG&E.

ORA assumes that this project was completed by the end of 2014.

Exhibit ORA-6, Page 15

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 13250A.001 | 619 | 0 | 0 | 619 |
| Total | 619 | 0 | 0 | 619 |
| | | | | |
| ORA | 2014 | 2015 | 2016 | Total |
| 13250A.001 | 378 | 0 | 0 | 378 |
| Total | 378 | 0 | 0 | 378 |
| | | | | |
| Difference | 2014 | 2015 | 2016 | Total |
| 13250A.001 | -241 | 0 | 0 | -241 |
| Total | -241 | 0 | 0 | -241 |

CHAPTER 2A6-a34

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: C1288, MSH: New 12kV Circuit
Budget Code: 13260.0.ALL

SDG&E Position: SDG&E has revised the original 5/31/14 completion date to the fourth quarter of 2014.

Exhibit SDG&E-09, Page JDJ-50

ORA Position: ORA is not recommending that this proposed capital projects be eliminated. Instead, ORA has incorporated adjusted-recorded 2014 data and revised the proposed expenditure patterns to conform to the new completion dates that were provided by SDG&E.

ORA assumes that this project was completed by the end of 2014.

Exhibit ORA-6, Page 15

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 13260A.001 | 980 | 0 | 0 | 980 |
| Total | 980 | 0 | 0 | 980 |
| | | | | |
| ORA | 2014 | 2015 | 2016 | Total |
| 13260A.001 | 928 | 0 | 0 | 928 |
| Total | 928 | 0 | 0 | 928 |
| | | | | |
| Difference | 2014 | 2015 | 2016 | Total |
| 13260A.001 | -52 | 0 | 0 | -52 |
| Total | -52 | 0 | 0 | -52 |

CHAPTER 2A6-a35

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: C982: OL-Replace 300A Reg with 600A Reg
Budget Code: 13263.0.ALL

SDG&E Position: The original 12/31/14 completion date has been revised to the third quarter of 2016.

Exhibit SDG&E-09, Page JDJ-51

ORA Position: Nothing was spent on this project in 2014. Since the completion date has been moved all the way to 2016, ORA is assuming that nothing will be spent in 2015 either. Therefore, ORA has pushed all of the costs for this project out to 2016.

Exhibit ORA-6, Page 16

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|-------------|-------------|-------------|--------------|
| 13263A.001 | 551 | 0 | 0 | 551 |
| Total | 551 | 0 | 0 | 551 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|-------------|-------------|-------------|--------------|
| 13263A.001 | 0 | 0 | 551 | 551 |
| Total | 0 | 0 | 551 | 551 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 13263A.001 | -551 | 0 | 551 | 0 |
| Total | -551 | 0 | 551 | 0 |

CHAPTER 2A6-a36

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.

CAPITAL EXPENDITURES

Project: DISTRIBUTION SYSTEM CAPACITY IMPROVEMENT
Budget Code: 97248.0.ALL

SDG&E Position: SDG&E forecasts \$2.556 for 2014, \$2.556 for 2015, and \$2.556 for 2016.

Exhibit SDG&E-09, Page JDJ-55

ORA Position: ORA is not recommending that this proposed capital project be eliminated. Instead, ORA has incorporated adjusted-recorded 2014 data.

Exhibit ORA-6, Page 11

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|--------------|--------------|--------------|--------------|
| 972480.001 | 2,556 | 2,556 | 2,556 | 7,668 |
| Total | 2,556 | 2,556 | 2,556 | 7,668 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|-------------|--------------|--------------|--------------|
| 972480.001 | 919 | 2,556 | 2,556 | 6,031 |
| Total | 919 | 2,556 | 2,556 | 6,031 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|---------------|-------------|-------------|---------------|
| 972480.001 | -1,637 | 0 | 0 | -1,637 |
| Total | -1,637 | 0 | 0 | -1,637 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

7. SDG&E-10-R (Exh 70) - ELECTRIC DISTRIBUTION O&M

a. O&M - NON-SHARED

| Workpaper | ORA vs. SDG&E (2016) | Reference |
|----------------|----------------------|-----------|
| 1. 1ED001.000 | (675) | 2A7-a1 |
| 2. 1ED001.001 | (116) | 2A7-a2 |
| 3. 1ED001.003 | (199) | 2A7-a3 |
| 4. 1ED002.000 | (7,198) | 2A7-a4 |
| 5. 1ED003.000 | (651) | 2A7-a5 |
| 6. 1ED004.000 | (3,939) | 2A7-a6 |
| 7. 1ED005.000 | (37) | 2A7-a7 |
| 8. 1ED006.000 | (503) | 2A7-a8 |
| 9. 1ED008.000 | (123) | 2A7-a9 |
| 10. 1ED010.000 | (840) | 2A7-a10 |
| 11. 1ED011.000 | (3,804) | 2A7-a11 |
| 12. 1ED013.000 | (1,427) | 2A7-a12 |
| 13. 1ED014.000 | (198) | 2A7-a13 |
| 14. 1ED015.000 | (1,290) | 2A7-a14 |
| 15. 1ED018.000 | (512) | 2A7-a15 |
| 16. 1ED020.000 | (315) | 2A7-a16 |
| 17. 1ED021.001 | (701) | 2A7-a17 |
| 18. 1ED024.000 | (705) | 2A7-a18 |

CHAPTER 2A7-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan

NONSHARED O&M

Subject: Technology Innovation & Development
Workpaper: 1ED001.000

SDG&E Position: SDG&E forecasts \$0.882 million for Technology, Innovation, and Development, which is an increase of \$0.555 million or 169.72% over 2013 recorded expenses of \$0.327 million and an increase of \$0.760 million or 622.95% over 2014 recorded expenses of \$0.122 million. SDG&E developed its TY forecast of \$0.882 million by using a 3-year linear (2011-2013) forecast plus an incremental increase of \$0.250 million.

Exhibit SDG&E-10-R, Page JTW-69

ORA Position: ORA developed its TY forecast of \$0.207 million by using a 3-year average (2012-2014) of historical recorded expenses. ORA's forecast of \$0.207 million is \$.085 million greater than 2014 recorded expenses of \$0.122 million and is sufficient to address emerging TY expenses associated with ITF.

Exhibit ORA-5, Page 49.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 480 | 140 | -340 |
| NonLabor | 402 | 67 | -335 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 882 | 207 | -675 |

CHAPTER 2A7-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan

NONSHARED O&M

Subject: Reliability & Capacity
Workpaper: 1ED001.001

SDG&E Position: SDG&E forecasts \$0.618 million for Reliability and Capacity Analysis, which is an increase of \$0.080 million or 14.87% over 2013 recorded expenses of \$0.538 million and an increase of \$0.266 million or 75.57% over 2014 recorded expenses of \$0.352 million. SDG&E developed its TY forecast of \$0.618 million by using 2013 base year recorded expenses plus an incremental increase of \$0.080 million for two fusing specialists, 1 administrative assistant, and a principal engineer.

Exhibit SDG&E-10-R, Page JTW-71

ORA Position: ORA's TY forecast is \$0.502 million. ORA developed its TY forecast of \$0.502 million by using a 3-year average (2012-2014) of historical recorded expenses, which uses the most recent historical recorded expenses from 2014. ORA's TY forecast is \$0.150 million greater than both 2014 recorded expenses of \$0.352 million and a 5-year average (2010-2014) of historical recorded expenses which is \$0.584 million.

Exhibit ORA-5, Page 50

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 309 | 239 | -70 |
| NonLabor | 308 | 262 | -46 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 617 | 501 | -116 |

CHAPTER 2A7-a3

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan

NONSHARED O&M

Subject: Information Management Support
Workpaper: 1ED001.003

SDG&E Position: SDG&E forecasts \$0.339 million for Information Management Support, which is an increase of \$0.115 million or 51.34% over 2013 recorded expenses of \$0.224 million and an increase of \$0.199 million or 142.14% over 2014 recorded expenses of \$0.140 million. SDG&E developed its TY forecast by using 2013 base year recorded expenses plus an incremental increase of \$0.115 million for three Graphical Work Design (GWD) employees currently in IT to move to EDO.

Exhibit SDG&E-10-R, Page JTW-75

ORA Position: ORA's TY forecast is \$0.140. ORA developed its TY forecast of \$0.140 million by using 2014 recorded expenses. ORA's TY forecast is greater than both the 3-year (2012-2014) and 5-year (2010-2014) averages of historical recorded expenses which are \$0.132 million and \$0.108 million, respectively.

Exhibit ORA-5, Page 53

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 217 | 133 | -84 |
| NonLabor | 122 | 7 | -115 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 339 | 140 | -199 |

CHAPTER 2A7-a4

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan

NONSHARED O&M

Subject: Construction Services
Workpaper: 1ED002.000

SDG&E Position: SDG&E forecasts \$18.865 million for Construction Services, which is an increase of \$13.639 million or 260.98% over 2013 recorded expenses of \$5.226 million and an increase of \$13.334 million or 241.08% over 2014 recorded expenses of \$5.531 million. SDG&E developed its TY forecast by using a 5-year average (2009-2013) of historical expenses plus incremental funding of \$13.639 million for various work activities.

Exhibit SDG&E-10-R, Page JTW-47

ORA Position: ORA's TY forecast is \$11.667 million. ORA developed its TY forecast of \$11.667 million by using a 5-year average (2010-2014) of historical expenses plus incremental funding of \$6.352 million for the Wildfire Strike Team and ORA's adjusted O&M FIRM costs.

Exhibit ORA-5, Page 39

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|---------------|-------------------|
| Labor | 308 | 334 | 26 |
| NonLabor | 18,557 | 11,333 | -7,224 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 18,865 | 11,667 | -7,198 |

CHAPTER 2A7-a5

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan

NONSHARED O&M

Subject: DistOps Enterprise Geographic Information System Standards
Workpaper: 1ED003.000

SDG&E Position: SDG&E forecasts \$2.647 million for Distribution Operations/EGISS expenses, which is an increase of \$0.556 million or 26.59% over 2013 recorded expenses of \$2.091 million and an increase of \$0.722 million or 37.51% over 2014 recorded expenses of \$1.925 million. SDG&E developed its TY forecast of \$2.647 million by using a 5-year linear (2009-2013) forecast plus an incremental increase of \$0.028 to pay for GIS system maintenance.

Exhibit SDG&E-10-R, Page JTW-43

ORA Position: ORA's TY forecast is \$1.996 million. ORA developed its TY forecast of \$1.996 million by using a 3-year (2012-2014) average of historical expenses, which is higher than both 2014 recorded expenses of \$1.925 million and a 5-year average (2010-2014) of historical expenses which is \$1.817 million.

Exhibit ORA-5, Page 30

Note: As a result of the errata, SDG&E is reducing the test year 2016 forecast for this activity by \$.652 million, from \$2.647 million to \$1.995 million.

Exhibit SDG&E-210, p JW-28

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 1,175 | 1,230 | 55 |
| NonLabor | 1,472 | 766 | -706 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 2,647 | 1,996 | -651 |

CHAPTER 2A7-a6

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan

NONSHARED O&M

Subject: Electric Distribution Operations
Workpaper: 1ED004.000

SDG&E Position: SDG&E forecasts \$15.315 million for Electric Distribution Operations, which is an increase of \$4.377 million or 40.02% over 2013 recorded expenses of \$10.938 million and an increase of \$3.654 million or 31.34% over 2014 recorded expenses of \$11.661 million. SDG&E uses a 3-year linear (2011-2013) forecast to develop its TY forecast \$15.315 million.

Exhibit SDG&E-10-R, Page JTW-40

ORA Position: ORA's TY forecast is \$11.377 million. ORA developed its TY forecast of \$11.377 million by using a 3-year average of historical costs (2012-2014). ORA's forecast is greater than a 5-year average (2010-2014) of historical recorded expenses which is \$10.401 million, and it is sufficient to address TY expenses.

Exhibit ORA-5, Page 29

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|---------------|-------------------|
| Labor | 5,704 | 3,429 | -2,275 |
| NonLabor | 9,611 | 7,947 | -1,664 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 15,315 | 11,376 | -3,939 |

CHAPTER 2A7-a7

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan

NONSHARED O&M

Subject: GEOGRAPHIC BUSINESS SOLUTIONS DESKTOP
Workpaper: 1ED005.000

SDG&E Position: SDG&E includes \$0.037 million for “Geographic Business Solutions Desktop” in its forecast for information Management Support.

Exhibit SDG&E-10-WP-R, Page 146

ORA Position: ORA recommends \$0 for this activity; SDG&E provides no supporting explanations or workpapers for this activity.

Exhibit ORA-5, Page 3

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 36 | 0 | -36 |
| NonLabor | 1 | 0 | -1 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 37 | 0 | -37 |

CHAPTER 2A7-a8

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan

NONSHARED O&M

Subject: Kearny Operations Services
Workpaper: 1ED006.000

SDG&E Position: SDG&E forecasts \$2.239 million for Kearny Operations Services, which is an increase of \$0.401 million or 21.82% over 2013 recorded expenses of \$1.838 million and an increase of \$0.730 million or 48.38% over 2014 recorded expenses of \$1.509 million. SDG&E developed its labor forecast using 2013 base year recorded expenses plus an incremental increase of \$0.261 million for the transfer of employees into the Kearny Operations Services group during the period of 2013 and 2014 and to reflect a shift in charging allocations from Refundable to O&M due to that transfer. SDG&E developed its non-labor forecast using a 4-year average as the base year plus an incremental increase of \$0.080 million to comply with the Environmental Protection Agency's ("EPA"s) and California Air Resources Board's ("CARB"s) SF6 regulations.

Exhibit SDG&E-10-R, Page JTW-45

ORA Position: ORA's TY forecast is \$1.736 million. ORA developed its TY forecast of \$1.736 million by using a 3-year average (2012-2014) of historical recorded expenses. ORA's forecast is \$0.227 million greater than 2014 recorded expenses of \$1.509 million and is sufficient to address emerging TY expenses including compliance with EPA and CARB regulations.

Exhibit ORA-5, Page 32

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 1,983 | 1,574 | -409 |
| NonLabor | 256 | 162 | -94 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 2,239 | 1,736 | -503 |

CHAPTER 2A7-a9

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan

NONSHARED O&M

Subject: Grid Operations
Workpaper: 1ED008.000

SDG&E Position: SDG&E forecasts \$0.348* million for Grid Operations, which is an increase of \$0.200 million or 135.14% over 2013 recorded expenses of \$0.148 million and an increase of \$0.214 million or 159.70% over 2014 recorded expenses of \$0.134 million. SDG&E developed its TY forecast of \$0.348 million by using 2013 base year recorded expenses plus incremental costs of \$0.200 million for two additional electronic control technicians (ECTs).

Exhibit SDG&E-10-R, Page JTW-33

ORA Position: ORA's TY forecast is \$0.226 million. ORA developed its corresponding TY forecast of \$0.226 million by using a 5-year average (2010-2014) of historical recorded expenses, which is higher than both 2014 recorded expenses of \$0.134 million and the 3-year average (2012-2014) of historical recorded expenses which is \$0.189 million.

Exhibit ORA-5, Page 19

Note: Test Year 2016 forecast is adjusted by (\$200K) to reduce Electric Control Technician, from \$.348* million to \$0.148 million.

*Table below shows SDG&E's forecast of \$0.349 million. Difference of \$0.001 million from testimony is due to rounding.

Exhibit SDG&E-210

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 292 | 200 | -92 |
| NonLabor | 57 | 26 | -31 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 349 | 226 | -123 |

CHAPTER 2A7-a10

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan

NONSHARED O&M

Subject: Project Management
Workpaper: 1ED010.000

SDG&E Position: SDG&E forecasts \$1.368 million for Project Management, which is an increase of \$0.886 million or 183.82% over 2013 recorded expenses of \$0.482 million and an increase of \$0.986 million or 258.12% over 2014 recorded expenses of \$0.382 million. SDG&E developed its TY forecast of \$1.368 million by using 2013 base year recorded expenses plus an incremental increase of \$0.886 million for a project planner class, reassigned personnel, and an increase in personnel.

Exhibit SDG&E-10-R, Page JTW-27

ORA Position: ORA's TY forecast is \$0.528 million. ORA developed its forecast of \$0.528 million by using 2014 recorded expenses plus an incremental increase of \$0.146 million for OpEx returning personnel. ORA's forecast is \$0.146 million greater than 2014 recorded costs of \$0.382 million, which is sufficient to address emerging TY expenses. It is also greater than both the 3-year (2012-2014) and 5-year (2010-2014) averages of \$0.424 million and \$0.488 million, respectively.

Exhibit ORA-5, Page 16

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 1,161 | 483 | -678 |
| NonLabor | 207 | 45 | -162 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 1,368 | 528 | -840 |

CHAPTER 2A7-a11

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan

NONSHARED O&M

Subject: Electric Regional Operations
Workpaper: 1ED011.000

SDG&E Position: SDG&E forecasts \$36.859* million for Electric Regional Operations, which is an increase of \$5.110 million or 16.09% over 2013 recorded expenses of \$31.749 million and an increase of \$6.523 million or 21.50% over 2014 recorded expenses of \$30.336 million. SDG&E developed its TY forecast by using 2013 base year recorded expenses plus an incremental increase of \$5.110 million for various activities.

Exhibit SDG&E-10-R, Page JTW-8

ORA Position: ORA's TY forecast is \$33.055 million. ORA developed its TY forecast of \$33.055 million by using a 5-year average (2010-2014) of historical recorded expenses. ORA's forecast is \$2.719 million greater than 2014 recorded expenses of \$30.336 million. It is also greater than the 3-year average (2012-2014) of historical recorded expenses which is \$32.188 million.

Exhibit ORA-5, Page 8

Note: * Test Year 2016 forecast is adjusted by (\$1,410K) for Jurisdictional Permitting and OT Drivers and Traffic Control Expenses, from \$36.859 million to \$35.449 million.

Exhibit SDG&E-210, p JW-14

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|---------------|-------------------|
| Labor | 24,542 | 22,881 | -1,661 |
| NonLabor | 12,317 | 10,174 | -2,143 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 36,859 | 33,055 | -3,804 |

CHAPTER 2A7-a12

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan

NONSHARED O&M

Subject: Skills & Compliance Training
Workpaper: 1ED013.000

SDG&E Position: SDG&E forecasts \$5.087 million for Skills and Compliance Training, which is an increase of \$1.427 million or 38.99% over 2013 recorded expenses of \$3.660 million and an increase of \$2.474 million or 94.68% over 2014 recorded expenses of \$2.613 million. SDG&E developed its TY forecast of \$3.660 million by using 2013 base year recorded expenses plus an incremental increase of \$1.427 million for various activities.

Exhibit SDG&E-10-R, Page JTW-19

ORA Position: ORA's TY forecast is \$3.660 million. ORA developed its TY forecast of \$3.660 million by using the highest recorded expense level from the past six years (2009-2014).

Exhibit ORA-5, Page 13

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 4,181 | 2,751 | -1,430 |
| NonLabor | 906 | 909 | 3 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 5,087 | 3,660 | -1,427 |

CHAPTER 2A7-a13

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan

NONSHARED O&M

Subject: Service Order Team (SOT)
Workpaper: 1ED014.000

SDG&E Position: SDG&E forecasts \$0.883 million for the SOT, which is an increase of \$0.037 million or 4.37% over 2013 recorded expenses of \$0.846 million and an increase of \$0.235 million or 36.27% over 2014 recorded expenses of \$0.648 million. SDG&E developed its TY forecast of \$0.883 million by using 2013 base year recorded expenses plus an incremental increase of \$0.037 million for the increased manning of 8 Service Order Planners.

Exhibit SDG&E-10-R, Page JTW-29

ORA Position: ORA's TY forecast is \$0.685 million. ORA developed its corresponding TY forecast of \$0.685 million by using 2014 base year recorded expenses plus an incremental increase of \$0.037 million. ORA's methodology is similar to that of SDG&E, but utilizes the most recent recorded expenses from 2014 as the base year instead of 2013 recorded expenses.

Exhibit ORA-5, Page 17

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 354 | 321 | -33 |
| NonLabor | 529 | 364 | -165 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 883 | 685 | -198 |

CHAPTER 2A7-a14

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan

NONSHARED O&M

Subject: Substation C&O
Workpaper: 1ED015.000

SDG&E Position: SDG&E forecasts \$6.912* million for Substation Construction and Maintenance, which is an increase of \$1.016 million or 17.23% million over 2013 recorded expenses of \$5.896 million and an increase of \$1.565 million or 29.27% over 2014 recorded expenses of \$5.347 million. SDG&E developed its TY forecast by using 2013 base year recorded expenses plus an incremental increase of \$1.016 million for various activities.

Exhibit SDG&E-10-R, Page JTW-34

ORA Position: ORA's TY forecast is \$5.622 million. ORA developed its TY forecast of \$5.622 million by using a 2-year average of historical expenses. It is not appropriate to use a 3-year (2012-2014) or 5-year (2010-2014) average since "during the 2012 business year, the SCADA group, consisting of 19 employees, transferred from the Substation C&O group to System Protection as part of the department reorganization."

Exhibit ORA-5, Page 24

Note: * Test Year 2016 forecast is adjusted by (\$202K) to remove certain transmission functions, from \$6.912 million to \$6.710 million.

Exhibit SDG&E-210, p JW-23

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 4,730 | 3,577 | -1,153 |
| NonLabor | 2,182 | 2,045 | -137 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 6,912 | 5,622 | -1,290 |

CHAPTER 2A7-a15

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan

NONSHARED O&M

Subject: Distribution Engineering
Workpaper: 1ED018.000

SDG&E Position: SDG&E forecasts \$1.909 million for Distribution Engineering, which is an increase of \$0.590 million or 44.73% over 2013 recorded expenses of \$1.319 million and an increase of \$0.440 million or 29.95% over 2014 recorded expenses of \$1.469 million. SDG&E developed its labor forecast of \$1.617 million using a 4-year linear (2010-2013) forecast plus an incremental increase of \$0.260 million. SDG&E developed its non-labor forecast of \$0.292 million by using a 3-linear (2011-2013) forecast.

Exhibit SDG&E-10-R, Page JTW-65

ORA Position: ORA's TY forecast is \$1.397 million. ORA developed its TY forecast of \$1.397 million by using a 4-year average (2011-2014) of historical recorded expenses. A 4-year average is appropriate because historical expenses have remained stable for the past four years. If SDG&E hires new NEM employees, SDG&E can reallocate costs from the non-labor contracted work that is currently being used to assist with the increased workload.

Exhibit ORA-5, Page 47

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 1,617 | 992 | -625 |
| NonLabor | 292 | 405 | 113 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 1,909 | 1,397 | -512 |

CHAPTER 2A7-a16

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan

NONSHARED O&M

Subject: Troubleshooting
Workpaper: 1ED020.000

SDG&E Position: SDG&E forecasts \$7.965 million for Troubleshooting, which is an increase of \$0.440 million or 5.85% over 2013 recorded expenses of \$7.525 million and an increase of \$1.063 million or 15.40% over 2014 recorded expenses of \$6.902 million. SDG&E developed its TY forecast of \$7.965 million by using 2013 base year recorded expenses plus an incremental increase of \$0.440 million for additional troubleshooters to cover system growth requirements.

Exhibit SDG&E-10-R, Page JTW-16

ORA Position: ORA's TY forecast is \$7.650 million. ORA developed its TY forecast of \$7.650 million by using a 5-year average (2010-2014) of historical recorded expenses. ORA's forecast is \$0.748 million greater than 2014 recorded expenses of \$6.902 million. It is also greater than the 3-year average (2012-2014) of historical expenses which is \$7.509 million.

Exhibit ORA-5, Page 10

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 7,655 | 7,329 | -326 |
| NonLabor | 310 | 321 | 11 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 7,965 | 7,650 | -315 |

CHAPTER 2A7-a17

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan

NONSHARED O&M

Subject: Vegetation Management (Tree Trimming)
Workpaper: 1ED021.001

SDG&E Position: SDG&E forecasts \$24.559 million for its Vegetation Management (Tree Trimming) program, which is an increase of \$1.455 million or 6.30% over 2013 recorded expenses of \$23.104 million and an increase of \$2.196 million or 9.82% over 2014 recorded expenses of \$22.363 million. SDG&E is also proposing a two-way balancing account for Vegetation Management (Tree Trimming). SDG&E developed its TY forecast of \$24.559 million by using a 3-year average (2011-2013) of historical expenses plus an incremental increase of \$0.394 million for O&M expenses associated with the PowerWorkz Vegetation Management system.

Exhibit SDG&E-10-R, Page JTW-51

ORA Position: ORA's TY forecast is \$23.858 million, which is \$0.701 million lower than SDG&E's forecast. ORA developed its TY forecast of \$23.858 million by using a 3-year average (2012-2014) of historical recorded expenses, which uses the most recent historical recorded expenses from 2014. ORA objects to the use of a two-way balancing account for Vegetation Management (Tree Trimming), but recommends that the Commission continue the use of a one-way balancing account which will better protect ratepayers from cost variability.

Exhibit ORA-5, Page 41

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|---------------|-------------------|
| Labor | 1,061 | 1,030 | -31 |
| NonLabor | 23,498 | 22,828 | -670 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 24,559 | 23,858 | -701 |

CHAPTER 2A7-a18

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan

NONSHARED O&M

Subject: Technology Utilization
Workpaper: 1ED024.000

SDG&E Position: SDG&E forecasts \$1.948 million for Technology Utilization, which is an increase of \$0.661 million or 51.36% over 2013 recorded expenses of \$1.287 million and an increase of \$1.038 million or 114.07% over 2014 recorded expenses of \$0.910 million. SDG&E developed its TY forecast using a 5-year linear (2009-2013) forecast plus incremental costs of the \$0.163 million for Borrego Springs Microgrid and the Advanced Energy Storage (AES) Project.

Exhibit SDG&E-10-R, Page JTW-77

ORA Position: ORA's TY forecast is \$1.243 million. ORA developed its TY forecast of \$1.243 million by using a 3-year average (2012-2014) of historical recorded expenses. Despite the downward trend in costs, ORA's forecast of \$1.243 million is \$0.333 million greater than 2014 recorded expenses of \$0.910 million.

Exhibit ORA-5, Page 55

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 1,299 | 880 | -419 |
| NonLabor | 649 | 363 | -286 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 1,948 | 1,243 | -705 |

Chapter 2 - ORA vs. SDG&E
Part A - O&M and Capital Expenditures

8. SDG&E-11 (Exh 74) - ELECTRIC GENERATION

a. O&M - NON-SHARED

| Workpaper | ORA vs. SDG&E (2016) | Reference |
|------------------|---------------------------------|------------------|
| 1. 1EG001.000 | (180) | 2A8-a1 |
| 2. 1EG004.000 | (849) | 2A8-a2 |
| 3. 1EG006.000 | (4,960) | 2A8-a3 |
| 4. 1EG008.000 | (176) | 2A8-a4 |

CHAPTER 2A8-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-11
Area: ELECTRIC GENERATION
Witness: La Peter, Carl S.

NONSHARED O&M

Subject: Generation - Plant - Admin
Workpaper: 1EG001.000

SDG&E Position: Generation Plant Administration (1EG001) is one of three OM workgroups included in the administration bucket. The other two workgroups included are the SVP - Power Supply (1EG005) and VP - Generation & Resource Planning (1EG008). SDG&E forecasts a total of \$1.38 million for these three workgroups. SDG&E expects expenditures to remain near historical levels with the addition of annual "Clean Tech membership dues" and new costs attendant to the "reorganization of the Power Supply organization."

Exhibit SDG&E-11, Page CSL-23

ORA Position: ORA recommends a TY forecast of \$1.082 for the three workgroups that compose the Administration bucket. ORA's reductions originate from incorporating the 2014 adjusted-recorded data. These reductions were made to Generation Plant Administration (1EG001) and VP - Generation & Resource Planning (1EG008). ORA did not take issue with SVP - Power Supply (1EG005).

Exhibit ORA-8, Page 9

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 281 | 106 | -175 |
| NonLabor | 6 | 1 | -5 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 287 | 107 | -180 |

CHAPTER 2A8-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-11
Area: ELECTRIC GENERATION
Witness: La Peter, Carl S.

NONSHARED O&M

Subject: Resource Planning
Workpaper: 1EG004.000

SDG&E Position: SDG&E is requesting \$1.260 million which exceeds ORA's recommendation of \$.410 million by \$.850 million, or 207 percent. SDG&E is requesting an increase in personnel for "combined" solar programs and for an expected increase in work attendant to the transition to decommissioning at SONGS. SDG&E used a three-year average as a base upon which these discrete adjustments were made.

Exhibit SDG&E-11, Page CSL-21

ORA Position: ORA's recommends a forecast of \$.410 million. All of ORA's reductions originate from incorporating the 2014 adjusted recorded expense data into the forecasting methodology. ORA's recommendations are five-year averages that include the 2014 adjusted-recorded expenses.

Exhibit ORA-8, Page 8

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 545 | 365 | -180 |
| NonLabor | 715 | 46 | -669 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 1,260 | 411 | -849 |

CHAPTER 2A8-a3

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-11
Area: ELECTRIC GENERATION
Witness: La Peter, Carl S.

NONSHARED O&M

Subject: Generation Plant Desert Star
Workpaper: 1EG006.000

SDG&E Position: SDG&E's proposes a TY forecast of \$24.64 million.

Exhibit SDG&E-11, Page CSL-15

ORA Position: ORA recommends a \$5.0 million or 25.20 percent reduction to SDG&E's TY proposal of \$24.64 million. ORA, unlike SDG&E, used recorded-adjusted 2014 data to construct 3-year averages for Nonlabor and NSE expenses representing the first complete 3 calendar years of operation.

Exhibit ORA-8, Page 6

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|---------------|-------------------|
| Labor | 2,330 | 2,330 | 0 |
| NonLabor | 10,220 | 9,204 | -1,016 |
| Nonstandard | 12,091 | 8,147 | -3,944 |
| TOTAL | 24,641 | 19,681 | -4,960 |

CHAPTER 2A8-a4

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-11
Area: ELECTRIC GENERATION
Witness: La Peter, Carl S.

NONSHARED O&M

Subject: VP - Generation & Resource Planning
Workpaper: 1EG008.000

SDG&E Position: VP - Generation & Resource Planning (1EG008) is one of three OM workgroups included in the administration bucket. The other two workgroups included are the SVP - Power Supply (1EG005) and Generation Plant Administration (1EG001). SDG&E forecasts a total of \$1.38 million for these three workgroups. SDG&E expects expenditures to remain near historical levels with the addition of annual "Clean Tech membership dues" and new costs attendant to the "reorganization of the Power Supply organization."

Exhibit SDG&E-11, Page CSL-23

ORA Position: ORA recommends a TY forecast of \$1.082 for the three workgroups that compose the Administration bucket. ORA's reductions originate from incorporating the 2014 adjusted-recorded data. These reductions were made to Generation Plant Administration (1EG001) and VP - Generation & Resource Planning (1EG008). ORA did not take issue with SVP - Power Supply (1EG005).

Exhibit ORA-8, Page 9

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 397 | 221 | -176 |
| NonLabor | 39 | 39 | 0 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 436 | 260 | -176 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

8. SDG&E-11 (Exh 74) - ELECTRIC GENERATION

b. O&M - SHARED

| Workpaper | ORA vs. SDG&E (2016) | Reference |
|-------------------|----------------------|-----------|
| 1. 1EG00A-USS.ALL | (210) | 2A8-b1 |

CHAPTER 2A8-b1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-11
Area: ELECTRIC GENERATION
Witness: La Peter, Carl S.

SHARED SERVICES O&M

Subject: Resource Planning
Workpaper: 1EG00A-USS.ALL

SDG&E Position: SDG&E is requesting \$.944 million. SDG&E expects expenditures to remain near historical levels with the addition of new personnel for two “backfill” positions.

Exhibit SDG&E-11, Page CSL-26

ORA Position: ORA’s recommends a TY forecast of \$.735 million. ORA’s reductions originate from incorporating the 2014 adjusted-recorded expense data into the forecasting methodology. SDG&E did not use 2014 adjusted recorded data. SDG&E’s proposal to increase personnel starts in 2014. As a result of this 2014 experience, ORA used a three-year average, as SDG&E did, but including 2014 data.

Exhibit ORA-8, Page 10

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| SDG&E | Labor | NLbr | NSE | Total |
|------------------|--------------|-------------|------------|--------------|
| 2100-3433.000 | 729 | 215 | 0 | 944 |
| Total | 729 | 215 | 0 | 944 |

| ORA | Labor | NLbr | NSE | Total |
|---------------|--------------|-------------|------------|--------------|
| 2100-3433.000 | 552 | 182 | 0 | 734 |
| Total | 552 | 182 | 0 | 734 |

| Difference | Labor | NLbr | NSE | Total |
|-------------------|--------------|-------------|------------|--------------|
| 2100-3433.000 | -177 | -33 | 0 | -210 |
| Total | -177 | -33 | 0 | -210 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

8. SDG&E-11 (Exh 74) - ELECTRIC GENERATION

c. CAPITAL

| Project | ORA vs. SDG&E (2014+2015+2016) | Reference |
|----------------|--------------------------------|-----------|
| 1. 00006.0.ALL | (921) | 2A8-c1 |
| 2. 00008.0.ALL | (824) | 2A8-c2 |
| 3. 00009.0.ALL | (6,014) | 2A8-c3 |
| 4. 00010.0.ALL | (2,884) | 2A8-c4 |
| 5. 00011.0.ALL | (2,257) | 2A8-c5 |

CHAPTER 2A8-c1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-11
Area: ELECTRIC GENERATION
Witness: La Peter, Carl S.

CAPITAL EXPENDITURES

Project: GENERATION CAPITAL TOOLS & TEST EQPT.
Budget Code: 00006.0.ALL

SDG&E Position: SDG&E is requesting \$.470 million for Generation tools and test equipment. A zero-based methodology was used to develop the forecast.

Exhibit SDG&E-11, Page CSL-27

ORA Position: ORA recommends \$.164 million for Generation capital tools and test equipment. ORA's reduction is the result of using 2014 adjusted-recorded data and a five-year average to capture yearly fluctuations in this account.

Exhibit ORA-8, Page 12

Note: SDG&E accepts the five-year average for actual expenditures for this forecast.

Exhibit SDG&E-211, Page CL-6

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 00006A.001 | 212 | 212 | 212 | 636 |
| 00006A.002 | 259 | 259 | 259 | 777 |
| Total | 471 | 471 | 471 | 1,413 |
| ORA | 2014 | 2015 | 2016 | Total |
| 00006A.001 | 164 | 164 | 164 | 492 |
| 00006A.002 | 0 | 0 | 0 | 0 |
| Total | 164 | 164 | 164 | 492 |
| Difference | 2014 | 2015 | 2016 | Total |
| 00006A.001 | -48 | -48 | -48 | -144 |
| 00006A.002 | -259 | -259 | -259 | -777 |
| Total | -307 | -307 | -307 | -921 |

CHAPTER 2A8-c2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-11
Area: ELECTRIC GENERATION
Witness: La Peter, Carl S.

CAPITAL EXPENDITURES

Project: MIRAMAR PLANT OPERATIONAL ENHANCEMENTS
Budget Code: 00008.0.ALL

SDG&E Position: SDG&E is requesting \$2.22 million for 2014, \$430 million for 2015, and \$.300 million for TY 2016 and uses a zero-based method to develop these forecasts.

Exhibit SDG&E-11, Page CSL-28

ORA Position: ORA is recommending \$1.93 million for 2014 and \$.100 million for 2015 and \$.100 million for TY 2016. ORA adjusts the forecasts on a project by project basis.

Exhibit ORA-8, Page 13

Note: The totals in the SDG&E and ORA position summaries do not tie with the tables below due to the exclusion of uncontested capital projects in the tables.

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|--------------|-------------|-------------|--------------|
| 00008A.001 | 0 | 130 | 0 | 130 |
| 00008A.002 | 100 | 100 | 100 | 300 |
| 00008A.003 | 100 | 100 | 100 | 300 |
| 00008A.004 | 1,923 | 0 | 0 | 1,923 |
| Total | 2,123 | 330 | 200 | 2,653 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|--------------|-------------|-------------|--------------|
| 00008A.001 | 0 | 0 | 0 | 0 |
| 00008A.002 | 0 | 0 | 0 | 0 |
| 00008A.003 | 0 | 0 | 0 | 0 |
| 00008A.004 | 1,829 | 0 | 0 | 1,829 |
| Total | 1,829 | 0 | 0 | 1,829 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 00008A.001 | 0 | -130 | 0 | -130 |
| 00008A.002 | -100 | -100 | -100 | -300 |
| 00008A.003 | -100 | -100 | -100 | -300 |
| 00008A.004 | -94 | 0 | 0 | -94 |
| Total | -294 | -330 | -200 | -824 |

CHAPTER 2A8-c3

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-11
Area: ELECTRIC GENERATION
Witness: La Peter, Carl S.

CAPITAL EXPENDITURES

Project: PALOMAR PLANT OPERATIONAL ENHANCEMENTS
Budget Code: 00009.0.ALL

SDG&E Position: The Palomar Plant forecasted capital expenditures support the company's goals of safe, reliable, low cost delivery of power. The forecasts for 2014, 2015, and 2016, are \$6.729 million, \$4.161 million, and \$2.796 million, respectively.

Exhibit SDG&E-11, Page CSL-30

ORA Position: ORA is recommending \$5.67 million for 2014, \$1.39 million for 2015, and \$.622 million in TY 2016. ORA addresses each forecast on a project by project basis.

Exhibit ORA-8, Page 16

Note: *The totals in the SDG&E and ORA position summaries do not tie with the tables below due to the exclusion of uncontested capital projects in the tables.

**SDG&E accepts the actual expenditure amount for 2014 in the following areas:

- Steam Turbine Upgraded N2 Packing,
- Drum Level Control Valves Using Linear Variable Displacement,
- Relocate Sample Panels to New Water Lab, and
- Bypass Quick Change Trim Upgrade

Exhibit SDG&E-211, Pages CL-9-19

CHAPTER 2A8-c3

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|--------------|--------------|--------------|--------------|
| 00009A.002 | 0 | 1,535 | 0 | 1,535 |
| 00009A.003 | 138 | 0 | 0 | 138 |
| 00009A.005 | 158 | 0 | 0 | 158 |
| 00009A.006 | 312 | 0 | 0 | 312 |
| 00009A.008 | 51 | 0 | 0 | 51 |
| 00009A.009 | 0 | 0 | 200 | 200 |
| 00009A.010 | 100 | 0 | 0 | 100 |
| 00009A.011 | 590 | 0 | 0 | 590 |
| 00009A.013 | 390 | 0 | 0 | 390 |
| 00009A.017 | 58 | 0 | 0 | 58 |
| 00009A.021 | 211 | 0 | 0 | 211 |
| 00009A.022 | 0 | 800 | 0 | 800 |
| 00009A.023 | 0 | 303 | 0 | 303 |
| 00009A.024 | 0 | 553 | 0 | 553 |
| 00009A.025 | 0 | 105 | 0 | 105 |
| 00009A.026 | 0 | 0 | 845 | 845 |
| 00009A.027 | 0 | 0 | 575 | 575 |
| 00009A.028 | 0 | 0 | 554 | 554 |
| Total | 2,008 | 3,296 | 2,174 | 7,478 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|-------------|-------------|-------------|--------------|
| 00009A.002 | 0 | 520 | 0 | 520 |
| 00009A.003 | 1 | 0 | 0 | 1 |
| 00009A.005 | 0 | 0 | 0 | 0 |
| 00009A.006 | 204 | 0 | 0 | 204 |
| 00009A.008 | 31 | 0 | 0 | 31 |
| 00009A.009 | 0 | 0 | 0 | 0 |
| 00009A.010 | 0 | 0 | 0 | 0 |
| 00009A.011 | 363 | 0 | 0 | 363 |
| 00009A.013 | 345 | 0 | 0 | 345 |
| 00009A.017 | 0 | 0 | 0 | 0 |
| 00009A.021 | 0 | 0 | 0 | 0 |
| 00009A.022 | 0 | 0 | 0 | 0 |
| 00009A.023 | 0 | 0 | 0 | 0 |
| 00009A.024 | 0 | 0 | 0 | 0 |
| 00009A.025 | 0 | 0 | 0 | 0 |
| 00009A.026 | 0 | 0 | 0 | 0 |
| 00009A.027 | 0 | 0 | 0 | 0 |
| 00009A.028 | 0 | 0 | 0 | 0 |
| Total | 944 | 520 | 0 | 1,464 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 00009A.002 | 0 | -1,015 | 0 | -1,015 |
| 00009A.003 | -137 | 0 | 0 | -137 |
| 00009A.005 | -158 | 0 | 0 | -158 |
| 00009A.006 | -108 | 0 | 0 | -108 |
| 00009A.008 | -20 | 0 | 0 | -20 |
| 00009A.009 | 0 | 0 | -200 | -200 |
| 00009A.010 | -100 | 0 | 0 | -100 |
| 00009A.011 | -227 | 0 | 0 | -227 |
| 00009A.013 | -45 | 0 | 0 | -45 |
| 00009A.017 | -58 | 0 | 0 | -58 |
| 00009A.021 | -211 | 0 | 0 | -211 |
| 00009A.022 | 0 | -800 | 0 | -800 |

CHAPTER 2A8-c3

| | | | | |
|--------------|---------------|---------------|---------------|---------------|
| 00009A.023 | 0 | -303 | 0 | -303 |
| 00009A.024 | 0 | -553 | 0 | -553 |
| 00009A.025 | 0 | -105 | 0 | -105 |
| 00009A.026 | 0 | 0 | -845 | -845 |
| 00009A.027 | 0 | 0 | -575 | -575 |
| 00009A.028 | 0 | 0 | -554 | -554 |
| Total | -1,064 | -2,776 | -2,174 | -6,014 |

CHAPTER 2A8-c4

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-11
Area: ELECTRIC GENERATION
Witness: La Peter, Carl S.

CAPITAL EXPENDITURES

Project: DESERT STAR ENERGY CTR OPER. ENHANCE.
Budget Code: 00010.0.ALL

SDG&E Position: SDG&E is requesting \$10.89 million for 2014 \$1.73 million for 2015, and \$4.48 million for TY 2016. SDG&E used a “zero-based” method which is a project by project budget based method.

Exhibit SDG&E-11, Page CSL-42

ORA Position: ORA is recommending \$9.18 million for 2014, \$.393 million for 2015, and \$4.64 million for TY 2016. ORA adjusts the forecasts on a project by project basis.

Exhibit ORA-8, Page 19

Note: *The totals in the SDG&E and ORA position summaries do not tie with the tables below due to the exclusion of uncontested capital projects in the tables.

**SDG&E accepts the actual expenditure amount for 2014 in the following areas:

- Steam Turbine Blade Replacement,
- Vibration Monitoring System Upgrade,
- Ammonia Dilution Blower Upgrade,
- Combustion Turbine 2 Inlet Filter Media Upgrade,
- Mechanical Improvements,
- Instrumentation Improvements, and
- Electrical Improvements

Exhibit SDG&E-211, Pages CL-20-24

CHAPTER 2A8-c4

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|--------------|--------------|-------------|---------------|
| 00010A.002 | 3,911 | 0 | 0 | 3,911 |
| 00010A.003 | 3,941 | 0 | 0 | 3,941 |
| 00010A.004 | 441 | 0 | 0 | 441 |
| 00010A.005 | 161 | 0 | 0 | 161 |
| 00010A.008 | 182 | 0 | 0 | 182 |
| 00010A.009 | 294 | 0 | 0 | 294 |
| 00010A.011 | 161 | 0 | 0 | 161 |
| 00010A.012 | 150 | 0 | 0 | 150 |
| 00010A.013 | 0 | 750 | 0 | 750 |
| 00010A.014 | 212 | 212 | 212 | 636 |
| 00010A.015 | 212 | 212 | 212 | 636 |
| 00010A.016 | 212 | 212 | 212 | 636 |
| Total | 9,877 | 1,386 | 636 | 11,899 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|--------------|-------------|-------------|--------------|
| 00010A.002 | 3,744 | 0 | 0 | 3,744 |
| 00010A.003 | 3,672 | 0 | 0 | 3,672 |
| 00010A.004 | 414 | 0 | 0 | 414 |
| 00010A.005 | 138 | 0 | 0 | 138 |
| 00010A.008 | 162 | 0 | 0 | 162 |
| 00010A.009 | 0 | 0 | 0 | 0 |
| 00010A.011 | 0 | 0 | 0 | 0 |
| 00010A.012 | 0 | 0 | 0 | 0 |
| 00010A.013 | 0 | 0 | 750 | 750 |
| 00010A.014 | 15 | 15 | 15 | 45 |
| 00010A.015 | 30 | 30 | 30 | 90 |
| 00010A.016 | 0 | 0 | 0 | 0 |
| Total | 8,175 | 45 | 795 | 9,015 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|---------------|---------------|-------------|---------------|
| 00010A.002 | -167 | 0 | 0 | -167 |
| 00010A.003 | -269 | 0 | 0 | -269 |
| 00010A.004 | -27 | 0 | 0 | -27 |
| 00010A.005 | -23 | 0 | 0 | -23 |
| 00010A.008 | -20 | 0 | 0 | -20 |
| 00010A.009 | -294 | 0 | 0 | -294 |
| 00010A.011 | -161 | 0 | 0 | -161 |
| 00010A.012 | -150 | 0 | 0 | -150 |
| 00010A.013 | 0 | -750 | 750 | 0 |
| 00010A.014 | -197 | -197 | -197 | -591 |
| 00010A.015 | -182 | -182 | -182 | -546 |
| 00010A.016 | -212 | -212 | -212 | -636 |
| Total | -1,702 | -1,341 | 159 | -2,884 |

CHAPTER 2A8-c5

San Diego Gas & Electric Company
 2016 Test Year GRC A-14-11-003
 ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-11
Area: ELECTRIC GENERATION
Witness: La Peter, Carl S.

CAPITAL EXPENDITURES

Project: CUYAMACA PEAK ENERGY PLANT OPER ENHANCE
Budget Code: 00011.0.ALL

SDG&E Position: SDG&E is requesting \$1.43 million for 2014, \$1.61 million for 2015, and \$.300 million for TY 2016. SDG&E used a “zero-based” method which is a project by project budget based method.

Exhibit SDG&E-11, Page CSL-42

ORA Position: ORA is recommending \$0 million for 2014, \$1.08 million for 2015, and \$0 million for TY 2016. ORA adjusts the forecasts on a project by project basis.

Exhibit ORA-8, Page 21

Note: The totals in the SDG&E and ORA position summaries do not tie with the tables below due to the exclusion of uncontested capital projects in the tables.

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|--------------|-------------|-------------|--------------|
| 00011A.001 | 0 | 229 | 0 | 229 |
| 00011A.002 | 1,128 | 0 | 0 | 1,128 |
| 00011A.003 | 100 | 100 | 100 | 300 |
| 00011A.004 | 100 | 100 | 100 | 300 |
| 00011A.005 | 100 | 100 | 100 | 300 |
| Total | 1,428 | 529 | 300 | 2,257 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|-------------|-------------|-------------|--------------|
| 00011A.001 | 0 | 0 | 0 | 0 |
| 00011A.002 | 0 | 0 | 0 | 0 |
| 00011A.003 | 0 | 0 | 0 | 0 |
| 00011A.004 | 0 | 0 | 0 | 0 |
| 00011A.005 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|---------------|-------------|-------------|---------------|
| 00011A.001 | 0 | -229 | 0 | -229 |
| 00011A.002 | -1,128 | 0 | 0 | -1,128 |
| 00011A.003 | -100 | -100 | -100 | -300 |
| 00011A.004 | -100 | -100 | -100 | -300 |
| 00011A.005 | -100 | -100 | -100 | -300 |
| Total | -1,428 | -529 | -300 | -2,257 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

9. SDG&E-13 (Exh 86) - CS - FIELD

a. O&M - NON-SHARED

| Workpaper | ORA vs. SDG&E (2016) | Reference |
|---------------|----------------------|-----------|
| 1. 1FC001.000 | (1,432) | 2A9-a1 |
| 2. 1FC004.000 | (126) | 2A9-a2 |

CHAPTER 2A9-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-13
Area: CS - FIELD
Witness: Franke, Sara

NONSHARED O&M

Subject: Customer Services Field - Operations
Workpaper: 1FC001.000

SDG&E Position: SDG&E forecasts \$14.675 million for Customer Services Field (CSF)-Operations expenses, a reduction of -\$1.003 million over 2013 adjusted-recorded expenses of \$15.678 million. SDG&E utilized an activity based forecast of order volumes. The order volume forecasts for each individual work order type take into consideration the nature of the specific order type, variables impacting order volumes and order volume patterns during the period from 2005-2013. SDG&E then added expenses for various incremental activities including new enhanced customer education and customer outreach safety checks, and reduced expenses related to efficiencies.

Exhibit SDG&E-13, pp. SAF-5-18

ORA Position: ORA used SDG&E's 2014 adjusted-recorded expenses as a basis to calculate its estimate of \$13.243 million for SDG&E's expenses. SDG&E's 2014 adjusted-recorded expenses of \$13.243 million is \$2.435 million lower than its 2013 expense levels of \$15.678 million. SDG&E's historical expenses include embedded costs for customer appliance safety checks and costs for various resources to educate customers on SDG&E's programs. SDG&E should have embedded historical costs that can be reallocated to address its proposed TY activities.

Exhibit ORA-13, pp 9-12 for SDG&E's CSF Operations

Note: SDG&E's forecast for its CSF Operations includes incremental funding for enhanced Customer Education, and Customer Outreach Safety Checks. ORA recommends that the Commission direct SDG&E to plan, develop and implement customer pilot programs in the TY to track the interest/requests made by customers and the related costs incurred on SDG&E's proposed new customer offers/options.

Exhibit ORA-13, p. 12

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|---------------|-------------------|
| Labor | 13,777 | 12,531 | -1,246 |
| NonLabor | 898 | 712 | -186 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 14,675 | 13,243 | -1,432 |

CHAPTER 2A9-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-13
Area: CS - FIELD
Witness: Franke, Sara

NONSHARED O&M

Subject: Customer Services Field - Support
Workpaper: 1FC004.000

SDG&E Position: SDG&E forecasts \$2.974 million for its Customer Services Field (CSF)-Support TY 2016 expenses. The forecasted expenses for both labor and non-labor are based on base year 2013 adjusted-recorded costs plus incremental changes for the elimination of a field instructor position, the addition of a senior training instructor position, and one-time costs for equipment.

Exhibit SDG&E-13, pp. SAF-20-21

ORA Position: ORA used SDG&E's 2013 adjusted-recorded expense as a basis for its estimates of \$2.848 million. Although SDG&E implemented organizational changes in 2013 and increased its staffing level in 2013, its adjusted-recorded expenses declined between 2013 and 2014 by \$0.352 million.

Exhibit ORA-13, pp.12-14 for SDG&E's CSF Support

Note: SDG&E accepted ORA's proposed funding level of \$31,000 (versus \$93,000) for the one-time purchase of new training equipment, resulting in a TY 2016 forecast reduction of -\$62,000.

Exhibit SDG&E-213, p. SAF-32

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 2,584 | 2,556 | -28 |
| NonLabor | 390 | 292 | -98 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 2,974 | 2,848 | -126 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

10. SDG&E-14 (Exh 101) - CS - OPERATIONS, INFORMATION & TECHNOLOGIES

a. O&M - NON-SHARED

| Workpaper | ORA vs. SDG&E (2016) | Reference |
|---------------|----------------------|-----------|
| 1. 100000.000 | (636) | 2A10-a1 |
| 2. 100002.000 | (629) | 2A10-a2 |
| 3. 100006.000 | (72) | 2A10-a3 |
| 4. 100008.000 | (1,029) | 2A10-a4 |
| 5. 100009.000 | (483) | 2A10-a5 |
| 6. 100010.000 | (6,194) | 2A10-a6 |
| 7. 100011.000 | (590) | 2A10-a7 |

CHAPTER 2A10-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-14
Area: CS - OPERATIONS, INFORMATION & TECHNOLOGIES
Witness: Baugh, Bradley M.

NONSHARED O&M

Subject: Advanced Metering Ops
Workpaper: 100000.000

SDG&E Position: SDG&E forecasts \$8.771 million for its Advanced Metering Operations. SDG&E utilized a zero based methodology to forecast its labor expenses and utilized its 2013 adjusted-recorded expenses as a basis to forecast its non-labor expenses. SDG&E's forecast includes incremental funding for positions and activities associated with Meter Reading, Smart Meter Extended Warranty, and Software Maintenance/Service fees.

Exhibit SDG&E-14, Page BMB-10

ORA Position: ORA used SDG&E's 2013 adjusted-recorded expenses as a basis to calculate its estimate of \$8.135 million. SDG&E's 2016 forecast includes funding for positions that it requested and received funding for in its 2012 GRC.

Exhibit ORA-13, pp 16-19 for SDG&E's Advanced Metering Operations

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 8,090 | 7,556 | -534 |
| NonLabor | 681 | 579 | -102 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 8,771 | 8,135 | -636 |

CHAPTER 2A10-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-14
Area: CS - OPERATIONS, INFORMATION & TECHNOLOGIES
Witness: Baugh, Bradley M.

NONSHARED O&M

Subject: Billing
Workpaper: 100002.000

SDG&E Position: SDG&E forecasts \$5.839 million for its Billing work group expenses. SDG&E utilized its 2013 adjusted-recorded expenses as a basis to calculate its TY forecast and adjusted for proposed activities. SDG&E's forecast includes incremental funding for positions and activities associated with Net Energy Metering, New Rate Options and Programs, and training.

Exhibit SDG&E-14, Page BMB-19

ORA Position: ORA used SDG&E's 2013 adjusted-recorded expenses as a basis and adjusted for proposed activities to calculate its estimate of \$5.210 million. SDG&E was authorized funding for additional FTEs in its 2012 GRC for Net Energy Metering activities, and SDG&E is requesting funding for those positions again in its 2016 GRC. SDG&E has embedded historical costs associated with its New Rate Options and Programs that can be reallocated for proposed TY activities. ORA normalized SDG&E's forecast ($\$410,000/3 \text{ years} = \$137,000$) to calculate incremental TY funding.

Exhibit ORA-13, pp 19-21 for SDG&E's Billing

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 5,508 | 4,900 | -608 |
| NonLabor | 331 | 310 | -21 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 5,839 | 5,210 | -629 |

CHAPTER 2A10-a3

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-14
Area: CS - OPERATIONS, INFORMATION & TECHNOLOGIES
Witness: Baugh, Bradley M.

NONSHARED O&M

Subject: CCC Operations
Workpaper: 100006.000

SDG&E Position: SDG&E forecasts \$8.813 million for its Customer Contact Center Operations work group expenses. SDG&E utilized a zero-based methodology to forecast its labor expenses and utilized its 2013 adjusted-recorded expenses as a basis to forecast its non-labor expenses. SDG&E's forecast includes incremental funding for positions and activities associated with customer outreach safety checks, new rate options and programs, and California Alternate Rates for Energy (CARE) program enrollments.

Exhibit SDG&E-14, Page BMB-49

ORA Position: ORA recommends \$8.741 million, utilizing SDG&E's 2016 forecast as a basis. ORA adjusted SDG&E's forecast by \$72,000 to remove costs associated with California Alternate Rates for Energy (CARE) program enrollment costs. In D.14-06-036, the Commission ordered and SDG&E "agreed to seek funding for this activity as part of its Low Income Programs proceeding."

Exhibit ORA-13, pp 26-27 for SDG&E's Customer Contact Center Operations

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 8,429 | 8,357 | -72 |
| NonLabor | 384 | 384 | 0 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 8,813 | 8,741 | -72 |

CHAPTER 2A10-a4

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-14
Area: CS - OPERATIONS, INFORMATION & TECHNOLOGIES
Witness: Baugh, Bradley M.

NONSHARED O&M

Subject: Residential Customer Services
Workpaper: 100008.000

SDG&E Position: SDG&E forecasts \$6.607 million for its Residential Customer Services work group expenses. SDG&E utilized its 2013 adjusted-recorded expenses as a basis and added incremental funding for proposed activities to forecast its expenses. SDG&E's forecast includes incremental funding for additional positions associated with managing its Energy Management Tool, on-going third party licensing, hosting and maintenance costs, Customer Data Analytics and Technical Studies, and Plug-In Electric Vehicle (PEV) Outreach and Education, and development, production and distribution of information to inform customers about rate reform.

Exhibit SDG&E-14, Page BMB-60

ORA Position: ORA used SDG&E's 2013 adjusted-recorded expenses as a basis to calculate its estimate of \$5.576 million for SDG&E's expenses. SDG&E requested and was authorized funding in its 2012 GRC for customer outreach and education activities for Plug-In Electric Vehicles.

Exhibit ORA-13, pp. 29-31 for SDG&E's Residential Customer Services

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 2,903 | 2,579 | -324 |
| NonLabor | 3,703 | 2,998 | -705 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 6,606 | 5,577 | -1,029 |

CHAPTER 2A10-a5

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-14
Area: CS - OPERATIONS, INFORMATION & TECHNOLOGIES
Witness: Baugh, Bradley M.

NONSHARED O&M

Subject: C&I Services
Workpaper: 100009.000

SDG&E Position: SDG&E forecasts \$5.789 million for its Commercial and Industrial Services. SDG&E utilized its 2013 adjusted recorded expenses as a basis and added incremental funding for proposed projects to forecast its expenses. SDG&E's forecast includes incremental funding for proposed activities associated with New Rate Options and Programs activities to support small and medium business customers, outage management and communication activities, and software licensing costs.

Exhibit SDG&E-14, Page BMB-72

ORA Position: ORA used SDG&E's 2013 adjusted-recorded expenses as a basis to calculate its estimate of \$5.305 million for SDG&E's expenses. SDG&E's 2014 recorded expenses of \$4.712 million is \$0.820 million less than its 2014 forecast of \$5.532 million. After SDG&E's 2012/2013 reorganizational changes, its 2014 adjusted-recorded expenses declined to the lowest expense level in six years (2009-2014).

Exhibit ORA-13, pp. 31-33 for SDG&E's Commercial and Industrial Services

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 4,826 | 4,418 | -408 |
| NonLabor | 962 | 887 | -75 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 5,788 | 5,305 | -483 |

CHAPTER 2A10-a6

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-14
Area: CS - OPERATIONS, INFORMATION & TECHNOLOGIES
Witness: Baugh, Bradley M.

NONSHARED O&M

Subject: Communications Research & Web
Workpaper: 100010.000

SDG&E Position: SDG&E forecasts \$14.287 million for its Communications, Research and Web. SDG&E utilized its 2013 adjusted-recorded expenses as a basis and added incremental funding for proposed projects to forecast its expenses. SDG&E's forecast includes incremental funding for proposed activities associated with Customer Research (surveys), Social Media, Mobile Applications, My Account Content Management, SPP Event Notifications and Goals/Alerts, Ongoing SPP activities, New Rate Options/Programs, Enhanced Customer Educations, and Customer Outreach Safety Checks.

Exhibit SDG&E-14, Page BMB-82

ORA Position: ORA used a two year average (2012 and 2013) as a basis to calculate its estimate of \$8.093 million for SDG&E's expenses. SDG&E's 2014 adjusted-recorded expenses of \$6.899 million is \$3.721 million less than its 2014 forecast of \$10.620 million.

Exhibit ORA-13, pp. 33-38 for SDG&E's Communications, Research and Web.

Note: ORA utilized SDG&E's original workpapers instead of SDG&E's revised workpapers to determine its TY 2016 estimate for Customer Communications, Research and Web. Based on SDG&E's revised workpapers, the 2012 and 2013 two-year average for labor is \$2.212 million and non-labor is \$5.750 million for a total of \$7.962 million. The resulting difference between the SDG&E and ORA proposed TY 2016 forecast for labor is (\$0.811) million and non-labor is (\$5.514) million for a total of (\$6.325) million.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 3,023 | 2,343 | -680 |
| NonLabor | 11,264 | 5,750 | -5,514 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 14,287 | 8,093 | -6,194 |

CHAPTER 2A10-a7

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-14
Area: CS - OPERATIONS, INFORMATION & TECHNOLOGIES
Witness: Baugh, Bradley M.

NONSHARED O&M

Subject: Customer Programs & Projects
Workpaper: 100011.000

SDG&E Position: SDG&E forecasts \$3.443 million for its Customer Programs & Projects. SDG&E utilized its 2013 adjusted-recorded expenses as a basis and added incremental funding for proposed activities to forecast its expenses. SDG&E's forecast includes incremental funding for additional positions and activities associated with ongoing Smart Pricing Program (SPP) / Customer Programs & Projects activities, Customer Privacy Office costs, Privacy Audit, software maintenance, and other costs.

Exhibit SDG&E-14, Page 102

ORA Position: ORA used SDG&E's 2013 adjusted-recorded expenses as a basis and adjusted for proposed activities to calculate its estimate of \$2.854 million for SDG&E's Customer Programs & Projects expenses. ORA's TY 2016 estimate for Customer Programs and Projects adopts SDG&E's incremental request for privacy audit costs.

Exhibit ORA-13, Page 38

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 1,921 | 1,419 | -502 |
| NonLabor | 1,518 | 1,435 | -83 |
| Nonstandard | 5 | 0 | -5 |
| TOTAL | 3,444 | 2,854 | -590 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

11. SDG&E-15 (Exh 131) - SUPPLY MANAGEMENT & SUPPLIER DIVERSITY

a. O&M - NON-SHARED

| Workpaper | ORA vs. SDG&E (2016) | Reference |
|---------------|----------------------|-----------|
| 1. 1SS001.000 | 2 | 2A11-a1 |
| 2. 1SS002.000 | (56) | 2A11-a2 |
| 3. 1SS003.000 | 26 | 2A11-a3 |
| 4. 1SS004.000 | (5) | 2A11-a4 |
| 5. 1SS005.000 | (318) | 2A11-a5 |
| 6. 1SS006.000 | (134) | 2A11-a6 |
| 7. 1SS007.000 | (305) | 2A11-a7 |

CHAPTER 2A11-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-15
Area: SUPPLY MANAGEMENT & SUPPLIER DIVERSITY
Witness: Furbush, Sydney L.

NONSHARED O&M

Subject: Logistics Shops South - Pool Warehousing
Workpaper: 1SS001.000

SDG&E Position: SDG&E developed the TY 2016 forecast of Supply Management and Supplier Diversity Non-Shared O&M expenses by using the five-year historical average (2009 to 2013) forecast methodology. SDG&E states, "A five-year historical average represents a reasonable base to estimate operational needs for TY 2016 because Supply Management and Supplier Diversity costs are generally prone to fluctuations due to changes in work activities, which impact staffing levels, purchased service costs, and other factors (i.e. fire prevention, capital projects, etc.).

Exhibit SDG&E-15, Page SLF- 3

ORA Position: ORA recommends using a three-year historical average (2011 to 2013) to forecast TY 2016 Non-Shared O&M expenses for Supply Management and Supplier Diversity. The three-year historical average provides a more recent level of SDG&E's Supply Management and Supplier Diversity operations to forecast the TY2016 Non-Shared O&M expenses.

Exhibit ORA-14, Page 8

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 3,947 | 3,981 | 34 |
| NonLabor | 131 | 99 | -32 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 4,078 | 4,080 | 2 |

CHAPTER 2A11-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-15
Area: SUPPLY MANAGEMENT & SUPPLIER DIVERSITY
Witness: Furbush, Sydney L.

NONSHARED O&M

Subject: Logistics Shops South-Pool - Shop Order
Workpaper: 1SS002.000

SDG&E Position: SDG&E developed the TY 2016 forecast of Supply Management and Supplier Diversity Non-Shared O&M expenses by using the five-year historical average (2009 to 2013) forecast methodology. SDG&E states, "A five-year historical average represents a reasonable base to estimate operational needs for TY 2016 because Supply Management and Supplier Diversity costs are generally prone to fluctuations due to changes in work activities, which impact staffing levels, purchased service costs, and other factors (i.e. fire prevention, capital projects, etc.).

Exhibit SDG&E-15, Page SLF-3

ORA Position: ORA recommends using a three-year historical average (2011 to 2013) to forecast TY 2016 Non-Shared O&M expenses for Supply Management and Supplier Diversity. The three-year historical average provides a more recent level of SDG&E's Supply Management and Supplier Diversity operations to forecast the TY2016 Non-Shared O&M expenses.

Exhibit ORA-14, Page 8

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 500 | 474 | -26 |
| NonLabor | 228 | 198 | -30 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 728 | 672 | -56 |

CHAPTER 2A11-a3

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-15
Area: SUPPLY MANAGEMENT & SUPPLIER DIVERSITY
Witness: Furbush, Sydney L.

NONSHARED O&M

Subject: Office Services
Workpaper: 1SS003.000

SDG&E Position: SDG&E developed the TY 2016 forecast of Supply Management and Supplier Diversity Non-Shared O&M expenses by using the five-year historical average (2009 to 2013) forecast methodology. SDG&E states, "A five-year historical average represents a reasonable base to estimate operational needs for TY 2016 because Supply Management and Supplier Diversity costs are generally prone to fluctuations due to changes in work activities, which impact staffing levels, purchased service costs, and other factors (i.e. fire prevention, capital projects, etc.).

Exhibit SDG&E-15, Page SLF-4

ORA Position: ORA recommends using a three-year historical average (2011 to 2013) to forecast TY 2016 Non-Shared O&M expenses for Supply Management and Supplier Diversity. The three-year historical average provides a more recent level of SDG&E's Supply Management and Supplier Diversity operations to forecast the TY2016 Non-Shared O&M expenses.

Exhibit ORA-14, Page 8

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 0 | 0 | 0 |
| NonLabor | 2,389 | 2,415 | 26 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 2,389 | 2,415 | 26 |

CHAPTER 2A11-a4

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-15
Area: SUPPLY MANAGEMENT & SUPPLIER DIVERSITY
Witness: Furbush, Sydney L.

NONSHARED O&M

Subject: Logistics Shops South - Pool Purchasing
Workpaper: 1SS004.000

SDG&E Position: SDG&E developed the TY 2016 forecast of Supply Management and Supplier Diversity Non-Shared O&M expenses by using the five-year historical average (2009 to 2013) forecast methodology. SDG&E states, "A five-year historical average represents a reasonable base to estimate operational needs for TY 2016 because Supply Management and Supplier Diversity costs are generally prone to fluctuations due to changes in work activities, which impact staffing levels, purchased service costs, and other factors (i.e. fire prevention, capital projects, etc.).

Exhibit SDG&E-15, Page SLF-3

ORA Position: ORA recommends using a three-year historical average (2011 to 2013) to forecast TY 2016 Non-Shared O&M expenses for Supply Management and Supplier Diversity. The three-year historical average provides a more recent level of SDG&E's Supply Management and Supplier Diversity operations to forecast the TY2016 Non-Shared O&M expenses.

Exhibit ORA-14, Page 8

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 693 | 706 | 13 |
| NonLabor | 36 | 18 | -18 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 729 | 724 | -5 |

CHAPTER 2A11-a5

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-15
Area: SUPPLY MANAGEMENT & SUPPLIER DIVERSITY
Witness: Furbush, Sydney L.

NONSHARED O&M

Subject: Supplier Diversity
Workpaper: 1SS005.000

SDG&E Position: SDG&E developed the TY 2016 forecast of Supply Management and Supplier Diversity Non-Shared O&M expenses by using the five-year historical average (2009 to 2013) forecast methodology. SDG&E states, "A five-year historical average represents a reasonable base to estimate operational needs for TY 2016 because Supply Management and Supplier Diversity costs are generally prone to fluctuations due to changes in work activities, which impact staffing levels, purchased service costs, and other factors (i.e. fire prevention, capital projects, etc.).

Exhibit SDG&E-15, Page SLF-5

ORA Position: ORA recommends using a three-year historical average (2011 to 2013) to forecast TY 2016 Non-Shared O&M expenses for Supply Management and Supplier Diversity. The three-year historical average provides a more recent level of SDG&E's Supply Management and Supplier Diversity operations to forecast the TY2016 Non-Shared O&M expenses.

Exhibit ORA-14, Page 8

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 650 | 521 | -129 |
| NonLabor | 695 | 506 | -189 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 1,345 | 1,027 | -318 |

CHAPTER 2A11-a6

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-15
Area: SUPPLY MANAGEMENT & SUPPLIER DIVERSITY
Witness: Furbush, Sydney L.

NONSHARED O&M

Subject: Electric Portfolio
Workpaper: 1SS006.000

SDG&E Position: SDG&E developed the TY 2016 forecast of Supply Management and Supplier Diversity Non-Shared O&M expenses by using the five-year historical average (2009 to 2013) forecast methodology. SDG&E states, "A five-year historical average represents a reasonable base to estimate operational needs for TY 2016 because Supply Management and Supplier Diversity costs are generally prone to fluctuations due to changes in work activities, which impact staffing levels, purchased service costs, and other factors (i.e. fire prevention, capital projects, etc.).

Exhibit SDG&E-15, Page SLF-4

ORA Position: ORA recommends using a three-year historical average (2011 to 2013) to forecast TY 2016 Non-Shared O&M expenses for Supply Management and Supplier Diversity. The three-year historical average provides a more recent level of SDG&E's Supply Management and Supplier Diversity operations to forecast the TY2016 Non-Shared O&M expenses.

Exhibit ORA-14, Page 8

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 950 | 845 | -105 |
| NonLabor | 101 | 72 | -29 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 1,051 | 917 | -134 |

CHAPTER 2A11-a7

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-15
Area: SUPPLY MANAGEMENT & SUPPLIER DIVERSITY
Witness: Furbush, Sydney L.

NONSHARED O&M

Subject: STRATEGY & SUSTAINABILITY
Workpaper: 1SS007.000

SDG&E Position: SDG&E developed the TY 2016 forecast of Supply Management and Supplier Diversity Non-Shared O&M expenses by using the five-year historical average (2009 to 2013) forecast methodology. SDG&E states, "A five-year historical average represents a reasonable base to estimate operational needs for TY 2016 because Supply Management and Supplier Diversity costs are generally prone to fluctuations due to changes in work activities, which impact staffing levels, purchased service costs, and other factors (i.e. fire prevention, capital projects, etc.).

Exhibit SDG&E-15, Page SLF-5

ORA Position: ORA recommends using a three-year historical average (2011 to 2013) to forecast TY 2016 Non-Shared O&M expenses for Supply Management and Supplier Diversity. The three-year historical average provides a more recent level of SDG&E's Supply Management and Supplier Diversity operations to forecast the TY2016 Non-Shared O&M expenses.

Exhibit ORA-14, Page 8

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 566 | 590 | 24 |
| NonLabor | 827 | 498 | -329 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 1,393 | 1,088 | -305 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

11. SDG&E-15 (Exh 131) - SUPPLY MANAGEMENT & SUPPLIER DIVERSITY

b. O&M - SHARED

| Workpaper | ORA vs. SDG&E (2016) | Reference |
|-------------------|----------------------|-----------|
| 1. 1SS00A-USS.ALL | (77) | 2A11-b1 |
| 2. 1SS00B-USS.ALL | 36 | 2A11-b2 |
| 3. 1SS00C-USS.ALL | (227) | 2A11-b3 |
| 4. 1SS00D-USS.ALL | (3) | 2A11-b4 |

CHAPTER 2A11-b1

San Diego Gas & Electric Company
 2016 Test Year GRC A-14-11-003
 ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-15
Area: SUPPLY MANAGEMENT & SUPPLIER DIVERSITY
Witness: Furbush, Sydney L.

SHARED SERVICES O&M

Subject: Supply Mgmt & Diversity Director
Workpaper: 1SS00A-USS.ALL

SDG&E Position: SDG&E developed the TY 2016 forecast of Supply Management and Supplier Diversity Shared O&M expenses by using the five-year historical average (2009 to 2013) forecast methodology. SDG&E states, "A five-year historical average represents a reasonable base to estimate operational needs for TY 2016 because Supply Management and Supplier Diversity costs are generally prone to fluctuations due to changes in work activities, which impact staffing levels, purchased service costs, and other factors (i.e. fire prevention, capital projects, etc.).

Exhibit SDG&E-15, Page SLF-7

ORA Position: ORA recommends using a three-year historical average (2011 to 2013) to forecast TY 2016 Shared O&M expenses for Supply Management and Supplier Diversity. The three-year historical average provides a more recent level of SDG&E's Supply Management and Supplier Diversity operations to forecast the TY2016 Shared O&M expenses.

Exhibit ORA-14, Page 10

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| SDG&E | Labor | NLbr | NSE | Total |
|------------------|--------------|-------------|------------|--------------|
| 2100-3013.000 | 274 | 141 | 0 | 415 |
| Total | 274 | 141 | 0 | 415 |

| ORA | Labor | NLbr | NSE | Total |
|---------------|--------------|-------------|------------|--------------|
| 2100-3013.000 | 265 | 73 | 0 | 338 |
| Total | 265 | 73 | 0 | 338 |

| Difference | Labor | NLbr | NSE | Total |
|-------------------|--------------|-------------|------------|--------------|
| 2100-3013.000 | -9 | -68 | 0 | -77 |
| Total | -9 | -68 | 0 | -77 |

CHAPTER 2A11-b2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-15
Area: SUPPLY MANAGEMENT & SUPPLIER DIVERSITY
Witness: Furbush, Sydney L.

SHARED SERVICES O&M

Subject: Foundation
Workpaper: 1SS00B-USS.ALL

SDG&E Position: SDG&E developed the TY 2016 forecast of Supply Management and Supplier Diversity Shared O&M expenses by using the five-year historical average (2009 to 2013) forecast methodology. SDG&E states, "A five-year historical average represents a reasonable base to estimate operational needs for TY 2016 because Supply Management and Supplier Diversity costs are generally prone to fluctuations due to changes in work activities, which impact staffing levels, purchased service costs, and other factors (i.e. fire prevention, capital projects, etc.).

Exhibit SDG&E-15, Page SLF-7

ORA Position: ORA recommends using a three-year historical average (2011 to 2013) to forecast TY 2016 Shared O&M expenses for Supply Management and Supplier Diversity. The three-year historical average provides a more recent level of SDG&E's Supply Management and Supplier Diversity operations to forecast the TY2016 Shared O&M expenses.

Exhibit ORA-14, Page 10

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| SDG&E | Labor | NLbr | NSE | Total |
|------------------|--------------|-------------|------------|--------------|
| 2100-3016.000 | 679 | 29 | 0 | 708 |
| Total | 679 | 29 | 0 | 708 |

| ORA | Labor | NLbr | NSE | Total |
|---------------|--------------|-------------|------------|--------------|
| 2100-3016.000 | 685 | 59 | 0 | 744 |
| Total | 685 | 59 | 0 | 744 |

| Difference | Labor | NLbr | NSE | Total |
|-------------------|--------------|-------------|------------|--------------|
| 2100-3016.000 | 6 | 30 | 0 | 36 |
| Total | 6 | 30 | 0 | 36 |

CHAPTER 2A11-b3

San Diego Gas & Electric Company
 2016 Test Year GRC A-14-11-003
 ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-15
Area: SUPPLY MANAGEMENT & SUPPLIER DIVERSITY
Witness: Furbush, Sydney L.

SHARED SERVICES O&M

Subject: Office Services
Workpaper: 1SS00C-USS.ALL

SDG&E Position: SDG&E developed the TY 2016 forecast of Supply Management and Supplier Diversity Shared O&M expenses by using the five-year historical average (2009 to 2013) forecast methodology. SDG&E states, "A five-year historical average represents a reasonable base to estimate operational needs for TY 2016 because Supply Management and Supplier Diversity costs are generally prone to fluctuations due to changes in work activities, which impact staffing levels, purchased service costs, and other factors (i.e. fire prevention, capital projects, etc.).

Exhibit SDG&E-15, Page SLF-7

ORA Position: ORA recommends using a three-year historical average (2011 to 2013) to forecast TY 2016 Shared O&M expenses for Supply Management and Supplier Diversity. The three-year historical average provides a more recent level of SDG&E's Supply Management and Supplier Diversity operations to forecast the TY2016 Shared O&M expenses.

Exhibit ORA-14, Page 10

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| SDG&E | Labor | NLbr | NSE | Total |
|------------------|--------------|-------------|------------|--------------|
| 2100-3266.000 | 0 | 720 | 0 | 720 |
| 2100-3331.000 | 945 | 23 | 0 | 968 |
| 2100-3407.000 | 281 | 28 | 0 | 309 |
| Total | 1,226 | 771 | 0 | 1,997 |

| ORA | Labor | NLbr | NSE | Total |
|---------------|--------------|-------------|------------|--------------|
| 2100-3266.000 | 0 | 676 | 0 | 676 |
| 2100-3331.000 | 801 | -21 | 0 | 780 |
| 2100-3407.000 | 281 | 33 | 0 | 314 |
| Total | 1,082 | 688 | 0 | 1,770 |

| Difference | Labor | NLbr | NSE | Total |
|-------------------|--------------|-------------|------------|--------------|
| 2100-3266.000 | 0 | -44 | 0 | -44 |
| 2100-3331.000 | -144 | -44 | 0 | -188 |
| 2100-3407.000 | 0 | 5 | 0 | 5 |
| Total | -144 | -83 | 0 | -227 |

CHAPTER 2A11-b4

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-15
Area: SUPPLY MANAGEMENT & SUPPLIER DIVERSITY
Witness: Furbush, Sydney L.

SHARED SERVICES O&M

Subject: IT & Telecom Portfolio
Workpaper: 1SS00D-USS.ALL

SDG&E Position: SDG&E developed the TY 2016 forecast of Supply Management and Supplier Diversity Shared O&M expenses by using the five-year historical average (2009 to 2013) forecast methodology. SDG&E states, "A five-year historical average represents a reasonable base to estimate operational needs for TY 2016 because Supply Management and Supplier Diversity costs are generally prone to fluctuations due to changes in work activities, which impact staffing levels, purchased service costs, and other factors (i.e. fire prevention, capital projects, etc.).

Exhibit SDG&E-15, Page SLF-8

ORA Position: ORA recommends using a three-year historical average (2011 to 2013) to forecast TY 2016 Shared O&M expenses for Supply Management and Supplier Diversity. The three-year historical average provides a more recent level of SDG&E's Supply Management and Supplier Diversity operations to forecast the TY2016 Shared O&M expenses.

Exhibit ORA-14, Page 10

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| SDG&E | Labor | NLbr | NSE | Total |
|------------------|--------------|-------------|------------|--------------|
| 2100-3332.000 | 730 | 20 | 0 | 750 |
| Total | 730 | 20 | 0 | 750 |

| ORA | Labor | NLbr | NSE | Total |
|---------------|--------------|-------------|------------|--------------|
| 2100-3332.000 | 736 | 11 | 0 | 747 |
| Total | 736 | 11 | 0 | 747 |

| Difference | Labor | NLbr | NSE | Total |
|-------------------|--------------|-------------|------------|--------------|
| 2100-3332.000 | 6 | -9 | 0 | -3 |
| Total | 6 | -9 | 0 | -3 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

12. SDG&E-16 (Exh 166) - FLEET SERVICES

a. O&M - NON-SHARED

| Workpaper | ORA vs. SDG&E (2016) | Reference |
|---------------|----------------------|-----------|
| 1. 1FS001.001 | (2,664) | 2A12-a1 |
| 2. 1FS001.002 | (883) | 2A12-a2 |
| 3. 1FS001.003 | (400) | 2A12-a3 |
| 4. 1FS001.004 | (520) | 2A12-a4 |
| 5. 1FS002.000 | (1,230) | 2A12-a5 |
| 6. 1FS002.001 | (509) | 2A12-a6 |

CHAPTER 2A12-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-16
Area: FLEET SERVICES
Witness: Herrera, Carmen L.

NONSHARED O&M

Subject: Amortization
Workpaper: 1FS001.001

SDG&E Position: SDG&E is requesting \$6.622 million for amortization costs of Current Fleet and \$.364 million for Diesel Particulate Filter Retrofit/Replacements for TY 2016. SDG&E forecasts \$7.837 million for other fleet amortization costs for TY 2016, including Fleet Replacements 2014 through 2016; Incremental Fleet for Business Needs; and Alternative Fleet Vehicles.

Exhibit SDG&E-16, Page CLH-4

ORA Position: ORA does not oppose SDG&E's forecasts for amortization costs of Current Fleet and Diesel Particulate Filter Retrofit/Replacements for TY 2016.

ORA used the 66 percent that SDG&E purchased out of the fleet units it forecasted in 2014 to forecast the TY 2016 amortization costs for the three categories of fleet purchases: (1) Fleet Replacements 2014 through 2016; (2) Incremental Fleet for Business Needs; and (3) Alternative Fuel Vehicles.

Exhibit ORA-14, Page 13

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|---------------|-------------------|
| Labor | 0 | 0 | 0 |
| NonLabor | 0 | 0 | 0 |
| Nonstandard | 14,823 | 12,159 | -2,664 |
| TOTAL | 14,823 | 12,159 | -2,664 |

CHAPTER 2A12-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-16
Area: FLEET SERVICES
Witness: Herrera, Carmen L.

NONSHARED O&M

Subject: Interest
Workpaper: 1FS001.002

SDG&E Position: SDG&E is requesting \$2.598 million for the interest costs of fleet services for TY 2016 which is \$1.790 million or 222 percent above 2013 recorded interest costs. SDG&E determined interest costs by multiplying the monthly outstanding balances with the London Interbank Offered Rate contained in the Global Insight Forecast for the payment month and then summed for the year.

Exhibit SDG&E-16, Page CLH-4

ORA Position: ORA is recommending \$1.715 million for interest cost for TY 2016 which is \$.883 million or 34 percent less than SDG&E's forecast. ORA recommends using the 66 percent of the fleet units that SDG&E purchased out of the fleet units forecasted in 2014 to forecast the TY 2016 interest expense.

Exhibit ORA-14, Page 15

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 0 | 0 | 0 |
| NonLabor | 0 | 0 | 0 |
| Nonstandard | 2,598 | 1,715 | -883 |
| TOTAL | 2,598 | 1,715 | -883 |

CHAPTER 2A12-a3

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-16
Area: FLEET SERVICES
Witness: Herrera, Carmen L.

NONSHARED O&M

Subject: Salvage
Workpaper: 1FS001.003

SDG&E Position: SDG&E is requesting vehicle salvage proceeds of \$.700 million for TY 2016 which is \$.253 or 26.5 percent less than 2013 recorded salvage. Salvage is the recovery of the residual value of assets being retired from the fleet. Salvage proceeds received at auction are credited against amortization expenses to determine total asset ownership costs. SDG&E forecasts to salvage 200 units in TY 2016. SDG&E forecasts salvage proceeds of \$3,500 per unit based on the three year average of the per unit salvage achieved.

Exhibit SDG&E-16, Page CLH-4

ORA Position: ORA is recommending vehicle salvage proceeds of \$1.100 million for TY 2016 which is \$.400 million or 57 percent more than SDG&E's forecast. ORA recommends using the three-year average (2012 to 2014) of recorded total vehicle salvage proceeds to forecast TY 2016 vehicle salvage proceeds.

Exhibit ORA-14, Page 15

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|---------------|-------------------|
| Labor | 0 | 0 | 0 |
| NonLabor | 0 | 0 | 0 |
| Nonstandard | -700 | -1,100 | -400 |
| TOTAL | -700 | -1,100 | -400 |

CHAPTER 2A12-a4

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-16
Area: FLEET SERVICES
Witness: Herrera, Carmen L.

NONSHARED O&M

Subject: License Fees
Workpaper: 1FS001.004

SDG&E Position: SDG&E is requesting \$1.528 million for TY 2016 which is \$.489 million or 47 percent above 2013 recorded costs for License Fees. License fees are comprised of three components: an annual registration fee and an annual weight fee, both of which are generally fixed for the life of the vehicle. The annual vehicle license fee uses the scalar factor of original vehicle sale price and renewal age to determine the annual renewal fee. License fees are a factor of fleet composition and age and SDG&E states it is complex to forecast license fees individually for each vehicle each year. Therefore, SDG&E used the ratio of base year amortization payments to license fees of 11 percent to approximate future license payments.

Exhibit SDG&E-16, Page CLH-4

ORA Position: ORA is recommending \$1.008 million for TY 2016 which is \$.520 million or 34 percent less than SDG&E's forecast for License Fees. ORA recommends using the 66 percent of the fleet units that SDG&E purchased out of the fleet units forecasted in 2014 to forecast the TY 2016 license expense.

Exhibit ORA-14, Page 17

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 0 | 0 | 0 |
| NonLabor | 0 | 0 | 0 |
| Nonstandard | 1,528 | 1,008 | -520 |
| TOTAL | 1,528 | 1,008 | -520 |

CHAPTER 2A12-a5

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-16
Area: FLEET SERVICES
Witness: Herrera, Carmen L.

NONSHARED O&M

Subject: Maintenance Operations
Workpaper: 1FS002.000

SDG&E Position: SDG&E is requesting \$13.673 million in TY 2016 which is \$1.742 million or 15 percent above 2013 recorded expense for Vehicle Servicing & Repairs. SDG&E took the three-year average of recorded costs for Vehicle Servicing & Repairs and made four adjustments to forecast the TY 2016 expenses. These adjustments include incremental costs for vehicles, one fleet service attendant, backup sensors/cameras, and costs to comply with the Portable Diesel Engines Airborne Toxic Measures.

Exhibit SDG&E-16, CLH-9

ORA Position: ORA is recommending \$12.443 million for Vehicle Servicing and Repairs which is \$1.230 million or nine percent less than SDG&E's request for TY 2016. ORA's recommendation for TY 2016 is \$1.713 million or 16 percent above 2014 recorded expenses for Vehicle Servicing and Repairs. ORA uses the base year 2013 amount for Vehicle Servicing and Repairs, and then makes various adjustments to forecast TY 2016 expenses.

Exhibit ORA-14, Page 19

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|---------------|-------------------|
| Labor | 6,533 | 6,650 | 117 |
| NonLabor | 7,140 | 5,793 | -1,347 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 13,673 | 12,443 | -1,230 |

CHAPTER 2A12-a6

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-16
Area: FLEET SERVICES
Witness: Herrera, Carmen L.

NONSHARED O&M

Subject: Automotive Fuels
Workpaper: 1FS002.001

SDG&E Position: SDG&E is requesting \$7.202 million for TY 2016 which is \$.509 million or 7.6 percent above 2013 recorded for Maintenance Operations-Automotive Fuels. SDG&E took the three-year average of recorded costs for Automotive Fuels and made an adjustment for additional fuel cost of 16 incremental vehicle requests to forecast the TY 2016 expenses.

Exhibit SDG&E-16, Page CLH-9

ORA Position: ORA is recommending \$6.693 million for TY 2016, which is the 2013 recorded expenses for automotive fuels to forecast Automotive Fuels. ORA's recommendation is \$.509 million or 7.6 percent less than SDG&E's forecast for Automotive Fuels.

Exhibit ORA-14, Page 21

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 0 | 0 | 0 |
| NonLabor | 7,202 | 6,693 | -509 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 7,202 | 6,693 | -509 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

13. SDG&E-17 (Exh 270) - REAL ESTATE, LAND SERVICES AND FACILITIES

a. O&M - NON-SHARED

| Workpaper | ORA vs. SDG&E (2016) | Reference |
|---------------|----------------------|-----------|
| 1. 1RE003.000 | (1,277) | 2A13-a1 |

CHAPTER 2A13-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-17
Area: REAL ESTATE, LAND SERVICES AND FACILITIES
Witness: Seifert, James C.

NONSHARED O&M

Subject: SDGE Rents
Workpaper: 1RE003.000

SDG&E Position: SDG&E is requesting \$17.631 million for TY 2016 which is \$3.504 million or 24.8 percent above 2013 recorded expenses for Rents and Operating Expense. The non-shared service portion of rents is associated with rent for administrative offices, telecom sites, branch offices, an environmental laboratory, office, multi-use, and customer service facilities, trailers, and right of way easements. SDG&E states all rents with the exception of right of way easements are expected to increase by an average of five percent per year based on a combination of contractual increases and landlord estimates for operating expense increases. Based on estimates, right of way easements are expected to increase by an average of ten percent per year.

Exhibit SDG&E-17, Page JCS-4

ORA Position: ORA is recommending \$16.354 million for TY 2016 which is \$1.277 million or 7.2 percent less than SDG&E's request for Rents and Operating Expenses. ORA is recommending a five percent increase per year during 2013 to 2016. This is similar to SDG&E's request in which it says that all rents, with the exception of right of way easements, are expected to increase by an average of five percent per year based on a combination of contractual increases and landlord estimates for operating expense increases.

Exhibit ORA-14, Page 24

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|---------------|-------------------|
| Labor | 0 | 0 | 0 |
| NonLabor | 0 | 0 | 0 |
| Nonstandard | 17,631 | 16,354 | -1,277 |
| TOTAL | 17,631 | 16,354 | -1,277 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

13. SDG&E-17 (Exh 270) - REAL ESTATE, LAND SERVICES AND FACILITIES

b. O&M - SHARED

| Workpaper | ORA vs. SDG&E (2016) | Reference |
|-------------------|----------------------|-----------|
| 1. 1RE00A-USS.ALL | (274) | 2A13-b1 |
| 2. 1RE00C-USS.ALL | (477) | 2A13-b2 |

CHAPTER 2A13-b1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-17
Area: REAL ESTATE, LAND SERVICES AND FACILITIES
Witness: Seifert, James C.

SHARED SERVICES O&M

Subject: Facility Operations
Workpaper: 1RE00A-USS.ALL

SDG&E Position: SDG&E is requesting \$2.807 million for TY 2016 which is \$.246 million or 9.6 percent above 2013 recorded expenses for Shared Facility Operations. The Shared Facility Operations cover the Headquarters utilities, facilities manager operation and administrative costs and the Rancho Bernardo Data Center and Annex.

Exhibit SDG&E-17, Page JCS-12

ORA Position: ORA is recommending \$2.533 million for TY 2016 which is \$.274 million or 9.8 percent less than SDG&E's request for Shared Facility Operations.

Exhibit ORA-14, Page 26

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| SDG&E | Labor | NLbr | NSE | Total |
|------------------|--------------|--------------|------------|--------------|
| 2100-3029.000 | 0 | 1,384 | 0 | 1,384 |
| Total | 0 | 1,384 | 0 | 1,384 |

| ORA | Labor | NLbr | NSE | Total |
|---------------|--------------|--------------|------------|--------------|
| 2100-3029.000 | 0 | 1,110 | 0 | 1,110 |
| Total | 0 | 1,110 | 0 | 1,110 |

| Difference | Labor | NLbr | NSE | Total |
|-------------------|--------------|-------------|------------|--------------|
| 2100-3029.000 | 0 | -274 | 0 | -274 |
| Total | 0 | -274 | 0 | -274 |

CHAPTER 2A13-b2

San Diego Gas & Electric Company
 2016 Test Year GRC A-14-11-003
 ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-17
Area: REAL ESTATE, LAND SERVICES AND FACILITIES
Witness: Seifert, James C.

SHARED SERVICES O&M

Subject: Capital Programs
Workpaper: 1RE00C-USS.ALL

SDG&E Position: SDG&E is requesting \$.656 million for TY 2016 based on the five-year average of recorded expenses for Shared Capital Programs-Administration expenses.

Exhibit SDG&E-17, Page 14

ORA Position: ORA is recommending \$.179 million for TY 2016 which is \$.477 million or 73 percent less than SDG&E's forecast for Shared Capital Programs-Administration expenses. ORA's recommendation is based on the three-year average (2012 to 2014) of recorded expenses for Shared Capital Programs-Administration.

Exhibit ORA-14, Page 28

Note: SDG&E accepts ORA's methodology, the three-year average (2012 to 2014) of recorded expenses for Shared Capital Programs - Administration.

Exhibit SDG&E-217, Page JCS-5

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| SDG&E | Labor | NLbr | NSE | Total |
|------------------|--------------|-------------|------------|--------------|
| 2100-3025.000 | 536 | 120 | 0 | 656 |
| Total | 536 | 120 | 0 | 656 |

| ORA | Labor | NLbr | NSE | Total |
|---------------|--------------|-------------|------------|--------------|
| 2100-3025.000 | 160 | 19 | 0 | 179 |
| Total | 160 | 19 | 0 | 179 |

| Difference | Labor | NLbr | NSE | Total |
|-------------------|--------------|-------------|------------|--------------|
| 2100-3025.000 | -376 | -101 | 0 | -477 |
| Total | -376 | -101 | 0 | -477 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

13. SDG&E-17 (Exh 270) - REAL ESTATE, LAND SERVICES AND FACILITIES

c. CAPITAL

| Project | ORA vs. SDG&E (2014+2015+2016) | Reference |
|----------------|--------------------------------|-----------|
| 1. 00700.0.ALL | (21,825) | 2A13-c1 |

CHAPTER 2A13-c1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-17
Area: REAL ESTATE, LAND SERVICES AND FACILITIES
Witness: Seifert, James C.

CAPITAL EXPENDITURES

Project: LAND BLANKET
Budget Code: 00700.0.ALL

SDG&E Position: SDG&E is requesting Facilities capital expenditures of \$19.460 million in 2014, \$38.452 million in 2015, and \$42.930 million in 2016. Blanket budgets are often forecasted in whole or in part based on historic spend, without identifying specific assets.

Exhibit SDG&E-17, Page JCS-21

ORA Position: ORA is recommending \$21.017 million in 2014, \$29 million in 2015, and \$29 million in 2016. ORA is recommending using the 2014 recorded capital expenditures to forecast 2014 capital expenditures for Real Estate, Land Services and Facilities. ORA allocates its 2015 and 2016 capital expenditures forecasts to the capital categories based on the ratio of the capital expenditure of each category to total capital expenditures in SDG&E's 2015 and 2016 forecasts.
Exhibit ORA-14, Page 36

Note: The totals in the SDG&E and ORA position summaries do not tie with the tables below due to the exclusion of uncontested capital projects in the tables.

CHAPTER 2A13-c1

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|---------------|---------------|---------------|---------------|
| 00700A.001 | 335 | 335 | 335 | 1,005 |
| 00700A.002 | 0 | 921 | 0 | 921 |
| 00701A.001 | 368 | 2,606 | 4,000 | 6,974 |
| 00703A.001 | 358 | 550 | 2,500 | 3,408 |
| 00703A.002 | 250 | 0 | 0 | 250 |
| 00703A.007 | 0 | 3,174 | 6,348 | 9,522 |
| 00705A.001 | 300 | 600 | 600 | 1,500 |
| 00707A.001 | 100 | 400 | 400 | 900 |
| 00708A.001 | 1,000 | 2,500 | 4,000 | 7,500 |
| 00708A.004 | 300 | 0 | 0 | 300 |
| 00709A.001 | 1,000 | 2,500 | 3,500 | 7,000 |
| 00709A.003 | 700 | 1,000 | 0 | 1,700 |
| 00710A.001 | 100 | 100 | 3,500 | 3,700 |
| 00710A.002 | 400 | 4,600 | 0 | 5,000 |
| 08729A.001 | 2,300 | 4,400 | 7,000 | 13,700 |
| 08734A.001 | 298 | 1,900 | 1,647 | 3,845 |
| 08735A.001 | 0 | 2,000 | 4,000 | 6,000 |
| 08735A.002 | 752 | 0 | 0 | 752 |
| 13745A.001 | 0 | 0 | 0 | 0 |
| 13746A.001 | 1,400 | 0 | 0 | 1,400 |
| 13749A.001 | 1,600 | 0 | 0 | 1,600 |
| Total | 11,561 | 27,586 | 37,830 | 76,977 |

| ORA | 2014 | 2015 | 2016 | Total |
|--------------|---------------|---------------|---------------|---------------|
| 00700A.001 | 237 | 335 | 226 | 798 |
| 00700A.002 | 0 | 536 | 0 | 536 |
| 00701A.001 | 1,182 | 1,548 | 2,702 | 5,432 |
| 00703A.001 | 31 | 550 | 2,500 | 3,081 |
| 00703A.002 | 0 | 0 | 0 | 0 |
| 00703A.007 | 0 | 1,658 | 3,477 | 5,135 |
| 00705A.001 | 1,153 | 453 | 405 | 2,011 |
| 00707A.001 | 374 | 302 | 270 | 946 |
| 00708A.001 | 1,000 | 1,565 | 2,702 | 5,267 |
| 00708A.004 | 96 | 0 | 0 | 96 |
| 00709A.001 | 3,455 | 2,500 | 1,021 | 6,976 |
| 00709A.003 | 700 | 51 | 0 | 751 |
| 00710A.001 | 658 | 100 | 2,053 | 2,811 |
| 00710A.002 | 400 | 2,277 | 0 | 2,677 |
| 08729A.001 | 665 | 3,318 | 4,729 | 8,712 |
| 08734A.001 | 199 | 1,433 | 1,113 | 2,745 |
| 08735A.001 | 0 | 1,508 | 2,702 | 4,210 |
| 08735A.002 | 17 | 0 | 0 | 17 |
| 13745A.001 | 131 | 0 | 0 | 131 |
| 13746A.001 | 1,257 | 0 | 0 | 1,257 |
| 13749A.001 | 1,563 | 0 | 0 | 1,563 |
| Total | 13,118 | 18,134 | 23,900 | 55,152 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 00700A.001 | -98 | 0 | -109 | -207 |
| 00700A.002 | 0 | -385 | 0 | -385 |
| 00701A.001 | 814 | -1,058 | -1,298 | -1,542 |
| 00703A.001 | -327 | 0 | 0 | -327 |
| 00703A.002 | -250 | 0 | 0 | -250 |
| 00703A.007 | 0 | -1,516 | -2,871 | -4,387 |

CHAPTER 2A13-c1

| | | | | |
|--------------|--------------|---------------|----------------|----------------|
| 00705A.001 | 853 | -147 | -195 | 511 |
| 00707A.001 | 274 | -98 | -130 | 46 |
| 00708A.001 | 0 | -935 | -1,298 | -2,233 |
| 00708A.004 | -204 | 0 | 0 | -204 |
| 00709A.001 | 2,455 | 0 | -2,479 | -24 |
| 00709A.003 | 0 | -949 | 0 | -949 |
| 00710A.001 | 558 | 0 | -1,447 | -889 |
| 00710A.002 | 0 | -2,323 | 0 | -2,323 |
| 08729A.001 | -1,635 | -1,082 | -2,271 | -4,988 |
| 08734A.001 | -99 | -467 | -534 | -1,100 |
| 08735A.001 | 0 | -492 | -1,298 | -1,790 |
| 08735A.002 | -735 | 0 | 0 | -735 |
| 13745A.001 | 131 | 0 | 0 | 131 |
| 13746A.001 | -143 | 0 | 0 | -143 |
| 13749A.001 | -37 | 0 | 0 | -37 |
| Total | 1,557 | -9,452 | -13,930 | -21,825 |

Chapter 2 - ORA vs. SDG&E
Part A - O&M and Capital Expenditures

14. SDG&E-18 (Exh 174) - ENVIRONMENTAL

a. O&M - NON-SHARED

| Workpaper | ORA vs. SDG&E (2016) | Reference |
|---------------|----------------------|-----------|
| 1. 1EV000.000 | (254) | 2A14-a1 |

CHAPTER 2A14-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-18
Area: ENVIRONMENTAL
Witness: Pearson, Richard S.

NONSHARED O&M

Subject: ENVIRONMENTAL SDGE NSS Cost Center
Workpaper: 1EV000.000

SDG&E Position: SDG&E is requesting \$3.649 million for TY 2016 which is \$.268 million or eight percent above 2013 recorded Non-Shared Environmental Services' O&M expense. SDG&E started with the base year recorded O&M expenses and made incremental adjustments to forecast TY 2016 Non-Shared Environmental Services O&M expenses. These adjustments include full year funding for labor, water quality permitting increases, consultant costs for Bureau of Land Management environmental assessments.

Exhibit SDG&E-18, Page RSP-4

ORA Position: ORA is recommending \$3.396 million for TY 2016 which is \$.253 million or seven percent less than SDG&E's request for Non-Shared O&M expenses for Environmental Compliance. ORA's recommendation is based on the five-year average (2009 to 2013) of recorded Non-Shared O&M expenses for Environmental Compliance.

Exhibit ORA-14, Page 30

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 1,890 | 1,701 | -189 |
| NonLabor | 1,760 | 1,695 | -65 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 3,650 | 3,396 | -254 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

14. SDG&E-18 (Exh 174) - ENVIRONMENTAL

b. O&M - SHARED

| Workpaper | ORA vs. SDG&E (2016) | Reference |
|-------------------|----------------------|-----------|
| 1. 1EV00C-USS.ALL | (98) | 2A14-b1 |

CHAPTER 2A14-b1

San Diego Gas & Electric Company
 2016 Test Year GRC A-14-11-003
 ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-18
Area: ENVIRONMENTAL
Witness: Pearson, Richard S.

SHARED SERVICES O&M

Subject: Environmental Programs
Workpaper: 1EV00C-USS.ALL

SDG&E Position: SDG&E is requesting \$1.721 million in TY 2016 which is an increase of \$.404 million or 31 percent above 2013 recorded for Shared O&M expense for Environmental Programs. SDG&E started with the base year recorded Shared O&M expenses and made adjustments for incremental costs to forecast TY 2016 Shared O&M expenses for Environmental Programs.

Exhibit SDG&E-18, RSP-11

ORA Position: ORA is recommending \$1.623 million for TY 2016 which is \$.098 million or 5.7 percent less than SDG&E's request for Shared O&M expense for Environmental Programs. ORA disagrees with one of SDG&E's requests for incremental funding, the \$.147 million for State Water Resources Control Board Programmatic Certification for Linear Projects. ORA is recommending an increase of \$.049 million to obtain these programmatic permits. ORA recommends normalizing SDG&E's forecast of \$.147 million over the three year GRC cycle because the expense is non-recurring beyond 2016.

Exhibit ORA-14, Page 34

Note: SDG&E Test Year 2016 forecast is adjusted by (\$98K) as SDG&E accepts reduction proposed by ORA.

Exhibit SDG&E-218, p. 6

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| SDG&E | Labor | NLbr | NSE | Total |
|------------------|--------------|-------------|------------|--------------|
| 2100-3022.000 | 970 | 751 | 0 | 1,721 |
| Total | 970 | 751 | 0 | 1,721 |

| ORA | Labor | NLbr | NSE | Total |
|---------------|--------------|-------------|------------|--------------|
| 2100-3022.000 | 970 | 653 | 0 | 1,623 |
| Total | 970 | 653 | 0 | 1,623 |

| Difference | Labor | NLbr | NSE | Total |
|-------------------|--------------|-------------|------------|--------------|
| 2100-3022.000 | 0 | -98 | 0 | -98 |
| Total | 0 | -98 | 0 | -98 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

15. SDG&E-19-R (Exh 153) - INFORMATION TECHNOLOGY

a. O&M - NON-SHARED

| Workpaper | ORA vs. SDG&E (2016) | Reference |
|------------------|---------------------------------|------------------|
| 1. 1IT001.000 | (3,917) | 2A15-a1 |
| 2. 1IT002.000 | 14 | 2A15-a2 |
| 3. 1IT003.000 | 479 | 2A15-a3 |
| 4. 1IT004.000 | 9 | 2A15-a4 |

CHAPTER 2A15-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-19-R
Area: INFORMATION TECHNOLOGY
Witness: Mikovits, Stephen J.

NONSHARED O&M

Subject: IT Applications NSS
Workpaper: 11T001.000

SDG&E Position: SDG&E is requesting \$17.667* million in TY 2016 for Non-Shared Applications expense, which is equal to the 2013 Base Year Adjusted-Recorded expenses for this cost category plus adjustments.

Exhibit SDG&E-19-R, p. SJM-13

ORA Position: ORA's recommendations for IT O&M expenses are based on a holistic analysis of IT labor and non-labor costs. ORA did not use individual workpapers nor did they categorize their position by shared or non-shared costs. ORA accepted the total Information Security (IS) labor and non-labor forecasts. ORA recommended the following forecast methodologies for the remaining cost categories:

- Six Year Average for all non-Information Security Labor
- Five Year Linear trend for all non-Info Security "IT contract" non-labor costs
- Five year average for all non-Info Security, non-"IT contract" non-labor costs

Exhibit ORA-15, Appendix A

Note: * SDG&E Test Year 2016 forecast is adjusted by (\$514K = \$23K Labor + \$491K non-labor) to remove SPP Refundable costs.

Exhibit SDG&E-19-R-Amended Workpapers, p. 5 of 621

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|---------------|-------------------|
| Labor | 10,795 | 8,210 | -2,585 |
| NonLabor | 6,872 | 5,540 | -1,332 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 17,667 | 13,750 | -3,917 |

CHAPTER 2A15-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-19-R
Area: INFORMATION TECHNOLOGY
Witness: Mikovits, Stephen J.

NONSHARED O&M

Subject: IT Infrastructue NSS
Workpaper: 11T002.000

SDG&E Position: SDG&E is requesting \$0.224 million in TY 2016 for Non-Shared Infrastructure expense, which is equal to the 2013 Base Year Adjusted-Recorded expenses for this cost category plus adjustments.

Exhibit SDG&E-19-R, p. SJM-14

ORA Position: ORA's recommendations for IT O&M expenses are based on a holistic analysis of IT labor and non-labor costs. ORA did not use individual workpapers nor did they categorize their position by shared or non-shared costs. ORA accepted the total Information Security (IS) labor and non-labor forecasts. ORA recommended the following forecast methodologies for the remaining cost categories:

- Six Year Average for all non-Information Security Labor
- Five Year Linear trend for all non-Info Security "IT contract" non-labor costs
- Five year average for all non-Info Security, non-"IT contract" non-labor costs

Exhibit ORA-15, Appendix A

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 223 | 142 | -81 |
| NonLabor | 1 | 96 | 95 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 224 | 238 | 14 |

CHAPTER 2A15-a3

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-19-R
Area: INFORMATION TECHNOLOGY
Witness: Mikovits, Stephen J.

NONSHARED O&M

Subject: IT Support
Workpaper: 11T003.000

SDG&E Position: SDG&E is requesting \$0.652 million in TY 2016 for Non-Shared IT Support expense, which is equal to the 2013 Base Year Adjusted-Recorded expenses for this cost category plus adjustments.

Exhibit SDG&E-19-R, p. SJM-16

ORA Position: ORA's recommendations for IT O&M expenses are based on a holistic analysis of IT labor and non-labor costs. ORA did not use individual workpapers nor did they categorize their position by shared or non-shared costs. ORA accepted the total Information Security (IS) labor and non-labor forecasts. ORA recommended the following forecast methodologies for the remaining cost categories:

- Six Year Average for all non-Information Security Labor
- Five Year Linear trend for all non-Info Security "IT contract" non-labor costs
- Five year average for all non-Info Security, non-"IT contract" non-labor costs

Exhibit ORA-15, Appendix A

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 468 | 675 | 207 |
| NonLabor | 184 | 456 | 272 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 652 | 1,131 | 479 |

CHAPTER 2A15-a4

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-19-R
Area: INFORMATION TECHNOLOGY
Witness: Mikovits, Stephen J.

NONSHARED O&M

Subject: Information Security NSS
Workpaper: 11T004.000

SDG&E Position: SDG&E is requesting \$0.159 million in TY 2016 for Non-Shared Information Security expense, which is equal to the 2013 Base Year Adjusted-Recorded expenses for this cost category.

Exhibit SDG&E-19-R, p. SJM-14

ORA Position: ORA does not oppose SDG&E's 2016 forecast for NSS Info Security.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 109 | 100 | -9 |
| NonLabor | 50 | 68 | 18 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 159 | 168 | 9 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

15. SDG&E-19-R (Exh 153) - INFORMATION TECHNOLOGY

b. O&M - SHARED

| Workpaper | ORA vs. SDG&E (2016) | Reference |
|-------------------|----------------------|-----------|
| 1. 1IT00A-USS.ALL | (4,464) | 2A15-b1 |
| 2. 1IT00B-USS.ALL | (1,361) | 2A15-b2 |
| 3. 1IT00C-USS.ALL | (1,650) | 2A15-b3 |
| 4. 1IT00D-USS.ALL | 516 | 2A15-b4 |

CHAPTER 2A15-b1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-19-R
Area: INFORMATION TECHNOLOGY
Witness: Mikovits, Stephen J.

SHARED SERVICES O&M

Subject: Applications
Workpaper: 11T00A-USS.ALL

SDG&E Position: SDG&E is requesting \$24.998* million in TY 2016 for Shared Applications expense, which is equal to the 2013 Base Year Adjusted-Recorded expenses for this cost category plus adjustments.

Exhibit SDG&E-19-R, p. SJM-18

ORA Position: ORA's recommendations for IT O&M expenses are based on a holistic analysis of IT labor and non-labor costs. ORA did not use individual workpapers nor did they categorize their position by shared or non-shared costs. ORA accepted the total Information Security (IS) labor and non-labor forecasts. ORA recommended the following forecast methodologies for the remaining cost categories:

- Six Year Average for all non-Information Security Labor
- Five Year Linear trend for all non-Info Security "IT contract" non-labor costs
- Five year average for all non-Info Security, non-"IT contract" non-labor costs

Exhibit ORA-15, Appendix A

Note: * SDG&E Test Year 2016 forecast is adjusted by (\$73K = \$6K Labor + \$67K Non-Labor) to remove SPP Refundable costs.

2100-3073 = \$3K Labor

2100-3086 = \$3K Labor + \$67K non-labor

Exhibit SDG&E-19-R-Amended O&M Workpapers, pp. 57 and 108 of 621

CHAPTER 2A15-b1

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| SDG&E | Labor | NLbr | NSE | Total |
|------------------|--------------|---------------|------------|---------------|
| 2100-3071.000 | 1,219 | 74 | 0 | 1,293 |
| 2100-3072.000 | 606 | 302 | 0 | 908 |
| 2100-3073.000 | 777 | 168 | 0 | 945 |
| 2100-3074.000 | 262 | 29 | 0 | 291 |
| 2100-3076.000 | 1,317 | 7 | 0 | 1,324 |
| 2100-3079.000 | 33 | 30 | 0 | 63 |
| 2100-3080.000 | 2 | 16 | 0 | 18 |
| 2100-3082.000 | -3 | 53 | 0 | 50 |
| 2100-3083.000 | -2 | 0 | 0 | -2 |
| 2100-3086.000 | 488 | 365 | 0 | 853 |
| 2100-3087.000 | 737 | 87 | 0 | 824 |
| 2100-3088.000 | 158 | 30 | 0 | 188 |
| 2100-3089.000 | 772 | 221 | 0 | 993 |
| 2100-3091.000 | 1,299 | 4,752 | 0 | 6,051 |
| 2100-3093.000 | 546 | 469 | 0 | 1,015 |
| 2100-3102.000 | 1,020 | 104 | 0 | 1,124 |
| 2100-3623.000 | 0 | 8,092 | 0 | 8,092 |
| 2100-3754.000 | 1 | 5 | 0 | 6 |
| 2100-3846.000 | -5 | 11 | 0 | 6 |
| 2100-3848.000 | 124 | 6 | 0 | 130 |
| 2100-3905.000 | 18 | 0 | 0 | 18 |
| 2100-4001.000 | 547 | 259 | 0 | 806 |
| Total | 9,916 | 15,080 | 0 | 24,996 |

| ORA | Labor | NLbr | NSE | Total |
|---------------|--------------|---------------|------------|---------------|
| 2100-3071.000 | 470 | 959 | 0 | 1,429 |
| 2100-3072.000 | 330 | 674 | 0 | 1,004 |
| 2100-3073.000 | 344 | 701 | 0 | 1,045 |
| 2100-3074.000 | 105 | 215 | 0 | 320 |
| 2100-3076.000 | 481 | 981 | 0 | 1,462 |
| 2100-3079.000 | 23 | 46 | 0 | 69 |
| 2100-3080.000 | 7 | 14 | 0 | 21 |
| 2100-3082.000 | 19 | 38 | 0 | 57 |
| 2100-3083.000 | -1 | -1 | 0 | -2 |
| 2100-3086.000 | 310 | 632 | 0 | 942 |
| 2100-3087.000 | 146 | 298 | 0 | 444 |
| 2100-3088.000 | 68 | 139 | 0 | 207 |
| 2100-3089.000 | 361 | 736 | 0 | 1,097 |
| 2100-3091.000 | 1,586 | 3,237 | 0 | 4,823 |
| 2100-3093.000 | 369 | 753 | 0 | 1,122 |
| 2100-3102.000 | 104 | 213 | 0 | 317 |
| 2100-3623.000 | 1,799 | 3,672 | 0 | 5,471 |
| 2100-3754.000 | 2 | 4 | 0 | 6 |
| 2100-3846.000 | 2 | 4 | 0 | 6 |
| 2100-3848.000 | 47 | 96 | 0 | 143 |
| 2100-3905.000 | 7 | 13 | 0 | 20 |
| 2100-4001.000 | 174 | 355 | 0 | 529 |
| Total | 6,753 | 13,779 | 0 | 20,532 |

| Difference | Labor | NLbr | NSE | Total |
|-------------------|--------------|-------------|------------|--------------|
| 2100-3071.000 | -749 | 885 | 0 | 136 |
| 2100-3072.000 | -276 | 372 | 0 | 96 |
| 2100-3073.000 | -433 | 533 | 0 | 100 |
| 2100-3074.000 | -157 | 186 | 0 | 29 |
| 2100-3076.000 | -836 | 974 | 0 | 138 |

CHAPTER 2A15-b1

| | | | | |
|---------------|---------------|---------------|----------|---------------|
| 2100-3079.000 | -10 | 16 | 0 | 6 |
| 2100-3080.000 | 5 | -2 | 0 | 3 |
| 2100-3082.000 | 22 | -15 | 0 | 7 |
| 2100-3083.000 | 1 | -1 | 0 | 0 |
| 2100-3086.000 | -178 | 267 | 0 | 89 |
| 2100-3087.000 | -591 | 211 | 0 | -380 |
| 2100-3088.000 | -90 | 109 | 0 | 19 |
| 2100-3089.000 | -411 | 515 | 0 | 104 |
| 2100-3091.000 | 287 | -1,515 | 0 | -1,228 |
| 2100-3093.000 | -177 | 284 | 0 | 107 |
| 2100-3102.000 | -916 | 109 | 0 | -807 |
| 2100-3623.000 | 1,799 | -4,420 | 0 | -2,621 |
| 2100-3754.000 | 1 | -1 | 0 | 0 |
| 2100-3846.000 | 7 | -7 | 0 | 0 |
| 2100-3848.000 | -77 | 90 | 0 | 13 |
| 2100-3905.000 | -11 | 13 | 0 | 2 |
| 2100-4001.000 | -373 | 96 | 0 | -277 |
| Total | -3,163 | -1,301 | 0 | -4,464 |

CHAPTER 2A15-b2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-19-R
Area: INFORMATION TECHNOLOGY
Witness: Mikovits, Stephen J.

SHARED SERVICES O&M

Subject: Infrastructure
Workpaper: 1IT00B-USS.ALL

SDG&E Position: SDG&E is requesting \$55.048 million in TY 2016 for Shared Infrastructure expense, which is equal to the 2013 Base Year Adjusted-Recorded expenses for this cost category plus adjustments.

Exhibit SDG&E-19-R, p. SJM-19

ORA Position: ORA's recommendations for IT O&M expenses are based on a holistic analysis of IT labor and non-labor costs. ORA did not use individual workpapers nor did they categorize their position by shared or non-shared costs. ORA accepted the total Information Security (IS) labor and non-labor forecasts. ORA recommended the following forecast methodologies for the remaining cost categories:

- Six Year Average for all non-Information Security Labor
- Five Year Linear trend for all non-Info Security "IT contract" non-labor costs
- Five year average for all non-Info Security, non-"IT contract" non-labor costs

Exhibit ORA-15, Appendix A

CHAPTER 2A15-b2

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| SDG&E | Labor | NLbr | NSE | Total |
|------------------|---------------|---------------|------------|---------------|
| 2100-0207.000 | 1,841 | 746 | 0 | 2,587 |
| 2100-3095.000 | 969 | 291 | 0 | 1,260 |
| 2100-3097.000 | 802 | 50 | 0 | 852 |
| 2100-3098.000 | 34 | 0 | 0 | 34 |
| 2100-3099.000 | 0 | 219 | 0 | 219 |
| 2100-3100.000 | 1,067 | 198 | 0 | 1,265 |
| 2100-3103.000 | 0 | 10,385 | 0 | 10,385 |
| 2100-3105.000 | 14 | 0 | 0 | 14 |
| 2100-3106.000 | 0 | 7,475 | 0 | 7,475 |
| 2100-3107.000 | 1,002 | 129 | 0 | 1,131 |
| 2100-3334.000 | 762 | 76 | 0 | 838 |
| 2100-3335.000 | 30 | 20 | 0 | 50 |
| 2100-3494.000 | 0 | 5,370 | 0 | 5,370 |
| 2100-3495.000 | 0 | 7,088 | 0 | 7,088 |
| 2100-3498.000 | 286 | 12 | 0 | 298 |
| 2100-3500.000 | 304 | 15 | 0 | 319 |
| 2100-3501.000 | 0 | 1,254 | 0 | 1,254 |
| 2100-3502.000 | 1,842 | 66 | 0 | 1,908 |
| 2100-3544.000 | 34 | 4 | 0 | 38 |
| 2100-3548.000 | 161 | 76 | 0 | 237 |
| 2100-3682.000 | 298 | 23 | 0 | 321 |
| 2100-3683.000 | 956 | 138 | 0 | 1,094 |
| 2100-3684.000 | 355 | 67 | 0 | 422 |
| 2100-3698.000 | 428 | 42 | 0 | 470 |
| 2100-3824.000 | 203 | 14 | 0 | 217 |
| 2100-3835.000 | 0 | 17 | 0 | 17 |
| 2100-3843.000 | 1 | 0 | 0 | 1 |
| 2100-3855.000 | 0 | 5,265 | 0 | 5,265 |
| 2100-3856.000 | 0 | 1,247 | 0 | 1,247 |
| 2100-3859.000 | 0 | 616 | 0 | 616 |
| 2100-3884.000 | 0 | 1,038 | 0 | 1,038 |
| 2100-3885.000 | 426 | 4 | 0 | 430 |
| 2100-3888.000 | 310 | 17 | 0 | 327 |
| 2100-3900.000 | 224 | 644 | 0 | 868 |
| 2100-4003.000 | 90 | 2 | 0 | 92 |
| Total | 12,439 | 42,608 | 0 | 55,047 |

| ORA | Labor | NLbr | NSE | Total |
|---------------|--------------|-------------|------------|--------------|
| 2100-0207.000 | 842 | 1,718 | 0 | 2,560 |
| 2100-3095.000 | 60 | 123 | 0 | 183 |
| 2100-3097.000 | 309 | 631 | 0 | 940 |
| 2100-3098.000 | 12 | 25 | 0 | 37 |
| 2100-3099.000 | 216 | 442 | 0 | 658 |
| 2100-3100.000 | 459 | 938 | 0 | 1,397 |
| 2100-3103.000 | 4,400 | 8,979 | 0 | 13,379 |
| 2100-3105.000 | 5 | 10 | 0 | 15 |
| 2100-3106.000 | 2,122 | 4,330 | 0 | 6,452 |
| 2100-3107.000 | 411 | 839 | 0 | 1,250 |
| 2100-3334.000 | 304 | 621 | 0 | 925 |
| 2100-3335.000 | 19 | 38 | 0 | 57 |
| 2100-3494.000 | 1,174 | 2,396 | 0 | 3,570 |
| 2100-3495.000 | 2,071 | 4,225 | 0 | 6,296 |
| 2100-3498.000 | 108 | 221 | 0 | 329 |
| 2100-3500.000 | 116 | 236 | 0 | 352 |
| 2100-3501.000 | 387 | 790 | 0 | 1,177 |
| 2100-3502.000 | 693 | 1,415 | 0 | 2,108 |

CHAPTER 2A15-b2

| | | | | |
|---------------|---------------|---------------|----------|---------------|
| 2100-3544.000 | 14 | 28 | 0 | 42 |
| 2100-3548.000 | 86 | 175 | 0 | 261 |
| 2100-3682.000 | 117 | 238 | 0 | 355 |
| 2100-3683.000 | 397 | 811 | 0 | 1,208 |
| 2100-3684.000 | 153 | 313 | 0 | 466 |
| 2100-3698.000 | -3 | -6 | 0 | -9 |
| 2100-3824.000 | 79 | 161 | 0 | 240 |
| 2100-3835.000 | 6 | 13 | 0 | 19 |
| 2100-3843.000 | 0 | 1 | 0 | 1 |
| 2100-3855.000 | 1,987 | 4,055 | 0 | 6,042 |
| 2100-3856.000 | 327 | 667 | 0 | 994 |
| 2100-3859.000 | 119 | 242 | 0 | 361 |
| 2100-3884.000 | 323 | 658 | 0 | 981 |
| 2100-3885.000 | 156 | 319 | 0 | 475 |
| 2100-3888.000 | 118 | 242 | 0 | 360 |
| 2100-3900.000 | 35 | 70 | 0 | 105 |
| 2100-4003.000 | 33 | 67 | 0 | 100 |
| Total | 17,655 | 36,031 | 0 | 53,686 |

| Difference | Labor | NLbr | NSE | Total |
|-------------------|--------------|---------------|------------|---------------|
| 2100-0207.000 | -999 | 972 | 0 | -27 |
| 2100-3095.000 | -909 | -168 | 0 | -1,077 |
| 2100-3097.000 | -493 | 581 | 0 | 88 |
| 2100-3098.000 | -22 | 25 | 0 | 3 |
| 2100-3099.000 | 216 | 223 | 0 | 439 |
| 2100-3100.000 | -608 | 740 | 0 | 132 |
| 2100-3103.000 | 4,400 | -1,406 | 0 | 2,994 |
| 2100-3105.000 | -9 | 10 | 0 | 1 |
| 2100-3106.000 | 2,122 | -3,145 | 0 | -1,023 |
| 2100-3107.000 | -591 | 710 | 0 | 119 |
| 2100-3334.000 | -458 | 545 | 0 | 87 |
| 2100-3335.000 | -11 | 18 | 0 | 7 |
| 2100-3494.000 | 1,174 | -2,974 | 0 | -1,800 |
| 2100-3495.000 | 2,071 | -2,863 | 0 | -792 |
| 2100-3498.000 | -178 | 209 | 0 | 31 |
| 2100-3500.000 | -188 | 221 | 0 | 33 |
| 2100-3501.000 | 387 | -464 | 0 | -77 |
| 2100-3502.000 | -1,149 | 1,349 | 0 | 200 |
| 2100-3544.000 | -20 | 24 | 0 | 4 |
| 2100-3548.000 | -75 | 99 | 0 | 24 |
| 2100-3682.000 | -181 | 215 | 0 | 34 |
| 2100-3683.000 | -559 | 673 | 0 | 114 |
| 2100-3684.000 | -202 | 246 | 0 | 44 |
| 2100-3698.000 | -431 | -48 | 0 | -479 |
| 2100-3824.000 | -124 | 147 | 0 | 23 |
| 2100-3835.000 | 6 | -4 | 0 | 2 |
| 2100-3843.000 | -1 | 1 | 0 | 0 |
| 2100-3855.000 | 1,987 | -1,210 | 0 | 777 |
| 2100-3856.000 | 327 | -580 | 0 | -253 |
| 2100-3859.000 | 119 | -374 | 0 | -255 |
| 2100-3884.000 | 323 | -380 | 0 | -57 |
| 2100-3885.000 | -270 | 315 | 0 | 45 |
| 2100-3888.000 | -192 | 225 | 0 | 33 |
| 2100-3900.000 | -189 | -574 | 0 | -763 |
| 2100-4003.000 | -57 | 65 | 0 | 8 |
| Total | 5,216 | -6,577 | 0 | -1,361 |

CHAPTER 2A15-b3

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-19-R
Area: INFORMATION TECHNOLOGY
Witness: Mikovits, Stephen J.

SHARED SERVICES O&M

Subject: Information Security
Workpaper: 1IT00C-USS.ALL

SDG&E Position: SDG&E is requesting \$5.611* million in TY 2016 for Shared Information Security expenses, which is equal to the 2013 Base Year Adjusted-Recorded expenses for this cost category plus adjustments.

Exhibit SDG&E-19-R, p. SJM-19

ORA Position: ORA does not oppose SDG&E's 2016 forecast for Shared Info Security.

Exhibit ORA-15, p. 18

Note: SDG&E Test Year 2016 forecast is adjusted by (\$2K) for Security Engineering (2100-3774).

Exhibit SDG&E-19-R-Amended Workpaper, p. 515 of 621

CHAPTER 2A15-b3

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| SDG&E | Labor | NLbr | NSE | Total |
|------------------|--------------|--------------|------------|--------------|
| 2100-3101.000 | 212 | 61 | 0 | 273 |
| 2100-3763.000 | 175 | 285 | 0 | 460 |
| 2100-3774.000 | 765 | 230 | 0 | 995 |
| 2100-3775.000 | 1,115 | 838 | 0 | 1,953 |
| 2100-3781.000 | 0 | 1,330 | 0 | 1,330 |
| 2100-3814.000 | 475 | 107 | 0 | 582 |
| 2100-3817.000 | 18 | 0 | 0 | 18 |
| Total | 2,760 | 2,851 | 0 | 5,611 |

| ORA | Labor | NLbr | NSE | Total |
|---------------|--------------|--------------|------------|--------------|
| 2100-3101.000 | 81 | 165 | 0 | 246 |
| 2100-3763.000 | 87 | 178 | 0 | 265 |
| 2100-3774.000 | 317 | 648 | 0 | 965 |
| 2100-3775.000 | 519 | 1,059 | 0 | 1,578 |
| 2100-3781.000 | 184 | 376 | 0 | 560 |
| 2100-3814.000 | 108 | 219 | 0 | 327 |
| 2100-3817.000 | 7 | 13 | 0 | 20 |
| Total | 1,303 | 2,658 | 0 | 3,961 |

| Difference | Labor | NLbr | NSE | Total |
|-------------------|---------------|-------------|------------|---------------|
| 2100-3101.000 | -131 | 104 | 0 | -27 |
| 2100-3763.000 | -88 | -107 | 0 | -195 |
| 2100-3774.000 | -448 | 418 | 0 | -30 |
| 2100-3775.000 | -596 | 221 | 0 | -375 |
| 2100-3781.000 | 184 | -954 | 0 | -770 |
| 2100-3814.000 | -367 | 112 | 0 | -255 |
| 2100-3817.000 | -11 | 13 | 0 | 2 |
| Total | -1,457 | -193 | 0 | -1,650 |

CHAPTER 2A15-b4

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-19-R
Area: INFORMATION TECHNOLOGY
Witness: Mikovits, Stephen J.

SHARED SERVICES O&M

Subject: IT Support
Workpaper: 1IT00D-USS.ALL

SDG&E Position: SDG&E is requesting \$5.343 million in TY 2016 for Shared IT Support expense, which is equal to the 2013 Base Year Adjusted-Recorded expenses for this cost category plus adjustments.

Exhibit SDG&E-19-R, p. SJM-22

ORA Position: ORA's recommendations for IT O&M expenses are based on a holistic analysis of IT labor and non-labor costs. ORA did not use individual workpapers nor did they categorize their position by shared or non-shared costs. ORA accepted the total Information Security (IS) labor and non-labor forecasts. ORA recommended the following forecast methodologies for the remaining cost categories:

- Six Year Average for all non-Information Security Labor
- Five Year Linear trend for all non-Info Security "IT contract" non-labor costs
- Five year average for all non-Info Security, non-"IT contract" non-labor costs

Exhibit ORA-15, Appendix A

CHAPTER 2A15-b4

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| SDG&E | Labor | NLbr | NSE | Total |
|------------------|--------------|--------------|------------|--------------|
| 2100-3064.000 | 336 | 416 | 0 | 752 |
| 2100-3067.000 | 759 | 29 | 0 | 788 |
| 2100-3317.000 | 266 | 338 | 0 | 604 |
| 2100-3699.000 | 340 | -40 | 0 | 300 |
| 2100-3713.000 | 497 | 39 | 0 | 536 |
| 2100-3733.000 | 393 | 244 | 0 | 637 |
| 2100-3762.000 | 131 | 44 | 0 | 175 |
| 2100-3807.000 | 121 | 412 | 0 | 533 |
| 2100-3842.000 | 1,007 | 12 | 0 | 1,019 |
| Total | 3,850 | 1,494 | 0 | 5,344 |

| ORA | Labor | NLbr | NSE | Total |
|---------------|--------------|--------------|------------|--------------|
| 2100-3064.000 | 273 | 557 | 0 | 830 |
| 2100-3067.000 | 260 | 531 | 0 | 791 |
| 2100-3317.000 | 219 | 448 | 0 | 667 |
| 2100-3699.000 | 109 | 222 | 0 | 331 |
| 2100-3713.000 | 195 | 397 | 0 | 592 |
| 2100-3733.000 | 232 | 473 | 0 | 705 |
| 2100-3762.000 | 63 | 129 | 0 | 192 |
| 2100-3807.000 | 206 | 421 | 0 | 627 |
| 2100-3842.000 | 370 | 755 | 0 | 1,125 |
| Total | 1,927 | 3,933 | 0 | 5,860 |

| Difference | Labor | NLbr | NSE | Total |
|-------------------|---------------|--------------|------------|--------------|
| 2100-3064.000 | -63 | 141 | 0 | 78 |
| 2100-3067.000 | -499 | 502 | 0 | 3 |
| 2100-3317.000 | -47 | 110 | 0 | 63 |
| 2100-3699.000 | -231 | 262 | 0 | 31 |
| 2100-3713.000 | -302 | 358 | 0 | 56 |
| 2100-3733.000 | -161 | 229 | 0 | 68 |
| 2100-3762.000 | -68 | 85 | 0 | 17 |
| 2100-3807.000 | 85 | 9 | 0 | 94 |
| 2100-3842.000 | -637 | 743 | 0 | 106 |
| Total | -1,923 | 2,439 | 0 | 516 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

15. SDG&E-19-R (Exh 153) - INFORMATION TECHNOLOGY

c. CAPITAL

| Project | ORA vs. SDG&E (2014+2015+2016) | Reference |
|----------------|--------------------------------|-----------|
| 1. 00811.0.ALL | (5,639) | 2A15-c1 |

CHAPTER 2A15-c1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-19-R
Area: INFORMATION TECHNOLOGY
Witness: Mikovits, Stephen J.

CAPITAL EXPENDITURES

Project: IT Capital Projects
Budget Code: 00811.0.ALL

SDG&E Position: SDG&E is requesting capital expenditures of \$94.274 million in 2014, \$62.084 million in 2015, and \$35.388 million in 2016 for Information Technology. These amounts include both business unit-sponsored IT capital projects and IT Division-sponsored IT capital projects.

ORA Position: ORA recommends utilizing adjusted-recorded 2014 capital expenditures of \$88.635 million, which is \$5.639 million less than SDG&E's 2014 forecast. ORA does not oppose the utility's 2015 and 2016 capital expenditure forecasts of \$62.084 million and \$35.388 million, respectively.

Note: The amounts in the following table reflect only those projects where a disallowance has been recommended by ORA for 2014 only.

CHAPTER 2A15-c1

Proposed Capital Expenditures (in thousands of 2013 dollars)

| SDG&E | 2014 | 2015 | 2016 | Total |
|------------------|-------------|-------------|-------------|--------------|
| 00811A.001 | 307 | 143 | 0 | 450 |
| 00811A.002 | 323 | 0 | 0 | 323 |
| 00821A.001 | 2,422 | 0 | 0 | 2,422 |
| 00821A.002 | 80 | 0 | 0 | 80 |
| 00821A.003 | 60 | 0 | 0 | 60 |
| 00827A.001 | 757 | 0 | 0 | 757 |
| 00827B.001 | 329 | 0 | 0 | 329 |
| 00829B.001 | 380 | 380 | 380 | 1,140 |
| 00829C.001 | 52 | 959 | 88 | 1,099 |
| 00829D.001 | 2,320 | 143 | 0 | 2,463 |
| 00829E.001 | 541 | 148 | 0 | 689 |
| 00829F.001 | 1,574 | 0 | 0 | 1,574 |
| 00829G.001 | 771 | 0 | 0 | 771 |
| 00831J.004 | 0 | 0 | 2,817 | 2,817 |
| 00831L.001 | 551 | 0 | 0 | 551 |
| 00831O.001 | 113 | 0 | 0 | 113 |
| 00831P.001 | 4,704 | 0 | 0 | 4,704 |
| 00833E.002 | 454 | 0 | 0 | 454 |
| 00833E.003 | 100 | 0 | 0 | 100 |
| 00833F.001 | 1,654 | 0 | 0 | 1,654 |
| 00833F.002 | 417 | 0 | 0 | 417 |
| 00833G.001 | 907 | 0 | 0 | 907 |
| 00833G.002 | 1,315 | 0 | 0 | 1,315 |
| 00833G.003 | 255 | 0 | 0 | 255 |
| 00833G.004 | 247 | 0 | 0 | 247 |
| 00833H.001 | 137 | 475 | 0 | 612 |
| 00833H.002 | 200 | 148 | 0 | 348 |
| 00833L.001 | 335 | 224 | 0 | 559 |
| 00833M.001 | 249 | 0 | 0 | 249 |
| 00833P.001 | 992 | 0 | 0 | 992 |
| 00833Q.001 | 357 | 0 | 0 | 357 |
| 00833Q.002 | 63 | 0 | 0 | 63 |
| 00833R.001 | 314 | 0 | 0 | 314 |
| 00833S.001 | 139 | 0 | 0 | 139 |
| 00833T.001 | 668 | 0 | 0 | 668 |
| 00833U.001 | 1,113 | 0 | 0 | 1,113 |
| 00834A.001 | 121 | 0 | 0 | 121 |
| 00834C.001 | 48 | 0 | 0 | 48 |
| 00834D.001 | 451 | 0 | 0 | 451 |
| 03849A.001 | 0 | 455 | 0 | 455 |
| 03849B.001 | 71 | 0 | 0 | 71 |
| 03851C.001 | 0 | 989 | 0 | 989 |
| 03851D.001 | 638 | 0 | 0 | 638 |
| 03851E.001 | 294 | 0 | 0 | 294 |
| 03851F.001 | 4,569 | 0 | 0 | 4,569 |
| 03851F.002 | 662 | 2,000 | 0 | 2,662 |
| 03851G.001 | 590 | 0 | 0 | 590 |
| 03851G.002 | 472 | 0 | 0 | 472 |
| 03851G.003 | 75 | 0 | 0 | 75 |
| 03851H.001 | 2,802 | 508 | 0 | 3,310 |
| 04843A.001 | 917 | 0 | 0 | 917 |
| 07864B.001 | 9,724 | 0 | 0 | 9,724 |
| 07864B.002 | 2,142 | 0 | 0 | 2,142 |
| 08869A.001 | 727 | 0 | 0 | 727 |
| 10872A.001 | 1,934 | 0 | 0 | 1,934 |
| 10874A.001 | 22,748 | 0 | 0 | 22,748 |

CHAPTER 2A15-c1

| | | | | |
|--------------|---------------|---------------|--------------|----------------|
| 10875A.001 | 1,184 | 0 | 0 | 1,184 |
| 10875A.002 | 298 | 0 | 0 | 298 |
| 10875B.001 | 1,441 | 0 | 0 | 1,441 |
| 10875C.001 | 90 | 0 | 0 | 90 |
| 10875D.001 | 126 | 0 | 0 | 126 |
| 10875E.001 | 444 | 0 | 0 | 444 |
| 10875F.001 | 139 | 0 | 0 | 139 |
| 10875K.001 | 1,872 | 946 | 0 | 2,818 |
| 10875K.002 | 84 | 77 | 0 | 161 |
| 10875L.001 | 0 | 1,065 | 1,065 | 2,130 |
| 10875M.001 | 6,613 | 7,758 | 207 | 14,578 |
| 10875M.002 | 489 | 1,002 | 418 | 1,909 |
| 10875N.001 | 3,798 | 1,020 | 0 | 4,818 |
| 10875O.001 | 881 | 1,095 | 0 | 1,976 |
| 10875O.002 | 419 | 402 | 200 | 1,021 |
| 10877A.001 | 304 | 0 | 0 | 304 |
| 11878A.001 | 171 | 0 | 0 | 171 |
| 11878A.002 | 738 | 0 | 0 | 738 |
| 13849A.001 | 998 | 0 | 0 | 998 |
| Total | 94,274 | 19,937 | 5,175 | 119,386 |

| ORA | 2014 | 2015 | 2016 | Total |
|------------|-------------|-------------|-------------|--------------|
| 00811A.001 | 0 | 143 | 0 | 143 |
| 00811A.002 | 135 | 0 | 0 | 135 |
| 00821A.001 | 3,069 | 0 | 0 | 3,069 |
| 00821A.002 | 0 | 0 | 0 | 0 |
| 00821A.003 | 0 | 0 | 0 | 0 |
| 00827A.001 | 0 | 0 | 0 | 0 |
| 00827B.001 | 431 | 0 | 0 | 431 |
| 00829B.001 | 560 | 380 | 380 | 1,320 |
| 00829C.001 | 0 | 959 | 88 | 1,047 |
| 00829D.001 | 1,166 | 143 | 0 | 1,309 |
| 00829E.001 | 0 | 148 | 0 | 148 |
| 00829F.001 | 1,564 | 0 | 0 | 1,564 |
| 00829G.001 | 709 | 0 | 0 | 709 |
| 00831J.004 | 424 | 0 | 2,817 | 3,241 |
| 00831L.001 | 0 | 0 | 0 | 0 |
| 00831O.001 | 0 | 0 | 0 | 0 |
| 00831P.001 | 5,029 | 0 | 0 | 5,029 |
| 00833E.002 | 0 | 0 | 0 | 0 |
| 00833E.003 | 0 | 0 | 0 | 0 |
| 00833F.001 | 1,918 | 0 | 0 | 1,918 |
| 00833F.002 | 0 | 0 | 0 | 0 |
| 00833G.001 | 832 | 0 | 0 | 832 |
| 00833G.002 | 0 | 0 | 0 | 0 |
| 00833G.003 | 0 | 0 | 0 | 0 |
| 00833G.004 | 0 | 0 | 0 | 0 |
| 00833H.001 | 0 | 475 | 0 | 475 |
| 00833H.002 | 0 | 148 | 0 | 148 |
| 00833L.001 | 0 | 224 | 0 | 224 |
| 00833M.001 | 429 | 0 | 0 | 429 |
| 00833P.001 | 1,031 | 0 | 0 | 1,031 |
| 00833Q.001 | 389 | 0 | 0 | 389 |
| 00833Q.002 | 0 | 0 | 0 | 0 |
| 00833R.001 | 396 | 0 | 0 | 396 |
| 00833S.001 | 284 | 0 | 0 | 284 |
| 00833T.001 | 795 | 0 | 0 | 795 |
| 00833U.001 | 1,393 | 0 | 0 | 1,393 |

CHAPTER 2A15-c1

| | | | | |
|--------------|---------------|---------------|--------------|----------------|
| 00834A.001 | 306 | 0 | 0 | 306 |
| 00834C.001 | 46 | 0 | 0 | 46 |
| 00834D.001 | 440 | 0 | 0 | 440 |
| 03849A.001 | 190 | 455 | 0 | 645 |
| 03849B.001 | 100 | 0 | 0 | 100 |
| 03851C.001 | 275 | 989 | 0 | 1,264 |
| 03851D.001 | 651 | 0 | 0 | 651 |
| 03851E.001 | 343 | 0 | 0 | 343 |
| 03851F.001 | 4,207 | 0 | 0 | 4,207 |
| 03851F.002 | 0 | 2,000 | 0 | 2,000 |
| 03851G.001 | 814 | 0 | 0 | 814 |
| 03851G.002 | 0 | 0 | 0 | 0 |
| 03851G.003 | 0 | 0 | 0 | 0 |
| 03851H.001 | 2,840 | 508 | 0 | 3,348 |
| 04843A.001 | 1,418 | 0 | 0 | 1,418 |
| 07864B.001 | 10,649 | 0 | 0 | 10,649 |
| 07864B.002 | 0 | 0 | 0 | 0 |
| 08869A.001 | 1,852 | 0 | 0 | 1,852 |
| 10872A.001 | 2,404 | 0 | 0 | 2,404 |
| 10874A.001 | 30,219 | 0 | 0 | 30,219 |
| 10875A.001 | 0 | 0 | 0 | 0 |
| 10875A.002 | 0 | 0 | 0 | 0 |
| 10875B.001 | 0 | 0 | 0 | 0 |
| 10875C.001 | 165 | 0 | 0 | 165 |
| 10875D.001 | 285 | 0 | 0 | 285 |
| 10875E.001 | 463 | 0 | 0 | 463 |
| 10875F.001 | 134 | 0 | 0 | 134 |
| 10875K.001 | 826 | 946 | 0 | 1,772 |
| 10875K.002 | 0 | 77 | 0 | 77 |
| 10875L.001 | 158 | 1,065 | 1,065 | 2,288 |
| 10875M.001 | 4,526 | 7,758 | 207 | 12,491 |
| 10875M.002 | 0 | 1,002 | 418 | 1,420 |
| 10875N.001 | 2,968 | 1,020 | 0 | 3,988 |
| 10875O.001 | 0 | 1,095 | 0 | 1,095 |
| 10875O.002 | 0 | 402 | 200 | 602 |
| 10877A.001 | 433 | 0 | 0 | 433 |
| 11878A.001 | 0 | 0 | 0 | 0 |
| 11878A.002 | 0 | 0 | 0 | 0 |
| 13849A.001 | 1,369 | 0 | 0 | 1,369 |
| Total | 88,635 | 19,937 | 5,175 | 113,747 |

| Difference | 2014 | 2015 | 2016 | Total |
|-------------------|-------------|-------------|-------------|--------------|
| 00811A.001 | -307 | 0 | 0 | -307 |
| 00811A.002 | -188 | 0 | 0 | -188 |
| 00821A.001 | 647 | 0 | 0 | 647 |
| 00821A.002 | -80 | 0 | 0 | -80 |
| 00821A.003 | -60 | 0 | 0 | -60 |
| 00827A.001 | -757 | 0 | 0 | -757 |
| 00827B.001 | 102 | 0 | 0 | 102 |
| 00829B.001 | 180 | 0 | 0 | 180 |
| 00829C.001 | -52 | 0 | 0 | -52 |
| 00829D.001 | -1,154 | 0 | 0 | -1,154 |
| 00829E.001 | -541 | 0 | 0 | -541 |
| 00829F.001 | -10 | 0 | 0 | -10 |
| 00829G.001 | -62 | 0 | 0 | -62 |
| 00831J.004 | 424 | 0 | 0 | 424 |
| 00831L.001 | -551 | 0 | 0 | -551 |
| 00831O.001 | -113 | 0 | 0 | -113 |

CHAPTER 2A15-c1

| | | | | |
|------------|--------|---|---|--------|
| 00831P.001 | 325 | 0 | 0 | 325 |
| 00833E.002 | -454 | 0 | 0 | -454 |
| 00833E.003 | -100 | 0 | 0 | -100 |
| 00833F.001 | 264 | 0 | 0 | 264 |
| 00833F.002 | -417 | 0 | 0 | -417 |
| 00833G.001 | -75 | 0 | 0 | -75 |
| 00833G.002 | -1,315 | 0 | 0 | -1,315 |
| 00833G.003 | -255 | 0 | 0 | -255 |
| 00833G.004 | -247 | 0 | 0 | -247 |
| 00833H.001 | -137 | 0 | 0 | -137 |
| 00833H.002 | -200 | 0 | 0 | -200 |
| 00833L.001 | -335 | 0 | 0 | -335 |
| 00833M.001 | 180 | 0 | 0 | 180 |
| 00833P.001 | 39 | 0 | 0 | 39 |
| 00833Q.001 | 32 | 0 | 0 | 32 |
| 00833Q.002 | -63 | 0 | 0 | -63 |
| 00833R.001 | 82 | 0 | 0 | 82 |
| 00833S.001 | 145 | 0 | 0 | 145 |
| 00833T.001 | 127 | 0 | 0 | 127 |
| 00833U.001 | 280 | 0 | 0 | 280 |
| 00834A.001 | 185 | 0 | 0 | 185 |
| 00834C.001 | -2 | 0 | 0 | -2 |
| 00834D.001 | -11 | 0 | 0 | -11 |
| 03849A.001 | 190 | 0 | 0 | 190 |
| 03849B.001 | 29 | 0 | 0 | 29 |
| 03851C.001 | 275 | 0 | 0 | 275 |
| 03851D.001 | 13 | 0 | 0 | 13 |
| 03851E.001 | 49 | 0 | 0 | 49 |
| 03851F.001 | -362 | 0 | 0 | -362 |
| 03851F.002 | -662 | 0 | 0 | -662 |
| 03851G.001 | 224 | 0 | 0 | 224 |
| 03851G.002 | -472 | 0 | 0 | -472 |
| 03851G.003 | -75 | 0 | 0 | -75 |
| 03851H.001 | 38 | 0 | 0 | 38 |
| 04843A.001 | 501 | 0 | 0 | 501 |
| 07864B.001 | 925 | 0 | 0 | 925 |
| 07864B.002 | -2,142 | 0 | 0 | -2,142 |
| 08869A.001 | 1,125 | 0 | 0 | 1,125 |
| 10872A.001 | 470 | 0 | 0 | 470 |
| 10874A.001 | 7,471 | 0 | 0 | 7,471 |
| 10875A.001 | -1,184 | 0 | 0 | -1,184 |
| 10875A.002 | -298 | 0 | 0 | -298 |
| 10875B.001 | -1,441 | 0 | 0 | -1,441 |
| 10875C.001 | 75 | 0 | 0 | 75 |
| 10875D.001 | 159 | 0 | 0 | 159 |
| 10875E.001 | 19 | 0 | 0 | 19 |
| 10875F.001 | -5 | 0 | 0 | -5 |
| 10875K.001 | -1,046 | 0 | 0 | -1,046 |
| 10875K.002 | -84 | 0 | 0 | -84 |
| 10875L.001 | 158 | 0 | 0 | 158 |
| 10875M.001 | -2,087 | 0 | 0 | -2,087 |
| 10875M.002 | -489 | 0 | 0 | -489 |
| 10875N.001 | -830 | 0 | 0 | -830 |
| 10875O.001 | -881 | 0 | 0 | -881 |
| 10875O.002 | -419 | 0 | 0 | -419 |
| 10877A.001 | 129 | 0 | 0 | 129 |
| 11878A.001 | -171 | 0 | 0 | -171 |
| 11878A.002 | -738 | 0 | 0 | -738 |
| 13849A.001 | 371 | 0 | 0 | 371 |

CHAPTER 2A15-c1

| | | | | |
|-------|--------|---|---|--------|
| Total | -5,639 | 0 | 0 | -5,639 |
|-------|--------|---|---|--------|

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

16. SDG&E-20 (Exh 222) - CORPORATE CENTER - GENERAL ADMINISTRATION

a. O&M - NON-SHARED

| Workpaper | ORA vs. SDG&E (2016) | Reference |
|---------------|----------------------|-----------|
| 1. 1SE000.001 | (3,041) | 2A16-a1 |

CHAPTER 2A16-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-20
Area: CORPORATE CENTER - GENERAL ADMINISTRATION
Witness: Devine, Hannah L.

NONSHARED O&M

Subject: SECC OUTSIDE SERVICES - F923.1 and F923.4
Workpaper: 1SE000.001

SDG&E Position: SDG&E requests \$62.130 million in 2013 dollars, or \$64.200 million in 2016 (updated) dollars, for allocations of Sempra’s TY 2016 Corporate Center Shared Services. This includes allocated and directly-assigned expenses for functions that are not otherwise performed at the utility, in the area of Finance, Legal & Governance, Human Resources, External Affairs, Facilities/Assets (including Depreciation), and related Pension & Benefits.

Exhibit SDG&E-20, Pages PRW 1-2 and 8

ORA Position: ORA recommends basing TY 2016 on the overall percentage of SDG&E allocations from Corporate Center Total, using a three-year recent average (2012-2014) including ORA’s audit adjustments. This results in \$59.6 million in 2013 dollars allocated to SDG&E (ORA did not calculate the escalated amount in 2016 dollars). ORA’s recommendation is a decrease of \$2.5 million (in 2013 dollars) to SDG&E.

Exhibit ORA-16, pages 7-8

Note: The proposed TY2016 Forecast below does not include Corporate Center’s standard escalation. Because of the variety of standard and non-standard costs, Corporate Center calculates and provides a total escalated allocation to the utilities as “non-standard” so they are not escalated a second time.

Proposed TY2016 Forecast (in thousands of 2013 dollars):
Non-Standard/Total 62,130(SDG&E) 59,648(ORA) -2,482(Difference)

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|---------------|-------------------|
| Labor | 0 | 0 | 0 |
| NonLabor | 0 | 0 | 0 |
| Nonstandard | 61,905 | 58,864 | -3,041 |
| TOTAL | 61,905 | 58,864 | -3,041 |

Chapter 2 - ORA vs. SDG&E
Part A - O&M and Capital Expenditures

17. SDG&E-21 (Exh 210) - CORPORATE CENTER - INSURANCE

a. O&M - NON-SHARED

| Workpaper | ORA vs. SDG&E (2016) | Reference |
|------------------|---------------------------------|------------------|
| 1. 1SN000.006 | (7,422) | 2A17-a1 |

CHAPTER 2A17-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-21
Area: CORPORATE CENTER - INSURANCE
Witness: Carbon, Katherine

NONSHARED O&M

Subject: SECC EXCESS LIABILITY INSURANCE PLPD - F184.8 Wildfire
Workpaper: 1SN000.006

SDG&E Position: SDG&E forecasts \$89.939 million in Fire Liability insurance for 2016. Fire Liability is comprised of Wildfire Liability and Wildfire Property Damage Reinsurance. SDG&E states that Wildfire Liability provides coverage for third party liability for bodily injury, property damage or personal injury arising from wildfires, and that its premium forecast was based on actual premium expense used for 2013 and an annual escalation factor of 3% for market pressures.

Exhibit SDG&E-21, p. KC-5, Table 2B
Exhibit SDG&E-21-WP/K. Carbon p 81

ORA Position: ORA recommends \$82.517 million, a reduction of \$7.422 million.

ORA used the 2014 dollar amounts from the data response, found the de-escalated dollars amounts in the Excel file in the data response, then escalated the Wildfire Liability portion using ORA's escalation factor for SDG&E Non-Labor Electric, while maintaining the Wildfire Property Damage Reinsurance portion flat to derive a TY 2016 forecast for Fire Liability of \$82.517 million, which is \$7.422 million lower than SDG&E's request.

Exhibit ORA-16, p. 12, Table 16-3

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|---------------|-------------------|
| Labor | 0 | 0 | 0 |
| NonLabor | 0 | 0 | 0 |
| Nonstandard | 89,939 | 82,517 | -7,422 |
| TOTAL | 89,939 | 82,517 | -7,422 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

18. SDG&E-22 (Exh 193) - COMPENSATION, HEALTH, & WELFARE

a. O&M - NON-SHARED

| Workpaper | ORA vs. SDG&E (2016) | Reference |
|----------------|----------------------|-----------|
| 1. 1CP000.000 | (33,107) | 2A18-a1 |
| 2. 1CP000.002 | (10,265) | 2A18-a2 |
| 3. 1PB000.000 | (2,134) | 2A18-a3 |
| 4. 1PB000.001 | (214) | 2A18-a4 |
| 5. 1PB000.002 | (19) | 2A18-a5 |
| 6. 1PB000.003 | (398) | 2A18-a6 |
| 7. 1PB000.004 | (9) | 2A18-a7 |
| 8. 1PB000.005 | (194) | 2A18-a8 |
| 9. 1PB000.006 | 37 | 2A18-a9 |
| 10. 1PB000.007 | (7) | 2A18-a10 |
| 11. 1PB000.011 | (3,360) | 2A18-a11 |
| 12. 1PB000.023 | (273) | 2A18-a12 |

CHAPTER 2A18-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-22
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: COMPENSATION-VARIABLE PAY
Workpaper: 1CP000.000

SDG&E Position: SDG&E requests \$50.351 million for TY 2016 for the activities in this work group using a zero-based forecast. The ORA and SDG&E jointly selected Towers Watson to conduct the competitive compensation and benefits analysis. SDG&E's total compensation (defined as base salaries, target short-term incentives, long term incentives and benefits) is within 5.3 percent of market. Compensation professionals, including Towers Watson, typically consider a range of plus or minus 10 percent of the average of the external market data to be competitive and broader ranges are common and expected for long-term incentive plans and benefits. SDG&E is requesting recovery of variable pay based on target performance. If actual ICP performance exceeds target performance, the differential is funded by shareholders and is not recoverable in rates.

Exhibit SDG&E-22, p. DSR-6-9
Exhibit SDG&E-22-WP, p. 6

ORA Position: ORA recommends \$17.244 million, a reduction of \$33.107 million by:

1. Allocate to ratepayers 20% of the Incentive Compensation Program (ICP) expense for executives;
2. Allocate to ratepayers 35% of the ICP expense for non-executives.

Exhibit ORA-17, p. 5

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|---------------|-------------------|
| Labor | 50,351 | 17,244 | -33,107 |
| NonLabor | 0 | 0 | 0 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 50,351 | 17,244 | -33,107 |

CHAPTER 2A18-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-22
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: COMPENSATION-LONG-TERM INCENTIVE PLAN
Workpaper: 1CP000.002

SDG&E Position: SDG&E requests \$10.265 million for TY 2016 for the activities in this work group using a zero-based forecast. Long-term incentives are an integral component of a competitive compensation program for key management and executive employees. Consistent with the external labor market, SDG&E's compensation philosophy ties a greater portion of pay to company performance at higher levels of responsibility. The actual compensation realized by participants is dependent on Sempra Energy's performance. Long-term incentives awards are granted under the Sempra Energy Long Term Incentive Plan, in the form of performance-based restricted stock units and service-based restricted stock units. Long-term incentive plan costs are based on the accounting expense incurred for awards issued to SDG&E employees.

Exhibit SDG&E-22, p. DSR-10-11
Exhibit SDG&E-22-WP, p. 14

ORA Position: ORA recommends disallowing 100% of LTIP. ORA opposes ratepayer funding for the Long-Term Incentive Plans. The long term incentives, comprising stock options, are clearly shareholder-related expenses and are not an appropriate ratepayer expense. Ratepayers should not be burdened with this cost which serves to benefit highly compensated executives and shareholders.

Exhibit ORA-17, pp 12-13

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 0 | 0 | 0 |
| NonLabor | 0 | 0 | 0 |
| Nonstandard | 10,265 | 0 | -10,265 |
| TOTAL | 10,265 | 0 | -10,265 |

CHAPTER 2A18-a3

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-22
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: HEALTH BENEFITS-MEDICAL
Workpaper: 1PB000.000

SDG&E Position: SDG&E requests \$50.179 million for TY 2016 the activities in this work group using a zero-based forecast. This reflects forecasted medical rate escalation as well as anticipated changes in headcount. Healthcare costs continue to increase at rates much higher than general inflation. The medical trend forecast was prepared by Towers Watson, SDG&E's actuary and benefits broker. Towers Watson considered California and national data and prepared a forecast specifically for SDG&E taking into account workforce demographics, historical utilization data, and medical plan design. The projected aggregate rate increase for 2016 is 7.8 percent.

Exhibit SDG&E-22, pp DSR-14 and DSR-19
Exhibit SDG&E-22-WP, pp 36

ORA Position: ORA recommends \$48.045 million (revised Errata amount) for TY 2016.

ORA's methodology began with the actual, rather than estimated, 2014 expense. ORA divided each company's 2014 actual expense by the 2014 actual FTE count to arrive at a program cost per person, escalated the program costs, and then multiplied the 2016 program cost by each company's estimated 2016 FTE count to arrive at ORA's TY estimate. In addition, ORA recommends using the Berkeley Healthcare Forum's California-specific forecast for medical escalation rates.

Exhibit ORA-17-E, p 4
Exhibit ORA-17, pp 15, 17-18

Note: ORA's request for TY 2016 has been updated to reflect changes provided in the Errata filing. ORA's original request was \$44.955 million.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|---------------|-------------------|
| Labor | 0 | 0 | 0 |
| NonLabor | 0 | 0 | 0 |
| Nonstandard | 50,179 | 48,045 | -2,134 |
| TOTAL | 50,179 | 48,045 | -2,134 |

CHAPTER 2A18-a4

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-22
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: HEALTH BENEFITS-DENTAL
Workpaper: 1PB000.001

SDG&E Position: SDG&E requests \$4.094 million for TY 2016 for the activities in this work group using a zero-based forecast. SDG&E offers two dental plans to its employees and their eligible dependents: Delta Dental Plan and Met Life Safeguard Dental Plan. 2016 costs are based on 2015 premiums adjusted for projected inflation and changes in projected headcount.

Exhibit SDG&E-22, p DSR-23
Exhibit SDG&E-22-WP, p. 45

ORA Position: ORA recommends \$3.88 million (revised Errata amount) for TY 2016. ORA analyzed the historical expenses and does not dispute them or the proposed escalation rates. ORA's use of 2014 actual, adjusted recorded expense results in an ORA TY estimate.

Exhibit ORA-17-E, p 4
Exhibit ORA-17, p 19

Note: ORA's request for TY 2016 has been updated to reflect changes provided in the Errata filing. ORA's original request was \$3.631 million.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 0 | 0 | 0 |
| NonLabor | 0 | 0 | 0 |
| Nonstandard | 4,094 | 3,880 | -214 |
| TOTAL | 4,094 | 3,880 | -214 |

CHAPTER 2A18-a5

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-22
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: HEALTH BENEFITS - VISION
Workpaper: 1PB000.002

SDG&E Position: SDG&E requests \$0.350 million for TY 2016 for the activities in this work group using a zero-based forecast. SDG&E offers employees vision coverage under the Vision Service Plan (“VSP”). VSP is experience rated and future premiums are based on the prior year’s utilization history. 2016 costs per covered employee are forecasted based on 2015 premiums adjusted for projected inflation and changes in projected headcount.

Exhibit SDG&E-22, p DSR-23
Exhibit SDG&E-22-WP, p 52

ORA Position: ORA recommends 0.331 million (revised Errata amount) for TY 2016. ORA analyzed the historical expenses for both companies and does not dispute them or the proposed escalation rates. ORA’s use of 2014 actual, adjusted recorded expense results in an ORA TY estimate.

Exhibit ORA-17-E, p 4
Exhibit ORA-17, p 19

Note: ORA’s request for TY 2016 has been updated to reflect changes provided in the Errata filing. ORA’s original request was \$0.310 million.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 0 | 0 | 0 |
| NonLabor | 0 | 0 | 0 |
| Nonstandard | 350 | 331 | -19 |
| TOTAL | 350 | 331 | -19 |

CHAPTER 2A18-a6

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-22
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: HEALTH BENEFITS-WELLNESS
Workpaper: 1PB000.003

SDG&E Position: SDG&E requests \$1.169 million for TY 2016. The objective of the SDG&E wellness program is to improve employee health and productivity. Wellness programs promote healthy lifestyle changes and illness prevention, facilitate early detection and management of illness and disease, and help ensure that employees diagnosed with health conditions receive optimal and effective treatment.

Wellness program costs are projected to increase from 2013 through 2016 due to headcount additions, additional onsite health screenings, and additional programs promoting health and wellness.

Exhibit SDG&E-22, pp DSR-24 and DSR-25
Exhibit SDG&E-22-WP, p. 59

ORA Position: ORA recommends 0.771 million (revised Errata amount) for TY 2016. ORA analyzed the historical expenses and does not dispute them or with the proposed escalation rates. ORA's use of 2014 actual, adjusted recorded expense results in an ORA TY estimate.

Exhibit: ORA-17, p 20
Exhibit: ORA-17-E, p 4

Note: ORA's request for TY 2016 has been updated to reflect changes provided in the Errata filing. ORA's original request was \$0.758 million.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 0 | 0 | 0 |
| NonLabor | 0 | 0 | 0 |
| Nonstandard | 1,169 | 771 | -398 |
| TOTAL | 1,169 | 771 | -398 |

CHAPTER 2A18-a7

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-22
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: HEALTH BENEFITS-EMPLOYEE ASSISTANCE PROGRAM (EAP)
Workpaper: 1PB000.004

SDG&E Position: SDG&E requests \$0.335 million for TY 2016 for the activities in this work group using a zero-based forecast. SDG&E is required by the Drug Free Workplace Act of 1988 and the Department of Transportation ("DOT") to have an EAP program available to its employees. EAP provides employees and their eligible dependents with cost-effective, confidential counseling and treatment services for various personal problems that may have a negative impact on job performance. The cost forecast is based on actual 2013 claims paid indexed for projected headcount changes and assuming that premiums follow the same escalation trend as medical premiums.

Exhibit SDG&E-22, pages DSR-26 and DSR-27
Exhibit SDG&E-22-WP, page 67

ORA Position: ORA recommends \$0.326 million (revised Errata amount) for TY 2016.

ORA analyzed the historical expenses and does not dispute them or the proposed escalation rates. ORA's use of 2014 actual, adjusted recorded expense results in an ORA TY estimate.

Exhibit ORA-17, p 20
Exhibit ORA-17-E, p 4

Note: ORA's request for TY 2016 has been updated to reflect changes provided in the Errata filing. ORA's original request was \$0.305 million.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 0 | 0 | 0 |
| NonLabor | 0 | 0 | 0 |
| Nonstandard | 335 | 326 | -9 |
| TOTAL | 335 | 326 | -9 |

CHAPTER 2A18-a8

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-22
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: HEALTH BENEFITS-MENTAL HEALTH
Workpaper: 1PB000.005

SDG&E Position: SDG&E requests \$1.579 million for TY 2016 for the activities in this work group using a zero-based forecast. Mental health and substance abuse services include individual counseling sessions for issues such as psychological and emotional conditions, life management, all addictions, job-related problems, and relationship issues. The cost forecast is based on actual 2013 claims paid indexed for projected headcount changes and assuming that premiums follow the same escalation trend as medical premiums.

Exhibit SDG&E-22, pages DSR-26 and DSR-27
Exhibit SDG&E-22-WP, page 74

ORA Position: ORA recommends \$1.385 million (revised Errata amount) for TY 2016.

ORA's use of 2014 actual, adjusted recorded expense and the Berkeley Healthcare Forum's California-specific medical escalation rates results in an ORA TY estimate.

Exhibit ORA-17, p 20
Exhibit ORA-17-E, p 4

Note: ORA's request for TY 2016 has been updated to reflect changes provided in the Errata filing. ORA's original request was \$1.361 million.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 0 | 0 | 0 |
| NonLabor | 0 | 0 | 0 |
| Nonstandard | 1,579 | 1,385 | -194 |
| TOTAL | 1,579 | 1,385 | -194 |

CHAPTER 2A18-a9

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-22
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: WELFARE BENEFITS-LIFE INSURANCE
Workpaper: 1PB000.006

SDG&E Position: SDG&E requests \$0.790 million for TY 2016 for the activities in this work group using a zero-based forecast. SDG&E provides employees with basic life insurance coverage equal to one times annual pay (base salary plus ICP, if applicable). Coverage is adjusted each year to reflect increases or decreases in employee pay. The premium per \$1,000 of coverage is based on the actual 2014 rate. Projected 2016 costs are adjusted for wage and headcount escalation.

Exhibit SDG&E-22, p DSR-28
Exhibit SDG&E-22-WP, p 96

ORA Position: ORA recommends \$0.827 million (revised Errata amount) for TY 2016.

ORA analyzed the historical expenses for both companies and does not dispute them or the proposed escalation rates. ORA's use of 2014 actual, adjusted recorded expense results in an ORA TY estimate.

Exhibit ORA-17, p 22
Exhibit ORA-17-E, p 5

Note: ORA's request for TY 2016 has been updated to reflect changes provided in the Errata filing. ORA's original request was \$0.733 million.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 0 | 0 | 0 |
| NonLabor | 0 | 0 | 0 |
| Nonstandard | 790 | 827 | 37 |
| TOTAL | 790 | 827 | 37 |

CHAPTER 2A18-a10

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-22
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: WELFARE BENEFITS-AD&D INSURANCE
Workpaper: 1PB000.007

SDG&E Position: SDG&E requests \$0.093 million for TY 2016 for the activities in this work group using a zero-based forecast. SDG&E provides employees with basic Accidental Death and Dismemberment insurance coverage equal to one times annual pay (base salary plus ICP, if applicable). Coverage is adjusted each year to reflect increases or decreases in employee pay. AD&D insurance provides a level of protection and additional security to employees and their families in the event of a tragic accident.

Exhibit SDG&E-22, p DSR-28
Exhibit SDG&E-22-WP, p 82

ORA Position: ORA recommends \$0.086 million (revised Errata amount) for TY 2016.

ORA analyzed the historical expenses and does not dispute them or the proposed escalation rates. ORA's use of 2014 actual, adjusted recorded expense results in an ORA TY estimate.

Exhibit ORA-17, p 22
Exhibit ORA-17-E, p 5

Note: ORA's request for TY2016 has been updated to reflect changes provided in the Errata filing. ORA's original request was \$0.077 million).

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 0 | 0 | 0 |
| NonLabor | 0 | 0 | 0 |
| Nonstandard | 93 | 86 | -7 |
| TOTAL | 93 | 86 | -7 |

CHAPTER 2A18-a11

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-22
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: RETIREMENT BENEFITS-SUPPLEMENTAL PENSION
Workpaper: 1PB000.011

SDG&E Position: SDG&E requests \$3.360 million for TY 2016 for the activities in this work group using a zero-based forecast. SDG&E offers two supplemental pension plans, the Supplemental Executive Retirement Plan, which covers a small number of senior executives, and the Cash Balance Restoration Plan. The Cash Balance Restoration Plan restores benefits for employees whose earnings or benefits exceed the limitations established by the Employee Retirement and Income Security Act. The plan merely restores benefits that would otherwise be lost due to statutory limits under broad based retirement plans. Cost forecasts represent the projected benefit payments. As with other contingent cash flows, the amount and timing of future benefit payments are based on actuarial assumptions such as the lump sum rate, future salary increases, and mortality and retirement rates.

Exhibit SDG&E-22, pages DSR-30 and DSR-31

ORA Position: ORA recommends zero for TY 2016.

ORA opposes the inclusion of any supplemental executive benefits in revenue requirements. The amount contributed to the pension plan by ratepayers serves to provide sufficient retirement program benefits and does not need to be further supplemented and enhanced to provide even higher retirement benefits and to support a highly enhanced retirement salary.

Exhibit ORA-17, p 25

Note: Additional SDG&E reference: Exhibit SDG&E-22-WP, p 120

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 0 | 0 | 0 |
| NonLabor | 0 | 0 | 0 |
| Nonstandard | 3,360 | 0 | -3,360 |
| TOTAL | 3,360 | 0 | -3,360 |

CHAPTER 2A18-a12

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-22
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: RETIREMENT BENEFITS-NON-QUALIFIED RETIREMENT SAVINGS PLAN
Workpaper: 1PB000.023

SDG&E Position: SDG&E requests \$0.273 million for TY 2016.

The nonqualified retirement savings plan, or deferred compensation plan, allows pre-tax contributions for employees subject to IRS compensation and contribution limits. Company matching contributions under the plan are identical to Company matching contributions under the RSP.

Exhibit SDG&E-22, P DSR-30

ORA Position: ORA recommends that the Commission not allow any costs of the Nonqualified Savings Plan to be included in TY expenses used to develop the revenue requirement. ORA is opposed to having ratepayers bear the costs of benefit programs in excess of federal limits and which serve to further enhance benefits to higher compensated employees. Neither company has demonstrated that these enhanced benefits are necessary to attract and retain skilled employees nor supported the reasonableness of ratepayer funding the costs associated with supplemental benefits beyond traditional funding levels and limitations.

Exhibit ORA-17, pages 24 and 25

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 0 | 0 | 0 |
| NonLabor | 0 | 0 | 0 |
| Nonstandard | 273 | 0 | -273 |
| TOTAL | 273 | 0 | -273 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

19. SDG&E-24 (Exh 121) - HR, SAFETY, DISABILITY, & WORKERS COMP

a. O&M - NON-SHARED

| Workpaper | ORA vs. SDG&E (2016) | Reference |
|---------------|----------------------|-----------|
| 1. 1HR002.000 | (100) | 2A19-a1 |
| 2. 1HR007.000 | (450) | 2A19-a2 |

CHAPTER 2A19-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-24
Area: HR, SAFETY, DISABILITY, & WORKERS COMP
Witness: Edgar, Sarah E.

NONSHARED O&M

Subject: Safety Wellness & Disability Services
Workpaper: 1HR002.000

SDG&E Position: SDG&E requests \$6.552 million for TY 2016 for the addition of one Industrial Hygienist at \$100,000* in 2016 is needed for implementation of ARC Hazard assessment, training, and roll-out, arc hazard protection, and the enhancement of current Public Safety Programs. The additional employee is intended to shadow/backfill an anticipated retirement. Additional requests are for ARC Hazard assessment, training, and roll-out and the enhancement of current Public Safety Programs.

Exhibit SDG&E-24, p 8

ORA Position: ORA recommends \$6.452 million for TY 2016. ORA opposes ratepayer funding of this addition of one new Industrial Hygienist at \$100,000 in 2016. There is no certainty regarding when the current Industrial Hygienist plans to retire.

Exhibit ORA-18, p 6

Note: * SDG&E request for TY 2016 has been updated to reflect changes provided in the Errata filing. SDG&E reduces its request by \$67K to \$33.3K, spreading the original request of \$100K over the three-year GRC cycle.

The amounts in the following table reflect only areas where a disallowance has been recommended by ORA.

Exhibit SDG&E-224, p. 2

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 912 | 812 | -100 |
| NonLabor | 543 | 543 | 0 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 1,455 | 1,355 | -100 |

CHAPTER 2A19-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-24
Area: HR, SAFETY, DISABILITY, & WORKERS COMP
Witness: Edgar, Sarah E.

NONSHARED O&M

Subject: HRIS Technology & Reporting
Workpaper: 1HR007.000

SDG&E Position: SDG&E requests \$0.969* million in TY 2016 for HRIS Technology and Reporting which is \$500,000 above the 2013 adjusted-recorded amount.

Exhibit SDG&E-24, p SEE-14

ORA Position: ORA recommends that SDG&E run a pilot program for this new item first and provide a cost benefit analysis, before implementing such a costly program which would more than double SDG&E's spending compared to adjusted-recorded 2013 levels. SDG&E has not justified ratepayer funding of this full cost. Thus ORA recommends 10% of this requested incremental cost, or \$50,000 to run a pilot program for the HR Self Service & Mobile Access project. Thus, ORA recommends \$518,000 for HRIS Technology and Reporting in its TY 2016 GRC.

Exhibit ORA-18, p 8

Note: * SDG&E request for TY 2016 has been updated to reflect changes provided in the Errata filing. SDG&E reduces its request by \$333K to \$167K, spreading the original request of \$500K over the three-year GRC cycle.

Exhibit SDG&E-224, p. 3

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 345 | 345 | 0 |
| NonLabor | 623 | 173 | -450 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 968 | 518 | -450 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

19. SDG&E-24 (Exh 121) - HR, SAFETY, DISABILITY, & WORKERS COMP

b. O&M - SHARED

| Workpaper | ORA vs. SDG&E (2016) | Reference |
|-------------------|----------------------|-----------|
| 1. 1HR00A-USS.ALL | (988) | 2A19-b1 |
| 2. 1HR00B-USS.ALL | (100) | 2A19-b2 |

CHAPTER 2A19-b1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-24
Area: HR, SAFETY, DISABILITY, & WORKERS COMP
Witness: Edgar, Sarah E.

SHARED SERVICES O&M

Subject: Safety Operations
Workpaper: 1HR00A-USS.ALL

SDG&E Position: SDG&E requestes forecasts \$2.4 million for Safety Operations, which is \$1 million higher than the 2013 adjusted-recorded level of \$1.4 million.

The primary cost driver for this increase is the Vehicle Technology Program, which will cost approximately \$1,368 per vehicle for equipment, installation, and reporting service subscriptions. SDG&E anticipates that 719 vehicles will undergo this transition for a total of \$988,000 (including \$4,500 for 3 days of training).

Exhibit SDG&E-24, p SEE-18

ORA Position: ORA recommends that SDG&E should provide a cost benefit analysis in its 2019 GRC of the improvements Safety Operations was able to make using the new technology. SDG&E should also provide proof that the pilot program in 2015 was successful. Thus, ORA recommends \$1.4 million for Safety Operations which is \$988,000 less than SDG&E's TY 2016 forecast of \$2.4 million.

Exhibit ORA-18, p 10

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| SDG&E | Labor | NLbr | NSE | Total |
|-------------------|--------------|--------------|------------|--------------|
| 2100-0214.000 | 848 | 1,519 | 0 | 2,367 |
| Total | 848 | 1,519 | 0 | 2,367 |
| | | | | |
| ORA | Labor | NLbr | NSE | Total |
| 2100-0214.000 | 848 | 531 | 0 | 1,379 |
| Total | 848 | 531 | 0 | 1,379 |
| | | | | |
| Difference | Labor | NLbr | NSE | Total |
| 2100-0214.000 | 0 | -988 | 0 | -988 |
| Total | 0 | -988 | 0 | -988 |

CHAPTER 2A19-b2

San Diego Gas & Electric Company
 2016 Test Year GRC A-14-11-003
 ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-24
Area: HR, SAFETY, DISABILITY, & WORKERS COMP
Witness: Edgar, Sarah E.

SHARED SERVICES O&M

Subject: Business Partner & Labor Relations
Workpaper: 1HR00B-USS.ALL

SDG&E Position: SDG&E requests \$1.322 million for TY 2016 for Business Partner and Labor Relations.

SDG&E requests an additional employee for this department to “replace a current Labor Relations Advisor whose retirement date is unknown.” *

Exhibit SDG&E-24, p SEE-18
 ORAL-SDG&E-DR-001-LJL

ORA Position: ORA opposes this new FTE and recommends \$1.2 million in 2016 which is \$100,000 less than SDG&E’s request. ORA states that when the current employee retires and that position opens, then the utility can hire the new Labor Relations Advisor. Until then, having two employees essentially doing the same job is unnecessary and unreasonable cost to ratepayers.

Exhibit ORA-18, pp 11-12

Note: * SDG&E request for TY 2016 has been updated to reflect changes provided in the Errata filing. SDG&E reduces its request by \$67K to \$33.3K, spreading the original request of \$100K over the three-year GRC cycle.

The amounts in the following table reflect only areas where a disallowance has been recommended by ORA.

Exhibit SDG&E-224, p. 5

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| SDG&E | Labor | NLbr | NSE | Total |
|------------------|--------------|-------------|------------|--------------|
| 2100-0284.000 | 976 | 58 | 0 | 1,034 |
| Total | 976 | 58 | 0 | 1,034 |

| ORA | Labor | NLbr | NSE | Total |
|---------------|--------------|-------------|------------|--------------|
| 2100-0284.000 | 876 | 58 | 0 | 934 |
| Total | 876 | 58 | 0 | 934 |

| Difference | Labor | NLbr | NSE | Total |
|-------------------|--------------|-------------|------------|--------------|
| 2100-0284.000 | -100 | 0 | 0 | -100 |
| Total | -100 | 0 | 0 | -100 |

Chapter 2 - ORA vs. SDG&E

Part A - O&M and Capital Expenditures

20. SDG&E-25-R (Exh 259) - REG AFFAIRS, CONTROLLER, FINANCE, LEGAL & EXT REL

a. O&M - NON-SHARED

| Workpaper | ORA vs. SDG&E (2016) | Reference |
|---------------|----------------------|-----------|
| 1. 1AG002.000 | (3,089) | 2A20-a1 |
| 2. 1AG007.000 | (262) | 2A20-a2 |
| 3. 1AG015.000 | (1,439) | 2A20-a3 |

CHAPTER 2A20-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-25-R
Area: REG AFFAIRS, CONTROLLER, FINANCE, LEGAL & EXT REL
Witness: Deremer, Kenneth J.

NONSHARED O&M

Subject: Asset and Project Accounting
Workpaper: 1AG002.000

SDG&E Position: This work group consists of two reductions unrelated to Accounting Operations: Meals and Entertainment (M&E) and Customer Deposits (Working Cash). SDG&E did not specifically forecast M&E as a line item expense in this rate case; rather, M&E expenses are embedded in its 2016 revenue requirement forecast. M&E expenses are job-related expenses include travel, meals, and other expenses associated with establishing, maintaining and enhancing business relationships that provide value back to utility customers. Customer Deposits are excluded as a working cash item because the utility pays interest at the Federal Reserve published prime non-financial 3-month commercial paper rate. This treatment is consistent with Standard Practice U-16 whereby interest bearing accounts are excluded from working cash.

Exhibit SDG&E-25, p KJD-15

Exhibit SDG&E-30, p JSL-12

ORA Position: ORA proposes a reduction of \$3.089 million to this work group, a combination of a \$0.592 million reduction for Meals and Entertainment and a \$2.48 million reduction for Customer Deposits. ORA recommends reducing TY expenses by \$591,604 (in 2013 dollars) based on 2013 recorded costs, as a proxy for the amount of Meals and Entertainment expenses embedded in SDG&E's TY forecast. ORA states that SDG&E has not demonstrated that the meals and entertainment expenses serve a useful business-related purpose. ORA proposes a \$2.480 million reduction to SDG&E's Revenue Requirement for Customer Deposits. ORA recommends that the treatment the Commission adopted in its D.14-08-032 for Customer Deposits be extended to SDG&E in this GRC. (ORA position continued in Note)

Note: ORA position continued: ORA recommends that the Commission treat Customer Deposits as a source of long-term debt and reduce the revenue requirements for Customer Deposits by imputing financing costs based on short-term interest rates. The ORA adjustment of \$3.089 million is a combination of a \$0.592 million reduction for Meals and Entertainment and \$2.480 million reduction for Customer Deposits. \$0.017 million is unaccounted for and may be due to a calculation error.

Exhibit ORA-19, p 14

Exhibit ORA-22, p 2

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 2,466 | 2,466 | 0 |
| NonLabor | 89 | 89 | 0 |

CHAPTER 2A20-a1

| | | | |
|--------------|--------------|-------------|---------------|
| Nonstandard | 0 | -3,089 | -3,089 |
| TOTAL | 2,555 | -534 | -3,089 |

CHAPTER 2A20-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-25-R
Area: REG AFFAIRS, CONTROLLER, FINANCE, LEGAL & EXT REL
Witness: Deremer, Kenneth J.

NONSHARED O&M

Subject: GRC Revenue Requirements and Rates/Analysis
Workpaper: 1AG007.000

SDG&E Position: SDG&E requests \$3.487 million for TY 2016.

The Regulatory Affairs Department primarily uses a five-year historical average of 2009-2013 costs to forecast the TY 2016, except for those areas where five-year history was not available due to re-organizations in 2010 within the Regulatory Affairs & Legislative Analysis area. The historical five-year period represents a reasonable business cycle in Regulatory Affairs because it captures the peaks in Regulatory Affairs costs related primarily to the GRC and the valleys in non-GRC years.

Exhibit SDG&E-25-R, p KJD-5

ORA Position: ORA recommends \$3.225 million for TY 2016.

In its forecast of 2016 expenses, SDG&E reflects "...seven additional economic/rates analysts...to address the incremental work load..." in the "GRC, Revenue Requirements and Rates/Analysis" section of SDG&E's Regulatory Affairs Department. According to its workpapers, SDG&E forecasts adding these seven new Full Time Equivalents (FTEs) in 2014 to its base forecast of 25 FTEs, for a total of 32 FTEs for each year from 2014-2016. The 7 new FTEs are forecasted to cost \$500,000 in non-shared labor expenses per year. In response to discovery, SDG&E confirmed that the 7 incremental positions had been hired by the 1st Quarter of 2014. SDG&E also indicated that the final 2014 headcount "...was reduced from 32 to 28 during the year due to attrition..." and that it expects to fill those positions in 2015. (continued in Note below)

Note: ORA position continued: Based on SDG&E's forecast that the 7 new FTE cost a total of \$500,000, the average cost amounts to \$71,430 per year for each new FTE. By applying that average cost to the four vacant positions, ORA estimates that filling the four vacancies will cost \$286,000 (labor).

ORA's TY forecast is derived by adding the incremental \$286,000 to the 2014 recorded figure of \$2,939,000 to arrive at its estimate of \$3,225,000.

Exhibit ORA-19, pp 5-6

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|------------|-------------------|
| Labor | 2,694 | 2,432 | -262 |
| NonLabor | 793 | 793 | 0 |
| Nonstandard | 0 | 0 | 0 |

CHAPTER 2A20-a2

| | | | |
|-------|-------|-------|------|
| TOTAL | 3,487 | 3,225 | -262 |
|-------|-------|-------|------|

CHAPTER 2A20-a3

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-25-R
Area: REG AFFAIRS, CONTROLLER, FINANCE, LEGAL & EXT REL
Witness: Deremer, Kenneth J.

NONSHARED O&M

Subject: Claims Payments & Recovery Costs
Workpaper: 1AG015.000

SDG&E Position: SDG&E requests \$4.323* million for TY 2016 based on adjustments to prior year recorded claims payments/recoveries expense discovered after filing of this GRC application.

Exhibit SDG&E-25-R, p KJD-29

ORA Position: ORA proposes \$2.884 million for TY 2016.

SDG&E's data shows that the expenses in 2009 and 2010 were higher than in years 2011-2014. Beginning in 2011, SDG&E has managed its claims expenses more effectively in contrast to 2009 and 2010. ORA expects SDG&E to continue this effective management of these expenses, and therefore recommends a test year forecast of \$2.884 million, based on a four-year average of the expenses from 2011-2014. SDG&E's forecast of \$4.323 million is based on a five-year (2009-2013) average of expenses.

Exhibit ORA-19, p 10

Note: * SDG&E's request for TY 2016 has been adjusted by (\$469K) to \$3.854 million in rebuttal testimony.

Correction based on adjustments to prior year recorded claims payments/recoveries expense discovered after filing of this GRC application. The corrected information is reflected in SDG&E response to data request FEA-02-22.

Exhibit SDG&E-225, p. KJD-2

Proposed TY2016 Forecast (in thousands of 2013 dollars)

| <u>Expense Type</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|---------------------|------------------|--------------|-------------------|
| Labor | 0 | 0 | 0 |
| NonLabor | 4,323 | 2,884 | -1,439 |
| Nonstandard | 0 | 0 | 0 |
| TOTAL | 4,323 | 2,884 | -1,439 |

Chapter 2 - ORA vs. SDG&E

Part B - Capital-Related Costs

1. SDG&E-29-R (Exh 247) - TAXES

| Issue # | Subject | Reference |
|----------------|-------------------------------|-----------|
| 1. SDG&E29.000 | Payroll Tax Rates and Expense | 2B1-a1 |
| 2. SDG&E29.002 | Deferred Taxes | 2B1-a2 |

CHAPTER 2B1-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-29-R
Area: TAXES
Witness: Reeves, Ragan G.
Subject: Payroll Tax Rates and Expense

Issue Description: Payroll Tax Rates and Expense

SDG&E Position: SDG&E uses composite payroll tax rate of 6.89% for TY 2016.

The SDG&E payroll tax forecasts are based on a composite rate using the most current available tax rates.

A companywide composite tax rate was computed based on total forecasted payroll taxes divided by total forecasted wages. The composite payroll tax rate for each year was applied to labor dollars applicable to this filing to determine the employer's payroll tax expense.

Exhibit SDG&E-29_R, pp RGR-1 and RGR-2

ORA Position: ORA recommends payroll tax rate of 6.81% for TY 2016.

ORA notes that Sempra's calculation of the composite payroll tax applied the payroll tax wage base estimate limits according to the 2014 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance ("OASDI") and Federal Disability Insurance Trust Funds. ORA recommends that SDG&E use the established 2015 payroll tax rates to estimate tax expense. ORA accepts the OASDI tax rate of 6.2% on wages up to a maximum wage base of \$118,500. One of the differences between ORA's and Sempra's forecasts is due to applying the different taxable wage base estimates. (continued in Note)

Note: ORA position continued: The other differences between ORA's forecast of taxable wage base estimates and Sempra's is due to Sempra's increase in payroll taxes for TY 2016 to reflect changes in labor cost escalation and staffing level requests discussed by other witnesses.

Exhibit ORA-21, pages 2, 6 and 7
Exhibit ORA-1-A

CHAPTER 2B1-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-29-R
Area: TAXES
Witness: Reeves, Ragan G.
Subject: Deferred Taxes

Issue Description: Bonus Depreciation

SDG&E Position: SDG&E notes that the Rate Case Plan already includes a mechanism for SDG&E to update its testimony to reflect changes in the relevant tax laws . SDG&E will follow the procedures and deadlines set forth in the Rate Case Plan and Scoping Memo for updating its forecasts to reflect tax law changes, including tax-extender legislation, extension of bonus depreciation, or other tax-related law changes that occur prior to the closing of the record in this GRC.

Exhibit SDG&E-229, pages RGR-2 to 3

ORA Position: ORA observes in the event the temporary extension of Bonus Depreciation, the temporary 100 percent expensing for certain business assets under ATRA and/or TIPPA, and any changes or modifications to the tax provisions of the tax law code must be appropriately adjusted to the forecast prior to a final Commission decision.

ORA-21, page 10

Chapter 2 - ORA vs. SDG&E

Part B - Capital-Related Costs

2. SDG&E-30-R (Exh 234) - WORKING CASH

| Issue # | Subject | Reference |
|----------------|--------------------|-----------|
| 1. SDG&E30.000 | SDG&E Working Cash | 2B2-a1 |

CHAPTER 2B2-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-30-R
Area: WORKING CASH
Witness: Lewis, Jack S.
Subject: SDG&E Working Cash

Issue Description: SDG&E Working Cash

SDG&E Position: SDG&E requests \$136.056 million.

The methodology used by SDG&E to prepare its GRC request for working cash is in compliance with CPUC Standard Practice U-16, based on 2013 as-recorded costs and TY 2016 forecasts.

Exhibit SDG&E-30-R, JSL-19

ORA Position: ORA recommends a Working Cash Requirement for SDG&E of \$92.659 million. The variance is a result of excluding cash balances from the Working Cash requirement calculation, and differences in the forecast revenue lag days, FIT Lag Days, and CCFT Lag Days. ORA disagrees with the inclusion of \$4.8 million of SDG&E's Operational Cash Requirement component of the Working Cash Study/Requirement.

ORA does not agree with the methodology SDG&E used to calculate its Lead/Lag Working Cash requirement. ORA recommends using a 5-year average (2009-2013) for Lead/Lag Days. This would lead to a \$38.6 million reduction in the Lead/Lag working cash calculation relating to ORA's differences on forecasted revenue lag days, FIT Lag Days and CCFT Lag Days.

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|--------------|------------------|---------------|-------------------|
| 2016 | 136,056 | 92,659 | -43,397 |
| TOTAL | 136,056 | 92,659 | -43,397 |

Chapter 2 - ORA vs. SDG&E

Part B - Capital-Related Costs

3. SDG&E-31 (Exh 256) - ELECTRIC CUSTOMERS AND SALES

| Issue # | Subject | Reference |
|----------------|--------------------|-----------|
| 1. SDG&E31.000 | Electric Customers | 2B3-a1 |

CHAPTER 2B3-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-31
Area: ELECTRIC CUSTOMERS AND SALES
Witness: Schiermeyer, Kenneth E.
Subject: Electric Customers

Issue Description: Electric Customers Forecast

SDG&E Position: Year-average total active customers are forecasted to increase from 1,405,218 in 2013 to 1,445,387 in 2016.

SDG&E develops electric customer forecasts using statistical models based on demographic data, economic data, seasonal patterns and other inputs that influence customer growth. Total customers are defined as total active meters. Economic and demographic data were based on February 2014 information released from IHS Global Insight's Regional Economic Service.

Exhibit SDG&E-31, P. KES-1

ORA Position: ORA proposes 1,445,892 electric customers for TY 2016, 505 more customers than SDG&E's forecast.

ORA developed econometric models to forecast customers to the residential, small commercial, and industrial classes of service. The models relate historic customers to housing starts and employment in SDG&E's service areas along with seasonal factors and other variables.

Exhibit ORA-3, p. 14

Note: See attachment for comparison table - Exhibit ORA-3, page 7, Table 3-3.

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|--------------|------------------|------------------|-------------------|
| 2016 | 1,445,387 | 1,445,892 | 505 |
| TOTAL | 1,445,387 | 1,445,892 | 505 |

CHAPTER 2B3-a1

1 Table 3-3 compares ORA's and SDG&E's forecasts of electric customers for
2 2014-2016.

3 Table 3-3
4 Comparison of ORA's and SDG&E's Forecasts of Electric
5 Customers and Sales for 2014-2016

| Description | ORA Recommended | | | SDG&E Proposed ⁶ | | |
|------------------------|------------------|------------------|------------------|-----------------------------|------------------|------------------|
| | 2014 | 2015 | 2016 | 2014 | 2015 | 2016 |
| Residential | 1,258,233 | 1,271,680 | 1,288,009 | 1,257,698 | 1,270,654 | 1,286,981 |
| Small Commercial | 123,142 | 123,717 | 124,278 | 123,111 | 123,754 | 124,362 |
| Med/Lg Comm/Ind | 24,086 | 24,262 | 24,436 | 24,262 | 24,576 | 24,875 |
| Agriculture | 3,379 | 3,379 | 3,379 | 3,379 | 3,379 | 3,379 |
| Lighting | 5,896 | 5,841 | 5,790 | 5,896 | 5,841 | 5,790 |
| Total Customers | 1,414,736 | 1,428,879 | 1,445,892 | 1,414,346 | 1,428,204 | 1,445,387 |

6 Table 3-4 compares ORA's and SDG&E's 2014-2016 forecasts of cost
7 escalation on a yearly percentage basis.

8 Table 3-4
9 Comparison of ORA's and SDG&E's Forecasts of
10 2014-2016 Labor and Non-Labor Annual Escalation Rates

| Description | ORA Recommended | | | SDG&E Proposed ⁷ | | |
|--------------------|-----------------|---------|--------|-----------------------------|--------|--------|
| | 2014 | 2015 | 2016 | 2014 | 2015 | 2016 |
| Labor | 1.95 % | 2.32 % | 2.80 % | 2.14 % | 2.35 % | 2.65 % |
| Non-Labor | | | | | | |
| Electric Non-Labor | 0.96 % | 0.27 % | 1.77 % | 1.71 % | 2.15 % | 2.25 % |
| Gas Non-Labor | 1.60 % | -0.95 % | 1.52 % | 1.69 % | 2.11 % | 2.23 % |
| Shared Services | 1.47 % | 0.81 % | 2.16 % | 2.05 % | 2.23 % | 2.47 % |

11
12

⁶ Ex. SDG&E-31, p. KES-1.

⁷ Ex. SDG&E-33-WP, p. 1.

Chapter 2 - ORA vs. SDG&E

Part B - Capital-Related Costs

4. SDG&E-32 (Exh 362) - CUSTOMERS

| Issue # | Subject | Reference |
|----------------|-----------|-----------|
| 1. SDG&E32.000 | Customers | 2B4-a1 |

CHAPTER 2B4-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-32
Area: CUSTOMERS
Witness: Payan, Rosemarie
Subject: Customers

Issue Description: Gas Customers

SDG&E Position: Year-average total gas customers are forecasted to increase from 861,573 in 2013 to 891,506 in 2016. This represents a total three-year increase of 29,933 customers and a compound annual growth rate of 1.1 percent. The total gas customer count includes quarterly-data forecasts for two major customer classes: residential meters and total commercial and industrial (C&I) meters. SDG&E uses economic and statistical techniques to develop quarterly-data forecasts of residential, commercial and industrial customers.

Exhibit SDG&E-32, pages RMP-1 to 2

ORA Position: ORA proposes 887,582 customers in 2016, 3,924 customers less than SDG&E's forecast.

ORA developed econometric models to forecast customers to the residential, small commercial, and industrial classes of service. The models relate historic customers to housing starts and employment in SDG&E's service areas along with seasonal factors and other variables.

Exhibit ORA-3, pp. 16 to 17

Note: See attachment for comparison table - Exhibit ORA-3, page 6.

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|--------------|------------------|----------------|-------------------|
| 2016 | 891,506 | 887,582 | -3,924 |
| TOTAL | 891,506 | 887,582 | -3,924 |

CHAPTER 2B4-a1

1 Table 3-1 compares ORA's and SDG&E's forecasts of gas customers³ for
 2 2014-2016:

3 Table 3-1
 4 Comparison of ORA's and SDG&E's Forecasts of Gas
 5 Customers for 2014-2016

| Description | ORA Recommended | | | SDG&E Proposed ⁴ | | |
|-------------------------|-----------------|----------------|----------------|-----------------------------|----------------|----------------|
| | 2014 | 2015 | 2016 | 2014 | 2015 | 2016 |
| Residential | 836,758 | 846,823 | 857,029 | 838,671 | 848,964 | 861,283 |
| Commercial & Industrial | 30,176 | 30,294 | 30,451 | 30,085 | 30,067 | 30,121 |
| NGV | 25 | 25 | 25 | 25 | 25 | 25 |
| Electric Generation | 70 | 74 | 77 | 70 | 74 | 77 |
| Total Customers | 867,029 | 877,216 | 887,582 | 868,851 | 879,130 | 891,506 |

6 Table 3-2 compares ORA's and SoCalGas' forecasts of gas customers for
 7 2014-2016:

8 Table 3-2
 9 Comparison of ORA's and SoCalGas' Forecasts of
 10 Customers for 2014-2016

| Description | ORA Recommended | | | SoCalGas Proposed ⁵ | | |
|---------------------------|------------------|------------------|------------------|--------------------------------|------------------|------------------|
| | 2014 | 2015 | 2016 | 2014 | 2015 | 2016 |
| Residential Single-Family | 3,624,369 | 3,643,378 | 3,669,092 | 3,626,418 | 3,645,823 | 3,667,359 |
| Residential Multi-Family | 1,748,672 | 1,761,402 | 1,776,868 | 1,752,150 | 1,771,533 | 1,796,593 |
| Residential Master Meter | 40,661 | 40,454 | 40,248 | 40,661 | 40,454 | 40,248 |
| Commercial | 187,754 | 187,623 | 188,056 | 188,058 | 188,470 | 188,979 |
| Industrial | 19,062 | 19,334 | 19,525 | 19,018 | 19,159 | 19,238 |
| Total Customers | 5,620,518 | 5,652,191 | 5,693,789 | 5,626,305 | 5,665,439 | 5,712,414 |

11

12

³ SoCalGas defines customers as Active Meters.

⁴ Ex. SDG&E-32, p. RMP-3.

⁵ Corrected SCG-30-WP, April 10, 2015.

Chapter 2 - ORA vs. SDG&E

Part B - Capital-Related Costs

5. SDG&E-33 (Exh 305) - ESCALATION

| Issue # | Subject | Reference |
|----------------|------------|-----------|
| 1. SDG&E33.000 | Escalation | 2B5-a1 |

CHAPTER 2B5-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-33
Area: ESCALATION
Witness: Wilder, Scott R.
Subject: Escalation

Issue Description: Escalation - Rates

SDG&E Position: Per the Commission's Rate Case Plan, D.07-07-004, the escalation factors will be updated after hearings and before implementation, based on the same indexes used in original presentation during hearings. Cost escalators were used to inflation-adjust costs from 2013 nominal dollars into TY 2016 nominal dollars, using escalation series from Global Insight 's Utility Cost Information Service ("UCIS). The SDG&E forecast incorporates escalators from IHS Global Insight's 4th Quarter 2013 Power Planner forecast released in February 2014.

Exhibit SDG&E-33, pages SRW-1 to 4

ORA Position: ORA adopts SDG&E's labor, non-labor, and shared services escalation methodology. ORA uses a more recent Global Insight Power Planner forecast, specifically 4th quarter 2014.

Exhibit ORA-3, pages 30-31
Exhibit ORA-3-E-R

Chapter 2 - ORA vs. SDG&E

Part B - Capital-Related Costs

6. SDG&E-34-R-A (Exh 231) - MISCELLANEOUS REVENUES

| Issue # | Subject | Reference |
|----------------|------------------------|-----------|
| 1. SDG&E34.000 | Miscellaneous Revenues | 2B6-a1 |
| 2. SDG&E34.001 | Miscellaneous Revenues | 2B6-a2 |

CHAPTER 2B6-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-34-R-A
Area: MISCELLANEOUS REVENUES
Witness: Somerville, Michelle A.
Subject: Miscellaneous Revenues

Issue Description: Electric Service Establishment Revenues

SDG&E Position: SDG&E proposed \$2.730 million for TY 2016. SDG&E proposes to update the fee structure to \$5 for non-fielded orders and \$25 for fielded orders. The proposed updated fee structure is a better representation of the costs SDG&E incurs related to this service and takes into account the impact of SDG&E's Smart Meter remote disconnection capabilities. The most recent recorded year (2013) reflects the reduction in revenues due to the impact of SDG&E's Smart Meter fee reduction and remote disconnection capabilities. To include the full Smart Meter benefits and to better align these charges with the cost of service, the forecast for 2016 is based on the calculation of the most recent recorded year (2013) adjusted by the estimated annual customer growth factors for the period 2014-2016 (0.84%, 1.18%, and 1.41% respectively) and the updated fee structure.

Exhibit SDG&E-34-R, pp 3-4

ORA Position: ORA recommends \$3.560 million for TY 2016.

ORA's methodology is based on SDG&E's electric customer counts for the years 2009 to 2016, as well as the historical electric Service Establishment Charge revenues. (The years 2009 to 2013 are the historical years; the remaining years are estimated.) Briefly, to get ORA's estimated electric Service Establishment Charge revenues for the estimated years, each estimated year's electric customer count estimate is multiplied by a scaling factor representing the average electric Service Establishment revenue per customer. The scaling factor is computed as the quotient of the historical average of electric Service Establishment Charge revenues divided by the historical average of electric customer counts.

Exhibit ORA-4, pp 4-5

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|--------------|------------------|--------------|-------------------|
| 2016 | 2,730 | 3,560 | 830 |
| TOTAL | 2,730 | 3,560 | 830 |

CHAPTER 2B6-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-34-R-A
Area: MISCELLANEOUS REVENUES
Witness: Somerville, Michelle A.
Subject: Miscellaneous Revenues

Issue Description: Gas Service Establishment Revenues

SDG&E Position: SDG&E proposed \$1.553 million as its test year Gas Service Establishment Charge revenues. SDG&E proposes to update the fee structure to \$5 for non-fielded orders and \$25 for fielded orders. The updated fee structure is a better representation of the costs SDG&E incurs related to this service and takes into account the impact of SDG&E's Smart Meter remote disconnection capabilities. The most recent recorded year (2013) reflects the reduction in revenues due to the impact of SDG&E's Smart Meter fee reduction and remote disconnection capabilities. To include the full Smart Meter benefits, the forecast for 2016 is based on the calculation of the most recent recorded year (2013) adjusted the estimated annual customer growth factors for the period 2014-2016 (0.65%, 0.98%, and 1.20% respectively) and the updated fee structure.

Exhibit SDG&E-34, p. 12

ORA Position: ORA recommends \$1.833 million for TY 2016.

ORA's methodology is based on SDG&E's gas customer counts for the years 2009 to 2016, as well as the historical gas Service Establishment Charge revenues. (The years 2009 to 2013 are the historical years; the remaining years are estimated.) Briefly, to get ORA's estimated gas Service Establishment Charge revenues for the estimated years, each estimated year's gas customer count estimate is multiplied by a scaling factor representing the average gas Service Establishment revenue per customer. The scaling factor is computed as the quotient of the historical average of gas Service Establishment Charge revenues divided by the historical average of gas customer counts.

Exhibit ORA-4, pp 7-8

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>ORA</u> | <u>Difference</u> |
|--------------|------------------|--------------|-------------------|
| 2016 | 1,553 | 1,833 | 280 |
| TOTAL | 1,553 | 1,833 | 280 |

Chapter 2 - ORA vs. SDG&E

Part C - Other

1. SDG&E-14 (Exh 101) - CS - OPERATIONS, INFORMATION & TECHNOLOGIES

| Issue # | Subject | Reference |
|-----------------|-----------------------|-----------|
| 1. SDG&E14A.003 | Branch Office Closure | 2C1-a1 |

CHAPTER 2C1-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-14
Area: CS - OPERATIONS, INFORMATION & TECHNOLOGIES
Witness: Baugh, Bradley M.
Subject: Branch Office Closure

Issue Description: Branch Office Closure

SDG&E Position: SDG&E is requesting approval to close three of its Branch Offices that are the lowest volume Branch Offices, have a long-term trend of declining payment transactions, and have the highest cost per transaction.
Exhibit SDG&E-14, p. BMB-38

ORA Position: ORA opposes SDG&E's proposal to close the National City and Downtown Branch Offices and convert the Oceanside Branch Office to an Authorized Payment Location (APL). ORA recommends SDG&E conduct customer surveys and research to obtain feedback directly from the customers who use those Branch Offices and report to the CPUC whether customers will be inconvenienced, have the resources to use self-services, or if they have money for bus fare to go to another Branch Office located three to six miles away. Doing this will assist SDG&E in determining, among other things, why a large percentage of its customers pay their bills with cash, and why customers prefer to utilize the Branch Offices. ORA is also concerned that the Branch Office closures may lead to an increased risk in customer disconnections.
Exhibit ORA-13, p. 23 and p. 26

Note: Declines in payment transactions are not limited to the three Branch Offices SDG&E proposes to close and APLs have also experienced declines in payment transactions. This decline is due in part to the increase in self-service options by customers.

Exhibit ORA-13, pp. 22-23
Exhibit SDG&E-14, pp. BMB-38 and BMB-41

Chapter 2 - ORA vs. SDG&E

Part C - Other

2. SDG&E-19-R (Exh 153) - INFORMATION TECHNOLOGY

| Issue # | Subject | Reference |
|-----------------|-----------------------------|-----------|
| 1. SDG&E19A.001 | O&M and Capital in Next GRC | 2C2-a1 |

CHAPTER 2C2-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-19-R
Area: INFORMATION TECHNOLOGY
Witness: Mikovits, Stephen J.
Subject: O&M and Capital in Next GRC

Issue Description: Tracking of IT O&M and Capital in Next GRC

SDG&E Position: The Risk Decision, D.14-12-025, adopts a Risk Spending Accountability Report, which will have the effect of tracking risk-related spending, including spending on cybersecurity and risk management, in some fashion. SDG&E believes any discussions concerning the tracking of cybersecurity and risk management costs are better suited to occur during the SMAP and RAMP proceedings, instead of the GRC.

SDG&E Rebuttal Exh. SDG&E-219, page SJM-16 lines 3-5 and 8-9.

ORA Position: ORA recommends as part of SDG&E's next GRC filing to track O&M expenses and capital expenditures for Cybersecurity and Risk Management in the four areas presented in this TY 2016 GRC, Governance and Compliance, Awareness and Outreach, Security Engineering and Security Operations. In doing so, parties in SDG&E's next GRC will have better understanding and clarity on how funds are spent.

Exhibit ORA-15, p 18, line 22 to p 19, line 2.

Chapter 2 - ORA vs. SDG&E

Part C - Other

3. SDG&E-22 (Exh 193) - COMPENSATION, HEALTH, & WELFARE

| Issue # | Subject | Reference |
|-----------------|--------------------------|-----------|
| 1. SDG&E22A.004 | Total Compensation Study | 2C3-a1 |

CHAPTER 2C3-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-22
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.
Subject: Total Compensation Study

Issue Description: Total Compensation Study

SDG&E Position: A total compensation study was conducted as part of SDG&E's 2016 General Rate Case ("GRC") submission in compliance with Commission decisions D.87-12-066, D.89-12-057, and D.96-01-011. The study was conducted to evaluate SDG&E's total compensation relative to the external labor market.

SDG&E-22, page DSR-3

ORA Position: Some states provide ratepayer funding for compensation at the median average, or the 50th percentile, meaning that half of the comparator companies pay more and half pay less. ORA recommends that Sempra ratepayers should fund no more than the median average.

Exhibit ORA-17, page 7

Chapter 2 - ORA vs. SDG&E

Part C - Other

4. SDG&E-37-R (Exh 95) - POST-TEST YEAR RATEMAKING

| Issue # | Subject | Reference |
|----------------|--------------------------|-----------|
| 1. SDG&E37.000 | PTY - GRC Term | 2C4-a1 |
| 2. SDG&E37.001 | PTY - Alternate GRC Term | 2C4-a2 |
| 3. SDG&E37.002 | PTY - Medical Escalation | 2C4-a3 |
| 4. SDG&E37.003 | PTY - Z-Factor | 2C4-a4 |
| 5. SDG&E37.004 | PTY - Bonus Depreciation | 2C4-a5 |

CHAPTER 2C4-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-37-R
Area: POST-TEST YEAR RATEMAKING
Witness: Hrna, Sandra K.
Subject: PTY - GRC Term

Issue Description: Post Test Year Ratemaking - GRC Term

SDG&E Position: SDG&E is proposing a three-year GRC term.

SDG&E seeks Commission authorization for an attrition mechanism which would yield estimated revenue increases totaling \$96.6 million (5.07%) in 2017 and \$96.3 million (4.81%) in 2018.

Exhibit SDG&E-37-R, p. SKH-1, lines 19-20

ORA Position: ORA does not oppose a Post-Test Year Ratemaking (PTYR) mechanism which will provide SDG&E and SCG with some reasonable level of revenue increases in 2017 and 2018. In addition, ORA proposes a third attrition year in 2019, or a 4-year (2016-2019) rate case cycle for the two utilities.

ORA recommends post-test year revenue increases of 3.5% per year in 2017, 2018 and 2019. Based on ORA's forecast of SDG&E's 2016 revenue requirement, ORA's recommended PTYR methodology yields estimated revenue increases of \$60.6 million in 2017, \$62.8 million in 2018, and \$65 million in 2019.

Exhibit ORA-23, pp 2 and 16

CHAPTER 2C4-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-37-R
Area: POST-TEST YEAR RATEMAKING
Witness: Hrna, Sandra K.
Subject: PTY - Alternate GRC Term

Issue Description: Post Test Year Ratemaking - Alternate GRC Term

SDG&E Position: SDG&E is proposing a three-year GRC term. SDG&E seeks Commission authorization for an attrition mechanism which would yield estimated revenue increases totaling \$96.6 million (5.07%) in 2017 and \$96.3 million (4.81%) in 2018. Exhibit SDG&E-37-R, p. SKH-1, lines 19-20

ORA Position: If the Commission does not adopt ORA's recommended PTYR mechanism, and prefers a mechanism similar to SDG&E's and SoCalGas' proposals, then ORA recommends the following alternative: In determining post-test year increases for operational expenses: 1. ORA does not oppose the O&M margin escalation rates proposed by SDG&E (2.58% for 2017 and 2.46% for 2018) and SoCalGas (2.52% for 2017 and 2.42% for 2018); 2. If the Commission adopts a 4-year GRC cycle, the 2018 O&M margin escalation rates should be adopted for 2019; 3. SDG&E and SoCalGas be allowed to update their O&M margin escalation rates for the post-test years, but limits should be placed on how much the rates can be adjusted; and 4. Medical expense escalation rates should be set at 5.0% in 2017, 4.3% in 2018, and 3.6% in 2019, as opposed to SDG&E's and SoCalGas' proposed escalation rate of 7.8% for 2017 and 2018. (continued in Notes)

Note: In determining the capital attrition allowance, ORA does not oppose using an escalated 7-year average of capital additions, but recommends that 2014 recorded capital additions, as well as the adopted 2015 and 2016 capital additions forecasts, be used instead of SDG&E's and SoCalGas' 2014-2016 forecasts.

Exhibit ORA-23, p. 4

CHAPTER 2C4-a3

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-37-R
Area: POST-TEST YEAR RATEMAKING
Witness: Hrna, Sandra K.
Subject: PTY - Medical Escalation

Issue Description: Post Test Year Ratemaking - Medical Escalation

SDG&E Position: Because SDG&E's medical costs are expected to continue increasing faster than general utility cost inflation, as medical costs are escalated separated based on Towers Watson's actuarial forecast, as described in the direct testimony of SDG&E witness Ms. Debbie Robinson [Exhibit SDG&E-22]. The proposed PTY medical cost escalation is based on the Towers Watson forecast is 7.8% for 2017 and 2018.

Exhibit SDG&E-37-R, p. SKH-5

ORA Position: ORA recommends a lower-cost alternative to Sempra Utility's proposal, where medical costs are escalated by 5.0% in 2017, 4.3% in 2018, and 3.6% in 2019, based upon a recent IHS forecast of group health insurance escalation rates.

Exhibit ORA-23, p 20

CHAPTER 2C4-a4

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-37-R
Area: POST-TEST YEAR RATEMAKING
Witness: Hrna, Sandra K.
Subject: PTY - Z-Factor

Issue Description: Post Test Year Ratemaking - Z-Factor

SDG&E Position: SDG&E proposes to keep in place the current Z-factor process. It proposes no change to the current identification of Z-factor. It will continue to use the eight criteria to identify exogenous cost changes that qualify for Z-factor treatment. SDG&E believes the current Z factor mechanism is effective for the test year and post-test years.

Exhibit SDG&E-37-R, p SKH-7

ORA Position: ORA does not oppose continuation of the Z-factor mechanism, but recommends that the mechanism be effective only during the post-test years, and not the test year. This is consistent with ORA's recommendation in the PG&E 2014 GRC, which was adopted by the Commission.

ORA recommends that Z-factor adjustments should apply when there are cost decreases as well as potential increases.

ORA-23, pp 17-18

CHAPTER 2C4-a5

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-37-R
Area: POST-TEST YEAR RATEMAKING
Witness: Hrna, Sandra K.
Subject: PTY - Bonus Depreciation

Issue Description: Post Test Year - Bonus Depreciation

SDG&E Position: SDG&E has modeled the impacts of bonus depreciation only for 2014.

ORA Position: If provisions for bonus depreciation are extended into any years beyond 2014, through the end of this rate case cycle, the Sempra Utilities should be required to make the appropriate revenue requirement adjustments to reflect the impacts from bonus depreciatoin so that the benefits are flowed through to ratepayers and the full benefits should be included in SDG&E's post-test year advice letters.

ORA-23, p 18

Chapter 2 - ORA vs. SDG&E

Part C - Other

5. SDG&E-38-R (Exh 183) - COMPLIANCE

| Issue # | Subject | Reference |
|----------------|-------------------|-----------|
| 1. SDG&E38.000 | Privileged Audits | 2C5-a1 |

CHAPTER 2C5-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
ORA Differences to SDG&E Requests

Exhibit No.: SDG&E-38-R
Area: COMPLIANCE
Witness: Shimansky, Gregory D.
Subject: Privileged Audits

Issue Description: Privileged Audits

SDG&E Position: Certain audit reports are marked confidential and privileged, since they are protected from disclosure by the attorney client privilege and/or attorney work product doctrine. The Commission has long recognized the validity of these privileges and there should be not automatic penalty to a regulated entity for exercising its legal rights. In addition, SoCalGas takes issue with ORA's calculation of the reduction because performing these audits did not amount to an incremental expense, as one would conclude by removing the implied and calculated costs of these audits.

Exhibit SDG&E-243, pages GDS-3 to 4

ORA Position: ORA recommends removal of \$526,000 in total from years 2011, 2013 and 2014 - \$159,000 in 2011, \$165,000 in 2013, and \$202,000 in 2014.

ORA reviewed the Internal Audit the Sempra Utilities conducted from 2009 through 2014. Of the 62 Internal Audit reports ORA selected for review, the Applicants designated 12 reports as "Privileged". Since ORA was not permitted to review those Internal Audit reports, ORA could not determine whether the costs of those audits are justifiably assigned to ratepayers. For this reason, ORA recommends a \$756,000 disallowance, to be adjusted in the RO Model for TY 2019.

Exhibit ORA-24, pp 3-4

Chapter 3

Differences Between SDG&E and UCAN

Chapter 3 - UCAN vs. SDG&E

Part B - Capital-Related Costs

1. SDG&E-31 (Exh 256) - ELECTRIC CUSTOMERS AND SALES

| Issue # | Subject | Reference |
|----------------|---------------------------------------|-----------|
| 1. SDG&E31.002 | SDG&E's Residential Customer Forecast | 3B1-a1 |
| 2. SDG&E31.004 | Customer Forecasts | 3B1-a2 |
| 3. SDG&E31.005 | CARE Enrollment | 3B1-a3 |

CHAPTER 3B1-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
UCAN Differences to SDG&E Requests

Exhibit No.: SDG&E-31
Area: ELECTRIC CUSTOMERS AND SALES
Witness: Schiermeyer, Kenneth E.
Subject: SDG&E's Residential Customer Forecast

Issue Description:

SDG&E Position: SDG&E does not agree with UCAN's proposal to selectively use third-party data that was not available to SDG&E at the time of preparing its GRC forecasts. It is inappropriate to make isolated GRC forecasting updates for at least two reasons.

First, selective updating ignores the fact that while certain drivers may be lower than expected, other drivers may be higher than expected, and there is no provision to reflect those instances.

Second, the Rate Case Plan is prescriptive regarding the types of information that may be updated in a GRC, and UCAN's proposals contravene this intent. SDG&E is not able to make any updates to the electric customer forecast after the GRC filing date, whether higher or lower.

Exhibit SDG&E-231, p. KES-2

UCAN Position: UCAN recommends that SDG&E's residential electric customer forecast be adjusted to use the February 2015 housing starts forecast developed by IHS Global Insight to include the 2014 actual data in the regression analysis, and to exclude the housing start change versus household variable. The 2015 forecast is more reliable than the 2014 forecast because it has been updated to reflect actual growth experienced in 2014 and current expectations of economic and housing conditions. For 2014, IHS's February 2014 forecast of the number of housing starts was more than 44% too high, and the updated IHS housing starts forecast from February 2015 shows significantly slower growth.

Testimony of B. Kobor for UCAN, pages 8-10

CHAPTER 3B1-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
UCAN Differences to SDG&E Requests

Exhibit No.: SDG&E-31
Area: ELECTRIC CUSTOMERS AND SALES
Witness: Schiermeyer, Kenneth E.
Subject: Customer Forecasts

Issue Description: Customer Forecast

SDG&E Position: SDG&E forecasts 1,286,981 electric residential customers for TY 2016, an increase of 37,754 customers compared to 1,249,227 customers in 2013.

SDG&E develops electric customer forecasts using statistical models based on demographic data, economic data, seasonal patterns and other inputs that influence customer growth. Total customers are defined as total active meters . Economic and demographic data were based on February 2014 information released from IHS Global Insight's Regional Economic Service.

Exhibit SDG&E-31, P. KES-1

UCAN Position: UCAN forecasts 1,277,616 electric residential customers for TY 2016, an increase of 28,389 customers compared to 1,249,227 customers in 2013.

UCAN recommends that SDG&E's residential electric customer forecast be adjusted to use the February 2015 housing starts forecast developed by IHS Global Insight, to include 2014 actual data in the regression analysis, and to exclude the housing start change versus household variable. In addition, UCAN proposes that SDG&E's CARE forecast should be removed from this application.

Testimony of B. Kobor for UCAN, p. 13

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>UCAN</u> | <u>Difference</u> |
|--------------|------------------|------------------|-------------------|
| 2016 | 1,286,981 | 1,277,616 | -9,365 |
| TOTAL | 1,286,981 | 1,277,616 | -9,365 |

CHAPTER 3B1-a3

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
UCAN Differences to SDG&E Requests

Exhibit No.: SDG&E-31
Area: ELECTRIC CUSTOMERS AND SALES
Witness: Schiermeyer, Kenneth E.
Subject: CARE Enrollment

Issue Description: Future rate of CARE Enrollment

SDG&E Position: SDG&E does not object to UCAN's proposal that GRC Phase I is not the time to consider the future rate of CARE enrollment and agrees that future CARE customer projections can be addressed in GRC Phase 2.

Exhibit SDG&E-231, page KES-3

UCAN Position: The GRC Phase I new customer forecast is not the place to be forecasting the future rate of CARE enrollment. CARE enrollment is a complex issue that warrants a more detailed forecast. Since the level of CARE enrollment does not have an impact on this application, SDG&E's CARE enrollment forecast should be removed from this application.

Exhibit Testimony of B. Kobor, L. Norin, and M. Fulmer for UCAN, page 15

Chapter 3 - UCAN vs. SDG&E

Part B - Capital-Related Costs

2. SDG&E-34-R-A (Exh 231) - MISCELLANEOUS REVENUES

| Issue # | Subject | Reference |
|----------------|--|-----------|
| 1. SDG&E34.002 | Miscellaneous Revenues - Service Establishment Charges | 3B2-a1 |

CHAPTER 3B2-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
UCAN Differences to SDG&E Requests

Exhibit No.: SDG&E-34-R-A
Area: MISCELLANEOUS REVENUES
Witness: Somerville, Michelle A.
Subject: Miscellaneous Revenues - Service Establishment Charges

Issue Description: Miscellaneous Revenues - Service Establishment Charges

SDG&E Position: SDG&E proposes to update the fee structure to \$5 for non-fielded orders and \$25 for fielded orders. The proposed updated fee structure is a better representation of the costs SDG&E incurs related to this service and takes into account the impact of SDG&E's Smart Meter remote disconnection capabilities.

Exhibit SDG&E-14R, MAS-4

UCAN Position: SDG&E's Service Establishment Charges should be set at \$5.85 for all customers. UCAN opposes the bifurcated fee structure that charges more for a fielded visit than for a non-fielded visit because many fielded visits are the result of circumstances or actions outside of the customer's control or are a consequence of the customer's Medical Baseline or Life Support condition.

Testimony of M. Fulmer for UCAN, page 96

Chapter 3 - UCAN vs. SDG&E

Part C - Other

1. SDG&E-07 (Exh 53) - TIMP & DIMP

| Issue # | Subject | Reference |
|-----------------|--|-----------|
| 1. SDG&E07A.000 | Risk Shifting Proposals for SDG&E –TIMP/DIMP | 3C1-a1 |

CHAPTER 3C1-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
UCAN Differences to SDG&E Requests

Exhibit No.: SDG&E-07
Area: TIMP & DIMP
Witness: Martinez, Maria T.
Subject: Risk Shifting Proposals for SDG&E –TIMP/DIMP

Issue Description: Risk Shifting Proposals for SDG&E –TIMP/DIMP

SDG&E Position: SDG&E disagrees with UCAN’s recommendation rationale and recommendation for one-way balancing treatment of TIMP and DIMP costs.

Exhibit SDG&E-207, p. MTM-4-5

UCAN Position: UCAN proposes that the SDG&E and SoCalGas balancing accounts for the Transmission Integrity Management Program (TIMP) and the post-2011 Distribution Integrity Management Program (DIMP) should be converted to one-way balancing accounts, which may be reviewed using Tier 2 advice letters. If two-way balancing accounts are used for any part of TIMP or DIMP spending, a Tier 3 advice letter process should continue to be used to review requests for undercollection recovery.

Testimony of M. Fulmer for UCAN, page 3

Chapter 3 - UCAN vs. SDG&E

Part C - Other

2. SDG&E-09-R (Exh 134) - ELECTRIC DISTRIBUTION CAPITAL

| Issue # | Subject | Reference |
|-----------------|-----------------------------|-----------|
| 1. SDG&E09A.017 | Electric New Business Costs | 3C2-a1 |

CHAPTER 3C2-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
UCAN Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.
Subject: Electric New Business Costs

Issue Description: Electric New Business Costs

SDG&E Position: Forecasted capital expenditures for this category are:

SDG&E Projected New Business Costs (\$thousands)
2014 = 58,592
2015 = 70,653
2016 = 81,962

Exhibit SDG&E-09, Page JDJ-76

UCAN Position: Forecasted capital expenditures for this category are:

UCAN Projected New Business Costs (\$thousands)
2014 = 51,728
2015 = 56,195
2016 = 71,758

This forecast is a result of differences in electric residential customer forecast results.

Testimony of B. Kobor for UCAN, p. 14
Errata to Testimony of B. Kobor for UCAN, #2

Chapter 3 - UCAN vs. SDG&E

Part C - Other

3. SDG&E-10-R (Exh 70) - ELECTRIC DISTRIBUTION O&M

| Issue # | Subject | Reference |
|-----------------|--|-----------|
| 1. SDG&E10A.000 | Risk Shifting Proposals for SDG&E –Tree Trimming | 3C3-a1 |
| 2. SDG&E10A.005 | Electric Reliability Performance Measures | 3C3-a2 |

CHAPTER 3C3-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
UCAN Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan
Subject: Risk Shifting Proposals for SDG&E –Tree Trimming

Issue Description: Risk Shifting Proposals for SDG&E –Tree Trimming

SDG&E Position: A two-way balancing account is more appropriate as it provides a mechanism to permit SDG&E to address emergent conditions that arise and require increased vegetation management activity in a drier, more fire-prone service territory.

Exhibit SDGE-210, p. JW 30-31

UCAN Position: UCAN recommends that SDG&E's proposal to convert the Tree-Trimming Balancing Account from a one-way balancing account to a two-way balancing account be denied. One-way balancing accounts are appropriate to ensure that SDG&E bears the responsibility of producing reasonable forecasts and exercising good management practices to avoid cost overruns. The Commission issued a decision on this very issue in the last GRC (denying SDG&E's request) and SDG&E has not provided any additional evidence that would warrant reconsideration of its request.

Testimony of M. Fulmer for UCAN, pages 4 and 77

CHAPTER 3C3-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
UCAN Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan
Subject: Electric Reliability Performance Measures

Issue Description: Electric Reliability Performance Measures

SDG&E Position: The Electric Reliability Performance Measures adopted in D.14-09-005 allow SDG&E to focus on reliability indices that maximize reliability risk reduction, in order to continue the overall high level of reliability enjoyed by SDG&E's customers. SDG&E, which has good system reliability overall, worked with CCUE to design these more precisely targeted incentives based on SDG&E's specific reliability profile and most current reliability data.

SDG&E requests continued approval of the reliability indices approved in D.14-09-005, to allow SDG&E to improve reliability in areas that have the greatest need and provide more uniform reliability while continuing the overall high level of reliability enjoyed by SDG&E's customers.

Exhibit SDG&E-10R, Page JTW-81 and JTW-84

UCAN Position: UCAN recommends that the proposal of the California Coalition of Utility Employees (CUE) to develop electric reliability performance benchmarks by applying annual 1% improvement factors to the benchmarks that are currently in effect should be adopted in place of SDG&E's proposal.

SDG&E has not calculated the test year benchmarks consistent with the mechanism adopted in Decision 14-09-005. Instead, SDG&E has proposed to recalculate the reliability benchmarks such that they provide a lower bar than the benchmarks currently in effect.

Continued in Note

Note: (UCAN continued) In place of SDG&E's proposal, UCAN supports CUE's proposal to develop benchmarks by applying an annual 1% improvement factor to the benchmarks that are currently in effect. This mechanism is consistent with the reliability mechanism currently in effect, and it would ensure that SDG&E shareholders are rewarded only for meeting reliability standards that exceed the baseline standards adopted in September 2014 and that they are not rewarded for having had a poor reliability year in 2014.

Testimony of M. Fulmer for UCAN, pages 4, 78, 80-81

Chapter 3 - UCAN vs. SDG&E

Part C - Other

4. SDG&E-13 (Exh 86) - CS - FIELD

| Issue # | Subject | Reference |
|-----------------|-----------------------------------|-----------|
| 1. SDG&E13A.004 | Seasonal Customer Services Orders | 3C4-a1 |

CHAPTER 3C4-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
UCAN Differences to SDG&E Requests

Exhibit No.: SDG&E-13
Area: CS - FIELD
Witness: Franke, Sara
Subject: Seasonal Customer Services Orders

Issue Description: Seasonal Customer Services Orders forecast

SDG&E Position: SDG&E utilizes a five-year average of order volumes for "Seasonal Off" and "Seasonal On Multiples" order types given the year-to-year fluctuations in order volumes and the fact that these order types are largely driven by weather, which is outside SDG&E's control.

Exhibit SDG&E-213, p. SAF-24

UCAN Position: UCAN recommends that SDG&E's forecast of seasonal customer service orders should be modified to take into account the historic decline in pilot relights. UCAN recommends that SDG&E and SoCalGas both adopt the exponential trend analysis methodology, which takes into account the historical decline in order volumes for forecasting seasonal CSOs.

Testimony of M. Fulmer for UCAN, pages 5 and 103

Note: SDG&E rejected UCAN's recommendation to use an exponential trend analysis methodology, but accepted UCAN's secondary recommendation to use BY 2013 to forecast order volumes for the Seasonal On Singles work order type, resulting in a TY 2016 forecast reduction of -\$140,256 labor and -\$8,394 non-labor.

Exhibit SDG&E-213, p. SAF-25

Chapter 3 - UCAN vs. SDG&E

Part C - Other

5. SDG&E-14 (Exh 101) - CS - OPERATIONS, INFORMATION & TECHNOLOGIES

| Issue # | Subject | Reference |
|-----------------|---|-----------|
| 1. SDG&E14A.001 | Capital - SDG&E's Bill Redesign Project | 3C5-a1 |
| 2. SDG&E14A.002 | SDG&E's Branch Office Closure Proposal | 3C5-a2 |

CHAPTER 3C5-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
UCAN Differences to SDG&E Requests

Exhibit No.: SDG&E-14
Area: CS - OPERATIONS, INFORMATION & TECHNOLOGIES
Witness: Baugh, Bradley M.
Subject: Capital - SDG&E's Bill Redesign Project

Issue Description: Capital - SDG&E's Bill Redesign Project

SDG&E Position: SDG&E's IT capital request includes funding for a Bill Redesign Project in the amount of \$3.323 million. A more detailed forecast for Phase 1 was included in SDG&E's rebuttal testimony. The Phase 1 estimate for Bill Ready Notification Enhancements is estimated at \$989,000. The remaining \$2.334 million will be part of Phase 2 which SDG&E will conduct a detailed analysis and evaluation in the second half of 2015 to solidify the scope.

Exhibit SDG&E-14, p. BMB-128 and Exh. SDG&E-214, p. BMB-141.

UCAN Position: UCAN is supportive of the goal of redesigning bills in order to help customers better understand their energy usage and their bills. However, UCAN is troubled by the lack of information provided on the proposed budget and SDG&E's inability to provide a detailed breakdown of costs by activity that justifies the need. Without a more detailed forecast of bill redesign costs that justifies the need for \$3.3 million to complete this project, UCAN requests that funding be denied.

Testimony of M. Fulmer for UCAN, page 84

CHAPTER 3C5-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
UCAN Differences to SDG&E Requests

Exhibit No.: SDG&E-14
Area: CS - OPERATIONS, INFORMATION & TECHNOLOGIES
Witness: Baugh, Bradley M.
Subject: SDG&E's Branch Office Closure Proposal

Issue Description: SDG&E's Branch Office Closure Proposal

SDG&E Position: SDG&E is requesting approval to close three of its Branch Offices that are the lowest volume Branch Offices, have a long-term trend of declining payment transactions, and have the highest cost per transaction. SDG&E is opposed to the actions UCAN recommends, if the CPUC authorizes SDG&E's Branch closure proposal.

Exhibit SDGE-14, p. BMB-38

UCAN Position: UCAN is concerned that customers will be adversely impacted by the branch closures. It is essential to provide opportunities for cash payment transactions and non-payment services throughout SDG&E's service territory for all customers and especially for low-income customers who may have reduced access to Internet and mobile payment methods and reduced mobility to travel to alternate locations. It would be unreasonable to place a higher burden on low-income customers each time they need to pay a bill or discuss their utility service with SDG&E in exchange for relatively minor cost savings.

If the Commission does authorize SDG&E to close one or more of the branched, UCAN recommends the following actions be taken: expand services at nearby APL's, install payment drop-boxes, and institute a six-month moratorium on non-payment shut-offs for affected customers.

Note: Testimony of M. Fulmer for UCAN, pages 86, 93-95

Chapter 3 - UCAN vs. SDG&E

Part C - Other

6. SDG&E-21 (Exh 210) - CORPORATE CENTER - INSURANCE

| Issue # | Subject | Reference |
|-----------------|----------------------------------|-----------|
| 1. SDG&E21A.002 | Property and Liability Insurance | 3C6-a1 |

CHAPTER 3C6-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
UCAN Differences to SDG&E Requests

Exhibit No.: SDG&E-21
Area: CORPORATE CENTER - INSURANCE
Witness: Carbon, Katherine
Subject: Property and Liability Insurance

Issue Description: Property and Liability Insurance

SDG&E Position: The total amount of property and liability insurance premiums assigned to SDG&E will increase by \$4,993,000 from the General Rate Case ("GRC") Base Year 2013 to Test Year 2016.

Exhibit SDG&E-21, Pages KC-iii and KC-1

UCAN Position: UCAN claims that SDG&E's forecasted expense for General and Wildfire Liability and Property Damage Reinsurance cannot be justified.

UCAN recommends the company to explore alternative program structures incorporating alternative risk transfer (ART) techniques.

UCAN concludes that the utilities' forecasted additional expenses of \$8.2 million for General, Wildfire and Wildfire Reinsurance cannot be justified as the programs fail to comply with the Company's stated objective of purchasing "... broad coverage against catastrophic loss at the most economic cost feasible."

Errata Testimony of R. Sulpizio, pages 4 and 16

CHAPTER 3C6-a1

Exhibit No.: SDG&E-21

Area: CORPORATE CENTER - INSURANCE

Witness: Carbon, Katherine

Subject: Property and Liability Insurance

Proposed TY2016 Forecast
(in \$ thousands)

| | SoCalGas | UCAN | Difference |
|----------------------|----------------|---------------|----------------|
| General Liability | 10,602 | 9,043 | (1,559) |
| Wildfire | 55,070 | 50,352 | (4,718) |
| Wildfire Reinsurance | 34,869 | 34,795 | 74 |
| Total | <u>100,541</u> | <u>94,190</u> | <u>(6,203)</u> |

Chapter 3 - UCAN vs. SDG&E

Part C - Other

7. SDG&E-35 (Exh 253) - REGULATORY ACCOUNTS

| Issue # | Subject | Reference |
|----------------|--|-----------|
| 1. SDG&E35.001 | TIMP and DIMP Balancing Account | 3C7-a1 |
| 2. SDG&E35.002 | Tree-Trimming Balancing Account (TTBA) | 3C7-a2 |

CHAPTER 3C7-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
UCAN Differences to SDG&E Requests

Exhibit No.: SDG&E-35
Area: REGULATORY ACCOUNTS
Witness: Jasso, Norma G.
Subject: TIMP and DIMP Balancing Account

Issue Description: TIMP and DIMP Balancing Account

SDG&E Position: The TIMPBA and Post-2011 DIMPBA are two-way, interest bearing balancing accounts recorded on SDG&E's financial statements.

SDG&E proposes to continue the current ratemaking treatment for TIMP and DIMP O&M costs incurred and capital-related costs associated with capital additions in the 2016 GRC cycle, with the exception of the Tier 3 advice letter filing requirement for the recovery of any undercollection balances resulting from TIMP and DIMP spending above authorized levels.

Exhibit SDG&E-35, p NGJ-4

UCAN Position: UCAN proposes that the SDG&E and SoCalGas balancing accounts for the Transmission Integrity Management Program (TIMP) and the post-2011 Distribution Integrity Management Program (DIMP) should be converted to one-way balancing accounts, which may be reviewed using Tier 2 advice letters. If two-way balancing accounts are used for any part of TIMP or DIMP spending, a Tier 3 advice letter process should continue to be used to review requests for undercollection recovery.

Testimony of M. Fulmer for UCAN, page 69

CHAPTER 3C7-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
UCAN Differences to SDG&E Requests

Exhibit No.: SDG&E-35
Area: REGULATORY ACCOUNTS
Witness: Jasso, Norma G.
Subject: Tree-Trimming Balancing Account (TTBA)

Issue Description: Tree-Trimming Balancing Account (TTBA)

SDG&E Position: SDG&E proposes to convert the Tree-Trimming Balancing Account from a one-way balancing account to a two-way balancing account.

Exhibit SDG&E-35, p. NGJ-5

UCAN Position: UCAN recommends that SDG&E's proposal to convert the Tree-Trimming Balancing Account (TTBA) from a one-way balancing account to a two-way balancing account should be denied.

Testimony of M. Fulmer for UCAN, page 4

Chapter 3 - UCAN vs. SDG&E

Part C - Other

8. SDG&E-37-R (Exh 95) - POST-TEST YEAR RATEMAKING

| Issue # | Subject | Reference |
|----------------|---------------------------|-----------|
| 1. SDG&E37.006 | Post-Test Year Ratemaking | 3C8-a1 |

CHAPTER 3C8-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
UCAN Differences to SDG&E Requests

Exhibit No.: SDG&E-37-R
Area: POST-TEST YEAR RATEMAKING
Witness: Hrna, Sandra K.
Subject: Post-Test Year Ratemaking

Issue Description: Post-Test Year Ratemaking

SDG&E Position: SDG&E proposes post-test year ratemaking mechanism to adjust authorized revenue requirements for:

- o Labor and non-labor costs based on IHS Global Insight's forecast,
- o Medical costs based on the Towers Watson forecast, and
- o Capital investments impact on rate base.

SDG&E-37-R, p SKH-ii

UCAN Position: UCAN states that Sempra's proposed escalators are likely to bear little relation to its utilities' actual costs during the post-test year period and are likely to significantly over-estimate the utilities' actual cost increases, resulting in steep overcharges to ratepayers. Sempra has not supported the need for 5% annual increases at this time, and UCAN believes that such increases would be excessive.

Testimony of L. Norin for UCAN, pages 21-23

Chapter 3 - UCAN vs. SDG&E

Part C - Other

9. SDG&E-39-R (Exh 203) - ELECTRIC REVENUES AND RATES

| Issue # | Subject | Reference |
|----------------|---------------------|-----------|
| 1. SDG&E39.002 | Rates Stabilization | 3C9-a1 |

CHAPTER 3C9-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
UCAN Differences to SDG&E Requests

Exhibit No.: SDG&E-39-R
Area: ELECTRIC REVENUES AND RATES
Witness: Fang, Cynthia S.
Subject: Rates Stabilization

Issue Description: Rates Stabilization

SDG&E Position: In order to avoid this potential rate volatility for our customers, SDG&E makes the following Rate Stabilization proposal: In the event that SDG&E does not receive a decision in time to implement rates effective January 1, 2016, SDG&E proposes to not adjust rates for the roll -off GRCMA balances associated with its 2012 GRC Phase 1 in order to avoid rate volatility for our customers and until such time the 2016 GRC is implemented.

As part of the rate implementation of the 2016 GRC, SDG&E proposes that over collections associated with maintaining rates at the higher level associated with not rolling-off GRCMA be used to offset rate increases associated with the implementation of rates associated with this proceeding.

Exhibit SDG&E-39, Pages CSF-16 and CSF-17

UCAN Position: SDG&E's proposal to overcollect revenue prior to implementation of a decision in this proceeding in the name of "rate stabilization" should be rejected. Instead, recovery of the 2012 GRC undercollection should generally cease at the end of 2015 when the undercollection is fully recovered.

Testimony of B. Kobor, L. Norin, and M. Fulmer for UCAN, p. 5

In general, UCAN recommends that recovery of the 2012 GRC undercollection should cease at the end of 2015 when the undercollection is fully recovered. However, UCAN finds it reasonable to consider SDG&E's proposal if certain conditions are all met.

Note: UCAN continued: If these conditions are all met, UCAN requests that the Commission evaluate the merit of the rate stabilization proposal in light of the size of the projected rate increase, the length of the GRC implementation delay, and other rate changes being implemented around the same time period.

Testimony of B. Kobor, L. Norin, and M. Fulmer for UCAN, pp. 106-108

Chapter 4

Differences Between SDG&E and TURN

Chapter 4 - TURN vs. SDG&E

Part B - Capital-Related Costs

1. SDG&E-29-R (Exh 247) - TAXES

| Issue # | Subject | Reference |
|----------------|--|-----------|
| 1. SDG&E29.003 | Income Taxes Deduction - Repair Deduction/Percentage Repair Allowance | 4B1-a1 |

CHAPTER 4B1-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-29-R
Area: TAXES
Witness: Reeves, Ragan G.
Subject: Income Taxes Deduction - Repair Deduction/Percentage Repair Allowance

Issue Description: Income Taxes Deduction - Repair Deduction/Percentage Repair Allowance

SDG&E Position: Pursuant to Revenue Procedure 2011-43, SDG&E obtained automatic consents from the IRS and the FTB to change its method of accounting for repair deductions associated with its transmission and distribution assets, including the election of the safe harbor method provided in the Revenue Procedure.

Exhibit SDG&E-29-R, p. RGR-14

TURN Position: TURN proposes to normalize the repair allowance for both Sempra Utilities for the period ending at the end of 2014, increasing Accumulated Deferred Income Tax (ADIT) and reducing rate base by \$93.0* million for SDG&E and \$92.3 million for SoCal Gas.

The Commission should flow through to ratepayers the 2015 balance in the repair deduction memorandum accounts previously adopted in this proceeding and should follow SEU's proposal to flow through the repair deduction from 2016 onward.

Future voluntary tax changes made by SDG&E and SoCal should only take effect in GRC test year unless provisions are made to make ratepayers whole.

Testimony of William B. Marcus for TURN, p. 5, 25-27

Note: *TURN updated ratebase reduction from \$93.0 million to \$93.6 million for SDG&E.

Errata Testimony of William B. Marcus for TURN, p. 5

Chapter 4 - TURN vs. SDG&E

Part B - Capital-Related Costs

2. SDG&E-30-R (Exh 234) - WORKING CASH

| Issue # | Subject | Reference |
|----------------|--------------------|-----------|
| 1. SDG&E30.001 | SDG&E Working Cash | 4B2-a1 |

CHAPTER 4B2-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-30-R
Area: WORKING CASH
Witness: Lewis, Jack S.
Subject: SDG&E Working Cash

Issue Description: SDG&E Working Cash

SDG&E Position: SDG&E requests \$136.056 million for TY 2016.

The methodology used by SDG&E to prepare its GRC request for working cash is in compliance with CPUC Standard Practice U-16, based on 2013 as-recorded costs and TY 2016 forecasts.

Exhibit SDG&E-30-R, JSL-19

TURN Position: TURN recommends a rate base reduction of \$118.5 million. Of this amount \$39.7 million (including a net \$0.6 million reduction in rate base due to increased franchise fees caused by reclassifying electric powerplant fuel from gas commodity costs to electric commodity costs) comes from changes to the lead lag study, \$9.2 million from removal of preliminary surveys and a prepayment account that solely tracks prepayments of shareholder money, and \$69.6 million from customer deposits as a rate base offset.

TURN also recommends to change the unbundling of commodity lags from distribution to generation or commodity-related for both SoCal Gas and SDG&E and should move \$200 million of SDG&E's electric powerplant fuel lag from the gas department to the electric department for recovery from ratepayers.

Testimony of William B. Marcus on SDG&E, p 28

Note: TURN changes for SDG&E are shown (on the next page) as Table 12. The changes to SDG&E's commodity unbundling are shown on Table 13.

Testimony of William B. Marcus, page 30

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>TURN</u> | <u>Difference</u> |
|--------------|------------------|---------------|-------------------|
| 2016 | 136,056 | 17,556 | -118,500 |
| TOTAL | 136,056 | 17,556 | -118,500 |

CHAPTER 4B2-a1

Table 12: Summary of SDG&E Non-Commodity Cash Working Capital Adjustments

| SDG&E Non-Commodity Cash Working Capital | | | | SDG&E Non-Commodity Cash Working Capital | | | |
|--|-----------|--------------|-------------|--|---------|----------------------|-------------|
| Electric Distribution | | | | Gas | | | |
| | Dollars | Lag Days | Dollar-Days | | Dollars | Lag Days | Dollar-Days |
| Total Per SDG&E | 1,139,917 | 21.57 | 24,589,141 | Total Per SDG&E | 359,392 | 26.90 | 9,667,345 |
| TURN ADJUSTMENTS | | | | TURN ADJUSTMENTS | | | |
| SDG&E Goods and Services | 278,627 | 30.70 | 8,553,852 | SDG&E Goods and Services | 109,553 | 30.70 | 3,363,262 |
| TURN Goods and Services | 278,627 | 37.42 | 10,426,225 | TURN Goods and Services | 109,553 | 37.42 | 4,099,458 |
| Difference | - | | 1,872,373 | Difference | - | | 736,196 |
| Remove State Income Tax | (13,745) | (407.13) | 5,595,980 | Remove State Income Tax | (5,404) | (407.16) | 2,200,266 |
| Add Electric franchise fees on powerplant fuel | 6,789 | 125.33 | 850,815 | Subtract gas franchise fees on powerplant fuel | (4,137) | 125.33 | (518,504) |
| Total Per TURN | 1,132,961 | 29.05 | 32,908,309 | Total Per TURN | 349,851 | 34.54 | 12,085,303 |
| Change in lag days | | 7.48 | | Change in lag days | | 7.64 | |
| 2016 non-commodity cost | 1,632,681 | | | 2016 non-commodity cost | 354,282 | | |
| Reduced Rate base | 33,438 | | | Reduced Rate base | 7,421 | | |
| Additional TURN Rate Base Reductions | | | | Additional TURN Rate Base Reductions | | | |
| Preliminary Surveys | 4,052 | | | Preliminary Surveys | 1,595 | | |
| Prepaid Property Tax | 2,557 | | | Prepaid Property Tax | 1,005 | | |
| Customer Deposits | 69,625 | includes gas | | Customer Deposits | | included in electric | |
| TURN rate base reductions | 73,677 | | | TURN rate base reductions | 2,600 | | |

Table 13: Summary of SDG&E Commodity Cash Working Capital Adjustments

| SDG&E Electric Commodity Cash Working Capital (ASSIGN TO GENERATION) | | | | SDG&E Gas Commodity Cash Working Capital (ASSIGN TO COMMODITY) | | | |
|--|----------|------------------|-------------|--|----------|------------------|-------------|
| | lag days | dollars (\$'000) | dollar-days | | lag days | dollars (\$'000) | dollar-days |
| Per SDG&E - Commodity Electric | 36.1 | 1,097,849 | 39,632,349 | Per SDG&E Gas Fuel | 37.67 | 432,362 | 16,287,077 |
| TURN - Add Electric Fuel from Gas | 37.67 | 199,600 | 7,518,932 | TURN - Subtract Electric Fuel from Gas | 37.67 | (199,600) | (7,518,932) |
| TURN Total | 36.34 | 1,297,449 | 47,151,281 | TURN Total | 37.67 | 232,762 | 8,768,145 |
| Revenue Lag | 40.35 | | | Revenue Lag | 40.35 | | |
| Commodity Rate Base per SDG&E | 12,783 | | | Commodity Rate Base per SDG&E | 3,175 | | |
| Commodity Rate Base per TURN | 14,249 | difference | 1,466 | Commodity Rate Base per TURN | 1,709 | difference | (1,466) |

Chapter 4 - TURN vs. SDG&E

Part C - Other

1. SDG&E-07 (Exh 53) - TIMP & DIMP

| Issue # | Subject | Reference |
|-----------------|---|-----------|
| 1. SDG&E07A.003 | Distribution pipe replacement (DREAMS) (DIMP) | 4C1-a1 |

CHAPTER 4C1-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-07
Area: TIMP & DIMP
Witness: Martinez, Maria T.
Subject: Distribution pipe replacement (DREAMS) (DIMP)

Issue Description: Distribution pipe replacement (DREAMS) (DIMP)

SDG&E Position: This issue was not specifically addressed by SDG&E since the testimony of John Sugar addressed unit cost issues for DIMP-DREAMS program and 10% forecast reduction for efficiency was explicitly addressed to SoCalGas only.

TURN Position: TURN recommends reducing forecast DREAMS spending to reflect the cost per mile of distribution main replacement used for the Main Replacement Program. TURN also recommends a 10 percent reduction in forecast 2016 spending for both programs, to encourage more efficient operation of distribution pipe replacement efforts.

TURN testimony of J. Sugar, p. 39

Note: Note:

This issue TURN did not set forth explicitly in their testimony but will take in their brief. The testimony of John Sugar addressed unit cost issues for the DIMP-DREAMS program that apply equally to SoCalGas and SDG&E, but only referred to the SoCalGas impact. The same is true for the 10% forecast reduction for efficiency. TURN's brief will make recommendations for both utilities in these areas, relying on further record support developed during the evidentiary hearings.

Chapter 4 - TURN vs. SDG&E

Part C - Other

2. SDG&E-09-R (Exh 134) - ELECTRIC DISTRIBUTION CAPITAL

| Issue # | Subject | Reference |
|-----------------|---------------------------------------|-----------|
| 1. SDG&E09A.001 | Mira Sorrento Capital Project | 4C2-a1 |
| 2. SDG&E09A.002 | Salt Creek Substation Capital Project | 4C2-a2 |
| 3. SDG&E09A.003 | C917 Circuit Capital Project | 4C2-a3 |

CHAPTER 4C2-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.
Subject: Mira Sorrento Capital Project

Issue Description:

SDG&E Position: The purpose of this project is to eliminate projected overloads at North City West Substation, and high loading at Mesa Rim, Genesee, and Torrey Pines Substations. The forecast method used for Mira Sorrento 138/12KV Substation is zero-based. The forecast is based on detailed cost estimates that were developed based on the specific scope of work for the project.

2014 - \$12.218 million
2015 - \$0 million
2016 - \$0 million

Exhibit SDG&E-09, Page JDJ-31

TURN Position: TURN's recommendation is to disallow a portion (10%) of the Mira Sorrento project requested expenditure. The Mira Sorrento project consists of four substations, two of which (Genesee and Torrey Pines) would still be overloaded even when accounting for solar DG according to TURN's analysis. However, given that the project entails a new substation and circuits to offload all four of the substations, it is clear a portion of the project could be avoided/deferred at this time, for instance by building less circuits than planned.

2014 - \$10.996 million
2015 - \$0 million
2016 - \$0 million

Prepared Testimony of E.Borden for TURN, Page 13

CHAPTER 4C2-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.
Subject: Salt Creek Substation Capital Project

Issue Description:

SDG&E Position: The purpose of this project is to build a new low-profile Salt Creek Substation in the Otay Ranch-Chula Vista Area. The forecast method used for Salt Creek Substation & New Circuits is zero-based.

2014 - \$1.008 million
2015 - \$5.065 million
2016 - \$1.816 million

Exhibit SDG&E-09, Page JDJ-31

TURN Position: TURN's recommendation is to disallow the entire Salt Creek substation project. TURN's analysis found the Salt Creek substation could be deferred until at least the next GRC.

2014 - \$0
2015 - \$0
2016 - \$0

Prepared Testimony of E.Borden for TURN, Page 13

CHAPTER 4C2-a3

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.
Subject: C917 Circuit Capital Project

Issue Description:

SDG&E Position: The purpose of this project is to eliminate a projected overload on circuit 910 and to reduce the heavily loaded C912 in 2015, at Chicarita (CC). The forecast method used for C917, CC: New 12kV Circuit is zero-based.

2014 - \$1.450 million
2015 - \$0 million
2016 - \$0 million

Exhibit SDG&E-09, Page JDJ-37

TURN Position: TURN's recommendation is to disallow the entire C917 circuit project. TURN's analysis found that the C917 new circuit project, could be deferred until at least the next GRC.

2014 - \$0 million
2015 - \$0 million
2016 - \$0 million

Prepared Testimony of E.Borden for TURN, Page 13

Chapter 4 - TURN vs. SDG&E

Part C - Other

3. SDG&E-16 (Exh 166) - FLEET SERVICES

| Issue # | Subject | Reference |
|-----------------|------------------------------------|-----------|
| 1. SDG&E16A.000 | Ownership Costs - Amortization O&M | 4C3-a1 |
| 2. SDG&E16A.001 | Ownership Costs - Interest O&M | 4C3-a2 |
| 3. SDG&E16A.002 | Ownership Costs - Salvage O&M | 4C3-a3 |
| 4. SDG&E16A.003 | Ownership Costs - License Fees O&M | 4C3-a4 |

CHAPTER 4C3-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-16
Area: FLEET SERVICES
Witness: Herrera, Carmen L.
Subject: Ownership Costs - Amortization O&M

Issue Description:

SDG&E Position: SDG&E is requesting \$6.622 million for amortization costs of Current Fleet and \$.364 million for Diesel Particulate Filter Retrofit/Replacements for TY 2016. SDG&E forecasts \$7.837 million for other fleet amortization costs for TY 2016, including Fleet Replacements 2014 through 2016; Incremental Fleet for Business Needs; and Alternative Fleet Vehicles.

Exhibit SDG&E-16, Page CLH-4

TURN Position: TURN recommends that the Commission adopt 6-year averages for amortization (plus an adder for Diesel Particulate Filter Retrofits/Replacements) given that ownership expenses have varied randomly during the period of 2009-2014.

Prepared Testimony of G. Jones for TURN, Page 4

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>TURN</u> | <u>Difference</u> |
|--------------|------------------|---------------|-------------------|
| 2016 | 14,823 | 11,053 | -3,770 |
| TOTAL | 14,823 | 11,053 | -3,770 |

CHAPTER 4C3-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-16
Area: FLEET SERVICES
Witness: Herrera, Carmen L.
Subject: Ownership Costs - Interest O&M

Issue Description:

SDG&E Position: SDG&E is requesting \$2.598 million for the interest costs of fleet services for TY 2016 which is \$1.790 million or 222 percent above 2013 recorded interest costs. SDG&E determined interest costs by multiplying the monthly outstanding balances with the London Interbank Offered Rate contained in the Global Insight Forecast for the payment month and then summed for the year.

Exhibit SDG&E-16, Page CLH-4

TURN Position: TURN recommends that the Commission adopt 6-year averages for interest (plus an adder for Diesel Particulate Filter Retrofits/Replacements) given that ownership expenses have varied randomly during the period of 2009-2014.

Prepared Testimony of G. Jones for TURN, Page 4

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>TURN</u> | <u>Difference</u> |
|--------------|------------------|--------------|-------------------|
| 2016 | 2,598 | 1,024 | -1,574 |
| TOTAL | 2,598 | 1,024 | -1,574 |

CHAPTER 4C3-a3

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-16
Area: FLEET SERVICES
Witness: Herrera, Carmen L.
Subject: Ownership Costs - Salvage O&M

Issue Description:

SDG&E Position: SDG&E is requesting vehicle salvage proceeds of \$.700 million for TY 2016 which is \$.253 or 26.5 percent less than 2013 recorded salvage. Salvage is the recovery of the residual value of assets being retired from the fleet. Salvage proceeds received at auction are credited against amortization expenses to determine total asset ownership costs. SDG&E forecasts to salvage 200 units in TY2016. SDG&E forecasts salvage proceeds of \$3,500 per unit based on the three year average of the per unit salvage achieved.

Exhibit SDG&E-16, Page CLH-4

TURN Position: TURN recommends that the Commission adopt 6-year averages for salvage given that ownership expenses have varied randomly during the period of 2009-2014.

Prepared Testimony of G. Jones for TURN, Page 4

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>TURN</u> | <u>Difference</u> |
|--------------|------------------|-------------|-------------------|
| 2016 | -700 | -910 | -210 |
| TOTAL | -700 | -910 | -210 |

CHAPTER 4C3-a4

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-16
Area: FLEET SERVICES
Witness: Herrera, Carmen L.
Subject: Ownership Costs - License Fees O&M

Issue Description:

SDG&E Position: SDG&E is requesting \$1.528 million for TY 2016 which is \$.489 million or 47 percent above 2013 recorded costs for License Fees. License fees are comprised of three components: an annual registration fee and an annual weight fee, both of which are generally fixed for the life of the vehicle. The annual vehicle license fee uses the scalar factor of original vehicle sale price and renewal age to determine the annual renewal fee. License fees are a factor of fleet composition and age and SDG&E states it is complex to forecast license fees individually for each vehicle each year. Therefore, SDG&E used the ratio of base year amortization payments to license fees of 11 percent to approximate future license payments.

Exhibit SDG&E-16, Page CLH-4

TURN Position: TURN's License Fees forecast is calculated by multiplying the Amortization expense forecast by the six year average of License Fees as a percentage of Amortization expense (10.6%).

Prepared Testimony of G. Jones for TURN, Page 4

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>TURN</u> | <u>Difference</u> |
|--------------|------------------|--------------|-------------------|
| 2016 | 1,528 | 1,170 | -358 |
| TOTAL | 1,528 | 1,170 | -358 |

Chapter 4 - TURN vs. SDG&E

Part C - Other

4. SDG&E-20 (Exh 222) - CORPORATE CENTER - GENERAL ADMINISTRATION

| Issue # | Subject | Reference |
|-----------------|---|-----------|
| 1. SDG&E20A.000 | TURN Multi-Factor adjustment | 4C4-a1 |
| 2. SDG&E20A.002 | Compensation-Long-Term Incentive Plan allocated from Sempra | 4C4-a2 |
| 3. SDG&E20A.003 | Compensation - Variable Pay | 4C4-a3 |
| 4. SDG&E20A.004 | Retirement Benefits-Supplemental Pension allocated from Sempra | 4C4-a4 |
| 5. SDG&E20A.005 | Allocation of Governmental Programs & Corporate Responsibility | 4C4-a5 |

CHAPTER 4C4-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-20
Area: CORPORATE CENTER - GENERAL ADMINISTRATION
Witness: Devine, Hannah L.
Subject: TURN Multi-Factor adjustment

Issue Description: TURN Multi-Factor adjustment

SDG&E Position: The Multi-Factor is a Commission-approved allocation method that is computed annually for the forthcoming year, based on the prior year's data. To forecast the rates for 2016, the 2011-2013 were projected using a linear trend method. This process is consistent with the technique used in all previous Cost of Service and GRC test years.

The resulting percentages for TY 2016 were 38.9% to SDG&E, 39.0% to SoCalGas, and 22.1% for unregulated activities.

Exhibit SDG&E-29, Pages PRW-6 and 7

TURN Position: Instead of a trend, TURN recommends using a two-year average of the 2013 and 2014 data to arrive at the TY 2016 rates. They also propose an adjustment of financial data for Variable Interest Entity in SDG&E. Their combined proposal would result in percentages 37.0% to SDG&E, 39.4% to SoCalGas, and 23.6% for unregulated activities.

Testimony of William B. Marcus, p. 8

Note: Proposed TY2016 Forecast (in thousands of 2013 dollars):
Nonstandard 62,130 60,905 - 1,225

CHAPTER 4C4-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-20
Area: CORPORATE CENTER - GENERAL ADMINISTRATION
Witness: Devine, Hannah L.
Subject: Compensation-Long-Term Incentive Plan allocated from Sempra

Issue Description: Compensation-Long-Term Incentive Plan allocated from Sempra

SDG&E Position: Sempra Energy forecasts allocating \$5.633 million for long-term incentives in 2016. SoCalGas' allocation is forecast at \$2.606M. SDG&E's allocation is forecast at \$3.026M.

Exhibit SDG&E-20, Page PRW-57

TURN Position: TURN recommends no ratepayer funding for long-term incentive.

Testimony of John E. Sugar for TURN, PP. 1-3 and 23-24

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>TURN</u> | <u>Difference</u> |
|--------------|------------------|-------------|-------------------|
| 2016 | 3,026 | 0 | -3,026 |
| TOTAL | 3,026 | 0 | -3,026 |

CHAPTER 4C4-a3

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-20
Area: CORPORATE CENTER - GENERAL ADMINISTRATION
Witness: Devine, Hannah L.
Subject: Compensation - Variable Pay

Issue Description: Compensation - Variable Pay

SDG&E Position: SDG&E requests a Corporate Center allocation of \$2.988* million (\$3.206 million in escalated 2016 dollars) for variable pay (also known as incentive compensation or ICP). Corporate Center's ICP costs are included for all eligible employees, based on expected overall performance results. The request is for ICP based on target performance. If actual ICP performance exceeds target performance, the differential is funded by shareholders and is not recoverable in rates. This Plan is consistent with the Total Compensation structure used at SDG&E and SoCalGas, as described in the testimony of Debbie S. Robinson (Exhibit SDG&E-22).

Exhibit SDG&E-20, Page PRW-56

TURN Position: TURN proposes \$1.466* million for TY2016 for Sempra Energy's ICP allocation to SDG&E. TURN recommends limiting ratepayer funding to the amounts associated with goals that enhance utility operations and services. As discussed above, TURN recommends that shareholders fund incentive payments based on financial and company Business and Regulatory objectives.

Testimony of John Sugar on behalf of TURN, Pages 18 and 22

Note: * SDG&E request of \$2.988 million differs from the \$3.646 million shown in Table 8 on page 22 of Mr. Sugar's testimony. It appears that TURN double-counted the Executive ICP of \$0.658 million ($\$0.658 + \$0.658 + \2.330 (Non-Exec) = \$3.646).

Exhibit SDG&E-20-WP, pp. 371, 374 and 377

TURN's recommendation of \$1.466 million double counts Executive ICP as the TURN adjustments in Table 7 were made to the total ICP allocation, not the Non-Executive ICP allocation as it intended.

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>TURN</u> | <u>Difference</u> |
|--------------|------------------|--------------|-------------------|
| 2016 | 2,988 | 1,466 | -1,522 |
| TOTAL | 2,988 | 1,466 | -1,522 |

CHAPTER 4C4-a4

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-20
Area: CORPORATE CENTER - GENERAL ADMINISTRATION
Witness: Devine, Hannah L.
Subject: Retirement Benefits-Supplemental Pension allocated from Sempra

Issue Description: Retirement Benefits-Supplemental Pension allocated from Sempra

SDG&E Position: Sempra Energy forecasts allocating \$2,288 million for SERP. SoCalGas' allocation is forecast at \$1.084M. SDG&E's allocation is forecast at \$1.204M.

Exhibit SDG&E-20, p. PRW-57

TURN Position: TURN recommends no ratepayer funding for this program.

Testimony of John E. Sugar for TURN, pp. 1-3 and 24-27

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>TURN</u> | <u>Difference</u> |
|--------------|------------------|-------------|-------------------|
| 2016 | 1,204 | 0 | -1,204 |
| TOTAL | 1,204 | 0 | -1,204 |

CHAPTER 4C4-a5

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-20
Area: CORPORATE CENTER - GENERAL ADMINISTRATION
Witness: Devine, Hannah L.
Subject: Allocation of Governmental Programs & Corporate Responsibility

Issue Description: Allocation of Governmental Programs & Corporate Responsibility

SDG&E Position: This cost center supports SDG&E and SoCalGas in their efforts to drive sustainability throughout utility operations, embed best practices, and reduce impacts on the environment. The Corporate Responsibility Report tracks the CPUC's Sustainable Utilities En Banc session that defined corporate sustainability as the integration of economic, environmental, and social considerations into corporate strategy. Allocation rates for the Corporate Responsibility team reflects more actual time spent supporting SDG&E and SoCalGas in the above-mentioned areas, compared to non-allocable political activities.

Exhibit SDG&E-220, p HLD-7

TURN Position: TURN proposes to reduce the allocation rates back to the 2013 percentages, which would lower the SDG&E request by \$(164,000) and SoCalGas by \$(154,000).

TURN testimony of W. Marcus, p 10-11

Chapter 4 - TURN vs. SDG&E

Part C - Other

5. SDG&E-21 (Exh 210) - CORPORATE CENTER - INSURANCE

| Issue # | Subject | Reference |
|-----------------|---|-----------|
| 1. SDG&E21A.003 | TURN Multi-Factor Adjustment for TY 2016 | 4C5-a1 |
| 2. SDG&E21A.004 | TURN D&O Allocation Adjustment for TY2016 | 4C5-a2 |

CHAPTER 4C5-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-21
Area: CORPORATE CENTER - INSURANCE
Witness: Carbon, Katherine
Subject: TURN Multi-Factor Adjustment for TY 2016

Issue Description: TURN Multi-Factor Adjustment for TY 2016

SDG&E Position: Sempra Energy Utilities (SEU): The Multi-Factor is a Commission-approved allocation method that is computed annually for the forthcoming year, based on the prior year's data. To forecast the rates for 2016, the actual 2011-2013 rates were projected using a linear trend method. This process is consistent with the technique used in all previous Cost of Service and GRC test years.

The resulting percentages for TY 2016 were 38.9% to SDG&E, 39.0% to SoCalGas, and 22.1% for unregulated activities.

Exhibit SDG&E-20, Pages PRW-6 and 7

TURN Position: Instead of a trend, TURN recommends using a two-year average of the 2013 and 2014 data to arrive at the TY 2016 rates. They also propose an adjustment of financial data for Variable Interest Entity in SDG&E. Their combined proposal would result in percentages 37.0% to SDG&E, 39.4% to SoCalGas, and 23.6% for unregulated activities, resulting in a decrease of \$969,000 for SDG&E and an increase of \$266,000 for SCG.

Testimony of William B. Marcus, p. 6-8, Table 2

Note: Proposed TY2016 Forecast (in thousands of 2016 dollars)

| Expense Type | SDG&E | TURN | Difference |
|-------------------------|---------|---------|------------|
| Multi-Factor Allocation | 11,588 | 10,619 | <969> |
| D&O Insurance | 607 | 476 | <131> |
| Other Allocations | 99,318 | 99,318 | 0 |
| Total | 111,513 | 110,413 | <1,100> |

CHAPTER 4C5-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-21
Area: CORPORATE CENTER - INSURANCE
Witness: Carbon, Katherine
Subject: TURN D&O Allocation Adjustment for TY2016

Issue Description: TURN D&O Allocation Adjustment for TY2016

SDG&E Position: SDG&E and SCG use a Multi-Factor Split rate to calculate D&O Liability Insurance. This method allocates 50% of costs to the Utilities and 50% to the non-regulated affiliates.

Exhibit SDG&E-21, Pages KC 14 and 15

TURN Position: TURN recommends D&O Liability Insurance be reduced by \$131,000 and \$140,000 for SDG&E and SCG respectively. TURN would use the Multi-Factor Basic allocation, then reduce the Utilities' share by 50%.

Testimony of William B. Marcus, p.9,12 Table 6

Note: Proposed TY2016 Forecast (in thousands of 2016 dollars)

| Expense Type | SDG&E | TURN | Difference |
|-------------------------|---------|---------|------------|
| Multi-Factor Allocation | 11,588 | 10,619 | <969> |
| D&O Insurance | 607 | 476 | <131> |
| Other Allocations | 99,318 | 99,318 | 0 |
| Total | 111,513 | 110,413 | <1,100> |

Chapter 4 - TURN vs. SDG&E

Part C - Other

6. SDG&E-22 (Exh 193) - COMPENSATION, HEALTH, & WELFARE

| Issue # | Subject | Reference |
|-----------------|--|-----------|
| 1. SDG&E22A.000 | Other Benefit Program Expenses | 4C6-a1 |
| 2. SDG&E22A.001 | Compensation - Variable Pay | 4C6-a2 |
| 3. SDG&E22A.002 | Compensation-Long-Term Incentive Plan | 4C6-a3 |
| 4. SDG&E22A.003 | Retirement Benefits-Supplemental Pension | 4C6-a4 |
| 5. SDG&E22A.005 | Incentive Compensation Plans (ICP) Performance Measures | 4C6-a5 |
| 6. SDG&E22A.007 | Financial Components of Short Term Incentive Compensation | 4C6-a6 |
| 7. SDG&E22A.008 | Compensation-Long-Term Incentive Plan from allocated from Sempra | 4C6-a7 |

CHAPTER 4C6-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-22
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.
Subject: Other Benefit Program Expenses

Issue Description: Other Benefit Program Expenses

SDG&E Position: SDG&E requests \$1.982 million for TY 2016.

Other Benefit Program Expenses includes: Benefits Administration Fees, Educational Assistance, Emergency Childcare, Mass Transit Incentive, Retirement Activities, and Service Recognition.

Exhibit SDG&E-22, page DSR-32

TURN Position: TURN's base recommendation is that the Commission to use the six-year (including the recorded 2014 value) average for each of the subprograms, rather than accept the utilities' forecast for each program, given that the sum of the costs for all of the subprograms is randomly variable through that period with no discernable trend.

In addition, TURN proposes removing from the six-year average part or all of the costs of the retirement activity, service recognition, and special events subprograms.

Testimony of Garrick F Jones for TURN, pp. 15-17

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>TURN</u> | <u>Difference</u> |
|--------------|------------------|--------------|-------------------|
| 2016 | 1,982 | 1,831 | -151 |
| TOTAL | 1,982 | 1,831 | -151 |

CHAPTER 4C6-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-22
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.
Subject: Compensation - Variable Pay

Issue Description: Compensation - Variable Pay

SDG&E Position: SDG&E requests \$50.351* million for TY 2016 for the activities in this work group using a zero-based forecast. The ORA and SDG&E jointly selected Towers Watson to conduct the competitive compensation and benefits analysis. SDG&E's total compensation (defined as base salaries, target short-term incentives, long term incentives and benefits) is within 5.3 percent of market. Compensation professionals, including Towers Watson, typically consider a range of plus or minus 10 percent of the average of the external market data to be competitive and broader ranges are common and expected for long-term incentive plans and benefits. SDG&E is requesting recovery of variable pay based on target performance. If actual ICP performance exceeds target performance, the differential is funded by shareholders and is not recoverable in rates.

Exhibit SDG&E-22, p. DSR-9
Exhibit SDG&E-22-WP, p 6

TURN Position: TURN recommends limiting rate payer funding to \$20.486 million as some of the goals that Sempra Energy and its utilities have chosen for the utility short-term incentive plans benefit shareholders and ICP recipients alone, without sufficient relationship to the quality of Sempra Utilities' operations from a ratepayer perspective.

Testimony of John E. Sugar, pages 1-3 and 18-20

Note: * Excluding \$2.988 million allocated from Sempra Energy.

Total disallowance by TURN is \$31.620 million including \$1.755 million disallowance from Sempra Energy allocation (\$2.988 - \$1.233 = \$1.755).

Testimony of John E. Sugar, page 22, Table 7

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>TURN</u> | <u>Difference</u> |
|--------------|------------------|---------------|-------------------|
| 2016 | 50,351 | 20,486 | -29,865 |
| TOTAL | 50,351 | 20,486 | -29,865 |

CHAPTER 4C6-a3

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-22
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.
Subject: Compensation-Long-Term Incentive Plan

Issue Description: Compensation-Long-Term Incentive Plan

SDG&E Position: SDG&E requests \$10.265* million for TY 2016 for the activities in this work group using a zero-based forecast. Long-term incentives are an integral component of a competitive compensation program for key management and executive employees. Consistent with the external labor market, SDG&E's compensation philosophy ties a greater portion of pay to company performance at higher levels of responsibility. The actual compensation realized by participants is dependent on Sempra Energy's performance. Long-term incentives awards are granted under the Sempra Energy Long Term Incentive Plan, in the form of performance-based restricted stock units and service-based restricted stock units. Long-term incentive plan costs are based on the accounting expense incurred for awards issued to SDG&E employees.

Exhibit SDG&E-22, pp DSR-10 & 11
Exhibit SDG&E-22-WP, p 14

TURN Position: TURN recommends no ratepayer funding for long-term incentives.

Testimony of John E. Sugar for TURN, pp. 1-3 and 23-24

Note: * Excluding \$3.026 million allocated from Sempra Energy. Total disallowance by TURN is \$13.291 million including Sempra Energy allocaton.

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>TURN</u> | <u>Difference</u> |
|--------------|------------------|-------------|-------------------|
| 2016 | 10,265 | 0 | -10,265 |
| TOTAL | 10,265 | 0 | -10,265 |

CHAPTER 4C6-a4

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-22
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.
Subject: Retirement Benefits-Supplemental Pension

Issue Description: Retirement Benefits-Supplemental Pension

SDG&E Position: SDG&E requests 2016 expenses of \$3.360 million for supplemental pension and \$0.274 million for non-qualified retirement savings. SDG&E total request for SERP is \$3.634* million.

Note: The \$3,634 differential under TURN vs. SDG&E for Nonqualified Retirement Savings Plan and Supplemental Pension differs from the \$3,907 shown in Table 10 on page 27 of Mr. Sugar's testimony. It appears that TURN double-counted the Nonqualified Savings Plan (\$274 + \$274 + \$3,360 = \$3,908).

Exhibit SDG&E-22, pp. DSR-30 and DSR-31
Exhibit SDG&E-22-WP, p 120
Exhibit SDG&E-222, p DSR-28

TURN Position: TURN recommends no ratepayer funding for this program.

Testimony of John E. Sugar for TURN, pp. 1-3 and 24-27

Note: * Excluding \$1.204 million allocated from Sempra Energy. Total disallowance by TURN is \$4.838 million including Sempra Energy allocation.

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>TURN</u> | <u>Difference</u> |
|--------------|------------------|-------------|-------------------|
| 2016 | 3,634 | 0 | -3,634 |
| TOTAL | 3,634 | 0 | -3,634 |

CHAPTER 4C6-a5

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-22
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.
Subject: Incentive Compensation Plans (ICP) Performance Measures

Issue Description: Incentive Compensation Plans (ICP) Performance Measures

SDG&E Position: The ICP places a portion of employee compensation at-risk, subject to achievement of the plan's performance measures, motivating employees to meet or exceed important customer service, safety, supplier diversity, reliability, financial, and project completion goals.

Exhibit SDG&E-22, Pages DSR-6 and DSR-7

TURN Position: TURN accepts that ratepayers should pay for ICP goals related to Safety, Pipeline safety and DIMP, Customer Satisfaction, AMI installations, and Supplier diversity but denies that ratepayers should pay for earnings goals and only half of efficiency goals.

Testimony of John E. Sugar for TURN, pages 19-22

CHAPTER 4C6-a6

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-22
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.
Subject: Financial Components of Short Term Incentive Compensation

Issue Description: Financial Components of Short Term Incentive Compensation

SDG&E Position: A financially strong utility is good for the ratepayer. A financially strong utility will have the ability to attract more external funding, if needed, at lower rates and allow the utility to be more flexible with its financing, reducing the cost to ratepayers in future Cost of Capital proceedings. It is reasonable for the Commission to recognize that providing employees with an incentive to run the company efficiently while still focusing on safety, reliability and customer service is a smart policy and that the achievement of sustainable efficiencies does get reflected in future GRCs, which benefits ratepayers.

Exhibit SDG&E-242, p 9

TURN Position: Sempra provides no evidence that financial goals in the ICP calculation benefit ratepayers in particular because the Cost of Capital proceeding gave a return on equity that was sufficient to attract capital. Added financial target will not attract investors to the point where ratepayers benefit. Further, TURN believes that most employees do not have a direct connection to hitting financial goals and thus financial goals and targets do not drive performance.

Testimony of John E. Sugar, pp 5-14

CHAPTER 4C6-a7

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-22
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.
Subject: Compensation-Long-Term Incentive Plan from allocated from Sempra

Issue Description: Compensation-Long-Term Incentive Plan allocated from Sempra

SDG&E Position: Sempra Energy forecasts allocating \$5.633 million for long-term incentives in 2016. SoCalGas' allocation is forecast at \$2.606M. SDG&E's allocation is forecast at \$3.026M.

Exhibit SDG&E-20, Page PRW-57

TURN Position: TURN recommends no ratepayer funding for long-term incentive.

Testimony of John E. Sugar for TURN, PP. 1-3 and 23-24

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>TURN</u> | <u>Difference</u> |
|--------------|------------------|-------------|-------------------|
| 2016 | 3,026 | 0 | -3,026 |
| TOTAL | 3,026 | 0 | -3,026 |

Chapter 4 - TURN vs. SDG&E

Part C - Other

7. SDG&E-24 (Exh 121) - HR, SAFETY, DISABILITY, & WORKERS COMP

| Issue # | Subject | Reference |
|----------------|--|-----------|
| 1. SDG&E24.000 | Local Chamber of Commerce Related Expenses | 4C7-a1 |

CHAPTER 4C7-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-24
Area: HR, SAFETY, DISABILITY, & WORKERS COMP
Witness: Edgar, Sarah E.
Subject: Local Chamber of Commerce Related Expenses

Issue Description: Local Chamber of Commerce Related Expenses

SDG&E Position: In the Amended Response to TURN DR-04 Question 4, costs associated with chambers of commerce should not be removed from the base year recorded and test year forecast, except for the line item charged to cost center 2100-3626 for \$60,000. This amount should have been excluded since it was for annual dues.

Test Year (TY) 2016 forecast is adjusted by (\$60K) pursuant to Amended Response to TURN-Data Request-04, Question 4.

Exhibit SDG&E-224, page SEE-1
TURN Data Request SEU-04, Question 4

TURN Position: In TURN-Sempra DR 4-4, SDG&E agreed to remove \$6,350 in local Chamber of Commerce expenses. These costs are uncontested, but we point them out in order to better ensure that all parties follow through on this commitment to remove the costs from the request.

Prepared Testimony of W.B. Marcus for TURN, page 46

Chapter 4 - TURN vs. SDG&E

Part C - Other

8. SDG&E-25-R (Exh 259) - REG AFFAIRS, CONTROLLER, FINANCE, LEGAL & EXT REL

| Issue # | Subject | Reference |
|-----------------|---|-----------|
| 1. SDG&E25A.000 | Tickets to Sporting & Cultural Events and Clothing & Other Gear | 4C8-a1 |
| 2. SDG&E25A.001 | Foreign Travel | 4C8-a2 |
| 3. SDG&E25A.003 | Event Sponsorships | 4C8-a3 |

CHAPTER 4C8-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-25-R
Area: REG AFFAIRS, CONTROLLER, FINANCE, LEGAL & EXT REL
Witness: Deremer, Kenneth J.
Subject: Tickets to Sporting & Cultural Events and Clothing & Other Gear

Issue Description: Tickets to Sporting & Cultural Events and Clothing & Other Gear

SDG&E Position: Event tickets and clothing and other gear containing the utilities' name and logo (excluding uniforms, hard hats, etc.) are embedded in SDG&E's TY 2016 forecast and are supported by multiple witnesses.

TURN Position: TURN recommends removing \$0.027 million for tickets to sporting and cultural events and \$0.309 million for clothing and other gear containing the utilities name and logo (excluding uniforms, hard hats, etc.), for a total reduction of \$0.336 million. These costs are not necessary to provide utility service and should be removed. Clothing and other gear expenses are largely promotional and image-building (giveaways and other materials) and should not be paid for by the ratepayers.

Prepared Testimony of W. Marcus for TURN, pages 46-47

Note: For simplicity, the total expenses are displayed in this workpaper. For details on the specific witness areas that TURN proposes reductions, please see Tables 15 and 17 from the Prepared Testimony of W. Marcus for TURN, pages 47-48.

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>TURN</u> | <u>Difference</u> |
|--------------|------------------|-------------|-------------------|
| 2016 | 0 | -336 | -336 |
| TOTAL | 0 | -336 | -336 |

CHAPTER 4C8-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-25-R
Area: REG AFFAIRS, CONTROLLER, FINANCE, LEGAL & EXT REL
Witness: Deremer, Kenneth J.
Subject: Foreign Travel

Issue Description: Foreign Travel for CFEE

SDG&E Position: SDG&E states that the CFEE conference was held in Brazil in late 2012 specifically addressed the connection between California's Low Carbon Fuel Standards and the role Brazil has played as a recognized world leader in the effective use of ethanol and other biofuels. SDG&E's Vice President of Regulatory Affairs was unable to attend the event; costs not used were not refunded but were used to offset subsequent travel expense.

Exhibit SDG&E-225, pages KJD-9 to 10

TURN Position: TURN states that the California Foundation on the Environment and the Economy (CFEE) is the organization that takes utility executives, legislators, and CPUC Commissioners on trips all over the world and sponsors conferences. The Vice President of Regulatory Affairs, Mr. Skopec, took a trip to Brazil with CFEE in March, 2013. (TURN-Sempra DR 4-12) TURN believes that this cost should not be included in rates, and removes \$7,000 from Account 2100-3162 as a base year adjustment.

Prepared Testimony of W. Marcus for TURN, pages 48-49

Note: It was during the Discovery Phase in this case that SDG&E realized the travel had not occurred but that the money instead was used to offset future travel.

CHAPTER 4C8-a3

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
TURN Differences to SDG&E Requests

Exhibit No.: SDG&E-25-R
Area: REG AFFAIRS, CONTROLLER, FINANCE, LEGAL & EXT REL
Witness: Deremer, Kenneth J.
Subject: Event Sponsorships

Issue Description: Event Sponsorships

SDG&E Position: SDG&E adjusted (\$367,600) from Test Year 2016 to remove costs that were identified while responding to data request TURN-SEU-DR-04, question 6 that should have been excluded.

Exhibit Hearing Corrections of K. Deremer (date o/s)

TURN Position: In response to TURN DR 4-6, the Sempra Utilities identified a variety of sponsorships of various events totaling \$19,775 that they stated would be removed in rebuttal testimony.

SDG&E identified a larger amount of sponsorships that it will remove from the 2016 forecast (\$368,000).

Prepared Testimony of W.B. Marcus for TURN, page 46

Chapter 5

Differences Between SDG&E and CCUE

Chapter 5 - CCUE vs. SDG&E

Part C - Other

1. SDG&E-04 (Exh 62) - GAS DISTRIBUTION

| Issue # | Subject | Reference |
|-----------------|--|-----------|
| 1. SDG&E04A.000 | Picarro or Comparable New Technologies | 5C1-a1 |

CHAPTER 5C1-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
CCUE Differences to SDG&E Requests

Exhibit No.: SDG&E-04
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.
Subject: Picarro or Comparable New Technologies

Issue Description:

SDG&E Position: SDG&E's commitment to thoroughly evaluate and apply emerging leak detection technologies was demonstrated in 2013 by the replacement of the primary leak survey instrument. The older generation flame ionization (FI) handheld leak detectors were replaced with new state of the art Detecto Pak-Infrared (DP-IR) units. SDG&E completed this upgrade prior to the 2016 GRC and therefore not a part of the current capital funding request.

Exhibit SDG&E-204 , Page FBA-32

CCUE Position: CUE proposes that the Commission require SDG&E to begin implementing the use of Picarro or comparable new technologies.

Prepared Testimony of David Marcus for CCUE, Page 42

Chapter 5 - CCUE vs. SDG&E

Part C - Other

2. SDG&E-07 (Exh 53) - TIMP & DIMP

| Issue # | Subject | Reference |
|-----------------|------------------------------|-----------|
| 1. SDG&E07A.002 | Aldyl-A Gas Pipe Replacement | 5C2-a1 |

CHAPTER 5C2-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
CCUE Differences to SDG&E Requests

Exhibit No.: SDG&E-07
Area: TIMP & DIMP
Witness: Martinez, Maria T.
Subject: Aldyl-A Gas Pipe Replacement

Issue Description:

SDG&E Position: SDG&E's replacement approach is based on a risk methodology that looks at the system in a holistic manner and takes into consideration a variety of key factors in identifying and prioritizing pipelines for replacement. Notwithstanding, SDG&E maintains that its capital forecasts are reasonable and developed based on sound methodology.

2016 - \$24.215 million

Exhibit SDG&E-207, Page MTM-3

CCUE Position: SDG&E proposed replacement rates are far too low. SDG&E should be required to accelerate its replacement rate for pre-1986 pipe. The replacement rate should be consistent with the depreciation rate - if ratepayers are being charged for depreciation based on a 69-year life, then the replacement rate should be commensurate. CUE proposes doubling SDG&E's replacement rate.

2016 - \$40.438 million

2017 - \$40.438 million

2018 - \$40.438 million

Prepared Testimony by David Marcus for CCUE, Pages 16-21

Chapter 5 - CCUE vs. SDG&E

Part C - Other

3. SDG&E-09-R (Exh 134) - ELECTRIC DISTRIBUTION CAPITAL

| Issue # | Subject | Reference |
|-----------------|---|-----------|
| 1. SDG&E09A.005 | Two-Way Balancing Account for Wood Pole Replacement | 5C3-a1 |
| 2. SDG&E09A.006 | Underground Cable Replacement | 5C3-a2 |
| 3. SDG&E09A.008 | Circuit Breaker Replacement Spending Mechanism | 5C3-a3 |
| 4. SDG&E09A.009 | Capacitor Replacement Expense | 5C3-a4 |
| 5. SDG&E09A.010 | SF6 Switches | 5C3-a5 |
| 6. SDG&E09A.011 | Underground Switches | 5C3-a6 |
| 7. SDG&E09A.012 | Electric Distribution Overheads and Escalation | 5C3-a7 |
| 8. SDG&E09A.015 | CCUE - Pole-Overloading Study | 5C3-a8 |

CHAPTER 5C3-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
CCUE Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.
Subject: Two-Way Balancing Account for Wood Pole Replacement

Issue Description:

SDG&E Position: SDG&E does not agree with CCUE's recommendation of using two-way balancing accounts as suggested, as it reduces SDG&E's ability to reprioritize and adjust funds to meet our customer's needs.

Exhibit SDG&E-209, Page JDJ-32

CCUE Position: The Commission should require SDG&E to conduct a system-wide pole-overloading study in 2016, comparable to the stratified study conducted by SCE and reported in SCE's TY2015 GRC. It should then require SDG&E to implement a program to identify and replace all such overloaded poles that are not being replaced by other programs, at a replacement rate equal to 1% per year of its total pole count. Because the duration of pole replacements is not yet known, and because the actual replacements, would not begin until the post-test year part of the GRC cycle, the Commission should establish a two-way balancing account to allow recovery of overloaded-pole replacement costs from 2017-2018.

2017 = \$39.365 million

2018 (possibly) = \$39.365 million

Note: Prepared Testimony of David Marcus for CCUE, Pages 9-10, Attachment A, lines 1-2

CHAPTER 5C3-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
CCUE Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.
Subject: Underground Cable Replacement

Issue Description:

SDG&E Position: SDG&E affirms that the current forecast would allow SDG&E to maintain its high standard of reliability for its customers.

Unjacketed Cable Replacement:
2014 - \$9.069 million
2015 - \$9.069 million
2016 - \$9.069 million
Reactive & Proactive Cable Replacement
2014 - \$13.049 million
2015 - \$13.049 million
2016 - \$13.049 million

Exhibit SDG&E-209, Page JDJ-31

CCUE Position: SDG&E's cable replacement cost forecast is far too low for two separate reasons: SDG&E has under-forecast what it will cost to do what it plans to do:
1) SDG&E's proposed costs are \$13.049 million
2) CUE is proposing \$19.614 million in costs (\$6.565 difference is those costs)

CUE is proposing that SDG&E should triple its planned rate of proactive replacement of unjacketed lateral cable, and double its planned rate of replacement of unjacketed feeder cable
1) CUE proposes a total incremental cost of \$9.069 million
2) The total proposal for underground cable then equals \$19.614 + \$9.069 = \$28.683 per year

Prepared Testimony of David Marcus for CCUE, Pages 12-14, 14-16, Att A Lines 3, 4

CHAPTER 5C3-a3

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
CCUE Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.
Subject: Circuit Breaker Replacement Spending Mechanism

Issue Description:

SDG&E Position: SDG&E does not agree with CCUE's recommendation of using two-way balancing accounts as suggested, as it reduces SDG&E's ability to reprioritize and adjust funds to meet our customer's needs.

Exhibit SDG&E-209, Page 32

CCUE Position: The Commission should establish a mechanism to bind SDG&E to spend the authorized amounts for reliability improvements such as circuit breaker replacements. This is to assure that SDG&E does not identify legitimate reliability needs, get (appropriate) approval for the associated investments, and then pocket the associated revenue from customers rather than actually spending the money to improve or maintain reliability.

Prepared Testimony of David Marcus for CCUE, Page 22

CHAPTER 5C3-a4

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
CCUE Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.
Subject: Capacitor Replacement Expense

Issue Description:

SDG&E Position: SDG&E affirms that the current forecast would allow SDG&E to maintain its high standard of reliability for its customers.

2016 - \$3.901 million

Exhibit SDG&E-209, Page JDJ-30

CCUE Position: CUE proposes that the Commission require SDG&E to get its average capacitor replacement rate in 2015-2018 back up to its 6.40% per year of 2010-2014 period. The increase that CUE is proposing is equivalent to 2.86 times SDG&E proposed replacement rate.

$\$11.157 \text{ million (CUE Proposal)} + \$3.901 \text{ million (SDG\&E Proposal)} = \$15.058 \text{ million per year 2016-2018}$

Prepared Testimony of David Marcus for CCUE, Pages 24-26

CHAPTER 5C3-a5

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
CCUE Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.
Subject: SF6 Switches

Issue Description:

SDG&E Position: SDG&E did not specifically address this issue.

CCUE Position: CUE supports SDG&E's plans to meet AB32 obligations to reduce SF6 emissions by removing SF6 switches. ORA also supports SDG&E's proposed SF6 switch expenditures. However, as with other capital expenditure categories, CUE is concerned about whether SDG&E will actually carry out its plans. Thus the GRC decision should contain language requiring SDG&E to carry out its SF6 removal plans, and not divert those funds to other purposes.

Prepared Testimony by David Marcus for CCUE, Pages 26-27

CHAPTER 5C3-a6

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
CCUE Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.
Subject: Underground Switches

Issue Description:

SDG&E Position: SDG&E affirms that the current forecast would allow SDG&E to maintain its high standard of reliability for its customers.

Exhibit SDG&E-209, Page JDJ-30

CCUE Position: CUE's proposal is that SDG&E should be replacing enough underground switches during 2015-2018 to keep up with CUE's forecast of switches that will be identified as DOE during that period, as well as working off the backlog of 239 non-SF6 DOE switches as of the end of 2014. CUE proposes \$12.837 incremental cost for 237 additional switches over three years. SDG&E proposes 240 switches so CUE is proposing to not-quite-double SDG&E's proposal. SDG&E is proposing \$13 million per year for switches (80 switches/year x \$0.1625 million/switch).

CUE's total proposal is \$13.000 million + \$12.837 million = \$25.837 million per year 2016-2018

Prepared Testimony of David Marcus for CCUE, Page 27-31

CHAPTER 5C3-a7

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
CCUE Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.
Subject: Electric Distribution Overheads and Escalation

Issue Description:

SDG&E Position: SDG&E does not specifically address this issue.

CCUE Position: Overheads are 30.3% of non-overhead costs. Applying the same overhead rate to CUE's incremental electric distribution capital expenditure proposals, the associated overheads are \$12.0 million. CUE also proposes an increase of \$4.1 million (\$3.1 million for electric distribution and \$1.0 million for gas pipeline replacement) related to escalation on the proposed incremental expenditures

2016: \$12.008/electric overhead, \$3.106/electric escalation, \$0.965/gas escalation, \$16.079 million total
2017: \$23.935/electric overhead, \$8.745/electric escalation, \$1.410/gas escalation, \$34.090 million total
2018: \$12.008 to \$23.935/electric overhead, \$6.113 to \$10.185/electric escalation, \$1.742/gas escalation, \$19.863 to \$35.862 million total

Note: Prepared Testimony by David Marcus for CCUE, Pages 32-34, Attachment A, lines 11-12, 17-19

CHAPTER 5C3-a8

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
CCUE Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.
Subject: CCUE - Pole-Overloading Study

Issue Description: Pole-Overloading Study

SDG&E Position: SDG&E affirms that the current forecast would allow SDG&E to maintain its high standard of reliability for its customers. SDG&E has explored CCUE's suggestions about specific budget recommendations in the categories of pole, switch, underground cable, and capacitor replacement. CCUE suggests adding manpower and funds to increase the rate of reliability project completion. However, CCUE does not take into account other limitations that affect projects.

Exhibit SDGE-136, Page 31

CCUE Position: CUE recommends that SDG&E conduct a system-wide pole-overloading study and identify and replace all overloaded poles, not already being replaced by other programs, at a replacement rate equal to 1% per year of its total pole count.

Exhibit CUE-337, Page 9

Chapter 5 - CCUE vs. SDG&E

Part C - Other

4. SDG&E-10-R (Exh 70) - ELECTRIC DISTRIBUTION O&M

| Issue # | Subject | Reference |
|-----------------|--|-----------|
| 1. SDG&E10A.003 | Reliability Performance Incentives SAIDI and SAIFI | 5C4-a1 |
| 2. SDG&E10A.009 | Outage Response Capability | 5C4-a2 |

CHAPTER 5C4-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
CCUE Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan
Subject: Reliability Performance Incentives SAIDI and SAIFI

Issue Description: Reliability Performance Incentives SAIDI and SAIFI

SDG&E Position: SDG&E proposes the initial benchmark - applicable in 2016 - for SAIDI and SAIFI by calculating the average SAIDI and SAIFI from the most recent available 5 years of data (2010-2014).

The SAIDI and SAIFI incentives in effect today set a SAIDI target of 60 minutes per year per customer of outages, and a SAIFI target of 0.51 outages per year per customer. Those targets are based on average outage rates during 2009-2013.

Subsequent years (2017 through 2019) will have benchmark that is calculated by using the average from 2010-2014, then decrementing by the 1% Annual Improvement Factor for each year past 2016.

Exhibit SDG&E-10-R, Page JTW-81

CCUE Position: CCUE proposes that the Commission retain the existing performance mechanisms in place, with 2016 becoming the second year under those mechanisms, and 2017 the third, and so on.

CCUE's proposal will result in a SAIDI target of 59.4 (60*.99) minutes per year and a SAIFI target of 0.505 (0.51*.99) outages per year, in contrast to SDG&E's proposals for 62.3 minutes per year and 0.532 outages per year.

Testimony of David Marcus for CCUE, p. 58

CHAPTER 5C4-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
CCUE Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan
Subject: Outage Response Capability

Issue Description:

SDG&E Position: SDG&E hires employees as needs are identified throughout the year. SDG&E has a highly recognized regional and national electric reliability record as discussed in my testimony and as is further discussed in the written testimony of Mr. Mason Withers. Although electric reliability performance has declined in the last year, it is still in the top tier of utility performance.

Exhibit SDG&E-210 , Page JW-17

CCUE Position: The Commission should fund proposed increases in training classes for new linemen and other employees. It should also require SDG&E to restore the custome/responder ratio back to its 2011-2014 average level of 4,409 until such time as (1) SAIDI/SAIFI rates fall back to their 2009-13 average level, and (2) SDG&E provides analysis demonstrating that any propped cuts in the responder/customer ratio will not impact SAIDI/SAIFI rates.

Prepared Testimony by David Marcus for CCUE, Page 51

Chapter 5 - CCUE vs. SDG&E

Part C - Other

5. SDG&E-18 (Exh 174) - ENVIRONMENTAL

| Issue # | Subject | Reference |
|-----------------|---------|-----------|
| 1. SDG&E18A.003 | SB 1371 | 5C5-a1 |

CHAPTER 5C5-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
CCUE Differences to SDG&E Requests

Exhibit No.: SDG&E-18
Area: ENVIRONMENTAL
Witness: Pearson, Richard S.
Subject: SB 1371

Issue Description:

SDG&E Position: In terms of balancing costs related to leak detection and repair, SDG&E's proposal to continue the NERBA and expand it to include O&M costs for LDAR is the reasonable approach to addressing the incremental costs that are expected to be incurred as a result of SB 1371 in this GRC cycle. It is SDG&E's position that it is beyond the scope of this proceeding for the Commission to impose any specific use of technologies or methodologies for leak management practices when those requirements are to be established by the Rulemaking (R.15-01-008).

Exhibit SDG&E-218, Page RSP-7 & 8

CCUE Position: CUE recommends a mechanism to assure SDG&E will not be financially penalized for spending based on SB 1371 compliance. CCUE also proposes that the Commission should require SDG&E to begin implementing use of Picarro or comparable new technologies.

Prepared Testimony of David Marcus for CCUE, Page 37 &46

Chapter 5 - CCUE vs. SDG&E

Part C - Other

6. SDG&E-35 (Exh 253) - REGULATORY ACCOUNTS

| Issue # | Subject | Reference |
|----------------|---|-----------|
| 1. SDG&E35.003 | Overhead Wood Pole Replacement and Capital Circuit Breaker Replacement Balancing Accounts | 5C6-a1 |
| 2. SDG&E35.004 | Aldyl-A Gas Pipe Replacement | 5C6-a2 |

CHAPTER 5C6-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
CCUE Differences to SDG&E Requests

Exhibit No.: SDG&E-35
Area: REGULATORY ACCOUNTS
Witness: Jasso, Norma G.
Subject: Overhead Wood Pole Replacement and Capital Circuit Breaker Replacement
Balancing Accounts

Issue Description:

SDG&E Position: While SDG&E agrees in principle that adequate funding for these types of programs aligns with SDG&E's efforts to enhance safety and reliability of its electric system, SDG&E does not support the proposal for a two-way balancing account for these expenditures. SDG&E disagrees with the inference that absent a two-way balancing account, SDG&E may be deterred from maintaining a safe and reliable system. Given SDG&E's review of CCUE's testimony, CCUE's proposed treatment of these costs are no more reasonable or compelling than SDG&E's pole replacement proposal and associated cost forecasts, as sponsored by Electric Distribution Capital testimony (Ex. SDG&E-09-R).

Exhibit SDG&E-235, Page NGJ-5

CCUE Position: CUE recommends a two way balancing account for overloaded wood pole replacement costs resulting from the pole-overloading study. CUE also recommends a mechanism to bind SDG&E to authorized spending on capital circuit breaker replacements and reliability improvements.

Prepared Testimony of David Marcus for CCUE, Page 10 &23

CHAPTER 5C6-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
CCUE Differences to SDG&E Requests

Exhibit No.: SDG&E-35
Area: REGULATORY ACCOUNTS
Witness: Jasso, Norma G.
Subject: Aldyl-A Gas Pipe Replacement

Issue Description:

SDG&E Position: While SDG&E agrees in principle that adequate funding for these types of programs aligns with SDG&E's efforts to enhance safety and reliability of its electric system, SDG&E does not support the proposal for a two-way balancing account for these expenditures. SDG&E disagrees with the inference that absent a two-way balancing account, SDG&E may be deterred from maintaining a safe and reliable system. Given SDG&E's review of CCUE's testimony, CCUE's proposed treatment of these costs are no more reasonable or compelling than SDG&E's pole replacement proposal and associated cost forecasts, as sponsored by Electric Distribution Capital testimony (Ex. SDG&E-09-R).

Exhibit SDG&E-235, Page NGJ-5

CCUE Position: CUE recommends a mechanism to bind SDG&E to the Aldyl-A gas pipe replacement rate.

Prepared Testimony of David Marcus for CCUE, Page 21

Chapter 6

Differences Between SDG&E and FEA

Chapter 6 - FEA vs. SDG&E

Part B - Capital-Related Costs

1. SDG&E-30-R (Exh 234) - WORKING CASH

| Issue # | Subject | Reference |
|----------------|--------------------|-----------|
| 1. SDG&E30.002 | SDG&E Working Cash | 6B1-a1 |

CHAPTER 6B1-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
FEA Differences to SDG&E Requests

Exhibit No.: SDG&E-30-R
Area: WORKING CASH
Witness: Lewis, Jack S.
Subject: SDG&E Working Cash

Issue Description: SDG&E Working Cash

SDG&E Position: SDG&E requests \$136.056 million.
The methodology used by SDG&E to prepare its GRC request for working cash is in compliance with CPUC Standard Practice U-16, based on 2013 as-recorded costs and TY 2016 forecasts.

Exhibit SDG&E-30-R, JSL-19

FEA Position: FEA disagrees with SDG&E's inclusion of cash balance in its working cash calculation . SDG&E has included \$4.255 million (\$3.054 million for electric and \$1.201 million for gas) for cash balance in its computation of working cash included in TY 2016 rate base.

SDG&E's inclusion of cash balance in its working cash calculation is inconsistent with Standard Practice U-16-W, Determination of Working Cash Allowance. The level of cash balance SDG&E has included in its working cash calculation does not represent the "required minimum bank deposit".

FEA agrees with ORA's recommended adjustments to remove the cash balance and adjust the lag days for revenues, FIT and CCFT.

Testimony of Ralph Smith for FEA, Pges 52, 53 and 56

Chapter 6 - FEA vs. SDG&E

Part B - Capital-Related Costs

2. SDG&E-33 (Exh 305) - ESCALATION

| Issue # | Subject | Reference |
|----------------|------------------|-----------|
| 1. SDG&E33.001 | FEA - Escalation | 6B2-a1 |

CHAPTER 6B2-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
FEA Differences to SDG&E Requests

Exhibit No.: SDG&E-33
Area: ESCALATION
Witness: Wilder, Scott R.
Subject: FEA - Escalation

Issue Description: FEA - Escalation

SDG&E Position: Cost escalation factors reflect the effect of external inflation in SDG&E's labor operations and maintenance ("O&M"), non-labor O&M, and capital-related costs for TY 2016. Cost escalators were used to inflation adjust costs from 2013 nominal dollars into TY 2016 nominal dollars, using escalation series from Global Insight's Utility Cost Information Service ("UCIS"). The SDG&E forecast incorporates escalators from IHS Global Insight's 4th Quarter 2013 Power Planner forecast released in February 2014.

Per the Commission's Rate Case Plan, D.07-07-004, the escalation factors will be updated after hearings and before implementation, based on the same indexes used in original presentation during hearings.

SDG&E-33, SRW-1

FEA Position: FEA agrees with ORA's recommendation that cost escalators be based on the 4th Quarter 2014 IHS Global Insight Power Planner forecast. FEA states that it generally agrees with the Company's methodology for escalating costs to the 2016 test year level.

Testimony of Ralph Smith for FEA, Pages 5-6

Chapter 6 - FEA vs. SDG&E

Part C - Other

1. SDG&E-09-R (Exh 134) - ELECTRIC DISTRIBUTION CAPITAL

| Issue # | Subject | Reference |
|-----------------|--|-----------|
| 1. SDG&E09A.004 | Electric Distribution Capital Expenditures | 6C1-a1 |

CHAPTER 6C1-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
FEA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.
Subject: Electric Distribution Capital Expenditures

Issue Description: Electric Distribution Capital Expenditures forecast

SDG&E Position: SDG&E is requesting the Commission adopt a Test Year 2016 (TY2016) forecast of \$474,033,000 for Electric Distribution Capital. SDG&E is also requesting the Commission adopt a forecast for capital expenditures in 2014 and 2015 of \$443,612,000 and \$486,399,000, respectively. The capital electric distribution costs are broken down into 11 primary cost categories: Capacity, Equipment & Tools, Franchise, Mandated, Materials, New Business, Overhead Pools, Reliability, Safety & Risk Management, Smart Meter Program, and Transmission/Federal Energy Regulatory Commission (FERC) Driven Projects.

Exhibit SDG&E-9-R, Page JDJ-viii

FEA Position: For 2014 electric distribution capital expenditures, FEA recommends that the Commission utilize the actual 2014 recorded amounts and for the years 2015 and 2016, use ORA's adjusted levels of electric distribution capital expenditures.

Testimony of Ralph Smith for FEA, Page 50

Note: Proposed TY2016 Forecast (in thousands of 2013 dollars)

| Year | SDG&E | FEA | Difference |
|------|---------|---------|------------|
| 2014 | 443,612 | 249,492 | -194,120 |
| 2015 | 486,399 | 389,278 | -97,121 |
| 2016 | 474,033 | 465,370 | -8,663 |

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>FEA</u> | <u>Difference</u> |
|--------------|------------------|----------------|-------------------|
| 2016 | 474,033 | 465,370 | -8,663 |
| TOTAL | 474,033 | 465,370 | -8,663 |

Chapter 6 - FEA vs. SDG&E

Part C - Other

2. SDG&E-10-R (Exh 70) - ELECTRIC DISTRIBUTION O&M

| Issue # | Subject | Reference |
|-----------------|---|-----------|
| 1. SDG&E10A.001 | Vegetation Management (Tree Trimming) | 6C2-a1 |
| 2. SDG&E10A.002 | Electric Regional Operations Expenses | 6C2-a2 |
| 3. SDG&E10A.006 | Electric Distributions Operations Expense | 6C2-a3 |
| 4. SDG&E10A.007 | Construction Services Expense | 6C2-a4 |
| 5. SDG&E10A.008 | Vegetation Management (Pole Brushing) | 6C2-a5 |

CHAPTER 6C2-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
FEA Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan
Subject: Vegetation Management (Tree Trimming)

Issue Description: Vegetation Management (Tree Trimming)

SDG&E Position: SDG&E requests \$24.559 million for TY 2016, an increase of \$1.455 million over the 2013 adjusted recorded level of \$23.104 million. TY 2016 labor and non-labor costs are based on the most recent three-year (2011-2013) historical average plus a modest adjustment for O&M costs associated with the new Powerworkz information system.

SDG&E proposes to change the TTBA from a one-way to a two-way balancing account.

Exhibit SDG&E-10-R, Page JTW-53
Exhibit SDG&E-35, Page NGJ-ii

FEA Position: FEA recommends \$23.858 million using the most recent three years of data in calculating the three year average, 2012 through 2014, rather than 2011 through 2013 as the Company did.

FEA recommends continuation of a one-way balancing account.

Ralph C. Smith Testimony for FEA, pages 73, 74 and 76

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>FEA</u> | <u>Difference</u> |
|--------------|------------------|---------------|-------------------|
| 2016 | 24,559 | 23,858 | -701 |
| TOTAL | 24,559 | 23,858 | -701 |

CHAPTER 6C2-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
FEA Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan
Subject: Electric Regional Operations Expenses

Issue Description: Electric Regional Operations Expenses

SDG&E Position: SDG&E requests \$36.859 million for TY2016 expenses for this work group. Labor and Non-Labor costs are based on the 2013 Base Year recorded data plus incremental increases.

Electric Regional Operations (ERO) includes all electric distribution crews located in six districts and two satellite operating centers (Ramona and Mountain Empire), which covers SDG&E's entire electric distribution system and service territory of approximately 1.4 million customers in San Diego and southern Orange counties. The primary job functions include: 1) inspect and maintain the electric distribution system in compliance with CPUC General Orders (G.O.) 95, 128, 165 and the SDG&E Standards; 2) restore service due to outages; and 3) repair service problems and address other customer issues.

Exhibit SDG&E-10, Page JTW-8-9

FEA Position: The Company's revised 2016 TY amount of \$36.859 million should be reduced by \$5.702 million to reflect an allowance of \$31.157 million.

ERO Expense has consistently declined each year from 2012 to 2014. The labor cost component has decreased in every year, from 2009 through 2014. The use of the 2014 labor cost, coupled with the use of an average of the most recent three years of non-labor actual expense would yield an adequate level for the 2016 TY ERO expense.

Testimony of Ralph Smith for FEA, Pages 60-61

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>FEA</u> | <u>Difference</u> |
|--------------|------------------|---------------|-------------------|
| 2016 | 36,859 | 31,157 | -5,702 |
| TOTAL | 36,859 | 31,157 | -5,702 |

CHAPTER 6C2-a3

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
FEA Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan
Subject: Electric Distributions Operations Expense

Issue Description: Electric Distributions Operations Expense

SDG&E Position: SDG&E requests \$15.315 million for TY2016 expenses for this work group. Labor and Non-labor costs are based on a 3-year (2011 to 2013) linear forecast. Increased labor costs are due to the creation of Business Solutions and Training Team, as well as filling vacancies within the control center.

The Electric Distribution Operations Control Center is responsible for the safe, efficient and reliable delivery of power to SDG&E's 3.4 million consumers through approximately 1.4 million electric smart meters. The control center personnel have overall operational control of the electric distribution system for planned and unplanned work on a system that consists of 1016 circuits and approximately 287 substations (132 substations and 155 step-downs).

Exhibit SDG&E-10, Page JTW-40

FEA Position: The Company's 2016 TY amount of \$15.315 million should be reduced by \$3.938 million for an allowed amount of \$11.377 million.

Distribution Operations Expense has fluctuated up and down each year since 2009. The years 2012 through 2014 have remained fairly consistent. FEA recommends the use of a three year non-linear average, using the most recent three years of actual expense (2012-2014). A three year average of 2012-2014 expense is \$11.377 million.

Testimony of Ralph Smith for FEA, Pages 65-66

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>FEA</u> | <u>Difference</u> |
|--------------|------------------|---------------|-------------------|
| 2016 | 15,315 | 11,377 | -3,938 |
| TOTAL | 15,315 | 11,377 | -3,938 |

CHAPTER 6C2-a4

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
FEA Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan
Subject: Construction Services Expense

Issue Description: Construction Services Expense

SDG&E Position: SDG&E requests \$18.865 million for TY2016 expenses for this work group. Labor and non-labor costs are based on a 5-year average (2009 to 2013) plus incremental activities.

Construction Services consists of four main groups which include Construction Services Construction Management, Construction Services Contracting, Aviation Services and Fire Coordination and Prevention.

Exhibit SDG&E-10, Page JTW-48

FEA Position: The Company's 2016 TY amount of \$18.865 million should be reduced by \$7.173 million, to reflect FEA's recommended amount of \$11.692 million.

Construction Services Expense has fluctuated up and down each year since 2009. I am recommending use of a three year average of the most recent three years of actual expense (2012-2014). A three year average of 2012-2014 expense is \$5.592 million. To the three-year average of spending, FEA adds \$6.1 million (half of SDG&E's requested \$12.2 million incremental O&M cost associated with the FiRM capital projects) to recognize incremental spending associated with the Company's fire mitigation efforts.

Testimony of Ralph Smith for FEA, Pages 72-73

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>FEA</u> | <u>Difference</u> |
|--------------|------------------|---------------|-------------------|
| 2016 | 18,865 | 11,692 | -7,173 |
| TOTAL | 18,865 | 11,692 | -7,173 |

CHAPTER 6C2-a5

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
FEA Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan
Subject: Vegetation Management (Pole Brushing)

Issue Description: Vegetation Management (Pole Brushing)

SDG&E Position: SDG&E requests \$4.292 million for TY2016 expenses for this work group. Labor and non-labor costs are based on a 3-year average (2011 to 2013) plus incremental activities.

Pole brushing for SDG&E involves the clearing of flammable brush and vegetation away from SDG&E distribution poles subject to the California Public Resource Code (PRC), section 4292. Currently, there are 86,000 distribution structures that are inspected annually to comply with PRC 4292. The locations are primarily composed of Federal Responsibility Areas, State Responsibility Areas and the SDG&E Fire Threat Zone.

Exhibit SDG&E-10, page JTW-61-62

FEA Position: The Company's 2016 TY amount of \$4.292 million should be reduced by \$335,000 to \$3.957 million.

FEA agrees with the Company's methodology to forecast this expense but recommends using the most recent three years of data in calculating the three-year average, 2012 through 2014, rather than 2011 through 2013 as the Company did.

Testimony of Ralph Smith for FEA, Page 79

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>FEA</u> | <u>Difference</u> |
|--------------|------------------|--------------|-------------------|
| 2016 | 4,292 | 3,957 | -335 |
| TOTAL | 4,292 | 3,957 | -335 |

Chapter 6 - FEA vs. SDG&E

Part C - Other

3. SDG&E-18 (Exh 174) - ENVIRONMENTAL

| Issue # | Subject | Reference |
|-----------------|---|-----------|
| 1. SDG&E18A.000 | FEA - New Environmental Regulations Balancing Account (NERBA) | 6C3-a1 |

CHAPTER 6C3-a1

San Diego Gas & Electric Company
 2016 Test Year GRC A-14-11-003
 FEA Differences to SDG&E Requests

Exhibit No.: SDG&E-18
Area: ENVIRONMENTAL
Witness: Pearson, Richard S.
Subject: FEA - New Environmental Regulations Balancing Account (NERBA)

Issue Description: FEA - New Environmental Regulations Balancing Account (NERBA)

SDG&E Position: SDG&E requests \$1.009 million for TY 2016 environmental costs (subject to the electric and gas NERBAs), an increase of \$223,000 over the base year level of \$786,000.

TY 2016 forecast is adjusted by (\$42K) to \$967K pursuant to response to FEA Data Request 02, Question 7.

A base year forecasting methodology, plus incremental upward and downward pressures, were used to forecast labor and non-labor costs for Environmental Services. Traditional averaging or trending based on historically recorded costs would fail to capture these incremental costs forecasted for TY 2016.

Exhibit SDG&E-18, pages RSP-4 and 5
 Exhibit SDG&E-218, p. RSP-6

FEA Position: FEA recommends using an average of the three most recent calendar years (2012 through 2014) in deriving the 2016 amount. A three-year average results in \$263,000 and \$580,000 for the electric and gas NERBAs, respectively. A three-year average results in a total of \$843,000 for environmental costs for electric and gas subject to the NERBA, a reduction of \$166,000 to the Company's requested level of \$1.009 million.

FEA supports ORA's acceptance of SDG&E's proposed modifications to the NERBA, as well as ORA's reduction to the TY 2016 environmental/safety blanket capital projects category (which contains the MS4 capital project).

Ralph C. Smith Testimony for FEA, pages 22 and 26

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>FEA</u> | <u>Difference</u> |
|--------------|------------------|------------|-------------------|
| 2016 | 1,009 | 843 | -166 |
| TOTAL | 1,009 | 843 | -166 |

Chapter 6 - FEA vs. SDG&E

Part C - Other

4. SDG&E-21 (Exh 210) - CORPORATE CENTER - INSURANCE

| Issue # | Subject | Reference |
|-----------------|--------------------------------------|-----------|
| 1. SDG&E21A.000 | Wildfire Liability Insurance | 6C4-a1 |
| 2. SDG&E21A.001 | Wildfire Property Damage Reinsurance | 6C4-a2 |

CHAPTER 6C4-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
FEA Differences to SDG&E Requests

Exhibit No.: SDG&E-21
Area: CORPORATE CENTER - INSURANCE
Witness: Carbon, Katherine
Subject: Wildfire Liability Insurance

Issue Description: Wildfire Liability Insurance

SDG&E Position: Sempra requests \$55.340 million for TY 2016 Wildfire Liability Insurance expense. This is an increase of \$4.746 million over the recorded year 2013 amount of \$50.594 million.

This policy is allocated on a casual basis, using the miles of electrical overhead line as the factor: 99.5% to SDG&E, 0.4% to SoCalGas, and 0.1% to Global/Retained. This results in \$55.070 million, \$211,000, and \$59,000 being allocated to SDG&E, SoCalGas, and Global/Retained, respectively.

Exhibit SDG&E-21-WP page 38 and 91

FEA Position: FEA recommends that the 2016 TY level of Wildfire Liability Insurance be based on an average of the three most recent years of actual expenses (2012, 2013 and 2014), which has remained fairly constant, which yields an amount of \$49.893 million. Accordingly, FEA recommends that the Company's requested 2016 TY amount of 55,340 million should be reduced by \$5.447 million. This would result in allocation of \$49.644 million, \$200,000, and \$50,000 to SDG&E, SoCalGas and Retained/Global, respectively.

FEA Testimony, p 84

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>FEA</u> | <u>Difference</u> |
|--------------|------------------|---------------|-------------------|
| 2016 | 55,070 | 49,644 | -5,426 |
| TOTAL | 55,070 | 49,644 | -5,426 |

CHAPTER 6C4-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
FEA Differences to SDG&E Requests

Exhibit No.: SDG&E-21
Area: CORPORATE CENTER - INSURANCE
Witness: Carbon, Katherine
Subject: Wildfire Property Damage Reinsurance

Issue Description: Wildfire Property Damage Reinsurance

SDG&E Position: Sempra requests \$35 million in the 2016 TY for Wildfire Property Damage Reinsurance. This policy is allocated on a casual basis, using the miles of electrical overhead line as the factor, 99.6% to SDG&E and 0.4% to SoCalGas, or \$34.869 million to SDG&E and \$131,000 to SoCalGas.

Actual premium expense has been used for 2013 and projected premiums are expected to remain flat.

Exhibit SDG&E-21-WP, page 40

FEA Position: FEA recommends to use the 2014 actual expense instead of the 2013 level. The Company has not provided evidence that the 2013 level of \$35 million should be adopted as the 2016 TY level. This expense has consistently declined each year from 2012 to 2014. The 2014 actual amount was \$2.315 million below the Company's budgeted amount. The 2014 actual expense of \$32.685 million is a reasonable level for the 2016 TY Wildfire Property Damage Reinsurance. Accordingly, FEA recommends that the Company's proposed 2016 TY amount of \$35 million should be reduced by \$2.315 million. This would result in allocations of approximately \$32.554 million to SDG&E and \$131,000 to SoCalGas.

FEA Testimony, p 89

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>FEA</u> | <u>Difference</u> |
|--------------|------------------|---------------|-------------------|
| 2016 | 34,869 | 32,554 | -2,315 |
| TOTAL | 34,869 | 32,554 | -2,315 |

Chapter 6 - FEA vs. SDG&E

Part C - Other

5. SDG&E-35 (Exh 253) - REGULATORY ACCOUNTS

| Issue # | Subject | Reference |
|----------------|----------------|-----------|
| 1. SDG&E35.000 | PBA and PBOPBA | 6C5-a1 |

CHAPTER 6C5-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
FEA Differences to SDG&E Requests

Exhibit No.: SDG&E-35
Area: REGULATORY ACCOUNTS
Witness: Jasso, Norma G.
Subject: PBA and PBOPBA

Issue Description: Pension Balancing Account (PBA) and Post-Retirement Benefits Other Than Pension Blancing Account (PBOPBA)

SDG&E Position: SDG&E proposes to modify the PBA and PBOPBA to recover income taxes associated with the unamortized balance of pension and PBOP costs capitalized to utility rate base along with the currently balanced depreciation and return components of capital-related costs. SDG&E states that it is not fully recovering the authorized return component of capitalized pension/PBOP costs.

Exhibit SDG&E-35, NGJ-6

FEA Position: FEA does not agree with the proposed modification to include income taxes.

Ralph C. Smith Testimony for FEA, p. 32

Chapter 7

Differences Between SDG&E and JMP

Chapter 7 - JMP vs. SDG&E

Part C - Other

1. SDG&E-14 (Exh 101) - CS - OPERATIONS, INFORMATION & TECHNOLOGIES

| Issue # | Subject | Reference |
|-----------------|---|-----------|
| 1. SDG&E14A.009 | Marketing, Outreach and Education for Hard to Reach Customers | 7C1-a1 |

CHAPTER 7C1-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
JMP Differences to SDG&E Requests

Exhibit No.: SDG&E-14
Area: CS - OPERATIONS, INFORMATION & TECHNOLOGIES
Witness: Baugh, Bradley M.
Subject: Marketing, Outreach and Education for Hard to Reach Customers

Issue Description: Marketing, Outreach and Education for Hard to Reach Customers

SDG&E Position: If the CPUC would like to consider allocating a percentage of rate increases for marketing, outreach, and education to hard-to-reach customers, SDG&E recommends the topic be examined in the Low Income Energy Efficiency (LIEE) proceeding or similar proceeding.
Exhibit SDG&E-214, p. BMB-139

JMP Position: JMP recommends at least 5% of any rate increases over the three year GRC period be allocated for marketing, outreach and education focused on those who are hit hardest by any rate increases.
Testimony of Joint Parties, p. 13

Chapter 7 - JMP vs. SDG&E

Part C - Other

2. SDG&E-15 (Exh 131) - SUPPLY MANAGEMENT & SUPPLIER DIVERSITY

| Issue # | Subject | Reference |
|-----------------|-----------------------------------|-----------|
| 1. SDG&E15A.000 | Supplier and Employment Diversity | 7C2-a1 |

CHAPTER 7C2-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
JMP Differences to SDG&E Requests

Exhibit No.: SDG&E-15
Area: SUPPLY MANAGEMENT & SUPPLIER DIVERSITY
Witness: Furbush, Sydney L.
Subject: Supplier and Employment Diversity

Issue Description: Supplier and Employment Diversity

SDG&E Position: SDG&E urges the Commission to reject all of JMP's recommendations. In D.13-05-010, Section 13.4.3, the Commission noted that such recommendations concerning SDG&E's relationships with diverse business enterprises are issues that should have been brought up in R.09-07-027, which addressed changes to GO156. Previous agreements between SDG&E and the JMP have resulted in the current Technical Assistance funding, which exceeds prior funding levels and any amounts contemplated by GO156. SDG&E's GO156 performance metrics have consistently and significantly exceeded GO156 targets for many years. Both increasing those targets and creating sub-targets sets up unequal access. Similar to the creation of unequal fractions for GO156 target, the Commission should reject the JMP recommendation that SDG&E disaggregate Asian American data by major ethnic subgroups.

Exhibit SDG&E-215, SLF-9

JMP Position: JMP recommendations include:

1. Modify GO156 goals from 40% to 50% by 2018;
2. Implementing a separate Minority Business Enterprise Goal of 35%;
3. Disaggregating Asia American data by major applicable ethnic subgroups;
4. Providing testimony on the value and impact of reporting on utility efforts to engage suppliers owned and operated by those veterans returning on and after 2001;
5. Increasing technical assistance budgets from an average of \$ 0.750M/year to \$2.25M/year. It is further recommended that 50% of any cost increases over \$1.5M/year be equally shared by ratepayers and shareholders.

Testimony of Joint Parties, pp. 14-17

Chapter 7 - JMP vs. SDG&E

Part C - Other

3. SDG&E-22 (Exh 193) - COMPENSATION, HEALTH, & WELFARE

| Issue # | Subject | Reference |
|-----------------|------------------------|-----------|
| 1. SDG&E22A.006 | Executive Compensation | 7C3-a1 |

CHAPTER 7C3-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
JMP Differences to SDG&E Requests

Exhibit No.: SDG&E-22
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.
Subject: Executive Compensation

Issue Description: Executive Compensation

SDG&E Position: SDG&E's and SoCalGas' request for compensation and benefits cost recovery is reasonable, consistent with past California Public Utilities Commission (Commission) decisions, will benefit customers and should be approved. SDG&E's and SoCalGas' compensation and benefits programs are critical to attracting, motivating, and retaining a skilled, high-performing workforce. The Total Compensation Study, which was performed by Towers Watson and jointly managed by ORA, found SDG&E's and SoCalGas' total compensation to be in line with the competitive market.

Exhibit SDG&E-222, p. DSR-3

JMP Position: Executive compensation at the Sempra companies is excessive.

Testimony of Joint Parties, pp. 7-11

Chapter 7 - JMP vs. SDG&E

Part C - Other

4. SDG&E-39-R (Exh 203) - ELECTRIC REVENUES AND RATES

| Issue # | Subject | Reference |
|----------------|----------------|-----------|
| 1. SDG&E39.003 | Rate Increases | 7C4-a1 |

CHAPTER 7C4-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
JMP Differences to SDG&E Requests

Exhibit No.: SDG&E-39-R
Area: ELECTRIC REVENUES AND RATES
Witness: Fang, Cynthia S.
Subject: Rate Increases

Issue Description: Rate Increases

SDG&E Position: SDG&E believes it has fully justified its proposed rate increase in this proceeding.

JMP Position: Although the Sempra proposed rate increases appear to be relatively modest, at least from the perspective of Sempra, any rate increase could have a highly negative impact on a substantial number of ratepayers who live from paycheck to paycheck. This is particularly true for those presently unemployed or underemployed. Please note that in many of the Sempra territories, the real unemployment rate is in double-digit figures and for minority ratepayers, particularly Blacks, Latinos and Southeast Asian Americans, the real unemployment rate is 20% or higher.

Testimony of Joint Parties, Pages 5-6

Chapter 7 - JMP vs. SDG&E

Part C - Other

5. SDG&E-40-R (Exh 190) - REVENUES AT PRESENT AND PROPOSED RATES

| Issue # | Subject | Reference |
|----------------|----------------|-----------|
| 1. SDG&E40.000 | Rate Increases | 7C5-a1 |

CHAPTER 7C5-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
JMP Differences to SDG&E Requests

Exhibit No.: SDG&E-40-R
Area: REVENUES AT PRESENT AND PROPOSED RATES
Witness: Lenart, Gary G.
Subject: Rate Increases

Issue Description: Rate Increases

SDG&E Position: SDG&E believes it has fully justified its proposed rate increase in this proceeding.

JMP Position: Although the Sempra proposed rate increases appear to be relatively modest, at least from the perspective of Sempra, any rate increase could have a highly negative impact on a substantial number of ratepayers who live from paycheck to paycheck. This is particularly true for those presently unemployed or underemployed. Please note that in many of the Sempra territories, the real unemployment rate is in double-digit figures and for minority ratepayers, particularly Blacks, Latinos and Southeast Asian Americans, the real unemployment rate is 20% or higher.

Further, Joint Parties concerned that great declines in energy costs, including natural gas, are not being fully passed on to benefit the vast majority of Sempra ratepayers who lives from paycheck to paycheck.

Testimony of Joint Parties, Pages 5-6

Chapter 8

Differences Between SDG&E and MGRA

Chapter 8 - MGRA vs. SDG&E

Part C - Other

1. SDG&E-02 (Exh 15) - RISK MANAGEMENT AND POLICY

| Issue # | Subject | Reference |
|----------------|---|-----------|
| 1. SDG&E02.000 | Enterprise Risk Management Organization | 8C1-a1 |

CHAPTER 8C1-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
MGRA Differences to SDG&E Requests

Exhibit No.: SDG&E-02
Area: RISK MANAGEMENT AND POLICY
Witness: Day, Diana L.
Subject: Enterprise Risk Management Organization

Issue Description:

SDG&E Position: SDG&E did not specifically address this issue.

MGRA Position: This testimony presents evidence that SDG&E does not appear to have any centralized management of fire risk reduction programs and projects that would encourage tracking of effectiveness or balancing costs and risk reduction. Without an ERM organization of some type, it is difficult to see how SDG&E will effectively participate in S-MAP and RAMP proceedings as required by the Commission. SDG&E should work with ORA to develop a plan for a “right-sized” ERM organization that will satisfy immediate needs for risk planning and which can scale up to develop additional risk management tools if necessary.

Prepared Testimony by Conklin and Mitchell for MGRA, Page 57

Chapter 8 - MGRA vs. SDG&E

Part C - Other

2. SDG&E-09-R (Exh 134) - ELECTRIC DISTRIBUTION CAPITAL

| Issue # | Subject | Reference |
|-----------------|--------------------|-----------|
| 1. SDG&E09A.013 | FIRM | 8C2-a1 |
| 2. SDG&E09A.014 | Target Safety Goal | 8C2-a2 |

CHAPTER 8C2-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
MGRA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.
Subject: FIRM

Issue Description:

SDG&E Position: When SDG&E began developing the FIRM project, several schedule alternatives were evaluated, including an accelerated schedule. The current project schedule is based on the most accelerated alternative initially evaluated. SDG&E moved forward in the quickest and most feasible manner.

Exhibit SDG&E-209, Page JDJ-14

MGRA Position: As an alternative to ORA's recommendation to postpone a portion of the funding for the FIRM project to 2017, SDG&E might be required to present a detailed plan for accelerated completion of this project in order to enhance public safety, which should be the primary consideration.

Prepared Testimony by Conklin and Mitchell for MGRA, Page 57

CHAPTER 8C2-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
MGRA Differences to SDG&E Requests

Exhibit No.: SDG&E-09-R
Area: ELECTRIC DISTRIBUTION CAPITAL
Witness: Jenkins, John D.
Subject: Target Safety Goal

Issue Description:

SDG&E Position: As MGRA recognizes, the S-MAP and R.08-11-005 Map 2 processes will help to enhance fire risk-related processes going forward. In addition, as SDG&E's Enterprise Risk Management efforts gain momentum, there will be more tools put into place to quantify risks and to ensure money is being allocated in the right areas, with respect to risk. SDG&E believes that MGRA proposals would be more appropriately presented in S-MAP or other fire related proceedings.

Exhibit SDG&E-209, Page 14

MGRA Position: A target safety goal of no more than a 3% probability of catastrophic losses anywhere in the SDG&E network in the event of a fire weather event equivalent to the October 2007 fire storm should be established (or 3% probability of catastrophic fire in 50 years). SDG&E should develop a plan to reach this safety goal as a part of the subsequent SDG&E rate case, and fire spending requests should be tied to measureable progress towards that goal. SDG&E participation in the S-MAP and R.08-11-005 Map 2 processes should provide new tools and guidelines helpful in building such a plan.

Prepared Testimony by Conklin and Mitchell for MGRA, Page 60

Chapter 9

Differences Between SDG&E and EDF

Chapter 9 - EDF vs. SDG&E

Part C - Other

1. SDG&E-04 (Exh 62) - GAS DISTRIBUTION

| Issue # | Subject | Reference |
|-----------------|--------------|-----------|
| 1. SDG&E04A.001 | Leak Mapping | 9C1-a1 |

CHAPTER 9C1-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
EDF Differences to SDG&E Requests

Exhibit No.: SDG&E-04
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.
Subject: Leak Mapping

Issue Description: Leak Mapping

SDG&E Position: In a response to a data request, SDG&E explained how it meets and in many cases exceeds the leak survey requirements of DOT CFR 49 Title 192 and G.O. 112-E. The response details how SDG&E through required periodic leak surveys “finds” above and below grade leaks if present.

Exhibit SDG&E-204, page FBA-33

EDF Position: SDG&E has not yet mapped its leaks, and EDF is not aware that they are in the process of finding and mapping leaks.

Exhibit Opening Testimony of Environmental Defense Fund, page 19

Chapter 9 - EDF vs. SDG&E

Part C - Other

2. SDG&E-18 (Exh 174) - ENVIRONMENTAL

| Issue # | Subject | Reference |
|-----------------|---------------------------|-----------|
| 1. SDG&E18A.001 | NERBA | 9C2-a1 |
| 2. SDG&E18A.002 | CPUC Rulemaking 15-01-008 | 9C2-a2 |

CHAPTER 9C2-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
EDF Differences to SDG&E Requests

Exhibit No.: SDG&E-18
Area: ENVIRONMENTAL
Witness: Pearson, Richard S.
Subject: NERBA

Issue Description: NERBA

SDG&E Position: In the 2012 GRC, SDG&E proposed creation of a two-way balancing account to record costs associated with certain new and proposed environmental rules or regulations. The Commission authorized the NERBA, which was implemented through adoption of Advice Letter 2496-E (SDG&E electric) and 2205-G (SDG&E gas).

The currently authorized NERBA costs include (1) Assembly Bill 32 (AB32) Administration Fees; (2) Cap and Trade related costs; (3) Subpart W of Part 98 of Title 40 of the Code of Federal Regulations (CFR); and, (4) Polychlorinated Biphenyls (PCB) Phase-Out.

Exhibit SDG&E-18, p. RSP-5

EDF Position: EDF strongly supports the Commission providing the utilities with the funding necessary to address methane emissions, to utilize quantification methods to address methane pollution, and increase transparency in ratemaking. EDF's testimony does not support a specific dollar amount requested by either utility. Rather, EDF's testimony provides context to the requested rates, and advises the Commission to apply additional filters to its review of the expenditures made by the utilities.

EDF recommends that any funds allocated for quantification be placed in either a two-way balancing account or a one-way balancing account. EDF also recommends that the utilities should be required to quantify their emission and report those figures in future GRCs.

Testimony of T. O'connor for EDF, pages 7-8, 21

CHAPTER 9C2-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
EDF Differences to SDG&E Requests

Exhibit No.: SDG&E-18
Area: ENVIRONMENTAL
Witness: Pearson, Richard S.
Subject: CPUC Rulemaking 15-01-008

Issue Description: CPUC Rulemaking 15-01-008

SDG&E Position: SDG&E's GRC forecasts its test year costs, which include costs associated with leak-related work. The GRC should not be used to resolve the issues raised in the Rulemaking. Because the Rulemaking is only in the initial information-gathering phase, it will likely not reach a final decision adopting requirements until sometime in 2016. In the event the Rulemaking requires incremental costs to be incurred during the GRC cycle, SDG&E's NERBA, which proposes to add an LDAR component, is a two-way regulatory mechanism that SDG&E can seek to record those incremental costs. In short, the two proceedings can and should proceed independently.

Exhibit SDG&E-218, pages RSP-6 to 7

EDF Position: EDF strongly supports the Commission providing the utilities with the funding necessary to address methane emissions, to utilize quantification methods to address methane pollution, and increase transparency in ratemaking. EDF's testimony is not meant to support any specific dollar amount requested by SCG or SDG&E within their rate case application. Rather, EDF's testimony is meant to add context to the amount requested and advise the Commission that, due to advancements in both policy and technology, additional filters should be placed on the Commission's review of any and all expenditure requests made by utilities. If the Commission prefers a one way balancing account, than EDF suggests that funding determination be held open until a cost estimate can be calculated in R. 15-01-008.

Exhibit Opening Testimony of Environmental Defense Fund, pages 7, 10, and 20

Chapter 10

Differences Between SDG&E and SDCAN

Chapter 10 - SDCAN vs. SDG&E

Part C - Other

1. SDG&E-10-R (Exh 70) - ELECTRIC DISTRIBUTION O&M

| Issue # | Subject | Reference |
|-----------------|-------------------------|-----------|
| 1. SDG&E10A.004 | Regional Public Affairs | 10C1-a1 |

CHAPTER 10C1-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
SDCAN Differences to SDG&E Requests

Exhibit No.: SDG&E-10-R
Area: ELECTRIC DISTRIBUTION O&M
Witness: Woldemariam, Jonathan
Subject: Regional Public Affairs

Issue Description: Regional Public Affairs

SDG&E Position: SDG&E requests \$1.687 million for Regional Public Affairs using a base year forecast. SDG&E's Regional Public Affairs group primarily supports electric and gas distribution operations through its work with regional and local governments on issues regarding proposed regulations, permitting, and emergency preparedness and response. Costs in this function are driven by the level of activity within communities, projects being undertaken by the utility, community and governmental meetings, and interest on the part of local elected and nonelected officials.

Exhibit SDG&E-10-R, pages JTW-32 to 33

SDCAN Position: SDCAN recommends SDG&E receive no more than \$683,000 funding for the Regional Public Affairs department, a reduction of \$1.004 million from SDG&E's request. This is an appropriate recommendation in light of the historical context for these operations and SDG&E's failure to offer a "detailed justification" that this expense outweighs corporate image enhancement, as required by the Commission in D. 13-05-010.

Exhibit SDCAN-Shames, page 9

Proposed TY2016 Forecast

| <u>Year</u> | <u>SDG&E</u> | <u>SDCAN</u> | <u>Difference</u> |
|--------------|------------------|--------------|-------------------|
| 2016 | 1,687 | 683 | -1,004 |
| TOTAL | 1,687 | 683 | -1,004 |

Chapter 10 - SDCAN vs. SDG&E

Part C - Other

2. SDG&E-13 (Exh 86) - CS - FIELD

| Issue # | Subject | Reference |
|-----------------|--------------------------------|-----------|
| 1. SDG&E13A.001 | Service Guarantee Appointments | 10C2-a1 |

CHAPTER 10C2-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
SDCAN Differences to SDG&E Requests

Exhibit No.: SDG&E-13
Area: CS - FIELD
Witness: Franke, Sara
Subject: Service Guarantee Appointments

Issue Description: Service Guarantee Appointments

SDG&E Position: SDG&E's missed Service Guarantee appointments comprise less than half a percent of total orders scheduled. While the percentage of missed appointments is very small as a percentage of orders scheduled, the increase is at least partially attributable to the fact that the volume of Priority1 ("P1") emergency orders increased significantly during the same time period.

Exhibit SDG&E-213, pp. SAF-29-30

SDCAN Position: SDG&E should be required to split the costs of the Service Guarantee program between its customers and shareholders until the next GRC at which time, if SDG&E provides evidence of reduced missed appointments, the program might once again be fully funded by ratepayers.

Exhibit SDCAN-Shames, p. 29

Chapter 10 - SDCAN vs. SDG&E

Part C - Other

3. SDG&E-14 (Exh 101) - CS - OPERATIONS, INFORMATION & TECHNOLOGIES

| Issue # | Subject | Reference |
|-----------------|---|-----------|
| 1. SDG&E14A.004 | Web-based Efficiencies | 10C3-a1 |
| 2. SDG&E14A.005 | Email/Artificial Intelligence | 10C3-a2 |
| 3. SDG&E14A.006 | Smart Pricing Program (SPP) Double Charging | 10C3-a3 |
| 4. SDG&E14A.007 | Rate Plans | 10C3-a4 |

CHAPTER 10C3-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
SDCAN Differences to SDG&E Requests

Exhibit No.: SDG&E-14
Area: CS - OPERATIONS, INFORMATION & TECHNOLOGIES
Witness: Baugh, Bradley M.
Subject: Web-based Efficiencies

Issue Description: Funding for CCC operations and customer outreach

SDG&E Position: SDG&E's TY 2016 forecast includes savings from web-based services and other self-service enhancements as BY 2013 includes \$556,000 of self-service reductions (both web and IVR efficiencies). In addition to the embedded reductions, SDG&E forecasted a reduction to ESS calls by an increase in IVR self-service and a reduction in average handle time resulting from the implementation of new technologies. These and other CCC enhancements and efficiencies gains have resulted in \$736,000 of reductions to the TY 2016 forecast in addition to the aforementioned embedded reductions of \$556,000.

Exhibit SDG&E-214, page BMB-109

SDCAN Position: SDG&E failed to quantify web-based efficiencies, in violation of the Commission's order in the 2012 TY GRC. The 10% imputed efficiency achieved by web-related investments that the Commission deferred in D.13-05-010 should be applied in this proceeding.

Testimony of Michael Shame for SDGAN, p. 8

CHAPTER 10C3-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
SDCAN Differences to SDG&E Requests

Exhibit No.: SDG&E-14
Area: CS - OPERATIONS, INFORMATION & TECHNOLOGIES
Witness: Baugh, Bradley M.
Subject: Email/Artificial Intelligence

Issue Description: Email/Artificial Intelligence

SDG&E Position: SDG&E disagrees with SDCAN's recommendation regarding the use of email with artificial intelligence for customers to report emergencies. SDG&E is consistent with the Federal Communications Commission's recommendations concerning the reporting of emergencies..."But if you are able to make a voice call to 911, and if it safe to do so, you should always make a voice call to 911."

Exhibit SDG&E-214, pages BMB-134

SDCAN Position: SDCAN recommends that SDG&E invest in E-mail with Artificial Intelligence functionalities to report emergencies.

Testimony of Michael Shames for SDCAN, p. 26

CHAPTER 10C3-a3

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
SDCAN Differences to SDG&E Requests

Exhibit No.: SDG&E-14
Area: CS - OPERATIONS, INFORMATION & TECHNOLOGIES
Witness: Baugh, Bradley M.
Subject: Smart Pricing Program (SPP) Double Charging

Issue Description: Smart Pricing Program (SPP) Double Charging

SDG&E Position: The Smart Pricing Program (SPP) was established in 2010 to implement new rate options, customer tools, and other provision adopted by CPUC D.12-12-004 in A.10-07-009. Ordering Paragraph 16 of D.12-12-004 ordered SDG&E to establish a balancing account to record costs related to the implementation of SPP through 2015. The CPUC authorized and directed SDG&E to request funding for post-2015 operational costs as part of a future GRC. As such, SDG&E's TY 2016 GRC forecast includes the operational costs necessary to cover ongoing SPP expenses.

Exhibit SDG&E-214, pages BMB-136

SDCAN Position: SDG&E's request for increased funding of its CCC operations and customer outreach on the basis that customers will have questions about new rates that will be implemented should be rejected on the basis that funding for much of this effort was provided in A.10-07-009.

Exhibit SDCAN-Shames, page 8

CHAPTER 10C3-a4

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
SDCAN Differences to SDG&E Requests

Exhibit No.: SDG&E-14
Area: CS - OPERATIONS, INFORMATION & TECHNOLOGIES
Witness: Baugh, Bradley M.
Subject: Rate Plans

Issue Description: Rate Plans

SDG&E Position: SDG&E already implemented an on-line tool as part of the Smart Pricing Program. The tool provides cost and savings estimates for eligible rates and provides for rate enrollment.

Exhibit SDG&E-14, pages BMB-135

SDCAN Position: SDCAN recommends SDG&E implement functionalities for helping consumers find a rate plan that fits their needs.

Exhibit SDCAN-Shames, page 8

Chapter 10 - SDCAN vs. SDG&E

Part C - Other

4. SDG&E-15 (Exh 131) - SUPPLY MANAGEMENT & SUPPLIER DIVERSITY

| Issue # | Subject | Reference |
|-----------------|-----------------|-----------|
| 1. SDG&E15A.001 | Travel Expenses | 10C4-a1 |

CHAPTER 10C4-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
SDCAN Differences to SDG&E Requests

Exhibit No.: SDG&E-15
Area: SUPPLY MANAGEMENT & SUPPLIER DIVERSITY
Witness: Furbush, Sydney L.
Subject: Travel Expenses

Issue Description: Travel Expenses

SDG&E Position: SDCAN's recommendation is based on a misimpression regarding the extent of SDG&E employee travel expenses. It is reasonable for SDG&E to request recovery of valid business related expenses incurred in the ongoing operation of its business. SDG&E occasionally requires employees to travel to locations outside the area of their normal office, sometimes for extended periods.

Exhibit SDG&E-215, pages SLF-7 to 8

SDCAN Position: As a result of credit card overuse by SDG&E employees, SDCAN recommends disallowance of 50% of all of SDG&E forecast travel costs. In seeking ratepayer funding to pay for air travel and lodging, SDG&E failed to engage in regular reviews of employee expense reports to ensure that employees are booking reasonable, low-cost air travel and lodging accommodations.

Exhibit SDCAN-Shames, page 9

Chapter 10 - SDCAN vs. SDG&E

Part C - Other

5. SDG&E-25-R (Exh 259) - REG AFFAIRS, CONTROLLER, FINANCE, LEGAL & EXT REL

| Issue # | Subject | Reference |
|-----------------|----------------|-----------|
| 1. SDG&E25A.002 | SDG&E Earnings | 10C5-a1 |

CHAPTER 10C5-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
SDCAN Differences to SDG&E Requests

Exhibit No.: SDG&E-25-R
Area: REG AFFAIRS, CONTROLLER, FINANCE, LEGAL & EXT REL
Witness: Deremer, Kenneth J.
Subject: SDG&E Earnings

Issue Description: SDG&E Earnings

SDG&E Position:

SDCAN Position: SDCAN recommends that the Commission reduce SDG&E earnings to comport with industry norms and should be tied to prices it charges to customers (relative to other similarly situated utilities). As a condition of receiving any rate increase, the Commission must require utilities, such as SDG&E, to demonstrate in future applications specifically how it promotes operational efficiencies within its operations.

Testimony of Michael Shames for SDCAN, p. 8

Chapter 10 - SDCAN vs. SDG&E

Part C - Other

6. SDG&E-39-R (Exh 203) - ELECTRIC REVENUES AND RATES

| Issue # | Subject | Reference |
|----------------|----------------------|-----------|
| 1. SDG&E39.000 | SDG&E Rate Increases | 10C6-a1 |
| 2. SDG&E39.001 | Electric Rates | 10C6-a2 |

CHAPTER 10C6-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
SDCAN Differences to SDG&E Requests

Exhibit No.: SDG&E-39-R
Area: ELECTRIC REVENUES AND RATES
Witness: Fang, Cynthia S.
Subject: SDG&E Rate Increases

Issue Description: SDG&E Rate Increases

SDG&E Position: SDG&E presented the current and proposed revenues and rates by major customer classes that would result from the adoption of the TY 2016 GRC proposals of SDG&E.

Exhibit SDG&E-39, Pages CSF-1 through CSF-6

In addition, SDG&E presented estimates of illustrative residential customer bill impacts based on adoption of SDG&E's proposals in this proceeding.

Exhibit SDG&E-39, Pages CSF-7 through CSF-15

SDCAN Position: SDCAN commented that "SDG&E's Rates Have Leapfrogged Those of Other California Utilities" and "... the 2008 and 2012 General Rate Cases were a debacle for SDG&E customers. As a result of those decisions, SDG&E's rates have increased at a rate higher than any other regulated energy utility in California."

Testimony of Michael Shames for SDCAN, p. 8

CHAPTER 10C6-a2

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
SDCAN Differences to SDG&E Requests

Exhibit No.: SDG&E-39-R
Area: ELECTRIC REVENUES AND RATES
Witness: Fang, Cynthia S.
Subject: Electric Rates

Issue Description: Electric Rates

SDG&E Position: SDG&E's current higher electric rates compared to the other two California IOUs are due to unusual and extenuating circumstances. At this time SDG&E's electric rates include the recovery of large amortizations due in particular to delays in receiving decisions in two cost recovery proceedings. Also contributing to the deceptively high rates in the chart is the delay in SDG&E's 2013 ERRRA Forecast implementation which caused SDG&E to undercollect for 11 months.

Exhibit SDG&E-239, pages CSF-3 to 4

SDCAN Position: Since the 2012TY GRC, SDG&E's electric rates jumped well ahead of the other two major utilities in the state: SCE and PG&E.

Exhibit SDCAN-Shames, page 9

Chapter 10 - SDCAN vs. SDG&E

Part C - Other

7. SDG&E-43 (Exh 17) - RESPONSE TO SAFETY & ENFORCEMENT DIVISION (SED) REPORT

| Issue # | Subject | Reference |
|----------------|-------------------------------|-----------|
| 1. SDG&E43.000 | Revenue Requirement Reduction | 10C7-a1 |

CHAPTER 10C7-a1

San Diego Gas & Electric Company
2016 Test Year GRC A-14-11-003
SDCAN Differences to SDG&E Requests

Exhibit No.: SDG&E-43
Area: RESPONSE TO SAFETY & ENFORCEMENT DIVISION (SED) REPORT
Witness: Day, Diana L.
Subject: Revenue Requirement Reduction

Issue Description: Revenue Requirement Reduction

SDG&E Position: SDCAN ignores electric commodity costs (e.g., the cost of gas and electricity), which are not part of the GRC nor a contributor to earnings, but certainly a contributor to rate increases. When policy and legislative mandates from the state increase SDG&E's need to procure renewable commodity resources, rates tend to go up with no impact at all to earnings.

A more realistic way of looking at earnings growth is through a Compound Annual Growth Rate (CAGR), which shows year-over-year growth for 10 years of 7.6%, not considering inflation. SDCAN's claim that an arbitrary \$100 million reduction to revenue requirement is warranted shows a lack of understanding of SDG&E's earnings and is based on a number of calculation errors.

Exhibit SDG&E-243, pages GDS-4 to 6

SDCAN Position: SDCAN proposes that the Commission fully reject SDG&E's revenue request for an additional increase of \$116 million for TY 2016. The Commission must reduce SDG&E earnings to comport with industry norms and should be tied to the prices it charges to customers (relative to other similarly situated utilities).

Exhibit SDCAN-Shames, pages 3 and 8