

**ORA DATA REQUEST
 ORA-SDGE-047-LMW
 SDG&E 2019 GRC – A.17-10-007
 SDG&E RESPONSE
 DATE RECEIVED: DECEMBER 6, 2017
 DATE RESPONDED: DECEMBER 20, 2017**

Exhibit Reference: SDG&E-21, Testimony and Workpapers
SDG&E Witness: Herrera
Subject: Fleet

Please provide the following:

1. Referring to SDG&E’s testimony Pg. CLH-7, Table CLH-5, please answer/provide the following:
 - a. A breakout by vehicle type similar to Table CLH-5 for the forecast period 2017 to 2019
 - b. A breakout by vehicle type similar to Table CLH-5 for historic 2015.
 - c. In conjunction with answering a. and b. above, provide the retirements/salvage by vehicle type that will show net additions or subtractions for the years 2009 to 2019.

SDG&E Response 1:

a.

SDG&E Vehicle Types Acquisition Plan by Year			
VEHICLE TYPES	2017	2018	2019
1. AUTOMOBILES	32	17	17
2. COMPACT TRUCK & VANS	64	84	59
3. LIGHT TRUCK & VANS	97	108	168
4. MEDIUM DUTY TRUCK	34	12	72
5. HEAVY DUTY TRUCK	42	47	51
6. MECHANIZED TRAILER	2	2	19
7. NON MECHANIZED TRAILER	7	41	28
8. P.O.E. / M.W.E.	26	12	7
Grand Total	304	323	421

During the process of preparing this data request, SDG&E discovered an error in the vehicle counts listed in SDG&E-21 workpaper 1FS0001.001 pages 6-7 and page 12 and 1FS001.002, page 18. The workpaper incorrectly stated the number of ATCM vehicles, and replacement vehicles by year. The workpaper will be corrected at the next opportunity. The table in response 1a above correctly states the number of planned vehicles acquisitions by year. The table above represents all planned acquisitions for the forecast period 2017 – 2019, inclusive of replacements, ATCM, AFV, and incremental vehicles for various operating groups; this list does not include vehicles currently under purchase order.

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b.

SDG&E Vehicle Types (Year-End 2015)	
VEHICLE TYPES	No. of Units
1. AUTOMOBILES	87
2. COMPACT TRUCK & VANS	324
3. LIGHT TRUCK & VANS	721
4. MEDIUM DUTY TRUCK	359
5. HEAVY DUTY TRUCK	213
6. MECHANIZED TRAILER	100
7. NON MECHANIZED TRAILER	222
8. P.O.E. / M.W.E.	66
Grand Total	2,092

c.

ACQUIRED UNITS BY TYPE AND YEAR									
VEHICLE TYPES	2009	2010	2011	2012	2013	2014	2015	2016	Grand Total
1 - AUTOMOBILE	8	1	11	16	11	7		1	55
2 - COMPACT TRUCK/VAN	63	20	74	21	16	4		21	219
3 - LIGHT TRUCK/VAN	80	23	115	87	178	66	25	33	607
4 - MEDIUM DUTY TRUCK	21	2	2	45	87	26	1	35	219
5 - HEAVY DUTY TRUCK	6	1		4	16	26	1		54
6 - MECHANIZED TRAILER	4		18	11	1	9		6	49
7 - NON MECHANIZED TRAILER	8	10	3	12	7	4	2	3	49
8 - P.O.E.	1	5	4		5	1			16
Grand Total	191	62	227	196	321	143	29	99	1,268

SOLD UNITS BY TYPE AND YEAR									
VEHICLE TYPES	2009	2010	2011	2012	2013	2014	2015	2016	Grand Total
1 - AUTOMOBILE	39	28	49	17	13	17	6	2	171
2 - COMPACT TRUCK/VAN	50	109	108	47	45	110	31	12	512
3 - LIGHT TRUCK/VAN	16	49	45	71	68	93	6	12	360
4 - MEDIUM DUTY TRUCK	28	19	12	44	39	59	1	14	216
5 - HEAVY DUTY TRUCK	11	13	8	5	1	45		4	87
6 - MECHANIZED TRAILER	2	6	11	5	1			1	26
7 - NON MECHANIZED TRAILER	4	9	20	10	1	4			48
8 - P.O.E.	3	7	5	1	1	2			19
Grand Total	153	240	258	200	169	330	44	45	1,439

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SDG&E Response 1 Continued:

DELTA UNITS BY TYPE AND YEAR									
VEHICLE TYPES	2009	2010	2011	2012	2013	2014	2015	2016	Grand Total
1 - AUTOMOBILE	(31)	(27)	(38)	(1)	(2)	(10)	(6)	(1)	(116)
2 - COMPACT TRUCK/VAN	13	(89)	(34)	(26)	(29)	(106)	(31)	9	(293)
3 - LIGHT TRUCK/VAN	64	(26)	70	16	110	(27)	19	21	247
4 - MEDIUM DUTY TRUCK	(7)	(17)	(10)	1	48	(33)	-	21	3
5 - HEAVY DUTY TRUCK	(5)	(12)	(8)	(1)	15	(19)	1	(4)	(33)
6 - MECHANIZED TRAILER	2	(6)	7	6	-	9	-	5	23
7 - NON MECHANIZED TRAILER	4	1	(17)	2	6	-	2	3	1
8 - P.O.E.	(2)	(2)	(1)	(1)	4	(1)	-	-	(3)
Grand Total	38	(178)	(31)	(4)	152	(187)	(15)	54	(171)

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2. Referring to SDG&E’s testimony Pg. CLH-8 Line 7-9, ORA noted the total TY 2019 request is \$18.632 million which comprises the following: (1) \$9.502 million (or 51%) of the 2019 amortization forecast total (note: questions will also pertain to other costs as well) is for committed financing of existing vehicles and replacements currently under purchase order. Based on this, please answer/provide the following:
- a. A listing by vehicle type of the number of existing vehicles, and their age.
 - b. A listing by vehicle type of the number of replacements under purchase order.
 - c. For each vehicle type the associated amortization, interest, salvage, license fees, and sales tax that ties to the 2017-2019 forecast.
 - d. Please confirm that replacements are due to the age of the vehicles. Please provide a listing of replacements under purchase order showing type of vehicle being replaced, its actual age and mileage, the vehicle it is replacing and the associated cost of the vehicle.

SDG&E Response 2:

a.

SDG&E Vehicle Types (Current)		
VEHICLE TYPES	No. of Units	Average Age (Months)
1 - AUTOMOBILE	88	81
2 - COMPACT TRUCK/VAN	297	99
3 - LIGHT TRUCK/VAN	715	71
4 - MEDIUM DUTY TRUCK	391	77
5 - HEAVY DUTY TRUCK	222	130
6 - MECHANIZED TRAILER	80	114
7 - NON MECHANIZED TRAILER	116	232
8 - P.O.E.	66	150

The table above represents the current Fleet; please note that not all vehicles are currently under lease. See detailed list of current vehicles with information request in table ORA-SDGE-047-LMW-DATA, tab ORA_2A_Detail (attached). Age and mileage is listed in months at the time of this response.

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SDG&E Response 2 Continued:

b. This response contains Confidential information pursuant to PUC Code Section 583 & General Order 66-C/D, and D.16-08-024. Please see attached Confidentiality Declaration attached.

SDG&E Vehicle Types under Purchase Order		
VEHICLE TYPES	No. of Units	Avg. Cost per Unit
1. AUTOMOBILES	2	\$
2. COMPACT TRUCK & VANS	27	\$
3. LIGHT TRUCK & VANS	91	\$
4. MEDIUM DUTY TRUCK	35	\$
5. HEAVY DUTY TRUCK	26	\$
6. MECHANIZED TRAILER	14	\$
7. NON MECHANIZED TRAILER	6	\$
8. P.O.E. / M.W.E.	4	\$
Grand Total	205	\$

The table above does not include ATCM units under purchase order; ATCM units under purchase order are included in the ATCM category. See detailed list of vehicles under purchase order with information request in table ORA-SDGE-047-LMW-DATA, tab ORA_2B_Detail (attached). Age and mileage is listed in months at the time of the forecast, YE 2016.

- c. The forecast model does not break-out the amortization, interest, salvage, license fees, and sales tax by vehicle type. The forecast model provides forecast in each of the presented groupings listed in the workpapers SDG&E-21 1FS001.001 – 1FS001.006; ATCM required replacements, incremental vehicles for business needs, AFV premium, and existing vehicle replacements due to replacement criteria being met.
- d. Replacements are due to either 1) Compliance requirements (ATCM or other), 2) Age of vehicle, 3) Mileage of vehicle, or 4) Condition of vehicle. The vehicles being replaced by vehicles under purchase order are being replaced due to one or more of the criteria being met. See detailed list of vehicles under purchase order with information request in table ORA-SDGE-047-LMW-DATA, tab ORA_2B_Detail (attached). Age and mileage is listed in months at the time of the forecast, YE 2016.

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3. Referring to SDG&E’s testimony Pg. CLH-8 Line 9-10, ORA noted: (2) \$4.929 million (or 26%) of the 2019 amortization forecast total (note: questions will also pertain to other costs as well) is state mandated (ATCM) replacements. Based on this, please answer/provide the following:
- a. A list of the new vehicles (subject to this mandate) broken out by year (2017-2019), by vehicle type, and expected cost per vehicle.
 - b. For each vehicle type the associated amortization, interest, salvage, license fees, and sales tax that ties to the 2017-2019 forecast.
 - c. Typically are the new vehicles more expensive than the replaced vehicles? If yes, on average by how much?
 - d. A list of vehicles, by year (forecast 2017-2019), by type, and their representative age that are being replaced by these new vehicles.
 - e. Will the purchase of these new vehicles increase the net size of SDG&E’s fleet? If yes, by how many.
 - f. When the State mandated (ATCM) regulatory requirements start and when do they end?
 - g. For the number of vehicles in SDG&E’s fleet subject to this mandate, what percentage will be replaced in the forecast period that meets this mandate?
 - h. In the event SDG&E does not replace the vehicles subject to the ATCM requirements, what will the impact be on the ratepayers (e.g., fines), and the dollar amount of those impacts.

SDG&E Response 3:

a.

SDG&E Vehicle Types ATCM Replacements			
VEHICLE TYPES	2017	2018	2019
3. LIGHT TRUCK & VANS	10	2	5
4. MEDIUM DUTY TRUCK	27	9	71
5. HEAVY DUTY TRUCK	42	42	47
Grand Total	79	53	123

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SDG&E Vehicle Types ATCM Currently Under Purchase Order			
VEHICLE TYPES	2017	2018	2019
3. LIGHT TRUCK & VANS	36	0	0
4. MEDIUM DUTY TRUCK	24	2	0
5. HEAVY DUTY TRUCK	1	0	0
Grand Total	61	2	0

During the process of preparing this data request, SDG&E discovered an error in the vehicle counts listed in SDG&E-21 workpaper 1FS0001.001 pages 6-7 and page 12 and 1FS001.002, page 18. The workpaper incorrectly omitted the ATCM vehicles currently under purchase order. The workpaper will be corrected at the next opportunity. See detailed list of vehicles subject to ATCM compliance replacement with information requested in table ORA-SDGE-047-LMW-DATA, tab ORA_3A_Detail (attached). Age is listed in months at the time of the forecast, YE 2016. Please note that the costs indicated in this category also include units currently under purchase order that are subject to ATCM compliance replacement.

- b.** The forecast model does not break-out the amortization, interest, salvage, license fees, and sales tax by vehicle type. The forecast model provides forecast in each of the presented groupings listed in the workpapers SDG&E-21 1FS001.001 – 1FS001.006; ATCM required replacements, incremental vehicles for business needs, AFV premium, and existing vehicle replacements due to replacement criteria being met.
- c.** Yes, new vehicles are replacing assets that are on average 12 years old and fully amortized; as a result, new vehicles will be more expensive than the vehicles they are replacing. New vehicles in the ATCM category are on average \$29,158, or 39%, more expensive than the most recently purchased comparable vehicle of the type that is being replaced. Please see additional detail in table ORA-SDGE-047-LMW-DATA, tab ORA_3A_Detail (attached). Age is listed in months at the time of the forecast, YE 2016.
- d.** See detailed list of vehicles subject to ATCM compliance replacement with information request in table ORA-SDGE-047-LMW-DATA, tab ORA_3A_Detail (attached). Age is listed in months at the time of the forecast, YE 2016.
- e.** No, these replacements are 1 for 1.

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SDG&E Response 3 Continued:

- f. The first ATCM compliance deadline was January 1, 2012 for engine model year 2006 and older. ATCM regulations have continued adding additional engine model years subject to compliance where all diesel engines must comply with ATCM regulations in January 1, 2023. See ARB Truck and Bus Regulation Compliance Requirements Summary last updated August 29, 2014 for additional detail
<https://www.arb.ca.gov/msprog/onrdiesel/documents/tbfinalreg.pdf>
- g. SDG&E intends to fully comply with ATCM requirements and replace 100% of vehicles subject to ATCM compliance.
- f. All non-compliant vehicles must be out of service by the compliance deadlines. If these vehicles are not replaced, SDG&E cannot legally operate these vehicles which, in turn, will impact SDG&E crews' ability to complete work in the field. SDG&E could also face fines and/or criminal penalties for non-compliance. See <https://www.arb.ca.gov/diesel/tru/documents/faq.pdf> for a list of potential fines.

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4. Referring to SDG&E’s testimony Pg. CLH-8 Line 10-12, ORA noted: (3) \$3.133 million (or 17%) of the 2019 amortization forecast total (note: questions will also pertain to other costs as well) is for replacements scheduled to be purchased in the 2017 through 2019 period. Based on this, please answer/provide the following:

- a. A list of the new vehicles, broken out by year (2017-2019), by vehicle type, and expected cost per vehicle,
- b. For each vehicle type the associated amortization, interest, salvage, license fees, and sales tax that ties to the 2017-2019 forecast.
- c. Typically are the new vehicles more expensive than the replaced vehicles? If yes, on average by how much?
- d. Will the purchase of these new vehicles increase the net size of SDG&E’s fleet? If yes, by how many.
- e. A list of vehicles, by year (forecast 2017-2019), by type, and their representative age that are being replaced with the purchase of these new vehicles.
- f. Confirm these replacements are due to the useful life reaching their targeted useful life.

SDG&E Response 4:

a.

SDG&E Vehicle Types Replacements Scheduled to be Purchased			
VEHICLE TYPES	2017	2018	2019
1. AUTOMOBILES	32	17	17
2. COMPACT TRUCK & VANS	59	77	59
3. LIGHT TRUCK & VANS	73	91	149
4. MEDIUM DUTY TRUCK	2	1	1
5. HEAVY DUTY TRUCK		5	4
6. MECHANIZED TRAILER	2	2	19
7. NON MECHANIZED TRAILER	7	41	28
8. P.O.E. / M.W.E.	26	12	7
Grand Total	201	246	284

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SDG&E Response 4 Continued:

During the process of preparing this data request, SDG&E discovered an error in the vehicle counts listed in SDG&E-21 workpaper 1FS0001.001 pages 6-7 and page 12 and 1FS001.002, page 18. The workpaper incorrectly stated the number of replacement vehicles by year. The workpaper will be corrected at the next opportunity. The table in response 4a above correctly states the number of replacement vehicles by year. The table above does not include ATCM or incremental vehicles and is representative of the vehicles that are eligible for replacement based on age, mileage, and/or condition. See detailed list of vehicles subject to replacement with information requested in table ORA-SDGE-047-LMW-DATA, tab ORA_4A_Detail (attached). Age and mileage is listed in months at the time of the forecast, YE 2016.

- b. The forecast model does not break-out the amortization, interest, salvage, license fees, and sales tax by vehicle type. The forecast model provides forecast in each of the presented groupings listed in the workpapers SDG&E-21 1FS001.001 – 1FS001.006; ATCM required replacements, incremental vehicles for business needs, AFV premium, and existing vehicle replacements due to replacement criteria being met.
- b. Yes, new vehicles are replacing assets that are on average 9 years old and fully amortized; as a result, new vehicles will be more expensive than the vehicles they are replacing. The new vehicles being replaced due to replacement criteria being met are on average \$4,208, or 14%, more expensive than the most recently purchased comparable vehicle of the type that is being replaced.
- c. No, these replacements are 1 for 1.
- d. See Table ORA-SDGE-047-LMW-DATA, tab ORA_4A_Detail (attached) with a detailed list of vehicles subject to replacement and requested information. Age is listed in months at the time of the forecast, YE 2016.
- e. Replacements are due to the vehicle meeting one or more of the following criteria: 1) Compliance requirements (ATCM or other), 2) Age of vehicle, 3) Mileage of vehicle, or 4) Condition of vehicle. See detailed list of vehicles under purchase order with information request in table ORA-SDGE-047-LMW-DATA, tab ORA_4A_Detail (attached).

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5. Referring to SDG&E's testimony Pg. CLH-8 Line 12-13, ORA noted: (4) Alternative-Fuel Vehicles that are sold at a premium account for the remaining \$0.676 million (or 4%) of the 2019 forecast replacements. Also on Pg. CLH-11 Line 18-23, ORA noted as an AFV provider fleet, 90% of the SDG&E's annual light duty vehicle purchases are required under the EPAct to be approved alternative-fuel vehicles. To achieve the 90% annual requirement, SDG&E plans to buy AFVs at a premium. SDG&E's fleet, specifically, all the over-the-road vehicles, is aging. At the end of 2016, 692 vehicles, or 40% of SDG&E's over-the-road fleet vehicles were 8 years and older. As a practice, SDG&E replaces over-the-road vehicles once they enter the seven-to ten-year mark.

- a. A list of the new vehicles, broken out by year (2017-2019) by vehicle type and expected cost per vehicle,
- b. For each vehicle type the associated amortization, interest, salvage, license fees, and sales tax that ties to the 2017-2019 forecast.
- c. Typically are the new vehicles more expensive than the replaced vehicles? If yes, on average by how much?
- d. Will the purchase of these new vehicles increase the net size of SDG&E's fleet? If yes, by how many.
- e. A list of vehicles, by year (forecast 2017-2019), by type, and their representative age that are being replaced with the purchase of these new vehicles.
- f. As of the date of this request of the 692 vehicles noted above, please provide a listing of the age of each vehicle.
- g. How does the statement "sold at a premium" apply? Why aren't these simply AFV replacements?
- h. Are all of the 692 vehicles noted light duty vehicles? If not, provide a breakdown of the type of vehicles comprising the 692 vehicles.

SDG&E Response 5:

- a. *This response contains Confidential information pursuant to PUC Code Section 583 & General Order 66-C/D, and D.16-08-024. Please see Confidentiality Declaration attached.*

This cost category is not a request for vehicle costs but rather is a request for the incremental technology or equipment needed above the base cost of a vehicle for the AFV technology or equipment. In terms of AFV vehicle replacement, we intend to target the categories below for AFV replacement, taking into consideration the availability of AFV infrastructure, payload capacity requirements, and job functions of each workgroup. As such SDG&E estimates it will replace non-AFV's with AFV's in the quantities indicated below as well as pay a premium for the AFV technology and equipment.

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SDG&E Response 5 Continued:

CATEGORY	No of Units		REPLACEMENT YEAR
CNG CREW	25		2017
CNG LD	15		2017
CNG PICKUP	11		2017
CNG VAN	1		2017
ELEC PHEV/BEV	16		2017
E-PTO Aerial Lift	10		2017
E-PTO TT	15		2017
CNG LD	10		2018
CNG PICKUP	11		2018
CNG VAN	1		2018
ELEC PHEV/BEV	18		2018
E-PTO Aerial Lift	6		2018
E-PTO TT	12		2018
CNG LD	17		2019
CNG PICKUP	15		2019
CNG VAN	1		2019
ELEC PHEV/BEV	17		2019
E-PTO Aerial Lift	4		2019
E-PTO TT	12		2019

- b.** The forecast model does not break-out the amortization, interest, salvage, license fees, and sales tax by vehicle type. The forecast model provides forecast in each of the presented groupings listed in the workpapers SDG&E-21 1FS001.001 – 1FS001.006; ATCM required replacements, incremental vehicles for business needs, AFV premium, and existing vehicle replacements due to replacement criteria being met.
- c.** Yes, the cost represented by the \$0.676 million are incremental costs for the AFV equipment and/or technology. See response 5a for incremental costs per vehicle by AFV technology.
- d.** This cost category is not a request for vehicle costs but rather is a request for the incremental technology or equipment needed above the base cost of a vehicle for the AFV technology or equipment.
- e.** 2017 financial information is expected to be available in late Q1 2018. SDG&E intends to target the categories and quantities identified in response 5a for AFV replacements as part of the replacement planning process.

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SDG&E Response 5 Continued:

- f.** The 692 vehicles noted above refers to all over the road vehicles and is not specific to AFV vehicles. See detailed list of current vehicles with information requested in table ORA-SDGE-047-LMW-DATA, tab ORA_2A_Detail (attached). Age and mileage is listed in months at the time of this response.
- g.** The statement “sold at a premium” applies when purchasing an Alternative Fuel Vehicle (“AFV”) to replace a non-AFV vehicle, which typically requires additional technology and equipment when compared to a non-AFV equivalent. SDG&E plans to increase the AFV fleet by 217 units over the forecast period, which entails replacing a non-AFV asset with an AFV asset. The \$0.676 million (or 4%) of the 2019 forecast in this section represents the AFV premium only (the incremental cost to a non-AFV).
- h.** The 692 vehicles noted above refers to all over-the-road vehicles and is not specific to AFV vehicles. See detailed list of current vehicles with information requested in table ORA-SDGE-047-LMW-DATA, tab ORA_2A_Detail (attached). Age and mileage is listed in months at the time of this response.

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6. Referring to SDG&E’s testimony Pg. CLH-8 Line 14-15, ORA noted (5) \$0.392 million (or 2%) of the 2019 amortization forecast total (note: questions will also pertain to other costs as well) is for incremental vehicle additions requested by operating departments. And on Pg. CLH-10 lines 22-24, ORA noted, additionally, the Company’s operating departments estimate the need for 62 additional vehicles over the three-year 2017, 2018, and 2019. Based on this, please provide the following:

- a. A list of the new vehicles, broken out by year (2017-2019) by vehicle type and expected cost per vehicle,
- b. For each vehicle type the associated amortization, interest, salvage, license fees, and sales tax that ties to the 2017-2019 forecast.
- c. For each additional vehicle requested, please provide specific use for the vehicle and justification for why the vehicle is needed.
- d. Pursuant to the prior GRC, how many “incremental vehicle additions were requested, how many approved, and how many actually purchased for the period 2014-2016?

SDG&E Response 6:

a.

SDG&E Vehicle Types Incremental Vehicle Additions			
VEHICLE TYPES	2017	2018	2019
2. COMPACT TRUCK & VANS	5	7	
3. LIGHT TRUCK & VANS	5	15	14
4. MEDIUM DUTY TRUCK	14	2	
Grand Total	24	24	14

See detailed list of incremental vehicles with information requested in table ORA-SDGE-047-LMW-DATA, tab ORA_4A_Detail (attached).

- b. The forecast model does not break-out the amortization, interest, salvage, license fees, and sales tax by vehicle type. The forecast model provides forecast in each of the presented groupings listed in the workpapers SDG&E-21 1FS001.001 – 1FS001.006; ATCM required replacements, incremental vehicles for business needs, AFV premium, and existing vehicle replacements due to replacement criteria being met.

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SDG&E Response 6 Continued:

- c. Please see the testimony of Gina Orozco-Mejia; Gas Distribution – Ex. SDG&E-04 page GOM-11; and Beth Music, Gas Transmission – Ex. SDG&E-06 page EAM-10 for justification and forecast methodology related to the need for incremental vehicles.
- d. In the 2016 GRC SDG&E requested 72 incremental vehicles for the period 2014 – 2016. Please refer to 2016 GRC workpapers of Carmen Herrera, 1FS001.001 page 11.

It is not possible to determine how many incremental vehicles were approved because the Commission adopted ORA and SDG&E's joint settlement agreement which did not specifically detail the number of incremental vehicles. Please refer to Joint Motion for Adoption of Settlement Agreements Regarding San Diego Gas & Electric Company's Test Year 2016 General Rate Case, including attrition Years 2017 and 2018 filed on November 14, 2014, starting on page 185.

SDG&E Incremental Vehicles Purchased			
Year	2014	2015	2016
INCREMENTAL VEHICLES PURCHASED	20	11	6

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SDG&E RESPONSE
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7. How does SDG&E account for vehicle costs? For example, does SDG&E use a pooling method or are costs accounted for by individual lease?

SDG&E Response 7:

SDG&E uses the pooling method for example similar passenger sedans are grouped into one vehicle class to facilitate cost clearing to the various user groups.

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8. Regarding fleet replacement, it appears a number of vehicles have reached their useful lives all within this GRC's forecast period. Please provide an explanation why there is this increased need in comparison to the prior years. Also explain why SDG&E's fleet is not being replaced at a more consistent basis spread over the years.

SDG&E Response 8:

SDG&E aims to replace approximately 10% of its fleet per year to maintain a uniform replacement plan. CARB requirements for ATCM requires early replacement of heavy duty vehicles, which contribute to upward pressures on Fleet Services costs. In prior years, for example, SDG&E's Fleet Services organization could address ATCM requirements through diesel particulate filters (i.e., retrofits). However, these retrofits are no longer allowed and SDG&E must begin its efforts to replace these vehicles to maintain compliance with regulatory requirements. (See also Direct Testimony of Carmen Herrera, SDG&E-21, page CLH-8, lines 16-26)

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9. Please provide the net additions and subtractions by vehicle type for the period 2009 to 2017 (to date).

SDG&E Response 9:

Please see response 1c above.

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10. Referring to SDG&E’s workpaper page 12 (replacement units) and page 30 (salvage units), it appears the number of replacement units exceeds the number of salvage units. If the vehicles are being “replaced” then please provide an explanation why the number of replacements appears significantly higher than salvage units.

SDG&E Response 10:

This is a timing difference between the new vehicle becoming available for use and the old vehicle being made ready for auction, sent to auction, and auction proceeds received from auction company. Response 1c above shows that for the periods between 2009 to 2016 SDG&E has decreased the number of fleet vehicles by 171 using this auction process.

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11. Referring to SDG&E's workpaper page 12 (replacement units), why are more units replaced in 2019 as compared to 2017 and 2018?

SDG&E Response 11:

There are a greater number of vehicles that become eligible for replacement in 2019 including ATCM required replacements than in 2017 and 2018.

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12. Pursuant to the last GRC, please provide the following:

a. SDG&E's request in testimony, amount approved by the Commission, and actual expenditures for amortization, interest, salvage, license fees, and sales tax for the period 2014 – 2016.

b. Additionally, what forecast methodology was used?

SDG&E Response 12:

a. In the 2016 GRC Testimony of Carmen Herrera SDG&E-16, page CLH-4, line 12, the requested amounts in each of the ownership categories for TY16 were as follows:

- a. Amortization, \$14.823M
- b. Interest, \$2.598M
- c. Salvage, (\$0.700)M
- d. License Fees, \$1.528M
- e. Sales Tax, \$0.0M, this category did not exist in 2016 GRC filing

The Commission adopted ORA and SDG&E's joint settlement agreement of \$16.7M for ownership costs. Please refer to page A-7 in the Joint Motion for Adoption of Settlement Agreements Regarding San Diego Gas & Electric Company's Test Year 2016 General Rate Case, Including attrition Years 2017 and 2018 filed on November 14, 2014.

Please see workpapers SDGE-21 1FS001.001 Amortization, 1FS001.002 Interest, 1FS001.003 Salvage, 1FS001.004 License Fees, 1FS001.006 Sales Tax for actual expenditures for the period 2014 – 2016 in these categories.

b. Forecast methodology remains unchanged from previous GRC; zero based for fleet ownership costs. Please see workpapers SDGE-21 1FS001.001 Amortization, 1FS001.002 Interest, 1FS001.003 Salvage, 1FS001.004 License Fees, 1FS001.006 Sales Tax for forecast methodology.

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13. For 2017 to date, please provide the following:

- a. Amortization, interest, salvage, license fees, and sales tax costs by vehicle type.
- b. Actual number of vehicles by type.
- c. Actual number of salvage vehicles by type.

SDG&E Response 13:

- a. 2017 financial information is expected to be available in late Q1 2018.
- b. See response 2a for current vehicles by vehicle types.
- c. 2017 financial information is expected to be available in late Q1 2018.