

ORA DATA REQUEST
ORA-SDGE-023-YNL
SDG&E 2019 GRC – A.17-10-007
SDG&E RESPONSE
DATE RECEIVED: NOVEMBER 17, 2017
DATE RESPONDED: DECEMBER 15, 2017

Originated by: Yakov Lasko
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Data Request No: ORA-SDG&E-023-YNL
Exhibit Reference: SDG&E-09 and SDG&E-09-CWP
SDG&E Witness: Deanna R. Haines
Subject: Gas Engineering

Please provide the following:

1. Referring to SDG&E's testimony, in Ex. SDG&E-09, page DRH-7, line 2, SDG&E used five-year average of recorded costs for land rights (Budget Code 417). In Ex. SDG&E-09-CWP, page 4 of 45, the non-labor costs for 2015 were \$425,000.
 - a. Please account for this large increase compared to 2013, 2014 and 2016 years. Please provide supporting documents for the large increase in non-labor costs for 2015.
 - b. In addition, please provide additional documents regarding expenses already incurred to date in 2017 for land rights expenses and estimated land rights expenses for the rest of 2017 and 2018 and 2019.
 - c. Please list the expiring land rights leases in 2017-2019 and the estimated expenses SDG&E may incur in renegotiating those leases for land rights.
 - d. Finally, once the final land rights expenses for 2017 become available, please send a supplemental data response with updated numbers to ORA.

SDG&E Response 1:

The Work Order Authorization (WOA) forms provided in the response below have been redacted to remove non-responsive, non-relevant customer and employee information. The cost information highlighted in yellow in the document is **Confidential Pursuant to P.U. Code Section 583 & General Order 66-C/D and D.16-08-024, and is accompanied by supporting declaration.**

- a. The non-labor costs for 2015 are primarily associated with the renewal of Line 2010 across Marine Corps Air Station Miramar.
Please see the accompanying files.

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SDG&E Response 1 CONTINUED:

ORA-SDGE-023-YNL RECORDED EASEMENT. 9-14-2015.482578.pdf
ORA-SDGE-023-YNL WOA 1545154 Redacted CONFIDENTIAL.pdf

- b. Please see the accompanying Work Order Authorizations and recorded easement renewals for Line 1032 for expenses incurred in 2017. Appraisals for expired easements from 2017 to 2019 have not been completed to determine estimated expenses for easement acquisition. Please see the response to 1.c. below for further detail on expiring easements and estimated expenses.

ORA-SDGE-023-YNL GCL_2017.450178.pdf
ORA-SDGE-023-YNL easement WO 1545589 Redacted CONFIDENTIAL.pdf

- c. SDG&E uses fair market value appraisals to determine a basis for the value of expiring easements in its negotiations. At this time, appraisals for easements expiring in 2017 – 2019 have not been commissioned to determine the values and therefore, estimated expenses have not been determined. It should be noted that negotiating and acquiring expiring easements with external agencies may take extended lengths of time and expenses may span multiple years after expiry. Expenses incurred in 2017 are related to easements that expired in prior years. For the expiring Gas Transmission easements for 2017-2019, please see the accompanying file.

ORA-SDGE-023-YNL GRC Gas Transmission Expiring Easements 2017-2019.pdf

- d. SDG&E will provide ORA a supplemental data response once the final land rights expenses for 2017 become available.

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2. Referring to SDG&E’s testimony, in Ex. SDG&E-09, page DRH-7, line 17, SDG&E used a base-year of recorded costs in auxiliary equipment budget codes 419 and 439. In Ex. SDG&E-09-CWP, page 21 of 45, the total adjusted recorded costs for budget code 439 were zero, but adjusted forecast for year of 2017-2019 is \$10,000.
 - a. Please explain how this reconciles with SDG&E using “base-year of recorded costs in this budget code” and explain the reason for the yearly \$10,000 increase for the 2017-2019 period.
 - b. Finally, once the final expenses for auxiliary equipment budget codes 419 and 439 become available for 2017, please send a supplemental data response with updated numbers for budget codes 419 and 439 to ORA.

SDG&E Response 2:

- a. The labor and nonlabor components of budget code 439 were forecasted separately using the base-year and 5-year average, respectively. This appears in the workpapers SDG&E-09-CWP at page 21 but was imprecisely described in the testimony when the nonlabor component of budget code 439 was not separately identified as having utilized the 5-year average. SDG&E regrets this oversight. SDG&E will update this information in revised testimony.
- b. SDG&E will provide ORA a supplemental data response once the final auxiliary equipment expenses for 2017 become available.

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3. Referring to SDG&E's testimony, in Ex. SDG&E-09, page DRH-8, line 6, SDG&E used a five-year average of recorded costs in budget code 436. In Ex. SDG&E-09-CWP, page 30 of 45, the adjusted recorded non-labor costs for 2014 and 2016 were \$71,000 and \$119,000, respectively.
 - a. Please provide supporting documents for the large increases in non-labor costs for 2014 and 2016.
 - b. In addition, please provide additional documents regarding expenses already incurred to date in 2017 for gas transmission capital tools and estimated capital tools expenses for the rest of 2017 and 2018 and 2019 based on projects that are in the pipeline and list those projects.
 - c. Finally, once the final capital expenses for 2017 become available, please send a supplemental data response with updated numbers to ORA.

SDG&E Response 3:

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- a. For 2014 and 2016 non-labor costs in budget code 436, please see the accompanying files.

2014 documents:

ORA-SDGE-023-YNL WOA 1545272 Redacted CONFIDENTIAL.pdf
ORA-SDGE-023-YNL WOA 1545295 Redacted CONFIDENTIAL.pdf
ORA-SDGE-023-YNL WOA 1545296 Redacted CONFIDENTIAL.pdf
ORA-SDGE-023-YNL WOA 1545318 Redacted CONFIDENTIAL.pdf
ORA-SDGE-023-YNL WOA 1545327 Redacted CONFIDENTIAL.pdf

2016 documents:

ORA-SDGE-023-YNL WO1545503 Redacted CONFIDENTIAL.pdf
ORA-SDGE-023-YNL WOA 1545507 Desausser Redacted CONFIDENTIAL.pdf

- b. Specific tool requirements for 2018 and 2019 have not yet been identified and thus are not currently available. For 2017 year-to-date expenses for budget code 436, please see the accompanying files.

ORA-SDGE-023-YNL 1545555 Redacted CONFIDENTIAL.pdf
ORA-SDGE-023-YNL 1545585 Redacted CONFIDENTIAL.pdf
ORA-SDGE-023-YNL 1545601 Redacted CONFIDENTIAL.pdf

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SDG&E Response 3 CONTINUED:

ORA-SDGE-023-YNL 1545602 Redacted CONFIDENTIAL.pdf

- c. SDG&E will provide ORA a supplemental data response once the final gas transmission capital tools expenses for 2017 become available.