

**ZELLER DATA REQUEST  
ZELLER-SDG&E-DR-006  
SDG&E 2019 GRC – A.17-10-007  
SDG&E RESPONSE  
DATE RECEIVED: JANUARY 1, 2018  
DATE RESPONDED: JANUARY 23, 2018**

Exhibit Reference: SDG&E- 22  
SDG&E Witness: Tattersall  
Subject: Real Estate, Land Services, Facilities

1. A) On pg. 35, the testimony states that SDG&E plans to comprehensively remodel the first and second floors of Building 5 at the Century Park Headquarters campus. How many square feet will be remodeled on these two floors?  
  
B) The testimony also mentions the “densification” of work stations, does this mean more employees will be located in this office space than are currently assigned to this building? If yes, please provide detailed information about the current number of employees assigned to this space and SDG&E’s estimates about how many will use it once the remodeling project is completed.

**SDG&E Response 1:**

- A) There is approximately 50,611 square feet total and approximately 43,465 usable square feet in the current configuration. The final design, planning and programming have not been started so SDG&E cannot determine the specific quantity of square footage that will be remodeled, however it should be approximately 75% - 90% of the existing floor space.
- B) No, not necessarily. The densification may ultimately allow for an increase in employee occupancy but that has yet to be determined. What the densification does allow SDG&E to do is increase the number of conference rooms and team collaboration locations, improve adjacencies for work groups, and facilitate egress/ingress to and from the space.

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2. On pg. 33, SDG&E proposes a more than four-fold increase (above the 2017 level) in its “infrastructure and reliability blanket” capital spending.

A) Is this a one-time expense or continuing?

B) why has SDG&E concentrated the majority of these costs for the test year 2019?

C) since according to the testimony expenditures in this area involves routine projects such as HVAC repairs/replacements and electrical modifications, why do the expenses escalate so rapidly in the test year?

D) what alternative approaches to meeting these remodeling needs did SDG&E consider?

E) how did SDG&E determine that its proposed level of expenditures in this area represents “and/or offering best alternatives for cost avoidance compared to other scenarios.”?

**SDG&E Response 2:**

A) These forecasted costs represent a continuing effort to harden SDG&E’s facilities systems that support our operations by improving reliability and safety.

B) SDG&E capital forecasts for 2019 include both specific projects such as the Network Operations Center (NOC), CP Master Lighting Control System, Beach Cities and Miramar generator replacements and also a component for unforeseen costs that may occur. The unforeseen costs are based on historical expenses and SDGE’s experience in facilities operations. Secondly, while all three years (2107-2019) have some blanket budget costs included, we have identified more specific projects that can be implemented in 2019, as opposed to other years presented in testimony.

C) The escalation in SDG&E’s estimates is due to specific projects as described in 2b and a budgetary component for unforeseen conditions that may occur. The forecast also considers an overall need to begin to plan, design and permit all of the capital investments forecasted for 2019 on an enterprise and aggregate basis in 2018, which is why it appears as though there is an escalation in 2019.

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**SDG&E Response 2: -Continued**

D) Some potential alternatives considered:

1. Run to Failure. This strategy would entail not performing a proactive approach to replacing equipment until it actually fails. This compromises business continuity and reliability, as well as employee safety.
2. Continuous maintenance past useful life – this strategy is an on-going expense to keep equipment and systems operational, but not mitigating risk of failure which can also lead to operational disruptions and loss of critical facilities/systems.

E) Each year SDG&E prioritizes these types of projects based on a number of factors such as; mission critical systems/facilities, employee and customer safety, regulated/mandated compliance, operational reliability, and business continuity. As described in response to other questions, SDG&E has forecasted a combination of specific projects that have been identified and historical estimates for unforeseen issues that may arise and various drivers for implementing the projects.

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3. On page 36 the testimony discusses remodeling and office expansion at the Greencraig II facility with an expansion of 91,000 sq. ft. The proposed budget for this project over two years is \$22,500,000 or \$247 per sq. ft. Why does SDG&E believe this represents a reasonable estimate of remodeling/expansion costs?

**SDG&E Response 3:**

Historically, SDG&E's tenant improvement costs have been approximately \$232 per square foot. The Greencraig facility is a multi-purpose facility that includes an environmental laboratory and a Protective Equipment Testing Lab (PET), which are generally more complex and expensive installations, combined with an automated meter test and training facility, transmission related operations and storage, and office space for approximately 275 personnel. Because of the construction requirements and ratings for the lab space, the costs are higher than normal office suite applications. Adding the additional occupancy (transmission, operations personnel, and AMO operations), we feel the cost is reasonable because this facility is allowing SDG&E to consolidate resources from five different locations into a single space.