

**ORA DATA REQUEST
ORA-SDGE-107-CY3
SDG&E 2019 GRC – A.17-10-007
SDG&E RESPONSE
DATE RECEIVED: JANUARY 29, 2018
DATE RESPONDED: FEBRUARY 12, 2018**

Exhibit Reference: SDG&E-18
SDG&E Witness: Jerry D. Stewart
Subject: Customer Services-Office Operations

Please provide the following:

1. Referring to Ex. SDG&E-18, page JDS-17, lines 5-9, “For the various reasons discussed above, I am requesting **\$923,000** in non-labor for **10** contract resources (Business Analysts), **\$680,000** in labor for **10** Single Phase Meter Technicians, and **\$70,000** in non-labor funding for tools to support meter data and communications exception management and field data collection activities related to Residential TOU Mass Default.” Please provide an Excel spreadsheet showing the calculations used to reach the highlighted values.

SDG&E Response 01:

Please see ORA-SDGE-107-CY3 Q1 Attachment. These calculations can be found on the tab ‘Res.TOU Mass Default-Supp 2’.

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2. Referring to Ex. SDG&E-18, page JDS-21, lines 17-19, “I am requesting \$1,277,000 in non-labor expense above the BY 2016 for one and a half Billing Supervisor resources and ten Billing Analyst resources to support a one-time 438% growth rate in interval data billing accounts.” Please provide an Excel spreadsheet showing the calculations used to determine the need for the new labor requested.

SDG&E Response 02:

Please see ORA-SDGE-107-CY3 Attachment for Q2, Q3, Q4. See tab ‘Q2’.

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3. Referring to Ex. SDG&E-18, page JDS-23, lines 2-5, “I am requesting \$2,255,000 in non-labor for expenses above BY 2016 for one contract Billing Supervisor position, one and a half contract Billing Team Lead positions, and thirteen contract Billing Analyst resources to support the 2018 Residential TOU Default Pilot Program and 2019 Residential TOU Default.” Please provide an Excel spreadsheet showing the calculations used to determine the need for the new labor requested.

SDG&E Response 03:

Please see ORA-SDGE-107-CY3 Attachment for Q2, Q3, Q4. See tab ‘Q3’.

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4. Referring to Ex. SDG&E-18, page JDS-24, lines 16-18, “I am requesting \$89,000 in labor and \$3,000 in associated non-labor expenses above the BY 2016 for one Business Systems Analyst to support the TY 2016 GRC Phase 2 Implementation and other future regulatory implementation projects.” Please provide an Excel spreadsheet showing the calculations used to determine the need for the new labor requested.

SDG&E Response 04:

Please see ORA-SDGE-107-CY3 Attachment for Q2, Q3, Q4. See tab ‘Q4’.

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5. Referring to Ex. SDG&E-18, page JDS-29, lines 7-8, “I am requesting \$204,000 in labor and \$6,000 in associated non-labor above the BY 2016 to support the complex credit analytics.”

- a. Please provide a chart or spreadsheet showing the number of employees who performed this function over the last 5 recorded years (2012-2016, 2017 if available).
- b. Please provide any cost studies or calculations done to determine the need for the incremental staff in this function.

SDG&E Response 05:

- a. The table below represents credit and collections employees performing the analyst function during 2012-2016. 2017 data will not be available until mid-March. These Analyst positions are a subset of the FTE shown in WP 100003.000. Credit analysts provide support for day-to-day operations, which includes management of collection agencies, bankruptcy management, financial and Key Performance Indicator (KPI) reporting as well as exception management.

2012	2013	2014	2015	2016
6	7	8	6	7

- b. Labor: 2FTE’s X \$102K = \$204K
 Non-Labor: \$3K X 2 = \$6K

To leverage the vast amount of data SDG&E collects to make informed business decisions, a higher-level analyst position is required to mine the data, develop analytics and implement effective solutions and processes. Today, the existing Credit and Collections analysts do not possess the advanced skillsets and technical expertise to perform this function. The additional complex analytics FTEs will support the development and implementation of a final bill scoring model that will enhance internal collections thereby reducing bad debt exposure and commission costs to outside collection agencies. The incremental FTE’s will also assist with developing and implementing a business optimization process that will improve the existing credit risk scoring model for customers. The model will allow the existing analysts to focus efforts on customers who are a higher credit risk by taking different noticing actions and, if applicable, take appropriate steps to secure a deposit based on credit worthiness. Credit & Collections will also be responsible for analytics and technology support for the Customer Operations organization, which includes an increasing number of CPUC and consumer advocate data requests, operational efficiency tools, reports and process improvements.

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6. Referring to Ex. SDG&E-18, page JDS-29, lines 23-24, “I am requesting \$106,000 in labor and \$133,000 in non-labor above the BY 2016 base year to support the Business optimization effort within the Credit & Collections group.”

- a. Please provide a chart or spreadsheet showing the number of employees who performed this function over the last 5 recorded years (2012-2016, 2017 if available).
- b. Please provide any cost studies or calculations done to determine the need for the incremental staff in this function.

SDG&E Response 06:

- a. Meter Revenue Protection (MRP) is required to reduce energy theft and improve safety. In 2016, each MRP investigator completed an average of 640 investigations. The four FTEs includes the time of the MRP supervisor during 2012 – 2016. 2017 information will not be available until mid-March. The MRP FTE are a subset of the FTE in WP 100003.000.

2012	2013	2014	2015	2016
5	4	4	4	4

- b. The table below displays the business optimization efforts in the Credit and Collections area. The top row represents the initiative to reduce energy theft through greater investment in the identification and resolution of potential energy diversion or theft.

FOF Idea	Labor	Non-Labor	Total	FTE
250 – Reduce Energy Theft	\$114K	\$4K	\$118K	2
70 – Propensity to Pay	\$0	\$129K	\$129K	0
340 – Digitize Intake Process	(\$8K)	\$0	(\$8K)	(0.1)
Total	\$106K	\$133K	\$239	1.9

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SDG&E Response to Question 6 Continued:

The additional FTEs being requested will allow MRP to complete any current open investigations/leads and investigate the growing number of new leads. Since 2015, SDG&E has seen a 6% growth in investigative leads from 2015-2016 and 15% growth from 2016-2017. In addition to covering the additional investigative load, SDG&E can bill the theft in a more timely manner, which will ultimately reduce risk and the eventual write-off for energy theft. With a current backlog of over 300 leads awaiting investigation, adding MRP investigators can reduce losses that cannot be billed and also improve safety by identifying and correcting hazardous conditions.

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7. Referring to Ex. SDG&E-18, page JDS-53, lines 19-21, “I am requesting \$588,000 in labor above BY 2016 to provide support for the Residential TOU Mass Default. This expense is the normalized labor cost for 9.5 FTE over three years. Please provide an Excel spreadsheet showing the calculations used to determine the need for the new labor requested.

SDG&E Response 07:

Please see ORA-SDGE-107-CY3 Q7 Attachment.