

TURN DATA REQUEST-024
SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8
SDG&E_SOCALGAS RESPONSE
DATE RECEIVED: MARCH 5, 2018
DATE RESPONDED: MARCH 20, 2018

1. Regarding the RAMP RSE workpaper (SDG&E-2-WP-RSE Employee Contractor Customer and Public Safety):

a. “Analysis” tab:

- i. Please explain why the Original Frequency (Cell D5) in the SDG&E sheet different than the one for SCG sheet (also Cell D5)? Which one is correct?
- ii. Why does SDG&E’s analysis not include lines for “New” projects in the same way that SCG’s analysis does? In particular, SCG’s Analysis sheet includes lines “New” projects starting at cells G16 and G17, but SDG&E’s does not.)
- iii. Why do the values in cells P14 and P15 contain the “Improvement Rate” (i.e., 3.10% and 0.7%, located on the Data tab in cells B15 and C15), given that cells P14 and P15 correspond to existing (i.e., not new) projects?
- iv. Please explain why the values in cells P14 and P15 in the SDG&E sheet are not divided by three in the same way that they are in SCG’s sheet? Are both cells correct, as calculated? If not, please identify which one is incorrect.

b. “Data” tab:

- i. Please provide the workpapers that contain all of the data, assumptions, and calculations used to derive the OSHA and CMVI improvement rates (i.e., cells B15 and C15). Please provide justifications for all assumptions and ensure that cells are intact with working formulas.
- ii. Please identify the annual safety-related O&M and capital spending in each year covered by the calculations of each of the improvement rates (i.e., OSHA and CMVI).
- iii. Please identify the annual safety-related O&M and capital spending on the same basis, using the same types of projects as identified in part b.ii, but for each of the forecast years, 2017-2019.

Utility Response 01:

SoCalGas and SDG&E object to the entirety of Question 1 and its subparts on grounds that it seeks information that is outside the scope of this proceeding. Subject to and without waiving this objection, SoCalGas and SDG&E respond as follows:

a.

- i. Different companies have different levels of risk exposure resulting in different frequencies for the same risk event. Company subject matter experts determined that this was the case for SDG&E (frequency of 4) and SCG (frequency of 5). Both frequencies were deemed to be best estimates and reasonable given the relative size of the companies.

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- ii. New mitigations were proposed by various business units when it was deemed feasible and appropriate to make improvements over activities currently in place. There were instances in which new proposals were not made as in the case of SDG&E for this risk.

Utility Response 01 (continued)

- iii. It is possible that we continue to see improvements with no incremental funding necessary as is the case in this situation. This could be due to efficiencies or other factors.
 - iv. Neither is incorrect. The RAMP teams made different assumptions given their understanding of how long it would take to get to the deteriorated state in the absence of funding. Dividing by 3 assumes the degradation will occur over 3 years from current performance, while not dividing by 3 assumes the degradation will occur in one year.
- b.
- i. The calculations are included in the RSE workpapers.
 - ii. We do not have more information than what is presented in the RSE workpapers.
 - iii. We do not have more information than what is presented in the RSE workpapers.

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2. Regarding the RAMP RSE workpaper (SCG-2-WP-RSE Employee Contractor Customer and Public Safety), Analysis tab:

a. “Analysis” tab:

- i. Please explain the meaning of, “annual improvement rate of 2.6 in 3 years” (Cell O15).
- ii. Why does the company include an “annual improvement rate” for “New” projects (Cell O17), instead of an “annual improvement rate of 2.6 in 3 years,” as is done for existing projects (Cell O15)?
- iii. Please explain how the “annual improvement rate” for “New” projects (Cell O17) is determined.
- iv. Why is the “Frequency %” for the existing projects (cells P14 and P15) divided by three, whereas, the “Frequency %” for new projects (cells P16 and P17) are not divided by 3?
- v. Why are the values in cells P14 and P15 divided by three, given that they are not divided by three in SDG&E’s sheet? Are both cells correct, as calculated? If not, please identify and explain which one is incorrect.

b. “Data1” tab:

- i. Please provide the workpapers that contain all of the data, assumptions, and calculations used to derive the OSHA and CMVI improvement rates (i.e., cells B15 and C15). Please provide justifications for all assumptions and ensure that cells are intact with working formulas.
- ii. Please identify the annual safety-related O&M and capital spending in each year covered by the calculations of each of the improvement rates (i.e., OSHA and CMVI).
- iii. Please identify the annual safety-related O&M and capital spending on the same basis, using the same types of projects as identified in part b.ii, but for each of the forecast years, 2017-2019.
- iv. Is the CMVI improvement rate (Cell C13) of 0%, correct?
 - 1) If so, please explain why it is correct?
 - 2) If so, why does SCG have a CMVI improvement rate of 0% and SDG&E has a positive improvement rate (i.e., 0.7%, according to the Data tab in SDG&E-2-WP-RSE Employee Contractor Customer and Public Safety.
 - 3) If not, please provide the correct value.

Utility Response 02:

SoCalGas and SDG&E object to the entirety of Question 2 and its subparts on grounds that it seeks information that is outside the scope of this proceeding. Subject to and without waiving this objection, SoCalGas and SDG&E respond as follows:

a.

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- i. In the absence of baseline activity funding, the annual improvements on safety metrics that the company has experienced (2.6%) would be reversed in addition the company's performance will deteriorate to worst in industry over 3 years.

Utility Response 02 (continued)

- ii. The company has experienced a certain rate of improvement by funding baseline safety activities (i.e. 2.6%). This rate of improvement is expected to change 50% for the better annually where the new proposals are funded and implemented.
 - iii. There is an established historical trend in the safety data. The subject matter expert (SME) has determined that the trend can be changed with the application of additional risk mitigation measures. The change is done in relative terms by using a percentage of the established historical improvement trend.
 - iv. Some projects have an immediate impact while others have a gradual impact when benefits take longer to materialize. For those mitigations with a gradual impact, it is necessary to claim fractional credit rather than full immediate credit.
 - v. The SCG and SDG&E RAMP teams made different assumptions given their understanding of how long it would take to get to the deteriorated state in the absence of funding. Dividing by 3 assumes the degradation will occur gradually over 3 years from current performance, while not dividing by 3 assumes all the degradation will occur in one year.
- b.
- i. The equations are included in the RSE workpapers.
 - ii. No additional information is available than what is presented in the RSE workpapers.
 - iii. No additional information is available than what is presented in the RSE workpapers.
 - iv.
 - 1) No annual improvement was claimed for current funding so 0% is appropriate. The claims are based on historical information.
 - 2) SDG&E has experienced a small improvement with current funding levels while SCG has not, given the small magnitude of the values a clear root cause of the difference cannot be determined.

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The following question references SCG’s 2019 GRC Workpapers for Exhibit SCG-32.

3. Regarding the 2019 adjustments to the SCG Director Safety & Wellness program on p. 59 of SCG-32-WP, did any SCG undertake any pilot programs to support the proposed driver training programs and in-vehicle instruction? If yes, please provide the reports from any pilot program(s), results of any pilot program(s), and a cost-benefit analysis resulting from any pilot program(s) that SCG undertook to support the proposed driver training programs and in-vehicle instruction.

Utility Response 03:

SoCalGas described several driver training programs in the RAMP Chapter SCG – 2 Employee, Contractor, Customer, and Public Safety and described the potential benefits, which were then incorporated into Exhibits SCG-32 and SCG-32-WP.

As stated in RAMP Chapter SCG – 2 Employee, Contractor, Customer, and Public Safety - on page SCG 2-25 a pilot study was performed in Meter Reading in 2014 and 2015 on the expansion of the initial Smith System Defensive Driving program by one day, which resulted in an average reduction in the Controllable Motor Vehicle Incident (CMVI) rates of approximately 20% per year (from 5.69 CMVIs per million miles driven in 2013 to 3.43 CMVIs per million miles driven at year-end 2015).

Regarding the expansion of the Smith System of Defensive Driving to employees driving less than 3,000 miles per year (RAMP SCG 2-25), the forecast included expanding the program to 10% of employees who drive less than 3,000 miles per year, since these employees also have had CMVIs (9 of the 327 CMVIs that occurred in the 2014-2015 period involved employees who drive less than 3,000 miles annually).

The proposal to expand in-vehicle instruction to 1 day per field employee per year to provide refresher training including demonstration, feedback and coaching, along with a test to confirm skill acquisition is discussed on page SCG 2-26. This was piloted with the Meter Reading department and showed a 20% reduction in rates.

On page SCG 2-28, there is a reference to a Telematics program, which yielded positive results based on the pilot study, although it had mixed reviews from employees. A copy of the Telematics program and feedback is attached as TURN-SEU-024 Q4 Attachment_Telematics Drivers Summit Presentation. In 2017, SoCalGas piloted a new interactive driver safety program, which is expected to predict similar positive results, but will be less intrusive and more cost effective than the Telematics program.

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Utility Response 03 Continued:

Since safety was at the forefront of all of these programs, the Company focused on the favorable safety outcomes as the main driver for implementing these programs and did not conduct a formal cost-benefit analysis. Most of these programs did not include formal reports and the conclusions were based on the reductions of CMVIs.

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The following question references SCG’s 2019 GRC Testimony, Exhibit SCG-32.

4. Please provide the report(s) from the pilot studies that SCG identifies on p. MG-28 (lines 1-2) in SCG-32.

Utility Response 04:

Please refer to the attachment TURN-SEU-024 Q4 Attachment_Telematics Drivers Summit Presentation for the report from the pilot study that SoCalGas identifies in Exhibit SCG-32, page MG-28.