

**ORA DATA REQUEST
ORA-SDGE-167-MRK
SDG&E 2019 GRC – A.17-10-007
SDG&E RESPONSE
DATE RECEIVED: MARCH 20, 2018
DATE RESPONDED: APRIL 10, 2018**

Exhibit Reference: SDG&E-40
SDG&E Witness: Eric Dalton
Subject: Miscellaneous Revenues

Please provide the following:

1. Is it the case that a project may be initiated by an applicant, and that this project may be designated as a CIAC project, but the same project may involve costs not entitled to be covered by the CIAC payment?

SDG&E Response 01:

SDG&E objects to this request pursuant to Rule 10.1 of the Commission's Rules of Practice and Procedure on the grounds that the request is neither relevant to the subject matter involved in this proceeding nor is reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving these objections, SDG&E responds as follows:

Yes, there are scenarios in which a CIAC project was initiated by an applicant, but the same project involved costs not entitled to be covered by the CIAC payment. For example, the scope of an applicant-requested CIAC project may be determined to include O&M and/or capital costs that are non-billable to the applicant and are the responsibility of the utility. An example of this would be pre-existing equipment conditions on the requested CIAC project. These non-CIAC O&M expenses and/or capital improvements costs would not be billable to the applicant.

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2. If yes, then are the costs financed by SDG&E?

SDG&E Response 02:

SDG&E objects to this request pursuant to Rule 10.1 of the Commission's Rules of Practice and Procedure on the grounds that the request is neither relevant to the subject matter involved in this proceeding nor is reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving these objections, SDG&E responds as follows:

Yes, the non-billable costs would be financed by SDG&E in the same manner as costs incurred on internal capital or O&M non-billable jobs.

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3. If yes, then do these cost eventually lead to an increase in rate base? If so by what amount?

SDG&E Response 03:

SDG&E objects to this request pursuant to Rule 10.1 of the Commission's Rules of Practice and Procedure on the grounds that the request is neither relevant to the subject matter involved in this proceeding nor is reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving these objections, SDG&E responds as follows:

Yes, the capital-related costs lead to an increase in rate base in the same manner as other SDG&E internal capital projects, the amount of non-billable capital costs incurred on the project would increase rate base.

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4. If these costs increase rate base, then does SDG&E have the facility to distinguish these costs (which originated from CIAC projects) from the other components of rate base?

SDG&E Response 04:

SDG&E objects to this request pursuant to Rule 10.1 of the Commission's Rules of Practice and Procedure on the grounds that the request is neither relevant to the subject matter involved in this proceeding nor is reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving these objections, SDG&E responds as follows:

No, these internal and applicant-requested project costs are commingled in SDG&E's asset records and SDG&E cannot distinguish these costs from the other components of rate base.

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5. Please illustrate the answers to questions 1-4 by providing a detailed explanation of the accounting treatment for all the 2016 CIAC projects comprising the "Pole Replacement and Reinforcement-RAMP" Budget Code in the spreadsheet "ORA-SDGE-067-MRK Supplemental Attachment v2.xlsx" supplied to ORA on March 14, 2018. Please ensure that the accounting treatment of labor expenses vs non-labor expenses is clear.

SDG&E Response 05:

SDG&E objects to this request pursuant to Rule 10.1 of the Commission’s Rules of Practice and Procedure on the grounds that the request is neither relevant to the subject matter involved in this proceeding nor is reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving these objections, SDG&E responds as follows:

The CIAC project that includes the "Pole Replacement and Reinforcement-RAMP" budget code is comprised of four different internal orders as shown in the spreadsheet ORA-SDGE-067-MRK Supplemental Attachment v2.xls. These internal orders are 200494330, 200494331, 200494332, 200494333. This CIAC project incurred total project costs of \$31,051 and a CIAC payment of \$12,519 was collected from the Applicant (per the Rules 15 and 20 Tariff requirements, applicable to this specific applicant-requested project). SDG&E incurred internal capital removal and installation costs of \$18,532, which were not the responsibility of the Applicant. There were no internal labor-related costs incurred on this project. All non-labor costs were charged for the purposes of SDG&E internal capital removal and installation.

Internal Order/Budget Code	00211	00217	00225	87232	Sub-Total	CIAC Payments	Total
200494330	\$ 1,047	\$ 2,834	\$ 7	\$ 3,434	\$ 7,323	\$ 2,975	\$ 10,298
200494331	\$ 804	\$ 2,175	\$ 6	\$ 2,636	\$ 5,621	\$ 4,516	\$ 10,137
200494332	\$ 749	\$ 2,026	\$ 5	\$ 2,455	\$ 5,235	\$ 4,706	\$ 9,942
200494333	\$ 50	\$ 137	\$ 0	\$ 166	\$ 353	\$ 322	\$ 675
	\$ 2,650	\$ 7,172	\$ 19	\$ 8,692	\$ 18,532	\$ 12,519	\$ 31,051

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6. If the answer to question 4 was yes, please provide ORA with a working spreadsheet which provides the extent of these costs in 2016.

SDG&E Response 06:

SDG&E objects to this request pursuant to Rule 10.1 of the Commission's Rules of Practice and Procedure on the grounds that the request is neither relevant to the subject matter involved in this proceeding nor is reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving these objections, SDG&E responds as follows:

Not applicable. Please see SDG&E's response to Question 04 above.

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7. If possible, please provide ORA with a working spreadsheet which provides a decomposition of these costs into labor and non-labor.

SDG&E Response 07:

SDG&E objects to this request pursuant to Rule 10.1 of the Commission's Rules of Practice and Procedure on the grounds that the request is neither relevant to the subject matter involved in this proceeding nor is reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving these objections, SDG&E responds as follows:

Not applicable. Please see SDG&E's response to Question 04 above.