

**ORA DATA REQUEST  
ORA-SDGE-033-LMW  
SDG&E 2019 GRC – A.17-10-007  
SDG&E RESPONSE  
DATE RECEIVED: NOVEMBER 29, 2017  
DATE RESPONDED: DECEMBER 14, 2017**

**Exhibit Reference:** SDG&E-22 - Various

**SDG&E Witness:** Tattersall

**Subject:** Various Projects

**Please provide the following:**

1. In its TY2016 GRC, SDG&E provided 2009-2013 capital data from its NOI Response to ORA Informal DR4B on September 8, 2014. The 2014 adjusted-recorded capital expenditures were provided to ORA from a Sempra email dated March 6, 2015. Please update this information to included recorded capital expenditures for 2015 and 2016.

Note: If SDG&E does not have a copy of the Response to ORA Informal DR4B, or a copy of the March 6, 2015 email, please contact the originator of this data request to request a copy.

**SDG&E Response 1:**

SDG&E provided the requested, recorded capital expenditures to the CPUC via an e-mail transmittal from Mr. Chuck Manzuk to Mr. Clayton Tang on December 1, 2017 (Subject: (SEU GRC) Data Extract - Supplemental materials provided in response to Master Data Request Section A). Please reference the tab labeled SDG&E-22. SDG&E has observed that within this document, costs for Budget Codes 167680 (CP East Tenant Improvements) and 167700 (Moreno Valley Admin Building Improvements) were omitted. The nominal recorded capital expenditures for each of these budget codes in 2016, vacation and sick included, were \$11,156K and \$1,033K, respectively.

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2. In its TY2016 GRC, SDG&E used terms such as “emergent and as-yet unspecified projects” and had capital projects that had not received Executive Management approval. Please identify projects (per Table RDT-19 pg. RDT 26 and 27) that are considered emergent and as-yet unspecified projects or not approved by Executive Management. If no projects of this nature exist, please explain why, and what SDG&E did differently in the current GRC as opposed to the previous one.

**SDG&E Response 2:**

Estimated allowances proposed to cover emergent and as-yet unspecified projects are included in the 007XXA.01 series of sub-workpapers listed below, which cover blanket budget types. Blanket budgets are those which are a collection of many individually small but similar plant items that may not all be singly identified far in advance (e.g., replacement of mechanical, electrical or plumbing equipment, which must be addressed as they fail, building code changes, market, workflow or productivity driven workplace improvements, etc.). Because of this characteristic, blanket budgets are often forecasted in whole or in part based on historic spend or experiential judgment, without identifying specific assets. The makeup of blanket budgets, by their nature, are subject to frequent changes with respect to the mix of projects, timing and individual item costs, while the aggregate budget may be consistent.

In our forecast, blanket budgets are comprised of a mix of known specific project requests, generally less than \$1M in rough order of magnitude each, and allowances to cover emergent and as-yet unknown, unspecified projects. The values listed below are only the allowances proposed to cover emergent and as-yet unspecified projects within each blanket budget. These costs exclude vacation and sick loaders on labor. There has been no change in forecasting methodology from the TY 2016 GRC.

<b>Sub-Workpaper ID</b>	<b>Description</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
00700A.01	Land Blanket 2017 - 2019	300,000	300,000	300,000
00701A.01	Structures & Improvement Blanket 2017 - 2019	-	2,216,706	-
00703A.01	Environmental/Safety Blanket 2017 - 2019	-	1,462,688	-
00705A.01	Misc. Equipment Blanket 2017 - 2019	368,962	368,962	368,962
00707A.01	Security Blanket 2017 - 2019	-	2,626,058	2,366,900
00708A.01	Infrastructure/Reliability Blanket 2017 - 2019	400,000	1,332,032	1,332,032
00709A.01	Remodel/Relocate/Reconfig Blanket 2017 - 2019	-	1,811,150	261,150
00710A.01	Business Unit Expansion Blanket 2017 - 2019	-	-	2,500,000

The entirety of SDG&E’s TY2019 GRC forecast has been approved by Executive Management; however, internal budget approvals, which are a prerequisite to commencing a project, have not been received in all cases. From an internal business control perspective, projects forecasted above \$1M require Executive Management approval; however, preliminary authorizations to incur costs for scoping, planning, designing and estimating projects, when required as a means of enabling informed Executive approval decisions, have been issued. The following list exhibits projects forecasted above \$1M that have not received Executive Management approval for full implementation as of this writing.

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**SDG&E Response 2:-CONTINUED**

<b>Sub-workpaper</b>	<b>Description</b>	<b>Exec. Approval status (projects &gt; \$1M)</b>
00701A.003	Cuyamaca Peak Energy Plant Building Installation	Approval pending
00708A.003	Network Ops Center (NOC) Equipment Improvement	Scoping/Planning/Design, only Approved
00709A.003	CP4 Refresh	Scoping/Planning/Design, only Approved
00709A.004	CP6 EOC Tenant Improvements	Scoping/Planning/Design, only Approved
00709A.006	Northeast Warehouse Locker Room Improvement	Approval pending
00709A.008	CP5 Refresh	Scoping/Planning/Design, only Approved
00710A.001	Mission Skills Training Center Expansion	Incl. in Blanket Budget; Approval pending
00710A.003	Miramar Welding Room Expansion	Scoping/Planning/Design, only Approved
00710A.004	Mission Critical Facility Consolidation & Expansion	Approval pending
00710A.006	Ramona C&O Expansion Construction	Approval pending
00710A.007	Kearny Master Plan Phase 1	Scoping/Planning/Design, only Approved
16768A.003	CP East IT Improvements	Approval pending
16771A.002	RBDC Power Reliability Improvements Ph2	Approval pending
16771A.003	RBDC C &D UPS Expansion	Approval pending