

ORA DATA REQUEST
ORA-SDGE-110-MCL
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-04-R and SDG&E-04-WP-R
SDG&E Witness: Orozco-Mejia
Subject: Gas Distribution

Please provide the following:

1. In reference to SDG&E-04-WP-R, page 22, Summary of Adjustments to Forecast:
 - a. Provide supporting documents for the additional training requested for Locate & Mark personnel. Did SDG&E conduct a study to determine the need for this additional training? If so, provide a copy.
 - b. Provide supporting documents on training location(s) where SDG&E is planning to conduct this additional training, including a breakdown of costs. Will this training be provided in-house or by outdoor vendors?
 - c. In reference to Ex. SDG&E-04-WP-R, page 21, explain and provide support documents substantiating the increase for years 2014 to 2015 and 2016 for labor and non-labor expenses for the Locate & Mark category.
 - d. Provide 2017 recorded data for the Locate & Mark category.
 - e. Provide an active Excel spreadsheet showing how SDG&E calculated the requests for the 2018 incremental of \$380,000 and the request for 2019 incremental of \$560,000.

SDG&E Response 01:

- a. In the SDG&E-04-WP-R, page 22, Summary of Adjustments to Forecast, the RAMP incremental request above the linear trend methodology, \$380,000 in 2018 and \$560,000 in 2019, includes training and other expenses. The training component was calculated using a 5-year historical average and includes both initial classroom training and Operator Qualification. Operator Qualification elements and training are expected to increase, as described in Exhibit SDG&E-04-R, p. GOM-5. Additionally, the RAMP incremental expense goes beyond training. It also includes Locate & Mark additional staff support, and added stand-by personnel for surveillance of excavations near high-pressure gas lines to prevent damage. There was no internal study performed to identify additional training.
- b. SDG&E's locator training is conducted in-house by the Gas Operations Training department at the Skills Training Center. A breakdown of the training costs by individual class is not available; however, based on the 5-year historical average, the base training costs for Locate & Mark personnel are approximately \$130,000 per year.

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SDG&E Response 01 Continued:

- c. SDG&E utilizes both company personnel and contract workforce to provide Locate and Mark (L&M) activities. In 2014, SDG&E utilized primarily internal company L&M personnel and staff to provide full L&M activities, with a ratio of approximately 75% company labor and 25% contract (non-labor). In 2015 and 2016, the workforce mix began to change, with the company utilizing more contract workforce. This explains the decrease in labor and the increase in non-labor for years 2015 and 2016. The expense breakdown is provided in the Table below:

Table 1

2019 GRC SDG&E Gas Distribution - ORA-SDG&E-DR-110
 Locate & Mark Historical Expense

Actual Direct Expense \$(000)			
	2014	2015	2016
SDG&E Labor	2,033	1,617	1,587
Contract Locate & Mark Non labor	670	953	1349
SDG&E Non-Labor	117	100	90
Total-->	2,820	2,670	3,026
Contract Labor as % of work	24%	36%	45%

- d. Year-end 2017 financial data is not yet available.
- e. The table below provides supporting calculations for the RAMP incremental request in Locate & Mark of \$380,000 in 2018 and \$560,000 in 2019. The table can be converted to an active Excel spreadsheet:

Table 2

2019 GRC SDG&E Gas Distribution - ORA-SDG&E-DR-110
 RAMP Risk ID-02/SDG&E Dig-ins Incremental Expense

RAMP L&M Incremental Addition Expenses \$(000)	2018	2019
Locate & Mark Training	\$65	\$65
Locate & Mark Operator Qualification	\$65	\$65
Pipeline Observation (Standby)	\$86	\$86
Locate & Mark Field Activities	\$2,008	\$2,188
Staff Support	\$412	\$412
Total	\$2,636	\$2,816
Base Year Expense	\$2,256	\$2,256
Increase	\$380	\$560