

TURN/SCGC DATA REQUEST-02
SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8
SDG&E_SOCALGAS RESPONSE
DATE RECEIVED: FEBRUARY 21, 2018
DATE RESPONDED: MARCH 8, 2018

Exhibit Reference: Gas Transmission SCG-07

SCG Witness: Bermel

Subject: North / South

1. The testimony at page MAB-31, lines 18-19 refers to “detailed Gas Transmission Operation workpapers in Ex. SCG-06-WP”.

a. Please identify by workpaper page in SCG-06-WP each cost related to the North-South Project.

b. Please identify by workpaper page in any other workpapers produced in this proceeding any cost related to the North-South Project.

Utility Response 01:

a. Exhibit SCG-06-WP Page 31, in Workpaper 2GT002.00 under the label ‘Southern Gas System Reliability Project – Abandonment Cost Recovery’.

b. See response to 1a.

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2. Please state the total amount of revenue requirement associated with the North-South Project that the Applicants are seeking to recover in this proceeding.

a. Please provide a breakdown of the North-South Project revenue requirement into the following categories:

i. payroll costs associated with any of Applicants' permanent employees who worked on the project;

ii. payroll costs associated with any of Applicants' temporary employees who worked on the project;

iii. costs associated with contractors that worked on the project;

iv. any materials costs charged to the North-South Project;

v. any overhead costs charged to the North-South Project,

including a calculation of the overhead costs and an explanation of the individual components of that calculation; and

vi. any AFUDC costs charged to the North-South Projects.

b. For each of the permanent or temporary employees that worked on the North-South Project, please identify the Applicants' organizational unit that employed the individual.

c. Did the Applicants hire any permanent or temporary employees specifically to work on the North-South Project?

d. If the answer to the previous question is "yes," please identify the payroll costs associated with these employees and the organizational unit(s) for which they worked while working on the North-South Project.

e. Please identify the names of the firms that were used as contractors on the North-South Project, describe each firm's area of expertise, identify the total amount that was paid to the firm, and explain why the contractors were relied upon instead of the Applicants' employees.

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Utility Response 02:-CONTINUED

Per meet-and-confer communications with Hayley Goodson of TURN on February 23, 2018, it was clarified that references to “revenue requirement” should be construed as “costs.” Accordingly, the following responses provide “costs,” not the “revenue requirement.”

The total amount applicants seek to recover is \$21,492,037

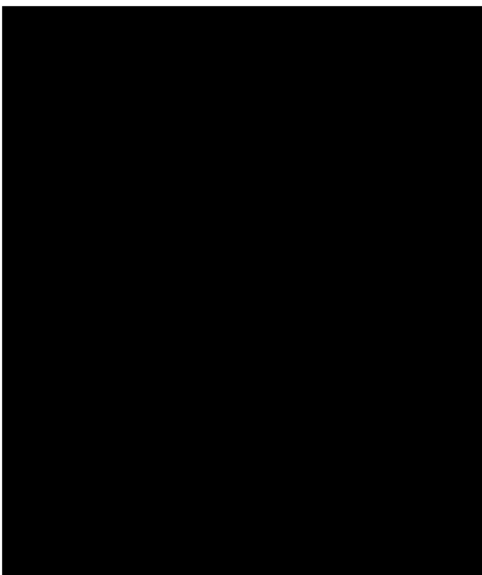
a. Breakdown North-South Project Costs

i. Permanent Employees

Labor	\$2,271,805.05
Labor Expenses (travel, lodging, etc)	\$136,286.97
Total	\$2,408,092.02

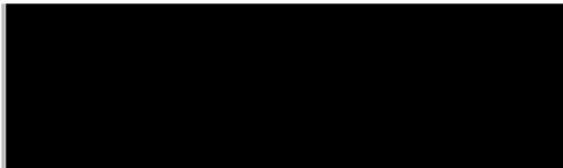
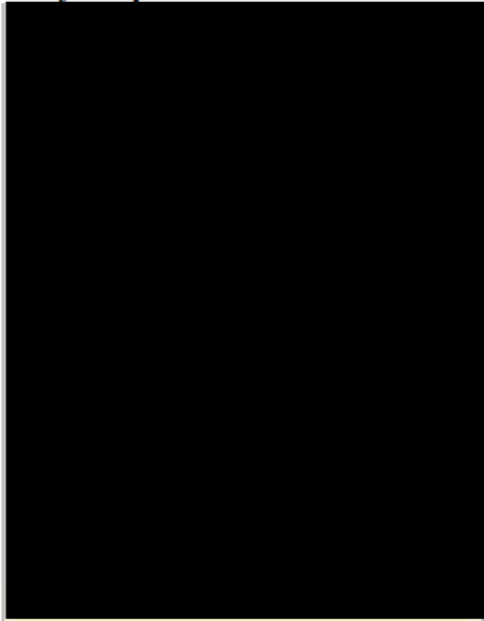
ii. No Temporary Employees

- iii. The information shaded in yellow is Confidential and Protected Material Pursuant to Gov't Code § 6254. (k) (“Records the disclosure of which is exempted or prohibited pursuant to federal or state law”) See, e.g., D.11-01-36, 2011 WL 660568 (2011) (agreeing that confidential prices and contract terms specifically negotiated with a program vendor is proprietary and commercially sensitive and should remain confidential). PUC Section 583, GO 66-D, and D.17-09-023



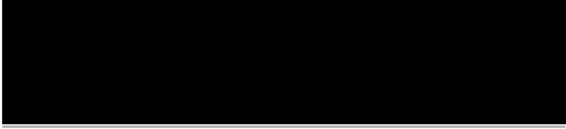
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Utility Response 02:-CONTINUED



iv.	No direct material costs from SCG	
v.	Overhead Costs	
	Loaders	\$2,637,838.14
	Taxes	\$183,802.45
	Total	\$2,821,640.59
vi.	AFUDC	
		\$1,410,807.83
	Total	\$1,410,807.83

- b. Permanent employees who worked on the North-South project were from the following organization units: Project Management & Construction, Regulatory Planning & Analysis, Project Controls & Estimating, Land & Right-of-way, Environmental Services, Capital Projects – Outreach, Pipeline Engineering.
- c. No, no permanent or temporary employees were hired specifically to work on the North-South Project.
- d. Not applicable.
- e. There were three primary reasons to use contractors: (1) there was insufficient company personnel to meet the needs of a project the size of North-South, while also continuing to meet the needs of the other SoCalGas departments; (2) hiring of contractors allowed flexibility in quickly increasing and/or decreasing personnel to match work schedules and needs; and (3) hiring contractors allows SoCalGas to incorporate personnel with specialized skills and experience to assist in developing a project the size of North-South in the timeframe needed. Firm names are:

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Utility Response 02:-CONTINUED

- SPEC: Engineering design expertise regarding substructure research, pipeline design, land and detail design calculations and design drawings.
- LCI: Speciality engineers for geotechnical evaluation for hazard review.
- URS: Compressor station design and calculation.
- Psomas: Survey, aerial mapping, public and private property research.

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3. The testimony at page MAB-32, lines 3-4, states: “The Commission has permitted cost recovery of this type under similar circumstances under the abandoned project theory and when equity so requires.”

- a. Please identify each Commission decision that the witness is relying upon in support of this statement.
- b. Please explain in specific terms what type of cost recovery the witness is referring to in this statement.
- c. Please explain what circumstances the witness is referring to in this statement.
- d. What is “abandoned project theory”?

Utility Response 03:

- a. SoCalGas objects to this request on the grounds that it: (1) seeks information that is beyond the scope of permissible discovery contemplated by Rule 10.1 of the Rules of Practice and Procedure of the State of California Public Utilities Commission; (2) seeks legal conclusions rather than the production of evidence of a factual matter; and (3) requests SoCalGas to search for matters of public record in CPUC proceedings (decisions, orders, etc.), when such information is available equally to TURN/SCGC. SoCalGas further objects to the extent this request calls for the production of privileged communications, analyses or documents covered by the attorney-client communication privilege and/or attorney work product doctrine.
- b. SoCalGas objects to the phrase “type of cost recovery” is vague and ambiguous. Subject to and without waiving the foregoing objections, SoCalGas responds as follows:

SoCalGas interprets the phrase “type of cost recovery” as seeking a detailed breakdown of the costs sought in the application. The witnesses are referring to the recovery of reasonably incurred costs, as described in response 2.
- c. This passage refers to circumstances where a utility prudently selected or pursued a project, ultimately not constructed, and the Regulatory Agency determined cost recovery should be allowed for equitable reasons.

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Utility Response 03:-COTINUED

- d. SoCalGas objects to this request on the grounds that it: (1) seeks information that is beyond the scope of permissible discovery contemplated by Rule 10.1 of the Rules of Practice and Procedure of the State of California Public Utilities Commission; (2) seeks legal conclusions rather than the production of evidence of a factual matter; and (3) requests SoCalGas to search for matters of public record in CPUC proceedings (decisions, orders, etc.), when such information is available equally to TURN/SCGC. SoCalGas further objects to the extent this request calls for the production of privileged communications, analyses or documents covered by the attorney-client communication privilege and/or attorney work product doctrine.