ORA DATA REQUEST
ORA-SCG-DR-052-TLG
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE
DATE RECEIVED: FEBRUARY 3, 2015
DATE RESPONDED: FEBRUARY 24, 2015

Exhibit Reference: SCG-10

Subject: Customer Service Field And Meter Reading

Please provide the following:

1. SCG forecasts $203.209 million ($200.803 million for Non-Shared, and $2.406 million for Shared Services) for Test Year 2016 for its Customer Service Field and Meter Reading Operations and Maintenance (O&M) expenses. This is an increase of $30.450 million or 17.63% over 2013 recorded adjusted expenses of $172.759 million. The five year average (2009-2013) is $176.833 million and the three year average (2011-2013) is $175.569 million.
   a. SCG states on page SAF-iii that it is proposing "incremental funding to ensure ongoing and enhanced compliance with Department of Transportation ("DOT")-required meter set assembly ("MSA") inspections." Provide documentation that explains if SCG has failed to comply with DOT-required MSA inspections during 2009-2013.
   b. Provide documentation that explains in detail if SCG's 2009-2013 recorded adjusted expenses include costs incurred for ongoing compliance with DOT-required MSA inspections.
   c. If historical expenses do include costs for ongoing compliance with DOT-required MSA inspections, provide a detailed breakdown of the costs incurred for this activity for 2009-2013.
   d. SCG states on page SAF-iii it is proposing "incremental funding for updating/modernizing field technician training, refresher training for technicians who remain in their positions for extended periods of time, formalized instruction for ongoing policy reviews to deepen employee understanding, job shadowing so retiring field technicians can transfer their knowledge to newer technicians before leaving the company, in-field training instructions for commercial and industrial field technicians, and more frequent Operator Qualification ("OpQual") training." Provide documentation that explains in detail if SCG's 2009-2013 recorded adjusted expenses include costs incurred for updating/modernizing field technician training, refresher training for technicians who remain in their positions for extended periods of time, formalized instruction for ongoing policy reviews, job shadowing, in-field training instructions for commercial and industrial field technicians, and Operator Qualification training.
   e. If historical expenses do include costs for updating/modernizing field technician training, refresher training for technicians who remain in their positions for extended periods of time, formalized instruction for ongoing policy reviews, job shadowing, in-field training instructions for commercial and industrial field technicians, and Operator Qualification training, provide a detailed breakdown of the costs incurred for each activity for 2009-2013.

Question 1 (Continued)

f. SCG states on page SAF-2 that "CSF consists primarily of residential, commercial and industrial field technicians." Provide documentation that explains in detail if SCG's management was aware during the preparation and filing of its 2008 and 2012 GRCs that it would have field technicians scheduled for retirement, new technicians requiring on the job training and field technicians requiring various types of training (i.e., refresher training, ongoing policy reviews, in-field training instructions, Operator Qualification training, etc.). In the response state if SCG requested and received funding for these activities and provide the authorized amount received in its 2008 and 2012 GRCs for the activities.

g. SCG states on page SAF-4 that "Since a forecasted net revenue requirement for SoCalGas AMI over the 2010 through 2017 timeframe was already approved in a SoCalGas Advice Letter, a net revenue requirement is already embedded in SoCalGas rates. Accordingly, if the Commission authorizes operating expenses in this GRC that are materially different than those assumed in SoCalGas' approved AMI net revenue requirement that is currently in rates, then the differences will need to be reconciled in an updated advice letter to ensure that embedded AMI operating benefits are consistent with and no more or less than what is authorized in this TY 2016 GRC."

   i. Provide documentation that explains in detail if the Commission authorizes operating expenses in this GRC that are the same or very close to the expense levels of SCG's 2013 recorded adjusted expense levels, would SCG consider this to be "materially different than those assumed in SoCalGas' approved AMI net revenue requirement that is currently in rates." In the response also explain if SCG would need to reconcile differences if it were authorized its 2013 expense levels in its 2016 GRC.

   ii. Provide documentation that clearly explain statements and demonstrates the breakdown of the amounts "assumed" that SCG is specifically referring to when it states "if the Commission authorizes operating expenses in this GRC that are materially different than those assumed in SoCalGas' approved AMI net revenue requirement that is currently in rates."

   iii. Provide documentation that explains in more detail SCG's statement that "Since a forecasted net revenue requirement for SoCalGas AMI over the 2010 through 2017 timeframe was already approved in a SoCalGas Advice Letter, a net revenue requirement is already embedded in SoCalGas rates."

   iv. Provide documentation that explains how SCG's statement that "Since a forecasted net revenue requirement for SoCalGas AMI over the 2010 through 2017 timeframe was already approved in a SoCalGas Advice Letter, a net revenue requirement is already embedded in SoCalGas rates", relates to SCG's request for incremental funding over 2013 expense levels in its 2016 GRC.

Question 1 (Continued)

v. SCG states on page SAF-4 that "it should be noted that implementation of AMI involves both costs (i.e., increases to revenue requirement) and benefits (i.e., decreases to revenue requirement)." Provide documentation that explains if SCG spends less than it requested and was authorized for proposed AMI activities and 2012 GRC proposed activities, is this what SCG considers to be a "benefit." If so, please explain why. If not, please explain why not.

h. For SCG's Customer Service Field and Meter Reading, provide the recorded adjusted 2014 labor and non-labor expenses as of December 31, 2014 in the same manner as shown in workpapers on pages 185-186.

i. For SCG's Customer Service Field and Meter Reading, provide the recorded 2014 capital expenditures for all projects listed in Table SAF-32 on page SAF-47.

SoCalGas Response:

1.a. SoCalGas has not failed to comply with DOT-required MSA inspections. The required inspections have been performed by Meter Reading in the past, in conjunction with obtaining meter reads each month, and are in the process of being transferred to a new organization within CSF given that SoCalGas Advanced Metering Infrastructure (AMI) is being deployed. The Meter Reading department will be eliminated post AMI deployment.

1.b. SoCalGas Meter Readers currently perform the DOT-required MSA inspections in conjunction with reading the meters for billing purposes. Costs associated with MSA inspection activity are embedded in the 2009-2013 recorded adjusted costs for the four Meter Reading work groups - Meter Reading Operations, Meter Reading Clerical, Meter Reading Supervision/Training and Meter Reading Support. SoCalGas is not able to segregate the MSA inspection portion of meter reading costs, as expenses are not tracked at that level of granularity. The Commission's Advance Metering Infrastructure (AMI) decision (D.10-04-027) assumes all Meter Reading costs are eliminated after full deployment of AMI.

1.c. SoCalGas is not able to segregate the MSA inspection portion of Meter Reading costs, as expenses are not tracked at that level of granularity.

1.d. SoCalGas' 2009-2013 recorded adjusted expenses do not include any industrial field instructors to support industrial field technicians, refresher training for CSF technicians who remain in their positions for extended periods of time, formalized instruction for ongoing policy reviews to deepen employee understanding, or job shadowing so retiring field technicians can transfer their knowledge to newer employees before leaving the company.

Response to Question 1d (Continued)

With the exception of one commercial field instructor position established beginning November 16, 2013, SoCalGas' 2009-20013 recorded adjusted expenses also do not include any costs for commercial field instructors to support commercial field technicians. The total labor cost incurred for this position in 2013 was approximately $12,000, with a five-year average labor cost incurred of approximately $2,400. However the employee who moved into the field instructor position was a field technician, whose position was not backfilled until later, post-2013.

While Operator Qualification (OpQual) costs are included in 2009-2013 recorded adjusted costs, for recertification every five years, there are no expenses embedded in historical costs for the proposed increase in frequency of re-certification, to every three years instead of every five years. The basis and rationale for the increased frequency of OpQual recertification is covered in the testimony of SoCalGas witness Frank Ayala, Ex. SCG-04 (copy included in Appendix G of Ex. SCG-10, pages SAF-G-5 through SAF-G-7; Mr. Ayala sponsors testimony that was previously supported by Gina Orozco-Mejia.).

Lastly, with respect to funding for updating/modernizing CSF field technician training, SoCalGas has a library of roughly 40 training videos produced professionally and internally, which in most cases have never been updated. During 2009-2013, existing training instructors were able to update, on average, two to three videos per year during the little "spare time" (including their own time) they were able to allocate during the year. SoCalGas is not able to quantify the cost or time existing training instructors spent updating two to three videos per year, as time and costs are not tracked at that level of granularity. CSF training videos are dated in content and delivery medium and are in need of updating/modernizing to facilitate student learning. The requested funding will allow SoCalGas to accelerate the rate at which it is able to update training videos. In addition, new technology (i.e., the new field mobile data terminals that were deployed in 2013-2014 have wireless access to SoCalGas' intranet site) provides a new medium for employee training and development opportunities. The funding SoCalGas is requesting will enable SoCalGas to create short video clip links to its CSF policies and procedures. The video clip links, which presently do not exist, will provide short, visual "how to" demonstrations of written policies and procedures. In addition to being used in training, field technicians will also be able to search and view the short, "how to" videos as needed in the field.

The estimated cost of a professionally-produced video may be as high as $25,000 per video, depending on its length and complexity. SoCalGas believes investing in an internal training video expert would be a cost effective means to develop, maintain and manage training video production for CSF field technicians. The equipment for which SoCalGas is seeking funding will enable higher quality videos to be produced than SoCalGas' current equipment enables.

Response to Question 1 (Continued)

1.e. Please see response to Question 1.d above.

1.f. SoCalGas' management was aware during the preparation of the 2008 & 2012 GRC that a certain number of Customer Services Field employees would become eligible for retirement. However SoCalGas' forecast of required funding for its Customer Services Field – Operations area is based on activity level and not FTEs or headcount, therefore retirement numbers are not a variable. SoCalGas forecasted order volumes, then factored in other variables using base year 2013 results (i.e., on premise time per order, drive time per order, Vacation and Sickness rates, non-job time rates, training rates) to calculate the necessary hours to perform the work.

The funding requests for the above-mentioned items (i.e., commercial/industrial field instructors, refresher training for technicians who remain in their positions for extended periods of time, formalized instruction for ongoing policy reviews to deepen technician understanding, job shadowing to enable a transfer of knowledge from retiring technicians to newer employees, and more frequent OpQual re-certification) are based on continuous improvement opportunities identified post-reorganization, subsequent to SoCalGas' prior two GRCs. SoCalGas did not request or receive funding in its 2008 or 2012 GRCs for these proposed incremental CSF Support items that are covered in SoCalGas witness Sara Franke's testimony (Ex. SAF-10, pages SAF-29 through SAF-32).

The table below provides the 2008 and 2012 GRC forecasted and authorized funding for customer services field operations training.

	In 2013 $000		Forecast Methodology & Assumptions
	2008 Forecast	2008 Authorized*	Increase of 2005 base year training costs related to (1) increasing number
Labor	8,841	8,694	of new employees; (2) gas appliance technologies are changing; and (3)
Non-labor	454	446	driving in southern California has become increasingly challenging. See
Total	9,295	9,140	Ex. SCG-7-E, pp. JPP-25-28.

	In 2013 $000		Forecast Methodology & Assumptions
	2012 Forecast	2012 Authorized*	The proportion of total time dedicated to formal training was computed
Labor	6,502	6,270	from a five-year average and then applied to estimated FTEs required for
Non-labor	474	457	order completion, drive times and other non-job times including vacation
Total	6,975	6,727	and sickness. See Ex. SCG-07-R, p. EF-16.

* To derive the authorized training dollars, the training forecast is reduced by the percentage reduction to overall customer service field operations forecast that was authrozied in the applicable GRC Decisions (2008 GRC D.08-07-046; 2012 GRC D.13-05-010).

Response to Question 1 (Continued)

1.g.i. The term "materially different" in this context refers to any amount authorized in this GRC which takes into account any AMI benefit impacts to the testimony areas impacted by AMI. To the extent that 2013 recorded expenses have been adjusted to add back AMI benefits, if the Commission were to authorize expense levels equal to 2013 adjusted recorded expenses, the reconciliation described in Section I.E. of testimony would not be necessary.

For Customer Services Field and Meter Reading, the functions and cost center work paper groups that are impacted by AMI are shown in the table below. Please note that the work paper references cited in the table below include AMI related benefits but are not specific to AMI; as such, the work papers may include other costs related to that function. For example, cost center work paper group 2FC001.000 Customer Services Field Operations shown in the table includes many activities and expenses that are not impacted by AMI; e.g., gas leak orders do not go away as a result of AMI, therefore they do not have an associated AMI benefit value.

Exhibit	Testimony Chapter	Witness	Area	Functions Impacted	Cost Center Work Paper Group
SCG-10 & SCG-10-WP	II.C and II.B.1	Sara Franke	Meter Reading and Customer Services Field	**Meter Reading:** Manual meter reading, meter readers, meter reading equipment and meter reading management staff **Customer Services Field:** Manual reads for "Gas-on Turn-on" and "Change of Account" orders, "Read and Verify" orders and "High-bill Investigations" Benefits related to the CSF labor for installation of accelerated planned meter changes ("PMCs") begin in PTY 2018.	2FC005.000 Meter Reading Operations 2FC006.000 Meter Reading Clerical 2FC007.000 Meter Reading Supv & Training 2FC008.000 Meter Reading Staff 2FC001.000 CSF Operations

Response to Question 1 (Continued)

1.g.ii. Please see the response to data request ORA-SCG-DR-019-CKT, Question 1.c. Included in the response is the summary and breakdown of Customer Services Field and Meter Reading forecasted operating expenses for activities that have AMI benefit impacts.

Copies of data request ORA-SCG-DR-019-CKT and the applicable attachment are included as attachments to this response. Please see files "ORA-SCG-DR-052-TLG-Q1g Attachment 1.pdf" and "ORA-SCG-DR-052-TLG-Q1g Attachment 2.xlsx."

1.g.iii. AMI costs and benefits are recorded in the Advanced Metering Infrastructure Balancing Account ("AMIBA") through the end of deployment in 2017. The AMIBA was established to reconcile differences in recorded costs and benefits from those forecasted costs and benefits established in the adopted AMI business case presented in Advice Letter 4110. Those approved benefits have already been netted against approved AMI costs and integrated into current customer rates. If test year 2016 GRC assumed any impact of AMI in the impacted testimony areas, O&M benefits resulting from AMI would be double counted. In other words, SoCalGas' revenue requirement would be reduced twice for the same benefits. As such, no AMI benefits have been presented in the impacted witnesses' testimony and forecasts for this GRC. The response to Question 1.b. of ORA-SCG-DR-019, included as attachment ""ORA-SCG-DR-052-TLG-Q1.g Attachment 1.pdf", provides an explanation regarding double reductions as was presented during the TY 2012 GRC.

For a copy of AL 4100, please refer to the following link:
http://www.socalgas.com/regulatory/tariffs/tm2/pdf/4110.pdf

1.g.iv. Please refer to the response to Question 1.g.iii above.

With the exception of SoCalGas' incremental MSA Inspection Program funding request, any incremental funding over the 2013 expense levels and not related to activities impacted by AMI is independent of Advanced Meter and solely driven by the witnesses' functional areas.

1.g.v. AMI benefits as used in this GRC proceeding refer to SoCalGas' operations and maintenance ("O&M") benefits (i.e., cost savings and post deployment cost avoidance) primarily related to manual Meter Reading, Customer Services Field, and Billing areas. AMI O&M benefits are described in Mark Serrano's testimony in SoCalGas' Advanced Meter business case. Please refer to the following link:
http://www.socalgas.com/regulatory/documents/a-08-09-023/errata/Chapter%2003%20Serrano.pdf

Response to Question 1 (Continued)

Although, if at the end of AMI deployment in 2017 it is determined through the reconciliation of the Advanced Meter Balancing Account ("AMIBA"), that SoCalGas spent less than it was authorized in the AMI Decision (D.) 10-04-027, the under-spending will also benefit customers. Per Ordering Paragraph (OP) 2 in D.10-04-027, SoCalGas' sharing mechanism shall allocate 90% of cost under runs of up to $100 million to ratepayers. (The remaining 10% shall be allocated to shareholders.)

1.h. 2014 financial information will not be available until after SoCalGas makes its 10-K filing with the SEC in early 2015. It is currently expected that SoCalGas will provide the adjusted recorded 2014 financial information to ORA in March 2015.

1.i. Please see response to Question 1.h. above.

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2. Provide documentation that explains in detail if SCG's Customer Service Field and Meter Reading deferred any required/mandated projects, programs or other activities associated with meter work, establishing and terminating gas service, lighting gas pilot lights, conducting customer appliance checks, investigating reports of gas leaks, investigating customer complaints of high bills, shutting off and restoring service, etc. during 2009-2013 to justify SCG's proposed increase in FTEs over 2013 FTE levels.

SoCalGas Response:

SoCalGas Customer Services Field (CSF) and Meter Reading did not defer any required/mandated projects, programs or other activities associated with meter work, establishing and terminating gas service, lighting gas pilot lights, conducting customer appliance checks, investigating reports of gas leaks, investigating customer complaints of high bills, shutting off and restoring service, etc., during 2009-2013. However, the number of small meter replacements completed by CSF from 2009-2013 (see table below) may give the appearance that work was deferred, so further explanation is being provided below.

Small Meter Replacements Completed by CSF					
	2009	2010	2011	2012	2013
Number of Small Meter Replacements	160,715	163,639	137,864	116,196	77,899

In addition to CSF-completed small meter replacements (i.e., small meter replacement includes planned meter changes "PMC" and routine meter changes "RMC"), the Advanced Metering Infrastructure (AMI) project team has also been performing small meter replacements in order to fully integrate with the scheduling and routing of AMI deployment. The number of small meter changes completed by CSF in 2013 excludes a total of 241,041 small meter changes that were completed as part of SoCalGas' Advanced Metering Infrastructure (AMI) implementation.

In order to adhere to the AMI implementation schedule, beginning in 2013, the AMI project assumed responsibility for above-ground PMCs, including both planned and accelerated meter changes, and CSF shifted its focus to curb meter changes. This trade-off (i.e., the AMI project team focusing on above-ground meters and CSF focusing on curb meters) enabled a better match between the work and employee skill sets. Over the course of the AMI deployment period (2013-2017), all GRC- and AMI-funded PMCs will be completed. For more details please see response to ORA-SCG-DR-012-DAO, questions 4 and 5 (included as attachment "ORA-SCG-DR-052-TLG-Q2 Attachment.pdf").

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3. If projects, programs or other activities were deferred during 2009-2013, identify the projects and associated costs and state the cause of the deferral.

SoCalGas Response:

Please see response to Question 2 above.

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4. Provide documentation that demonstrates the amount SCG's Customer Service Field and Meter Reading requested/forecast in its 2012 GRC and the amount it was authorized in its 2012 GRC (D.13-05-010). In the response provide the corresponding 2016 GRC account/Cost Center/Work Group. Provide the response in a spreadsheet similar to the one shown in workpapers on page 185-186.

SoCalGas Response:

Please see attached file labeled "ORA-SCG-DR-052-TLG-Q4 Attachment.xlsx".

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5. Provide documentation that demonstrates all recorded costs incurred for overtime/double-time for 2009-2013 for SCG's Customer Service Field and Meter Reading . Provide the recorded overtime/double-time costs in a spreadsheet similar to the one shown in workpapers on page 185-186.

SoCalGas Response:

Please see the file attached in response to Question 17 ("ORA-SCG-052-TLG-Q17 Attachment.xlsx") for the detailed breakdown of overtime and double-time labor by workpaper group and shared service cost center within each of the applicable labor cost categories.

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6. Provide documentation that explains and demonstrates the calculation of SCG employee retirement savings for each year (2009-2013) and the incorporation of the cost savings into its TY 2016 FTE forecast.

SoCalGas Response:

SoCalGas' forecast of required funding for its Customer Services Field – Operations area is, at its core, based on activity levels, not FTEs or headcount. SoCalGas prepared a work order volume forecast, then factored in multiple variables (i.e., on premise time per work order, drive time per order (to travel to and from each work order), Vacation & Sickness rates, non-job time rates (e.g., for start/end of day non-order work, breaks, etc.), and training time rates) to calculate the necessary hours (FTEs) to perform the volume of forecasted work. To determine required funding, SoCalGas multiplied the total hours by a blended wage rate. For the TY 2016 forecast, SoCalGas used 2013 base year data to calculate a blended wage rate of $37.77 per hour. This rate is a blend of all CSF job classifications and includes straight-time and overtime. Retirement numbers were not factored in as they are accounted for in the blended wage rate that SoCalGas used to forecast costs.

With the exception of the CSF-Operations cost category, SoCalGas has not projected retirements nor included projected retirements in its cost forecasts, as potential retirements are not expected to have any impact on CSF and Meter Reading cost forecasts.

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7. SCG states on page SAF-2 that "CSF consists primarily of residential, commercial and industrial field technicians." In Table SAF-12 on page SAF-18, SCG shows "Residential Field Technician Retirements" for 2009-2013. In a similar table, provide the retirements for commercial and industrial field technicians.

SoCalGas Response:

The following table provides the number of commercial and industrial field technicians (CST and IST) who retired during the period 2009-2013:

Number of Retirements		
Year	CST	IST
2009	2	8
2010	2	11
2011	6	3
2012	3	2
2013	2	9

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8. Provide documentation demonstrating the actual final salaries for each retired residential, commercial and industrial field technicians for 2009-2014.

SoCalGas Response:

Residential, commercial and industrial field technicians are hourly union employees. SoCalGas does not track the hourly wages of retiring CSF technicians. The hourly pay rates below reflect those set forth in SoCalGas' historical and current collective bargaining agreements for each CSF job classification. Employees who retire from the company are normally at the top end of their pay grade due to their high seniority.

Field Service Assistant

6 Months per step, 2 year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Hourly Base Rate Eff. **10/1/09**	$25.20	$26.45	$26.96	$27.48	$28.03
Hourly Base Rate Eff. **10/1/10**	$26.09	$27.38	$27.91	$28.45	$29.02
Hourly Base Rate Eff. **1/1/12**	$26.80	$28.13	$28.67	$29.23	$29.81
Hourly Base Rate Eff. **1/1/13**	$27.54	$28.90	$29.46	$30.03	$30.64
Hourly Base Rate Eff. **1/1/14**	$28.23	$29.63	$30.20	$30.78	$31.40

Field Technician/Field Collector

6 Months per step, 2 year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Hourly Base Rate Eff. **10/1/09**	$26.89	$28.23	$28.80	$29.35	$29.92
Hourly Base Rate Eff. **10/1/10**	$27.84	$29.22	$29.81	$30.38	$30.97
Hourly Base Rate Eff. **1/1/12**	$28.60	$30.02	$30.63	$31.21	$31.82
Hourly Base Rate Eff. **1/1/13**	$29.39	$30.85	$31.47	$32.07	$32.69
Hourly Base Rate Eff. **1/1/14**	$30.12	$31.62	$32.26	$32.87	$33.51

Response to Question 8 (Continued)

Residential Field Technician/Lead Field Collector

6 Months per step, 2 year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Hourly Base Rate Eff. **10/1/09**	$28.89	$30.34	$30.95	$31.53	$32.17
Hourly Base Rate Eff. **10/1/10**	$29.91	$31.41	$32.04	$32.64	$33.30
Hourly Base Rate Eff. **1/1/12**	$30.73	$32.27	$32.92	$33.53	$34.21
Hourly Base Rate Eff. **1/1/13**	$31.57	$33.16	$33.82	$34.46	$35.15
Hourly Base Rate Eff. **1/1/14**	$32.36	$33.99	$34.67	$35.32	$36.03

Commercial Field Technician

6 Months per step, 2 year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Hourly Base Rate Eff. **10/1/09**	$31.22	$32.77	$33.41	$34.07	$34.74
Hourly Base Rate Eff. **10/1/10**	$32.32	$33.92	$34.58	$35.27	$35.96
Hourly Base Rate Eff. **1/1/12**	$33.20	$34.85	$35.53	$36.24	$36.94
Hourly Base Rate Eff. **1/1/13**	$34.12	$35.81	$36.50	$37.23	$37.96
Hourly Base Rate Eff. **1/1/14**	$34.97	$36.70	$37.42	$38.16	$38.91

Industrial Field Technician

6 Months per step, 2 year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Hourly Base Rate Eff. **10/1/09**	$35.92	$37.71	$38.43	$39.20	$39.96
Hourly Base Rate Eff. **10/1/10**	$37.18	$39.03	$39.78	$40.58	$41.36
Hourly Base Rate Eff. **1/1/12**	$38.20	$40.10	$40.87	$41.69	$42.49
Hourly Base Rate Eff. **1/1/13**	$39.25	$41.20	$41.99	$42.84	$43.66
Hourly Base Rate Eff. **1/1/14**	$40.23	$42.23	$43.04	$43.91	$44.75

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9. Provide documentation that explains if SCG's newly hired/proposed FTEs will be paid a starting salary that is at the same salary level of its employees that have or will be retiring.

SoCalGas Response:

Please see the above response to Question 8 for the hourly wages set forth in the collective bargaining agreement between SoCalGas and the two unions on its property. Newly hired employees start at the bottom of the pay scale for their job classification and progress to the top of the pay scale after two years in the position. (Per the union contract, pay is increased every six months during this time assuming satisfactory employee job performance, recognizing that new employees are typically less productive than experienced employees while they are climbing the learning curve.)

For the TY 2016 forecast for CSF-Operations, SoCalGas used 2013 base year data to calculate a blended wage rate of $37.77 per hour. This rate is a blend of all CSF job classifications, including the mix of employees who are relatively new in their position (low in the pay progression) and those who are at the maximum level. The blended wage rate includes straight-time and overtime. Retirement wage rates are not explicitly factored in as they are accounted for in the blended wage rate that SoCalGas used to forecast costs.

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10. Provide documentation that explains in detail and demonstrates why SCG's current staffing levels are insufficient to perform the work activities proposed for Test Year 2016.

SoCalGas Response:

Detailed documentation and explanations are provided in the testimony and workpapers of SoCalGas witness Sara Franke (Exs. SCG-10 and SCG-10-WP), and SoCalGas does not have additional documentation beyond that which has already been provided. Please note that SoCalGas' forecast of required funding for its CSF-Operations cost category is, at its core, based on activity levels, not FTEs or headcount. SoCalGas prepared a work order volume forecast (by individual work order type), then factored in multiple variables (i.e., on premise time per work order, drive time per order [to travel to and from each work order]), Vacation & Sickness rates, non-job time rates (e.g., for start/end of day non-order work, breaks, etc.), and training time rates) to calculate the necessary hours to perform the volume of forecasted work orders field technicians will need to complete. FTEs are calculated by dividing the total hours by 2,080 (i.e., the total number of work hours in a year per employee). The total hours required to complete the forecasted work exceed the hours available at current staffing levels. For your convenience, attached is another copy of the forecast model "ORA-SCG-DR-052-TLG-Q10 Attachment 1.xlsx" SoCalGas used to determine funding requirements for the CSF Operations cost category.

Similarly, for the other cost categories presented in SoCalGas Ex. SCG-10, any incremental request for funding represents a new activity or increase in activity level that cannot be absorbed by current staffing levels as there is no such excess capacity to do so.

Incremental work volumes/activities that cannot be absorbed within existing staffing levels are summarized below.

Incremental Requests for CSF-Operations

In addition to projected work order volumes increasing in TY 2016 (requiring incremental workforce to complete the incremental work), please also note the following:

- Average drive time per order (the time a technician spends traveling to and from work orders) has increased by 10% from 2009 to 2013. This increasing trend is expected to continue in the future as the economy improves and more people are on the road, increasing traffic congestion. This means that field technicians spend more of their available work time driving instead of completing work orders which, in turn, means that more technicians are required to perform the work. Please see Ex. SCG-10, page SAF-12 and Table SAF-8 or the attached file "ORA-SCG-DR-052-TLG-Q10 Attachment 2.xlsx" for additional information regarding average drive time per work order.

Response to Question 10 (Continued)

- Average on premise time per order can change over time to the extent changes in procedures or new safety requirements are implemented for a particular work order type. The overall average on premise time used in the TY 2016 forecast is 17.70 minutes per order. This is a decrease of 0.2% compared to 2013 actual average on premise time per order of 17.74 minutes, but is an increase of 13.5% compared to 2009 actual average on premise time per order of 15.59 minutes. The reduction in on premise time per order used in the forecast compared to 2013 actual is due to the fact that SoCalGas used results of a recently conducted Engineering Labor Standards (ELS) study for order types where ELS data was available. Increasing average on premise time per order means that technicians work fewer orders which, in turn, means that more technicians are required to perform the work. Please see Ex. SCG-10, page SAF-13 and Table SAF-9 for additional information regarding average on premise time per order.

- The three new service offerings SoCalGas is proposing (i.e., Expanded Appliance Safety Checks, Customer Outreach Safety Checks and Enhanced Customer Education) equate to an increase in work order volume; therefore more employees will be required to perform this incremental work. Please see Ex SCG-10, Page SAF-15 thru SAF-17 for discussions on the proposed programs. For detailed analysis on impacts of the proposed programs please see Ex. SCG-10-WP, page 222 through 223 or the attached file "ORA-SCG-DR-052-TLG-Q10 Attachment 2.xlsx".

- Department of Transportation-Required Meter Set Assembly Inspection Program - The Department of Transportation (DOT) Code of Federal Regulations (CFR) (i.e., 49 CFR 192.481) requires that each meter set assembly (MSA) be inspected every three years (not to exceed 39 months) for atmospheric corrosion. Meter readers have historically performed this function but, as provided for in the Commission's AMI Decision 10-04-027, SoCalGas plans to transition this compliance work to CSF Field Service Assistants (FSAs) as AMI is implemented and meter readers are eliminated. However, SoCalGas has identified additional costs associated with performing the required MSA inspections, post AMI implementation. Specifically, SoCalGas is requesting resources for 74 additional FSA FTEs (beyond the 10 FSA FTEs funded in D.10-04-027) in order ensure ongoing and enhanced compliance with the DOT required MSA inspection. Please refer to SoCalGas Ex. SCG-10, page SAF-19 for more details. Please refer to SoCalGas Ex. SCG-10-WP, page 78 for detailed analysis.

- Curb Meter Regulator Replacements – SoCalGas is requesting incremental resources to replace additional curb meter regulators. The basis and rationale for this forecasted cost are covered in the testimony of SoCalGas witness Frank Ayala, Ex. SCG-04, pages FBA-127 through 129 (also included in Appendix G of Ex. SCG-10, pages SAF-G-8 through SAF-G-11).

Response to Question 10 (Continued)

Incremental Requests for CSF-Support

- MSA Inspection Program Manager - A new CSF manager position was established in early 2014 to manage and oversee the start-up and ongoing completion of the new MSA Inspection Program that will replace the current DOT-required inspections performed by meter readers.[1] A manager position is needed to lead the overall program and facilitate compliance with the regulations given the large number of MSA inspections.

- Meter Access Clerks for MSA Inspection Program - SoCalGas requests incremental resources to establish four clerical positions to support the MSA Inspection Program. Two clerks would support Southeast Region (formerly Orange Coast and Inland Regions), or half of SoCalGas' 20,000-square-miles service territory, and the other two clerks would support Northwest Region (formerly Pacific and Northern Regions), the other half of SoCalGas' service territory. These positions are necessary to manage and gain access to chronically inaccessible/difficult-to-access meters, as well as provide other general administrative and clerical support for the MSA Inspection Program.

- Quality Assurance (QA) Inspector for MSA Inspection Program - Similar to the quality assurance inspectors who inspect the work of CSF field technicians, SoCalGas requests incremental resources to establish a QA inspector position for the MSA Inspection Program. The QA inspector will inspect the work of the FSAs performing the inspections to ensure MSA inspections are completed in accordance with policies and procedures and in a manner that complies with the DOT regulations.

- Refresher Training Instructors - SoCalGas proposes to add two new senior training instructor positions to design and conduct refresher training at SoCalGas' Pico Rivera training center for residential field technicians who have been in their positions for extended periods of time. SoCalGas residential field technicians who remain in the same position for extended periods of time will be required to complete refresher training every five years in order to keep their skills and knowledge current. These two instructor positions will also be used to conduct FSA training for SoCalGas' new MSA Inspection Program.

- Policy Review and Reinforcement Instructors - SoCalGas proposes to add two senior training instructor positions to provide more comprehensive and more formalized instruction on new/modified policies at all 51 CSF operating bases on an ongoing basis. Currently supervisors meet regularly with their employees to review policies, including communicating ongoing changes/updates to policies and procedures. More formalized

[1] Beginning in 2014, the QA and residential field instructor work groups also report to this new manager position.

Response to Question 10 (Continued)

policy instruction to supplement the supervisor reviews will facilitate a deeper level of understanding of policies/changes and greater consistency in policy interpretation and adherence across SoCalGas' service territory. Given the size of SoCalGas' service territory it will be more efficient for SoCalGas to send trained, certified instructors to each of the operating bases than to require field technicians to travel to the Pico Rivera training center for policy reviews.

- Training Modernization Specialist - SoCalGas proposes to add a training modernization specialist position and associated video equipment in order to update and keep current all existing training videos used at the Pico Rivera training center, to reflect the types and conditions of appliances and equipment technicians are currently encountering in the field. This position would also create short video clips and electronic links embedded in company policies and procedures so that field technicians can readily look up "how to" visual demonstrations as needed using their new mobile data terminals (MDTs) in the field. SoCalGas has not been able to modernize its policies and procedures in this manner because, until recently, field technicians have not had Intranet connectivity in the field to be able to view "how to" video clips in the field.

- Commercial/Industrial Field Instructors - SoCalGas is requesting incremental resources for two commercial and two industrial field instructor positions, to supplement the existing residential field instructor positions. One commercial and one industrial field instructor would support Southeast Region (formerly Orange Coast and Inland Regions), or half of SoCalGas' 20,000-square-miles service territory, and the other two field instructors would support Northwest Region (formerly Pacific and Northern Regions), the other half of SoCalGas' service territory. Please refer to Ex. SCG-10, page SAF-31 for more detail.

- CSF Technology Specialist - SoCalGas is requesting incremental resources for a technology specialist position needed to manage wireless access. The CSF technology specialist is also needed to address all AT&T wireless broadband network access issues that may arise for the new MDTs that were rolled out to all CSF field employees in late 2013 and early 2014.

Incremental Requests for Meter Reading-Operations

- Meter Reading Attrition Not Related to AMI Implementation - The lack of job movement in 2009 and 2010 reflects the poor external economic climate that existed at the time. Using 2010 as the base forecast of expenses understates costs that are driven by employee attrition rates. For example, training expenses are required to train new part-time meter readers who are hired to fill behind part-time meter readers who leave their positions. Training costs were lower than normal in 2010 due to the unusually low part-time meter

Response to Question 10 (Continued)

reader attrition rate. To adjust for the abnormally low attrition rate in 2010, SoCalGas requested additional resources for incremental training cost.

- Incremental "Learning Curve" Costs Due to Increased Part-Time Meter Reader Attrition Not Related to AMI Implementation – It takes a new part-time employee time to climb the learning curve and transition from being paid for actual hours worked to pay per route. It takes new meter readers longer to read the meters in their meter reading routes than it does a more experienced meter reader therefore costs go up when attrition is higher. SoCalGas has requested additional resources for this incremental cost.

- Training on New Meter Reading Handheld System - The meter reading handheld system must be replaced due to obsolescence. Replacement of the handheld system will require employees to be trained on the new handheld system. SoCalGas has requested additional resources to support this incremental training cost.

Incremental Requests for Meter Reading-Clerical

- Training on New Meter Reading Handheld System - The meter reading handheld system must be replaced due to obsolescence. Replacement of the handheld system will require employees to be trained on the new handheld system. SoCalGas has requested additional resources to support this incremental training cost.

Incremental Requests for Meter Reading-Supervision/Training

- Training on New Meter Reading Handheld System - Training on New Meter Reading Handheld System - The meter reading handheld system must be replaced due to obsolescence. Replacement of the handheld system will require employees to be trained on the new handheld system. SoCalGas has requested additional resources to support this incremental training cost.

- Unfilled Positions from 2008 GRC - The 2008 GRC authorized $0.467 million for additional meter reading supervisors and a field instructor. This cost increase was included (assumed) in SoCalGas' authorized AMI benefits. The historical 5-year average costs for 2009-2013 do not include the $0.467 million that was requested and authorized in SoCalGas' 2008 GRC. These positions would have been added if not for AMI implementation. But because of AMI implementation, SoCalGas did not add these positions in anticipation of AMI implementation and associated job reductions that would result. Because these costs are included in the AMI benefits, they need to be added here to avoid double counting of benefits.

Response to Question 10 (Continued)

Incremental Requests for Meter Reading-Support

- Unfilled Positions from 2008 GRC - Similar to the explanation provided above for the additional meter reading supervisors and field instructor authorized in SoCalGas' 2008 GRC, the 2008 GRC authorized $0.428 million for additional meter reading route analysts. This cost increase was included (assumed) in SoCalGas' authorized AMI benefits. The historical 5-year average costs for 2009-2013 do not include the $0.428 million that was requested and authorized in SoCalGas' 2008 GRC. These positions would have been added if not for AMI implementation. But because of AMI implementation, SoCalGas did not add these positions in anticipation of AMI implementation and associated job reductions that would result. Because these costs are included in the AMI benefits, they need to be added here to avoid double counting of AMI benefits.

Incremental requests for Customer Services Field-Field Staff

- Customer Services Staff Director – As a result of a reorganization in early 2014, a new CSF Staff director position was created to lead and oversee SoCalGas' CSF Training and Development, CSF Quality Assurance and Inspection, CSF Technology, and CSF Staff functions. The broader scope of responsibilities necessitated that a director position be created. In addition, combining these functions under a single director enables closer coordination across these functions, all of which support and enable CSF operations.

Diversion Investigation Program - Given the inherent safety risks associated with gas diversion and SoCalGas' goal of continuously improving safety, SoCalGas is requesting $0.483 million to add four diversion investigators and one diversion investigation supervisor. SoCalGas' current program will be expanded in 2016, contingent on receiving the requested GRC funding. The number of positions requested is based on the number of investigators SoCalGas estimates it would need in order to follow-up on a much greater percentage of the "diversion leads" generated in the field each year, as well as conduct periodic, proactive site visits to look for possible instances of gas diversion, on a workload-permitting basis.

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11. Provide SCG's Customer Service Field and Meter Reading end of the year headcount and FTE count for 2009-2014 and the associated labor cost. In the response also provide the job classification and the assigned Cost Center/Work Group.

SoCalGas Response:

Please see attachment "ORA-SCG-052-TLG-Q11 Attachment.xlsx" for end of the year headcount by job classification, annual full-time equivalent (FTE) count, and the associated labor cost for 2009-2013 by non-shared workgroup or shared service cost center. SoCalGas does not track FTEs by job classification therefore FTEs are reported in aggregate by workgroup or cost center.

Customer Services Field and Meter Reading developed its GRC forecast based on "FTEs" not "Headcount." "Headcount" does not equal "FTE." An FTE is an indication of activity level and not a specific headcount in any given year. In some cases, headcount may be less than the FTE count. For example, the activity level driving the forecasted incremental FTEs in an operational area may ultimately be performed using internal labor, outside contractors, overtime or a mix of each. In other cases, headcount may be more than the FTE count if the positions are filled with part-time employees.

The Utilities do prepare a forecast of "Headcount" which is used only for forecasting employee benefits (Ex. SCG-21). The headcount forecast encompasses all employees, including those whose work responsibilities are included in the GRC, as well as those whose duties are related to a Refundable program or other functional area with costs approved through a non-GRC proceeding. Headcount is not used in the operating areas to forecast costs.

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12. Provide documentation that explains if SCG's TY 2016 Customer Service Field and Meter Reading GRC request includes projects that it also requested and received funding for in its 2012 GRC (D.13-05-010), if so, identify the projects and associated costs.

SoCalGas Response:

SoCalGas' TY 2016 Customer Services Field and Meter Reading GRC request does not include any projects that were requested and funded in SoCalGas' 2012 GRC (D.13-05-010).

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13. SCG states on page SAF-2 that its "forecasts support the company's goal of providing safe, reliable and efficient gas service to customers, as well as complying with all federal, state, and local regulations." Provide documentation that explains in detail if O&M costs incurred during 2004-2013 by SCG's Customer Service Field and Meter Reading were associated with activities for "providing safe, reliable and efficient gas service to customers, as well as complying with all federal, state, and local regulations."

SoCalGas Response:

SoCalGas' goal of providing safe, reliable and efficient gas service to customers, as well as complying with all federal, state and local regulations has not changed since 2004 and will continue into the future. SoCalGas' Customer Services Field and Meter Reading costs are generally incurred in order to provide safe, reliable and efficient gas service to customers, as well as comply with all federal, state and local regulations. As reflected in the proposals set forth in the testimony of witness Sara Franke (Ex. SCG-10), SoCalGas remains committed to seeking ongoing, continuous improvements in the way this goal is achieved.

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14. If during 2004-2013 SCG's goals and focus of its Customer Service Field And Meter Reading group was not on "providing safe, reliable and efficient gas service to customers, as well as complying with all federal, state, and local regulations", state specifically what the goals and focus were during 2004-2013 associated with O&M costs incurred during that period for SCG's Customer Service Field And Meter Reading.

SoCalGas Response:

Please see SoCalGas' response to Question 13 above.

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15. SCG states on page SAF-7 that "Where appropriate, work orders eliminated by AMI in 2013 were added back to 2013 volumes for the purpose of forecasting TY 2016 order volumes." Provide documentation that explains what SCG means by "work orders eliminated by AMI" (i.e., were these prepared work orders that were never completed due to AMI?). Provide documentation that explains if SCG's 2013 volumes and its 2016 forecast include totals for its work order volumes that would be less if eliminated work orders were not "added back" and included in the total.

SoCalGas Response:

As described in the testimony of SoCalGas witness Rena Garcia (Ex. SCG-39), all SoCalGas forecasts presented in this TY 2016 GRC, including the forecasts in Ex SCG-10, reflect business operations, processes and practices without AMI deployment. (Please see SoCalGas' response to Question 1.g above for additional explanation of the treatment of AMI in SoCalGas' TY 2016 GRC.)

There are two SoCalGas CSF order types that were impacted by AMI: Change of Account – Turn On (Not Entered) and Change of Account – Close (Soft). Prior to AMI deployment these orders would be performed by a field technician. However with the remote read capability of the advanced meters some of these orders can be completed remotely without having to dispatch a field technician to the customer's premise.

The forecast methodology for these two order types is a four year (2010 – 2013) average ratio of orders to total meters. If the "work orders eliminated by AMI" were not "added back" to 2013, then the four year average would be lower resulting in a lower forecast for TY 2016. Please see the attached file labeled "ORA-SCG-DR-052-TLG Q15 Attachment.xlsx" for detailed analysis of the impact of adding back work orders eliminated by AMI to historical years.

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16. Provide documentation that explains in detail if the forecast costs for non-labor shown in workpapers on pages 220-221 are the total costs for each of the proposed projects or are the costs listed the amount that will be incurred annually for SCG's Customer Service Field and Meter Reading.

SoCalGas Response:

The forecasted costs for non-labor shown in Ex. SCG-10-WP, pages 220 – 221 are the amounts that will be incurred annually for SoCalGas' Customer Services Field and Meter Reading. The only exception is the line item with the cost driver label of "Training Video Equipment". This expense of $40,000 is a one-time cost to purchase audio/visual equipment to enable the training modernization efforts discussed on Ex. SCG-10, page SAF-30.

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17. For SCG's Customer Service Field and Meter Reading for 2009-2013 provide, in a spreadsheet similar to the one shown in workpapers on pages 185-186, a detailed and itemized listing of all labor and non-labor expenses (note: do not lump expenses together in the response, separate and identify the expenses by the categories as requested below) incurred for 1) employee meals, 2) employee luncheons, 3) vendor payments for offsite meetings and events (provide copies of contracts for costs and services provided), 4) all entertainment expenses, 5) employee recognition activities, 6) sporting events, 7) bonuses/awards, 8) employee/company memberships and dues, 9) all contributions, 10) charitable events, 11) brand awareness and loyalty surveys/campaigns/events, and 12) other employee reimbursable expenses.

SoCalGas Response:

The expenses shown in the attachment "ORA-SCG-DR-052-TLG-Q17 Attachment.xlsx" reflect the dollars spent in 2009-2013 as charged by the operating areas. The data shows that there is variation in categories used, which is dependent upon the people responsible for assigning costs. All recorded costs are included in the attachment. Not all categories requested by ORA are specifically or separately identifiable. For example, brand awareness and loyalty surveys/campaigns/events are not separately identified from other advertising or event expenses.

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SOCALGAS RESPONSE
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DATE RESPONDED: FEBRUARY 24, 2015

18. For SCG's Customer Service Field and Meter Reading, provide, in a spreadsheet similar to the one shown in workpapers on pages 185-186, a detailed and itemized listing of all costs incurred for one-time, unusual, or non-recurring costs for the years 2009 through 2013, including but not limited to studies, equipment demonstrations and testing, special projects and programs, surveys, training, contract expenses, product/project development, testing and/or implementation, etc.

SoCalGas Response:

SoCalGas Customer Services Field and Meter Reading did not include one-time, unusual, or non-recurring costs in its adjusted recorded data for the years 2009 through 2013. Costs embedded in SoCalGas' adjusted recorded data for 2009-2013 are recurring costs.

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19. SCG's Customer Service Field Staff Manager Work Group forecasts $2.406 million ($7.218 million over three years) in TY 2016. This is an increase of $0.835 million or 53.15% over 2013 recorded adjusted expenses of $1.571 million. The five year average (2009-2013) is $1.737 million. SCG's expenses declined each year between 2009 and 2013 from $2.037 million in 2009 to $1.571 million in 2013.

    a. SCG states on page SAF-44 that "As a result of a reorganization in early 2014, the Region CSF and Gas Distribution operations and associated supporting staffs were separated into CSF-only and Distribution-only Regions and Staffs." Provide documentation demonstrating the requested and authorized funding from SCG's 2012 GRC for its "Region CSF and Gas Distribution operations and associated supporting staffs."
    b. Provide documentation that identifies the specific functions/activities and that demonstrates the historical costs incurred (2009-2013) for all of the "Region CSF and Gas Distribution operations and associated supporting staffs."
    c. SCG states on page SAF-44 that "Prior to the reorganization, these functions reported to other existing managers and directors within the company." Provide documentation that identifies the "functions" that "reported to other existing managers and directors within the company" and provide the detailed breakdown of the associated costs. In the response explain and demonstrate specifically how SCG has reallocated and incorporated the authorized funding for "these functions" in its TY 2016 forecast.
    d. SCG utilized a five year average to forecast both its labor and non-labor forecast. Provide documentation that explains why SCG's 2013 expense level for its non-labor costs is insufficient.
    e. SCG utilized a five year average of $1.634 million and used this figure as a starting point to calculate its incremental funding request for its TY 2016 labor forecast. SCG shows its labor forecast of $2.275 million, an increase of 55.65% over 2013 labor expenses of $1.461 million. Provide documentation that explains the proposed activities in more detail and which shows the calculation breakdown for $0.173 million (the difference between $1.634 million and $1.461 million).
    f. Provide documentation that explains why utilizing a five year average (2009-2013) to calculate SCG's TY 2016 labor expenses is insufficient and why SCG is unable to reallocate costs embedded in its historical expenses from completed projects in order to address its proposed FTEs.
    g. Provide all supporting documentation and the basis used for the calculation of the non-labor forecast of $0.131 million (i.e., the documentation that demonstrates the individual breakdown of all costs included in each estimate along with a source document).

Question 19 (Continued)

h. SCG states on page SAF-46 that "Given the inherent safety risks associated with gas diversion and SoCalGas' goal of continuously improving safety, SoCalGas is requesting $0.483 million to add four diversion investigators and one diversion investigation supervisor." Provide documentation that explains how long SCG's management has known about the "inherent safety risks associated with gas diversion." In the response state specifically why SCG is waiting until its 2016 GRC to address this inherent safety risk.
i. SCG states on page SAF-46 that "a single diversion investigator is able to follow-up on an average of approximately 17% of potential diversion "leads" generated by field employees who observe conditions at customer premises in the field." Provide documentation that explains specifically how long (i.e., number of years) SCG was aware that "a single diversion investigator is able to follow-up on an average of approximately 17% of potential diversion "leads," especially considering the "inherent safety risks associated with gas diversion."
j. Provide documentation that demonstrates the total number of FTEs SCG employed as diversion investigators between 2009-2013 that were responsible for following up on potential diversion leads generated by field employees.
k. Based on data provided in SCG's Table SAF-30 on page SAF-46, SCG appears to have backlogs associated with gas diversion follow-up. Provide documentation that demonstrates the total number of deferred activities ("leads") associated with diversion investigators following up on potential diversion leads generated by field employees.
l. Provide documentation that explains in detail if SCG requested funding in its 2012 GRC (D.13-05-010) for activities associated with gas diversion, given the inherent safety risks associated with this activity. In the response provide the requested and authorized amount.

SoCalGas Response:

19.a-c. Prior to the reorganization in early 2014 multiple CSF supporting groups (i.e., CSF Training and Development, CSF Quality Assurance and Inspection, CSF Technology, and CSF Staff functions) reported to other directors and managers. With the reorganization these CSF supporting groups were all brought together under the newly created position of Customer Services Staff Director. This was only an organizational move; it did not impact the functions these groups performed, and the associated costs for these groups continue to be tracked under the same cost centers as prior to the reorganization. In both the 2012 GRC and the current TY 2016 filing both the historical costs and forecast costs associated with these CSF supporting groups have been allocated to CSF. There has been no comingling or double counting of costs with Gas Distribution.

SoCalGas Response to Question 19a-c (Continued):

For details on the CSF Support cost category please refer to Ex. SCG-10, page SAF-27. For details on the Customer Services Staff Director please refer to Ex. SCG-10, page SAF-44. For details on requested and authorized funding from the 2012 GRC please refer to the attachment "ORA-SCG-DR-052-TLG-Q4 Attachment.xlsx".

19.d-g. A five-year average (2009 – 2013) was used to forecast both labor and non-labor costs to avoid the potential for artificially inflating or deflating results based on short-term anomalies. Using the five-year average methodology results in a forecast of $1.634 million in labor and $0.103 million in non-labor for the Customer Services Field Staff workgroup. In addition, there are two incremental requests for which associated expenses are not embedded in the historical costs (2009 – 2013) and not reflected in the five-year average results of $1.634 million in labor and $0.103 in non-labor. The first incremental request is a newly created position of Customer Services Staff Director ($0.176 million for labor, $0.010 million for non-labor); the second incremental request is the Diversion Investigation Program ($0.465 million for labor, $0.018 million for non-labor). These two items represent a total incremental cost of $0.641 million in labor, and $0.028 million in non-labor. Combining the $1.634 million (from five-year average of 2009 – 2013) in labor with the incremental request of $0.641 million results in the total forecast of $2.275 million in labor. Combining the $0.103 million (from five-year average of 2009 – 2013) in non-labor with the incremental request of $0.028 million results in the total forecast of $0.131 million in non-labor. Using 2013 adjusted recorded non-labor as a forecast for TY 2016 would leave SoCalGas with insufficient funds to support the aforementioned incremental requests.

The five-year average cost for the CSF Staff work group covers recurring work such as maintaining/updating CSF policies and procedures, maintaining/updating CSF data bases and systems and other related, recurring work required to support CSF operations. Capital costs associated with project work would not be reflected in the five-year average recorded adjusted cost. There is no excess capacity to be able to absorb the additional diversion investigation work being proposed, and the new, incremental director position was filled in 2014, from outside the work group. In other words, using the five-year average of $1.634 million as the labor forecast for TY 2016 would not be sufficient.

For details on the calculation of the forecast for 2016 CSF Staff cost category please refer to Ex. SCG-10, page SAF-47, and Table SAF-31. For details on the Customer Services Staff Director please refer to Ex. SCG-10, page SAF-44, and Ex. SCG-10-WP, page 170. For details on the Diversion Investigation Program please refer to Ex. SCG-10, page SAF-45, and Ex. SCG-10-WP, page 170, and the summary table below.

SoCalGas Response to Question 19d-g (Continued):

Diversion Investigation Program

	Labor	Non-Labor	Total
1 – Supervisor	1 x $97,000 = $97,000	1 x $3,600 = $3,600	$100,600
4 – Investigator	4 x $92,000 = $368,000	4 x $3,600 = $14,400	$382,400
Total	$465,000	$18,000	$483,000

19.h. SoCalGas has been aware of the inherent safety risks associated with gas diversion and has not waited until the 2016 GRC in order to address this issue. SoCalGas has always had and will continue to have safeguards in place to mitigate risks associated with gas diversion. However, we continuously look for ways to improve current efforts.

Existing and proposed diversion safeguards are summarized below.

- SoCalGas Meter Reading, in conjunction with obtaining meter reads for billing purposes, performs visual inspections for signs of diversion. Because they visit meters to collect meter reads every month, these employees serve as a key source of diversion leads.
- All CSF technicians receive training to perform visual inspections for signs of diversion when working at the meter.
- Two field technicians at every operating district receive enhanced training to be able to assist with potential instances of diversion.
- Beginning in 2010, to increase meter security and deter diversion, locking devices were installed on all meter bypass valves found not locked.
- Beginning in 2011, a new lock was introduced, the McGard plug lock, to deter diversion by making it more difficult to remove the lock and tamper with the shutoff valve.
- While the specially trained CSF technicians in each district are able to address immediate safety issues, which may include shutting off gas service to the customer's premise, they do not have the bandwidth or expertise to fully investigate diversion incidents (e.g., for back billing purposes), develop prevention strategies or to conduct proactive meter spot checks throughout SoCalGas' service territory once meter readers are no longer visiting meters every month.

19.i. This metric was identified as SoCalGas was preparing for the TY 2016 GRC and is not a metric that was previously tracked.

19.j. For the period 2009 – 2013 SoCalGas has employed one diversion investigator.

SoCalGas Response to Question 19 (Continued):

19.k. Table SAF-30 on page SAF-46 of Ex. SCG-10 shows the number of diversion leads that the diversion investigator has been able to personally follow up on each year. This does not mean that SoCalGas deferred activities associated with following up on potential diversions. Field supervisors and field technicians are used to address the leads that the investigator is not able to follow up on. Potential diversions are addressed and corrected under the direction of field supervisors, with assistance from the diversion investigator when possible. However, this approach does not offer the greatest deterrent to recidivism. Diversions are instances of customers actively attempting to conceal their unauthorized alteration of SoCalGas facilities. Field technicians and field supervisors cannot perform research and analysis on billing history, or gather the necessary evidence to bill customers for the gas stolen, nor are they in a position to develop prevention strategies or spot check meters in the field.

19.l. SoCalGas did not request any incremental funding in its 2012 GRC for activities associated with gas diversion.

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20. SCG's Meter Reading Supervision, Training and Programs forecasts $4.058 million ($12.174 million over three years) in TY 2016. This is an increase of $0.632 million or 18.457% over 2013 recorded adjusted expenses of $3.426 million. The five year average (2009-2013) is $3.575 million. SCG's expenses were relatively stable between 2009-2011 with an average for the three year period of $3.618 million. Between 2011 and 2013 SCG's expenses declined slightly by $0.268 million.

    a. SCG states on page SAF-40 that "The 2008 GRC authorized $0.467 million for additional meter reading supervisors and a field instructor. This cost increase was included (assumed) in SoCalGas' authorized AMI benefits. The historical 5-year average costs for 2009-2013 do not include the $0.467 million that was requested and authorized in SoCalGas' 2008 GRC." Provide documentation that explains in detail and demonstrates specifically the activity, costs and associated accounts that SCG reallocated the funding of $0.467 million that was authorized in its 2008 GRC, since SCG "did not add these positions" as it proposed in its 2008 GRC. If SCG refunded the 2008 GRC authorized funding of $0.467 million back to ratepayers, provide documentation that clearly demonstrates that this was done.
    b. Provide documentation that clearly explains SCG's statement that "Because these costs were included in the AMIBA benefits, they need to be added here to avoid double counting of AMI benefits."
    c. Provide documentation that explains in detail how SCG's 2008 GRC authorized funding for FTEs that were never hired and SCG's 2016 GRC requests for incremental funding for these same positions is a benefit to ratepayers.
    d. Provide the documentation that explains in detail how authorized funding that was never spent for additional FTEs as proposed in SCG's 2008 GRC is a "cost" that needs to be "added here to avoid double counting of AMI benefits."
    e. Provide documentation that explains if SCG's 2012 GRC discussed its requested and authorized funding from its 2008 GRC of $0.467 million for additional meter reading supervisors and a field instructor that it never hired. In the response state how this issue was resolved. If SCG did not discuss this issue in its 2012 GRC, state why the issue was not raised in its 2012 GRC.
    f. Provide documentation that explains why utilizing a five year average (2009-2013) to calculate SCG's TY 2016 expenses is insufficient and why SCG is unable to reallocate costs embedded in its historical expenses from completed projects and overtime costs in order to address its proposed activities.

SoCalGas Response:

20.a. SoCalGas did not reallocate the 2008 GRC authorized costs for unfilled meter reading positions. These costs were included as a benefit in the SoCalGas Advanced Metering Infrastructure (AMI) business case (approved in Decision 10-04-027).

SoCalGas Response to Question 20a (Continued):

This benefit is currently in rates per Advice Letter AL 4110[2].

The following table provides the timeline and breakdown of costs for the authorized and unfilled *Supervisor and Field Instructor* positions beginning with the 2008 GRC, followed by the SoCalGas AMI filing, and ending with the 2012 GRC. This table and the excerpts from applicable testimony and workpapers included as attachments (as defined in the "Notes" column of the table) provide documentation that demonstrates that these costs were included as a benefit in SoCalGas' AMI business case and refunded to ratepayers.

[2] AL 4110, U 904 G, effective April 8, 2010. AL 4110 was approved by letter dated August 4, 2010.

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2008 GRC - In 2005 $000s		
	Supervisors/ Field Instructors	Notes
Labor	574	Includes Vacation & Sick (V&S)
Non-labor	32	
Total	606	See "ORA-SCG-DR-052-TLG-Q20 & 29 Attachment 1.pdf" for the supporting excerpt from 2008 GRC testimony, filed in 2006, Ex. SCG-7-E, pp.
FTE	9.0	Positions & funding authorized in 2008 GRC
SoCalGas AMI Benefit - In 2008 $000s		
	Supervisors/ Field Instructors	Notes
Labor	-343	Excludes V&S
V&S	-62	V&S was added as a loader to direct (time at work) labor in the AMI business case.
Non-labor	-23	
Total	-427	See "ORA-SCG-DR-052-TLG-Q20 & 29 Attachment 2.pdf" for the supporting excerpt from SoCalGas AMI Errata Workpapers for Chapter III, filed in 2009, Ex. SCG-3-WP, pp. 104-106 rows 42-45, and pp. 141-142.
FTE	-6.0	Unfilled positions & funding that was authorized in the 2008 GRC and given back to Ratepayers as a benefit in AMI business case.
2012 GRC - In 2009 $000s		
	Supervisors/ Field Instructors	Notes
Labor	417	Includes V&S
Non-labor	23	
Total	440	See "ORA-SCG-DR-052-TLG-Q20 & 29 Attachment 3.pdf" for the supporting excerpt from 2012 GRC testimony, filed in 2010, Ex. 143, pp. EF-45-50.
FTE	6.0	Unfilled positions & funding that was authorized in the 2008 GRC and given back to Ratepayers as a benefit in AMI business case.

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20.b–e. These positions authorized in the 2008 GRC are to be eliminated with AMI and the associated costs are shown as a benefit in the SoCalGas AMI business case. However, the filling of the positions was delayed due to the AMI filing, and as a result, the costs are not included in historical recorded expenditures. In order to be consistent with the SoCalGas AMI business case and the benefits authorized by the CPUC in Decision 10-04-027, these funds must be included in the TY 2016 GRC, otherwise ratepayers would receive a double counting of AMI benefits.

SoCalGas did address this issue in its 2012 GRC. In Exhibit 143, Customer Services Field and Customer Contact testimony, SoCalGas explained:

> "To remain consistent with the benefits approved and authorized in SCG's AMI decision, D.10-04-027, SCG has included the expenses authorized in SCG's 2008 GRC in the TY 2012 estimated expense. The SCG AMI decision included meter reading benefits that reflected the increases requested and authorized in the SCG 2008 GRC. TY 2012 estimated expenses increase [of] $1,260,000 compared to 2009 adjusted recorded expenses. Specifically, the TY 2012 estimated incremental expenses are similar to the requested expenses in SCG witness J. Patrick Petersilia"s testimony in the 2008 GRC (A.06-12-010, Exh. SCG-7-E, Section IV.I.4 to IV.I.5).
>
> To ensure that neither SCG nor ratepayers are disadvantaged from the TY 2012 authorization for estimated operational expenses, SCG will reconcile the final TY 2012 GRC authorization with the SCG AMI operating benefits assumed in D.10-04-027. SCG will then adjust the SCG AMI operating benefits multiplier factor accordingly in an updated SCG AMI revenue requirements advice letter to reflect the outcome of the TY 2012 GRC."[3]

DRA recommended disallowing these meter reading expenses in the 2012 GRC:

> "DRA recommends disallowing the requested increase because SCG already received funding for them in its prior GRC. SCG management has discretion to spend the money authorized in a GRC as it sees fit. SCG chose not to fund these positions between 2009 and the present and is now requesting additional funds so that it does not have to alter its benefits projections in its AMI business case. The Commission should disallow these expenses."[4]

In the final Decision 13-05-010, the Commission agreed with SoCalGas and explained:

> "We agree with SoCalGas' position on the test year 2012 forecasts of the meter reading costs, and that DRA's recommended disallowances should not be adopted. As SoCalGas' witness explained in Exhibit 143, the test year 2012 forecast of metering reading expenses do not include the SoCalGas advanced metering infrastructures costs or benefits. D.10-04-027 includes the meter reading benefits

[3] SoCalGas Exhibit 143 at pp. 45-46
[4] Exhibit DRA-47 at p. 8

SoCalGas Response to Question 20b-e (Continued):

> which reflect the increases requested and authorized in SoCalGas' test year 2008 GRC. "To remain consistent with the benefits approved and authorized in…D.10-04-027," SoCalGas included the expenses authorized in SoCalGas' 2008 GRC in the test year 2012 forecast. (Ex. 143 at 45.) As explained by SoCalGas:
>
> To ensure that neither SCG nor ratepayers are disadvantaged from the TY 2012 authorization for estimated operational expenses, SCG will reconcile the final TY 2012 GRC authorization with the SCG AMI operating benefits assumed in D.10-04-027. SCG will then adjust the SCG AMI operating benefits multiplier factor accordingly in an updated SCG AMI revenue requirements AL to reflect the outcome of the TY 2012 GRC. (Ex. 143 at 46.)
>
> If we adopt the two disallowances recommended by DRA, this will result in a double reduction to SoCalGas' revenue requirement. Since the DRA disallowances are part of the operating benefits in SoCalGas' advanced metering infrastructure program, the adjustment process described above will ensure that ratepayers are not disadvantaged by having these costs included in the test year 2012 forecast. Accordingly, DRA's recommendation to disallow the $440,000 for additional management personnel, and $636,000 for meter reading staff, is not adopted." [5]

20.f. Using a five-year average (2009 – 2013) to calculate SoCalGas' – Meter Reading Supervision and Training workgroup's TY 2016 expenses is insufficient. Using the five-year average would not account for AMI benefits already included in rates: a) unfilled but authorized supervisor and field instructors positions from the 2008 GRC ($0.443 million in labor, $0.024 million in non-labor), and b) the costs to train meter reading employees on the new meter reading handheld system ($0.015 million in labor, $0.001 million in non-labor). The breakdown of these costs is shown in Table SAF-27, on page SAF-41 of Ex. SCG-10, and reproduced below for your convenience. For discussion on treatment of AMI benefits please see response to question 1.g. above.

Please refer to Ex. SCG-10, page SAF-40 for an explanation on the unfilled but authorized positions from the 2008 GRC. Please refer to Ex. SCG-10, page SAF-41 for an explanation of the training on the new meter reading handheld system.

[5] D.13-05-010 at pp.506-508.

SoCalGas Response to Question 20f (Continued):

Activity	TY 2016 Forecast		
	Labor	**Non-Labor**	**Total**
Base Forecast (5 Year Average 2009 – 2013)	3,143	432	3,575
Adjustments to Account for AMI Benefits Included in AMIBA			
Supervisors and Field Instructor (Unfilled authorized positions from 2008 GRC)	443	24	467
Instructors for Saturday Training on New Meter Reading Handheld System	15	1	16
Total	3,601	457	4,058

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21. SCG's Customer Services Field Operations Group forecasts $127.945 million ($383.835 million over three years) in TY 2016. This is an increase of $22.037 million or 20.81% over 2013 expenses of $105.908 million. The five year average (2009-2013) for Customer Service Field Operations is $107.328 million. SCG's expenses fluctuated slightly between 2009 and 2013 with 2010 recording the highest expense level for the five year period of $110.778 million.
    a. Provide all supporting documentation and the basis used for the calculation of the incremental labor and non-labor forecast of $22.037 million shown in Table SAF-5 on page SAF-6 and Table SAF-16 on page SAF-23 (i.e., the documentation that demonstrates the individual breakdown of all costs included in each estimate along with a source document).
    b. If SCG utilized a Market Reference Range to forecast labor costs for proposed FTEs, provide the source document for the Market Reference Range and any other documentation SCG utilized to forecast labor for FTEs.
    c. On pages SAF-7 through SAF-10, SCG's Table SAF-6 show the forecasting methodology utilized by SCG to forecast its TY 2016 work order volumes and Table SAF-7 on pages SAF-10 and SAF-11 show the historical and forecast order volumes based on the forecast methodology from Table SAF-6. Provide documentation that explains why SCG utilized five year/four year average methodologies (i.e., instead of utilizing 2013 order volumes) to forecast TY 2016 order volumes when its historical order volumes show declining order volume trends each year between 2009-2013. Provide the response in a table similar to Tables SAF-6 and SAF-7.
    d. For SCG's Tables SAF-6 and SAF-7 on pages SAF-7 through SAF-11 which shows its forecasting methodology utilized to forecast its TY 2016 work order volumes and shows SCG's historical and forecasted order volumes, provide historical and forecasts cost data for order volumes in the same format as Tables SAF-6 and SAF-7 for 2009-2013.
    e. For SCG's Table SAF-8 (Average Drive Time per CSF Order (Minutes) on page SAF-12 and Table SAF-9 (Total Average On-Premise Time per Order (Minutes) on page SAF-13, provide the 2009-2014 recorded costs in the same manner as shown in the tables along with verifiable support documentation.
    f. SCG states on page SAF-13 that it "recently conducted an Engineering Labor Standards ("ELS") study to determine how long it should take to complete each subjected order type." Provide the time period of the ELS study and the associated costs incurred. In the response also state if the ELS study covered each order type shown in Table SAF-7 on page SAF-10 and SAF-11.
    g. Provide documentation that explains why there is a difference between SCG's Actual 2013 versus ELS Average On Premise Times (Minutes) as shown in Table SAF-10 on page SAF-14.
    h. Provide the costs associated with SCG's Actual 2013 versus ELS Average On Premise Times (Minutes) as shown in Table SAF-10 on page SAF-14.

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SoCalGas Response:

21.a. SoCalGas has provided complete and thorough supporting documentation and the basis used for the calculation of the incremental labor and non-labor forecast of $22.037 million shown in Table SAF-5 on page SAF-6 and Table SAF-16 on page SAF-23 within its Exhibits SCG-10 and SCG-10-WP, and in its responses to Deficiency SOCALGAS-ORA-DEF-028-TLG Question 1.

Ex. SCG-10, pages SAF-6 through SAF-25, provides a description of the activities performed by CSF-Operations, details the basis and justification for the forecast methodology, describes the impact of cost drivers to the forecast, and analyzes and explains the rationale for incremental funding requests.

Ex. SCG-10-WP, pages 17 through 89, provides analysis and demonstrates calculations for every line item listed on Table SAF-16, page SAF-23 of Ex. SCG-10. Working Excel file versions with live formulas for all the aforementioned supplemental workpapers were provided via CD-Rom and are also attached to this response for your convenience (see attachment "ORA-SCG-DR-052-TLG-Q10 Attachment 1.xlsx", "ORA-SCG-DR-052-TLG-Q21 Attachment 1.xlsx", and "ORA-SCG-DR-052-TLG-Q21 Attachment 2.xlsx").

SoCalGas' response to SOCALGAS-ORA-DEF-028-TLG Question 1 demonstrates use of the forecast model (included as attachment "ORA-SCG-DR-051-TLG-Q10 Attachment 1.xlsx") to calculate the impacts of increasing drive time, customer growth, proposed Customer Outreach Safety Checks, proposed Enhanced Customer Education, and proposed Enhanced Appliance Safety Checks.

21.b. SoCalGas did not use a Market Reference Range to forecast labor costs for proposed FTEs within the CSF-Operations group. Instead, SoCalGas used 2013 base year data to calculate a blended wage rate of $37.77 per hour. This rate is a blend of all CSF job classifications and includes straight-time and overtime. For historical and current labor rates, by CSF job classification, set forth in SoCalGas' collective bargaining agreements with its unions please see response to Question 8 above.

21.c. Table SAF-6 on pages SAF-7 through SAF-10 of Ex. SCG-10 provides documentation by individual order type (Column Header "Order Type"), the forecast methodology (Column Header "Forecasting Methodology"), rationale for why a given methodology was selected (Column Header "Rationale"), and reasons why an alternative forecasting method would not be appropriate (Column Header "Reasons an Alternative Forecasting Method Would Not Be Appropriate"). The same table is also replicated below for your convenience.

SoCalGas Response to Question 21c (Continued):

Order Type	Forecasting Methodology	Rationale	Reasons an Alternative Forecasting Method Would Not Be Appropriate
Change of Account – Turn On (Not Entered)	4-year average (orders to active meters)	Volumes fluctuate from year to year and are impacted by external factors, such as the state of the economy and customer turnover, which are outside the company's control. Excluded 2009 since order volumes were significantly higher than normal due to economic conditions in the real estate market.	Use of base year or other shorter time periods would not provide a sufficient length of time to capture a variety of conditions which change from year to year and cause order volumes to fluctuate from year to year.
Change of Account – Close (Soft)			
Credit/Collections – 48 Hour (1st Call)	5-year average (orders to active meters)	Volumes fluctuate from year to year and are impacted by external factors, such as the state of the economy and customers' ability to pay their bills, which are outside the company's control.	
Credit/Collections – Collect/Close (2nd Call)			
Credit/Collections – Returned Check	3-year average (orders to active meters)	Used shorter period to account for the fact that the economy has improved and more customers are paying their bills electronically which results in fewer bounced checks (insufficient funds).	Use of an alternative forecast method would not achieve the same balance between recognizing recent trends and, at the same time, the fact that order volumes fluctuate from year due to factors outside the company's control.
Credit/Collections – Tenant Notification	5-year average (orders to active meters)	Volumes fluctuate from year to year and are impacted by external factors, such as the state of the economy and customer's ability to pay their bills, which are outside the company's control.	Use of base year or other shorter time periods do not provide a sufficient length of time to capture a variety of conditions which change from year to year and cause order volumes to fluctuate from year to year.
Credit/Collections - Other			
Customer Service Order ("CSO")	Base year (orders to active meters)	Forecast method recognizes a declining trend. Factors outside the company's control, such as weather and associated requests to check customers' space heating equipment, may impact order volumes in the future.	Use of a longer time period may overstate anticipated volumes.
CSO – Carbon Monoxide Test	Base year plus average annual 2011-2013 growth rate (orders to active meters)	There has been continual growth in this order type since Senate Bill ("SB") 183[6] was enacted and that growth is expected to continue as more customers comply with the requirement to install Carbon Monoxide ("CO") detectors in residential dwellings.	Use of an alternative forecast method would not recognize actual order volume trends.
CSO – No Gas	5-year average (orders to active meters)	Volumes fluctuate from year to year and are impacted by external factors, such as earthquake valves tripping, etc., which are outside the company's control.	Use of base year or other shorter time periods do not provide a sufficient length of time to capture a variety of conditions which change from year to year and cause order volumes to fluctuate from year to year.

[6] SB183 requires customers to install carbon monoxide ("CO") detectors in all inhabited residences. The effective date of SB 183 is January 1, 2011 for new construction, July 1, 2011 for existing single family dwellings and January 1, 2013 for multi-family dwellings and buildings such as apartments and hotels.

SoCalGas Response to Question 21c (Continued):

CSO – Seasonal Off	Base year (orders to active meters)	Forecast method recognizes a declining trend. Factors outside the company's control, such as weather and customer comfort levels, may impact order volumes in the future.	Use of an alternative forecast method would not recognize recent trends and/or assume further reductions without any substantiated basis.
CSO – Seasonal On			
Fumigation – Turn On	Base year plus 6% increase in 2014, then orders to active meters	PCOC (Pest Control Operators of California) forecasts a fumigation growth rate of 6% in 2014.[7]	Use of an alternate forecast method would ignore actual volume trends and expert predictions.
Fumigation – Close			
Gas Leak – CSO Leak	5-year average (orders to active meters)	Volumes fluctuate from year to year and are driven by external factors, such as leakage at customers' appliances, reports of area odors and earthquakes, which are outside the company's control.	Use of base year or other shorter time periods do not provide a sufficient length of time to capture a variety of conditions which change from year to year and cause order volumes to fluctuate from year to year.
Gas Leak – Pilot Out Only	Base year (orders to active meters)	Forecast method recognizes a declining trend.	Use of an alternative forecast method would not recognize recent trends and/or assume further reductions without any substantiated basis.
Gas Leak – Leak Investigation (Step 2)	5-year average (orders to active meters)	Volumes fluctuate from year to year and are driven by external factors, such as leakage at customers' appliances, reports of area odors and earthquakes, which are outside the company's control.	Use of base year or other shorter time periods do not provide a sufficient length of time to capture a variety of conditions which change from year to year and cause order volumes to fluctuate from year to year.
High Bill Investigation ("HBI") – Entered	5-year average (orders to active meters)	Volumes fluctuate from year to year and are driven by external factors, such as weather (consumption), commodity prices and economic conditions, which are outside the company's control.	Use of base year or other shorter time periods do not provide a sufficient length of time to capture a variety of conditions which change from year to year and cause order volumes to fluctuate from year to year.
HBI – Not Entered			
Meter Work (Capital) – Meter Set – Turn On	Follows capital forecast and growth in new meter set work completed by CSF	Volumes are driven by the forecasted growth in new business capital construction and associated meter sets.	Use of an alternative forecast method would likely understate anticipated growth in new meter sets.
Meter Work (Capital) – Meter Set – Left Off			
Meter Work (Capital) – Meter Set (PSI)			
Meter Work (O&M) – Meter Reset – Turn On	5-year average (orders to active meters)	Volumes fluctuate from year to year and are impacted by external factors, such as the state of the economy and customer turnover, which are outside the company's control.	Use of base year or other shorter time periods do not provide a sufficient length of time to capture a variety of conditions which change from year to year and cause order volumes to fluctuate from year to year.
Meter Work (O&M) – Meter Reset – Left Off			
Meter Work (O&M) – Meter Change – Entered	180,000 per year[8]	Annual meter replacements adopted in D.13-05-010 and projected for TY 2016	Use of an alternative forecast method would conflict with assumed meter failure/replacement rates previously adopted by the Commission.
Meter Work (O&M) – Meter Change – Not Entered			
Meter Work (O&M) – Meter Change (Size)	5-year average (orders to active meters)	Volumes fluctuate from year to year and are impacted by external factors, such as economic conditions and customer appliance/equipment additions, which are outside the company's control.	
Meter Work (O&M) –	5-year average (orders to	Volumes fluctuate from year to year and are	

[7] Additional information regarding PCOC's forecast is provided in Appendix D.
[8] In order to adhere to the AMI implementation schedule, beginning in 2013, the AMI project assumed responsibility for above-ground meter changes (both planned and accelerated meter changes); CSF shifted its focus to curb meter changes.

Meter Remove	active meters)	impacted by external factors, such as the state of the economy, which are outside the company's control.	
Non Pay Turn On – Turn On	5-year average (orders to active meters)	Volumes fluctuate from year to year and are impacted by external factors, such as the state of the economy and customers' ability to pay their bills, which are outside the company's control.	
Read/Verify – Verify	5-year average (orders to active meters)	Volumes are driven by billing abnormalities, which fluctuate from year to year.	
Read/Verify – Verify – Soft Close	5-year average (orders to active meters)	Volumes fluctuate from year to year and are impacted by external factors, such as the state of the economy and customer turnover, which are outside the company's control.	
Read/Verify – Verify – Soft Close – 180 Days			
Read/Verify – Load Survey – Residential			
Turn On/Shutoff – Turn On (Entered)	4-year average (orders to active meters)	Volumes fluctuate from year to year and are impacted by external factors, such as the state of the economy and customer turnover, which are outside the company's control. Excluded 2009 since order volumes were significantly higher than normal due to economic conditions in the real estate market.	Use of base year or other shorter time periods do not provide a sufficient length of time to capture a variety of conditions which change from year to year and cause order volumes to fluctuate from year to year.
Turn On/Shutoff – Turn On Entered (Gas On)			
Turn On/Shutoff – Turn On (Back On/Restore)	5-year average (orders to active meters)	Volumes fluctuate from year to year and are impacted by external factors, such as the state of the economy and customer turnover, which are outside the company's control. 2013 order volume was adjusted to exclude orders caused by AMI implementation.	
Turn On/Shutoff – Turn On (PSI)	4-year average (orders to active meters)	Volumes fluctuate from year to year and are impacted by external factors, such as the state of the economy and customer turnover, which are outside the company's control. Excluded 2009 since order volumes were significantly impacted by economic conditions in the real estate market.	
Turn On/Shutoff – Close (Hard)			
Miscellaneous – Service Order (MSO)	5-year average (orders to active meters)	Volumes fluctuate from year to year since this is a miscellaneous order type.	
Miscellaneous – Meter Reg (MMR)	5-year average (orders to active meters)	Volumes fluctuate from year to year and are impacted by external factors, e.g., corrosion or hazardous conditions found at meters, which are outside the company's control.	
Miscellaneous – Assist	5-year average (orders to active meters)	Volumes fluctuate from year to year and are impacted by external factors, such as external work environment, which are outside the company's control.	
Food Industry – Turn On (Entered)	5-year average (orders to active meters)	Volumes fluctuate from year to year due to external factors, such as malfunctioning gas equipment, leaks at customer equipment, the economy, customer turnover and other factors which are outside the company's control.	Use of base year or other shorter time periods do not provide a sufficient length of time to capture a variety of conditions which change from year to year and cause order volumes to fluctuate from year to year.
Food Industry – CSO			
Food Industry – CSO Leak			
Commercial/Industrial - ISO			
Commercial/Industrial – Load Survey – I/C			
Commercial/Industrial – CSO			
Commercial/Industrial – Turn On (Entered)			

SoCalGas Response to Question 21c (Continued):

Customer/Company Work – Other	5-year average (orders to active meters)	Although volumes are insignificant, they fluctuate from year to year.	
Incomplete	Base year (orders to active meters)	Base year reflects a reduction in incomplete orders over the past five years.	Use of an alternate forecast method would overstate anticipated order volumes or assume even lower incomplete rates in the future with no substantiated basis.

Table SAF-7 on pages SAF-10 through SAF-11 of Ex. SCG-10 provides historical order volumes (2009 – 2013) and forecasted order volumes (2014 – 2016) by order type. The same table is also replicated below for your convenience.

Active Customers	5,480,314	5,516,668	5,549,177	5,576,355	5,606,113	5,631,340	5,667,131	5,709,903
	Historical Order Volumes					**Forecast Order Volumes**		
Order Type	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Change of Account – Turn On (Not Entered)	867,948	853,524	817,040	829,470	816,110	827,797	839,483	851,170
Change of Account – Close (Soft)	739,373	700,716	661,230	657,993	614,703	635,258	655,814	676,369
Credit/Collections – 48 Hour (1st Call)	35,974	40,054	41,450	44,640	40,298	40,755	41,212	41,668
Credit/Collections – Collect/Close (2nd Call)	335,953	324,563	273,003	268,332	265,719	277,964	290,208	302,453
Credit/Collections – Returned Check	11,290	8,415	5,590	5,490	4,253	4,580	4,908	5,235
Credit/Collections – Tenant Notification	11,155	13,322	13,321	12,782	14,722	14,295	13,867	13,440
Credit/Collections – Other	95	117	83	89	61	71	81	92
Customer Service Order ("CSO")	317,561	322,817	297,480	257,830	248,483	250,016	251,550	253,083
CSO – Carbon Monoxide Test	3,694	3,876	4,799	5,507	6,328	7,266	8,344	9,582
CSO – No Gas	17,931	17,084	15,643	15,338	15,011	15,571	16,131	16,691
CSO – Seasonal Off	10,620	9,144	8,788	7,878	7,261	7,306	7,351	7,395
CSO – Seasonal On	90,512	75,264	78,765	63,402	64,588	64,987	65,385	65,784
Fumigation – Turn On	53,839	57,406	57,822	58,601	64,691	68,572	69,008	69,529
Fumigation – Close	62,273	65,367	65,812	67,458	74,014	78,455	78,953	79,549
Gas Leak – CSO Leak	258,260	274,327	271,151	258,472	268,475	270,325	272,175	274,026
Gas Leak – Pilot Out Only	29,770	28,576	27,023	24,963	23,194	23,337	23,480	23,623
Gas Leak – Leak Investigation (Step 2)	14,853	14,184	12,686	10,797	12,543	12,831	13,120	13,408
High Bill Investigation ("HBI") – Entered	5,780	8,425	7,084	5,779	7,515	7,384	7,252	7,121
HBI – Not Entered	6,398	9,462	9,853	8,594	13,235	12,082	10,929	9,776
Meter Work (Capital) – Meter Set – Turn On	22,473	17,216	11,488	12,047	16,571	25,556	29,380	32,697
Meter Work (Capital) – Meter Set – Left Off	2,346	1,741	1,683	1,745	1,467	2,877	3,307	3,681
Meter Work (Capital) – Meter Set (PSI)	3,374	2,558	679	2,741	3,100	3,989	4,586	5,104
Meter Work (O&M) – Meter Reset – Turn On	2,544	2,121	1,708	1,453	1,495	1,638	1,780	1,923
Meter Work (O&M) – Meter Reset – Left Off	689	576	550	603	566	582	599	615
Meter Work (O&M) – Meter Change – Entered	11,741	10,802	7,949	6,423	5,958	12,314	12,318	12,322

SoCalGas Response to Question 21c (Continued):

Meter Work (O&M) – Meter Change – Not Entered	143,908	147,658	124,886	104,677	66,443[9]	162,245	162,298	162,352
Meter Work (O&M) – Meter Change (Size)	5,066	5,179	5,029	5,096	5,498	5,441	5,383	5,326
Meter Work (O&M) – Meter Remove	5,325	4,688	5,059	5,193	5,356	5,329	5,302	5,276
Non Pay Turn On – Turn On	110,172	106,589	84,833	80,872	81,011	85,855	90,700	95,544
Read/Verify – Verify	84,105	88,098	81,186	79,694	78,893	80,882	82,872	84,861
Read/Verify – Verify – Soft Close	75,890	68,859	51,157	48,766	43,690	48,954	54,218	59,482
Read/Verify – Verify – Soft Close – 180 Days	40,907	38,611	29,418	27,028	24,522	27,382	30,241	33,101
Read/Verify – Load Survey – Residential	6,409	6,282	5,910	5,912	5,834	5,973	6,112	6,251
Turn On/Shutoff – Turn On (Entered)	180,320	171,262	145,088	131,103	118,167	127,207	136,247	145,287
Turn On/Shutoff – Turn On Entered (Gas On)	65,818	61,031	59,260	51,382	45,495	48,921	52,348	55,774
Turn On/Shutoff – Turn On (Back On/Restore)	63,236	58,926	55,714	51,053	54,423	53,496	55,939	58,382
Turn On/Shutoff – Turn On (PSI)	1,713	1,834	1,541	1,571	1,522	1,568	1,614	1,661
Turn On/Shutoff – Close (Hard)	52,268	51,596	48,658	47,330	46,669	47,735	48,801	49,867
Miscellaneous – Service Order (MSO)	29,144	21,821	23,796	23,753	28,469	27,696	26,923	26,151
Miscellaneous – Meter Reg (MMR)	66,124	45,183	38,049	51,665	30,916	36,557	42,199	47,840
Miscellaneous – Assist	15,325	13,265	13,456	13,914	15,165	14,992	14,820	14,647
Food Industry – Turn On (Entered)	2,778	2,934	2,996	3,132	3,103	3,094	3,085	3,076
Food Industry – CSO	54,773	52,755	51,342	53,753	55,366	55,306	55,246	55,186
Food Industry – CSO Leak	10,182	10,068	9,870	10,257	9,950	10,088	10,226	10,364
Commercial/Industrial - ISO	15,958	18,479	19,298	21,183	21,671	21,072	20,473	19,874
Commercial/Industrial – Load Survey – I/C	3,238	1,601	4,110	4,071	4,099	3,906	3,713	3,521
Commercial/Industrial - CSO	24,070	26,156	25,627	23,685	31,827	30,231	28,634	27,038
Commercial/Industrial – Turn On (Entered)	21,634	25,309	24,813	22,535	31,780	29,834	27,888	25,942
Customer/Company Work - Other	3	12	1	1	4	4	4	4
Incomplete	323,982	324,664	322,462	291,366	265,557	267,196	268,835	270,473
Total	**4,318,794**	**4,214,517**	**3,926,239**	**3,787,419**	**3,665,791**	**3,866,775**	**3,955,346**	**4,043,617**

21.d. SoCalGas is not able to provide historical cost data for order volumes in the same format as Tables SAF-6 and SAF-7 for 2009 – 2013 because expenses are not tracked at the level of granularity required to conduct such an analysis.

Forecasted cost data for order volumes in the same format as Table SAF-6 and SAF-7 for 2014 – 2016 is provided in Ex. SCG-10-WP, page 18 through 24. It is also attached to this response as "ORA-SCG-DR-052-TLG-Q10 Attachment 1.xlsx" for your convenience.

21.e. SoCalGas is not able to provide historical (2009 – 2013) recorded costs associated with average drive time per order, and average on premise time per order because expenses are not tracked at the level of granularity required to conduct such an analysis.

[9] This number excludes a total of 241,041 meter changes that were completed as part of AMI implementation. As mentioned previously, beginning in 2013, CSF focused on curb meter changes while the AMI project team focused on above-ground meter changes.

SoCalGas Response to Question 21 (Continued):

21.f-h. The ELS study SoCalGas conducted only included the work order types listed in the table below. The order types were chosen because they constitute a large percentage of CSF-Operations' overall total order volume, and represent a good mix of order types. A sample of 20,000 observations was taken over a period of two years for all of the order types shown in the table below. Once the field observations were completed the data analysis required an additional 6 months to complete before final ELS study results were available. The ELS study was completed in 2012 and the associated costs to conduct the ELS study are embedded within the operating costs of the department of Performance Management and Organizational Strategy (PM&OS). Please refer to the testimony of witness Mark L. Serrano (Ex. SCG-53, page MLS-8) for more information concerning the department of PM&OS.

The difference between actual 2013 versus ELS average on premise time per order as shown in the table below is due to the manner in which the values are computed. In the calculation of 2013 actual average on premise time, we simply used total minutes divided by total orders for each order type. The ELS study, however, was designed to calculate the time for a "standard" order. For ELS purposes, a "standard" order did not include orders where conditions such as the following were met.

- A large displacement meter serves the customer. (This indicates unusual appliances not found on a standard order.)
- Multiple employees were required to complete the work (e.g., the order required moving a large appliance where an additional employee needed to be dispatched)
- Multiple units are served by the same meter (e.g., seasonal light for individual appliances at an assisted living facility)
- The meter serves a non-residential customer, where there are large variations in conditions.

The result of the ELS study for the most part yielded average on premise time per order that is less than the 2013 actual average. Using the ELS times for the order types listed below results in a TY 2016 forecast that is $2.236 million lower than if 2013 actual average on premise time per order had been used instead.

SoCalGas Response to Question 21f-h (Continued):

	Actual Average On Premise Time per Order	Forecast Average On Premise Time per Order Based on ELS Results		
Order Type	**2013**	**2014**	**2015**	**2016**
Change of Account – Turn On (Not Entered)	5.3	6.9	6.9	6.9
Change of Account – Close (Soft)	3.8	4.6	4.6	4.6
Customer Service Order ("CSO")	23.4	20.4	20.4	20.4
Meter Work (O&M) – Meter Change – Not Entered	39.4	26.6	26.6	26.6
Non Pay Turn On – Turn On	34.4	32.8	32.8	32.8
Turn On/Shutoff – Turn On (Entered)	43.9	36.3	36.3	36.3
Turn On/Shutoff – Close (Hard)	5.4	4.6	4.6	4.6

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22. SCG's TY 2016 forecast for its Customer Services Field Operations include incremental funding of $5.213 million ($15.639 million over three years) for appliance safety checks, customer education while on customer premises and customer outreach safety checks.

    a. SCG states on page SAF-15 that "Contingent on receiving funding in this GRC proceeding and beginning in 2016, SoCalGas proposes that when a customer requests an appliance check, the Customer Service Representative ("CSR") will offer the option of having the field technician check all of the customer's gas appliances when the technician is at the customer's premise." Provide documentation that explains in detail if SCG has ever offered (2004-2014) to check all of the customer's gas appliances when the technician is at the customer's premise. If yes, provide historical costs incurred for this service. If no, state clearly why SCG never utilized authorized ratepayer funds to offer this service prior to its 2016 GRC.
    b. Provide documentation that explains if SCG is authorized incremental funding for its CSRs to "offer the option of having the field technician check all of the customer's gas appliances when the technician is at the customer's premise", and SCG's customers decline the service, or SCG is unable to provide the service, will SCG refund the unspent funds for this "option" back to ratepayers.
    c. Provide documentation that explains in more detail SCG's proposal. If SCG is not authorized incremental funding of $1.337 million ($4.011 million over three years) is it SCG's position that it will refuse to provide or "offer the option of having the field technician check all of the customer's gas appliances when the technician is at the customer's premise." If this is not SCG's position, provide documentation that explains what SCG means by its statement on page SAF-15 that "Contingent on receiving funding in this GRC proceeding and beginning in 2016."
    d. SCG's Table SAF-7 on pages SAF-10 and SAF-11 show the historical and forecast order volumes. SCG's historical order volumes show declining order volume trends each year between 2009-2013. With this in mind, SCG utilized four and five year averages to calculate TY 2016 estimates for the majority of its order volumes and this method would provide SCG with incremental funding over 2013 levels.

       Provide documentation that explains specifically why SCG is unable to utilize its 2013 expense levels or reallocate funding in the TY 2016 from eliminated or declining activities so that it could offer the option of having the field technician check all of the customer's gas appliances, spend additional time on premise to ask the customer if they have a CO detector and explain to the customer the legal requirements and importance of installing a CO detector, demonstrate for customers, using its ratepayer funded mobile data terminal (MDT), the types of safety and other information and programs available to customers, hand out material/postcards, direct customers to SCG's website (socalgas.com), and perform customer outreach safety checks.

Question 22 (Continued)

e. Provide documentation that explains in more detail SCG's proposal. If SCG is not authorized incremental funding of $1.367 million ($4.101 million over three years) is it SCG's position that it will refuse to provide or offer to "spend additional time on premise to ask the customer if they have a CO detector" and refuse to "explain to the customer the legal requirements and importance of installing a CO detector" while the technician is already at the customer's premise. If this is not SCG's position, provide documentation that explains what SCG means by its statement on page SAF-16 that "Contingent on receiving funding in this GRC proceeding and beginning in 2016."

f. Provide documentation that explains in more detail SCG's proposal. If SCG is not authorized incremental funding of $1.367 million ($4.101 million over three years) is it SCG's position that it will refuse to provide or offer, using its ratepayer funded mobile data terminal (MDT), to demonstrate to customers the types of safety and other information and programs available to customers" or hand out material and direct customers to SCG's website (socalgas.com) for safety and other information while the technician is already at the customer's premise. If this is not SCG's position, provide documentation that explains what SCG means by its statement on page SAF-16 that "Contingent on receiving funding in this GRC proceeding and beginning in 2016."

g. Provide documentation that explains in detail if SCG has ever offered (2009-2014) to spend additional time on premise to ask the customer if they have a CO detector and explain to the customer the legal requirements and importance of installing a CO detector, demonstrate for customers, using its ratepayer funded mobile data terminal (MDT), the types of safety and other information and programs available to customers, hand out material and direct customers to SCG's website (socalgas.com). If yes, provide historical costs incurred for these services. If no, state clearly why SCG never utilized authorized ratepayer funds to address these activities prior to its 2016 GRC.

h. SCG states on SAF-17 that "Approximately 42% of SoCalGas' customers have not requested field technician service from SoCalGas within the last seven years. In support of SoCalGas' goal to continuously improve safety, contingent on receiving funding in this GRC proceeding and beginning in 2016, SoCalGas proposes to mail postcards to customers offering them the opportunity to have a field technician come out to the customer's premise to perform a safety check on all of the customer's gas appliances."

   Provide documentation that explains in more detail SCG's proposal. If SCG is not authorized incremental funding of $2.509 million ($7.527 million over three years) is it SCG's position that it will refuse to contact customers that have not requested services in seven years and refuse "to mail postcards to customers offering them the opportunity to have a field technician come out to the customer's premise to perform a safety check on all of the customer's gas appliances." If this is not SCG's position, provide documentation that explains what SCG means by its statement on page SAF-17 that "contingent on receiving funding in this GRC proceeding and beginning in 2016."

Question 22 (Continued)

i. Provide documentation that explains in detail why SCG has not utilized authorized funding prior to its 2016 GRC to "mail postcards to customers offering them the opportunity to have a field technician come out to the customer's premise to perform a safety check on all of the customer's gas appliances" if its "goal" is to "continuously improve safety."

j. Provide documentation that explains how long SCG's management was aware that "Approximately 42% of SoCalGas' customers have not requested field technician service from SoCalGas within the last seven years."

SoCalGas Response:

22.a**.** SoCalGas' practice has been to only check the particular appliance(s) for which the customer specifically requested service, not all appliances at the customer's premise. Historical and previously-authorized costs do not include the added time and cost that is required to offer to check all appliances and to check all appliances. SoCalGas is proposing this additional service in order to further enhance safety.

22.b. Recognizing the many variables and priorities that are subject to change during any rate case cycle, longstanding Commission policy has been to authorize funding levels and then allow the utilities to manage operations within those funding levels. SoCalGas does not believe it would be appropriate to change Commission policy in this context. Nonetheless, SoCalGas has every intention of offering this enhanced safety service, in a manner consistent with authorized funding levels. That is, if the Commission authorizes funding for this proposed service, then SoCalGas will proceed with planning and implementation to offer this service. If the Commission does not authorize funding for this new service, then SoCalGas will not proceed with offering this service.

22.c. SoCalGas' practice has been to only check the particular appliance(s) for which the customer specifically requested service, not all appliances at the customer's premise. For example, if a customer calls and requests service for a water heater, but they also have a natural gas clothes dryer and wall heater, the field technician will only service the water heater. SoCalGas would not refuse to check the other two appliances if the customer specifically requested service on all three appliances; however SoCalGas would not proactively approach the customer to offer a check of all three appliances unless it receives the funding needed to do so.

SoCalGas Response 22: Continued

22.d. Relying solely on total order volume trends, rather than order volume trends for each individual work order type, would ignore key factors impacting individual order types and therefore yield a less accurate forecast of order volumes. Please see SoCalGas' response to Question 21.c. regarding the forecast methodology SoCalGas used for each order type. Please see SoCalGas' response to Question 10 for explanations of why 2013 expenses and staffing levels are not sufficient to support incremental activities.

22.e-f With its proposed Enhanced Customer Education While On Customer Premises, SoCalGas proposes to spend an additional 1.5 minutes on premise (for entered orders where the customer is present) to educate customers on carbon monoxide (CO) detector requirements (Senate Bill 183) and demonstrate the types of safety and other information and programs available on SoCalGas' website. If SoCalGas does not receive the funding to cover the incremental cost of this enhanced service (i.e., labor costs associated with the additional time spent on premise), SoCalGas will not proactively offer/provide this service. Nonetheless, SoCalGas will continue to be responsive to specific customer requests/questions as they arise.

22.g. SoCalGas field technicians have not historically spent time while on premise to educate customers on CO detectors, nor have they demonstrated the types of safety and other information and programs available to customers on SoCalGas' website. Senate Bill 183 became effective in 2011 and no funding was previously requested or authorized for this service. Similarly, prior to the rollout of new mobile data terminals in 2013-2014, SoCalGas field technicians were not able to access SoCalGas' website in the field and therefore had no way of demonstrating the types of safety and other information and programs available to customers on socalgas.com.

22.h-i. SoCalGas does not have additional documentation beyond that which has already been provided in the testimony and workpapers of SoCalGas witnesses Sara Franke and Evan Goldman (Exs. SCG-10, SCG-10-WP, SCG-11 and SCG-11-WP). Without the funding to cover the cost, SoCalGas would not offer its proposed Outreach Safety Checks, as set forth in Ex. SCG-10, page 17. SoCalGas has not requested nor been authorized funding for this service in the past hence this service has not been provided by SoCalGas. The need for this expanded safety service was identified as SoCalGas was preparing for its TY 2016 GRC.

22.j. The fact that 42% of SoCalGas' customers have not requested field technician service within the last seven years was identified as SoCalGas was preparing for its TY 2016 GRC.

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23. SCG's Table SAF-10 on page SAF-14 shows Actual 2013 versus ELS Average On Premise Times (Minutes) for seven order types which are included in its Table SAF-7. Based on the data provided in Table SAF-7 on pages SAF-10 and SAF-11, each of the seven order types shown in Table SAF-10 show declines in order volumes between 2009 and 2013 and utilize four or five year averages to forecast TY 2016 order volumes (note that Meter Work (O&M) Meter Change – Not Entered utilizes 180,000 meter replacements as its methodology).

    Provide documentation that explains the impact of SCG's decline in historical order volumes on the associated historical order volume cost and on Actual 2013 versus ELS Average On Premise Times (Minutes). In the response state how the cost savings from the decline in order volume work has been incorporated into SCG's proposals for incremental funding for TY 2016 and if there is a cost savings, state specifically where SCG demonstrates and incorporates the calculation of the cost savings in its TY 2016 forecast.

SoCalGas Response:

Changes in historical order volumes (2009-2013) have no impact on the calculation of 2013 actual average on premise time per order or Engineering Labor Standards (ELS) average on premise time per order. To calculate 2013 actual average on premise time per order SoCalGas simply used the 2013 total minutes worked at customer premises divided by the total orders for each order type. The ELS average on premise time per order is a calculation based on field observations of standard work orders for each order type. Year-to-year changes in historical order volumes are not a factor in either calculation. For details on how ELS and 2013 actual average on premise times per order are calculated please see SoCalGas' response to Questions 21.f-h.

SoCalGas prepared its' forecasted order volumes, one order type at a time, taking into consideration the order volume trends for each order type. Savings are accounted for in the order volume forecast for each individual order type, based on the particular order volume forecasting methodology that was utilized. For example, if a base year 2013 order volume was assumed for a particular order type, due to a declining order volume for that particular order type, the savings would be reflected in the overall order forecast. In addition, using ELS data results in savings in on premise time for five of the seven orders listed. The savings are reflected in the overall forecast, wherein relevant factors (e.g., on premise time, drive time, etc.) are applied to the forecasted order volume for each individual work order type.

The impact on recorded costs from changes in order volume is embedded in recorded year-to-year expenses and cannot be separately identified by a recorded cost element.

SoCalGas Response 23:-Continued

For additional details on forecast methodology by order type please see the response to Question 21.c. For additional details on the forecasted funding requirement by order type please see the forecast model attached to this data request as "ORA-SCG-DR-052-TLG-Q10 Attachment 1.xlsx".

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24. SCG's CSO – Carbon Monoxide Test shown on page SAF-8, SCG states the TY 2016 forecast method utilized is "Base year plus average annual 2011-2013 growth rate (orders to active meters)." Provide documentation that explains in detail why SCG's TY 2016 forecast includes the increase in order volumes between 2012 and 2013 "plus average annual 2011-2013 growth rate (orders to active meters)." In the response clearly explain and demonstrate that SCG's TY 2016 forecast does not overstate order volumes by double counting 2013 data.

SoCalGas Response:

Carbon Monoxide Test orders have increased significantly since the passage of Senate Bill 183. The TY 2016 forecast of Carbon Monoxide work orders assumes order volumes will continue to increase at the same rate we experienced in 2012-2013. As demonstrated in the table below, the average increase during these two years was 14.8%. SoCalGas therefore added 14.83% to our 2013 order count for 2014 and continued this increase for 2015-16.

Year	CO Orders	% Change
2009	3,694	
2010	3,876	4.9%
2011*	4,799	23.8%
2012	5,507	14.8%
2013**	6,328	14.9%
2014	7,266	14.8%
2015	8,344	14.8%
2016	9,582	14.8%

* July 1, 2011 the Carbon Monoxide Poisoning Prevention Act (Senate Bill - SB 183) requires owners of all single-family homes with an attached garage or a fossil fuel source to install carbon monoxide detectors within the home by July 1, 2011.
** Owners of multi-family leased or rental dwellings, such as apartment buildings, have until January 1, 2013 to comply with the law.

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25. For SCG's Meter Work (O&M) – Meter Change – Entered (forecast to increase by 106.81% over 2013 levels) and Meter Work (O&M) – Meter Change – Not Entered (forecast to increase by 144.35% over 2013 levels) shown on page SAF-9, SCG states the TY 2016 forecast method of 180,000 per year is the "Annual meter replacements adopted in D.13.05.010 and projected for TY 2016." Based on information shown in Table SAF-7 on page SAF-11, SCG's Meter Work (O&M) – Meter Change – Entered and Meter Work (O&M) – Meter Change – Not Entered show declines in order volumes between 2009-2013.
    a. SCG states on page SAF-11 that "beginning in 2013, CSF focused on curb meter changes while the AMI project team focused on above-ground meter changes." Prior to 2013, provide the curb meter changes and above-ground meter changes and associated labor and non-labor costs. In the response include the number of FTE's that performed this activity for meter changes before and during 2013 and in 2014.
    b. For the 180,000 per year "Annual meter replacements adopted in D.13.05.010" provide documentation that explains if SCG completed the 180,000 meter replacements for 2012, 2013 and 2014. If not, state why this was not done and provide the number of actual meter replacements and related costs for 2012, 2013, and 2014.
    c. Provide documentation that explains if the 180,000 per year "Annual meter replacements adopted in D.13.05.010" includes both curb meter changes and above-ground meter changes.
    d. Provide documentation that demonstrates the amount SCG was authorized in D.13-05-010 to address the 180,000 per year "Annual meter replacements."
    e. Provide documentation that explains if prior to 2013, SCG failed to adhere to the AMI implementation schedule.

SoCalGas Response:

25.a. The table below provides the number of curb and above-ground small meter replacements Customer Services Field completed during 2009-2013. SoCalGas does not track expenses at the level of detail requested. However, in an effort to be responsive, SoCalGas has estimated labor expenses for the small meter replacements by using the average recorded on premise time per small meter change and the average 2013 labor rate for CSF technicians who perform small meter replacements. The costs exclude drive time and other ancillary costs (e.g., non-job time, Vacation and Sickness, training time) not specifically associated with performing meter changes. In 2009-2012 all labor was charged to O&M. Beginning in 2013, for curb meter replacements only, labor was split 50/50 between O&M and capital. Labor is charged 50/50 to capital and O&M for curb meter replacements because the existing curb meters are incompatible with AMI technology. Estimates of non-labor expenses are not available. 2014 financial information will not be available until after SoCalGas makes its 10-K filing with the SEC in early 2015. It is currently expected that SoCalGas will provide the adjusted recorded 2014 financial information to ORA in March 2015.

SoCalGas Response 25a:-Continued

Small Meter Replacements Completed by CSF						
	2009	2010	2011	2012	2013	2014
Above Ground Small Meter Replacements	158,249	160,897	134,834	112,875	64,325	71,224
Curb Small Meter Replacements	2,466	2,742	3,030	3,321	13,574	18,478
Total Small Meter Replacements*	160,715	163,639	137,864	116,196	77,899	89,702
Estimated CSF Labor Costs (Shown in Thousands of 2013$)	$3,461	$3,612	$2,933	$2,475	$2,173	

*Small meter replacements include planned meter changes (PMCs) and routine meter changes (RMCs).

25.b. Please see the response to Question 25.a. above for the number of annual meter replacements completed by CSF - Operations in 2012-2014, and the estimated labor costs for only the time spent changing the meters.
In addition to CSF-completed small meter replacements, the AMI project team has also been performing small meter replacements in order to fully integrate with the scheduling and routing of AMI deployment. The number of small meter changes completed by CSF in 2013 excludes a total of 241,041 small meter changes that were completed as part of SoCalGas' AMI implementation.

In order to adhere to the AMI implementation schedule, beginning in 2013, the AMI project assumed responsibility for above-ground PMCs, including both planned and accelerated meter changes, and CSF shifted its focus to curb meter changes. This trade-off (i.e., the AMI project team focusing on above-ground meters and CSF focusing on curb meters) enabled a better match between the work and employee skill sets. Over the course of the AMI deployment period (2013-2017), all GRC- and AMI-funded PMCs will be completed.

SoCalGas Response 25:-Continued

25.c-d. The 2008 Settlement Agreement with DRA and TURN, Decision (D.) 08-07-046, explicitly authorized SoCalGas to "strive to perform 180,000 planned meter change-outs". The 180,000 meter changes identified in D.08-07-046 include curb and above ground meters. In the 2012 GRC, SoCalGas forecasted 180,000 meter replacements, the same that were authorized in D.08-07-046. Although the 2012 GRC decision, D. 13-05-010, reduced SoCalGas' CSF overall forecast, there was not an explicit reduction made to the forecasted meter replacements. As stated in the response to Question 4.a. in data request ORA-SCG-DR-021-DAO, over the course of the AMI deployment period (2013 – 2017), all GRC- and AMI-funded planned meter change-outs will be completed.

25.d. In the 2012 GRC, SoCalGas' CSF-Operations forecast to replace 180,000 small meters was $7.471 million (in 2009 dollars). D.13-05-010 did not explicitly adopt or disallow this forecast.

In responding to this question, SoCalGas recognized that an incorrect Decision number was referenced for the rationale for the meter replacement forecast (Ex. SCG-10, page SAF-8, Table SAF-6). "D.13-050-010" will be corrected to "D.08-07-046 in errata.

25.e. AMI mass deployment (AMI module installation) did not begin until 2013.

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26. For SCG's Meter Work (Capital) – Meter Set – Turn On (forecast to increase by 97.31% over 2013 levels), Meter Work (Capital) – Meter Set – Left Off (forecast to increase by 150.92% over 2013 levels), and Meter Work (Capital) – Meter Set – PSI (forecast to increase by 64.65% over 2013 levels) shown on page SAF-8, SCG states the TY 2016 forecast method "Follows capital forecast and growth in new meter set work completed by CSF" and that "Volumes are driven by forecasted growth in new business capital construction and associated meter sets." Based on information shown in Table SAF-7 on page SAF-11, SCG's Meter Work (Capital) – Meter Set – Turn On, Meter Work (Capital) – Meter Set – Left Off, and Meter Work (Capital) – Meter Set – PSI show declines in order volumes between 2009-2013.
    a. Provide documentation that explains if SCG utilized this same method to forecast order volumes in its 2008 and 2012 GRCs. If not, provide the method utilized to forecast order volumes in SCG's 2008 and 2012 GRCs.
    b. Provide documentation that demonstrates the amount SCG requested/forecast in its 2008 and 2012 GRCs and the amount it was authorized in its 2008 and 2012 GRCs for Meter Work (Capital) – Meter Set – Turn On, Meter Work (Capital) – Meter Set – Left Off, and Meter Work (Capital) – Meter Set – PSI.
    c. Provide documentation that demonstrates SCG's requested/forecast in its 2008 and 2012 GRCs and the amount it was authorized in its 2008 and 2012 GRCs for forecast growth in new business capital construction and associated meter sets. In the response include 2009-2013 recorded capital construction and associated meter sets.
    d. Provide the documentation that explains the impact (overstated/understated) on SCG's forecast for Meter Work (Capital) – Meter Set – Turn On, Meter Work (Capital) – Meter Set – Left Off, and Meter Work (Capital) – Meter Set – PSI, if the Commission adopts a lower forecast growth rate than SCG's forecast growth in new business capital construction and associated meter sets.

SoCalGas Response:

26.a. SoCalGas used a five-year average ratio of orders-to-total-meters methodology to forecast for the three Meter Work (Capital) order types in the 2008 and 2012 GRCs. SoCalGas has changed the forecast methodology it is using in the TY 2016 GRC because this order activity is more appropriately tied to new customer growth. For this reason, SoCalGas has based the forecast for these order types on the forecasted growth in customer meter sets. The forecasting methodology for customer meter sets is contained in the workpapers of Witness Rose-Marie Payan, Ex. SCG-30-WP.

SoCalGas Response 26:-Continued

26.b. The 2008 and 2012 GRC total forecasted Customer Services Field Meter Work Capital is provided in the table below. SoCalGas is not able to separate the total into the three order types as requested because the order types were classified differently in the 2008 GRC compared to the 2012 GRC and current GRC.

2008 GRC Forecast		
2006	**2007**	**2008**
79,910	78,153	76,396

2012 GRC Forecast		
2010	**2011**	**2012**
38,593	48,992	59,391

2008 and 2012 GRC authorized order volumes at an order type level are not available because the final decision in both rate cases included reductions to SoCalGas' total order volume forecast as a whole and not at the order type level.

26.c. SoCalGas interprets this question to be requesting information regarding forecasted, authorized, and actual order volume for new business capital construction and meter sets. Meter sets is interpreted to be the Customer Services Field order types Meter Work (Capital) – Meter Set – Turn On, Meter Work (Capital) – Meter Set – Left Off, and Meter Work (Capital) – Meter Set – PSI, which are completed by CSF but the associated expenses specific to on premise time are recorded in new business capital and forecasted by Distribution in Ex. SCG-04. Drive time and other ancillary costs (e.g., non-job time, Vacation and Sickness, training time) not specifically associated with performing the meter set are recorded to operating and maintenance and forecasted in CSF-Operations.

SoCalGas Response 26:-Continued

The table below provides SoCalGas' 2008 & 2012 GRC forecasted new business capital construction meter sets in Distribution Operations. This number includes small, medium and large meter sets, of which CSF only sets small meters.

New Business Capital Construction – Meter Set Forecast					
2008 GRC			2012 GRC		
2006	2007	2008	2010	2011	2012
74,207	74,889	77,870	45,526	55,496	64,799

Please see the table below for recorded 2009 – 2013 new business capital construction work orders completed by CSF.

New Business Capital Construction – Meter Sets Completed by Customer Services Field				
2009	2010	2011	2012	2013
28,193	21,515	13,850	16,533	21,138

26.d. If the Commission adopts a lower meter growth rate than SoCalGas' forecasted growth rate, the volume of meter set related work SoCalGas has forecasted for Customer Services Field would need to be adjusted accordingly.

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27. SCG's Customer Services Field Supervision Group forecasts $13.388 million ($40.164 million over three years) in TY 2016. This is an increase of $2.270 million or 20.42% over 2013 expenses of $11.118 million. The five year average (2009-2013) for Customer Service Field Supervision is $12.264 million. SCG's expenses increased by $2.284 million between 2009 and 2011 and decreased by $2.567 million between 2011 and 2013. SCG's forecast includes funding for incremental positions for four supervisors for the DOT-required MSA Inspection Program.
    a. SCG states on page SAF-24 that "Organizationally CSF field employees report to CSF field supervisors" and that SCG utilized a "zero-based forecast" to calculate its labor forecast for its Customer Services Field Supervision Group. SCG's recorded adjusted labor for its Customer Services Field Supervision, Customer Services Field Dispatch, and its Customer Services Field Support has declined over the last five years (2009-2013). Provide documentation that explains specifically why SCG's TY 2016 forecast ignores the fact that its historical labor expenses have been declining and why its zero-based forecast "is the only method that appropriately maintains the desired span of control."
    b. Provide documentation that explains if during 2009-2013 SCG had FTEs (supervisors and employees) performing activities associated with its DOT-required MSA Inspection Program.
    c. If SCG did not have employees (supervisors and employees) performing activities associated with its DOT-required MSA Inspection Program during 2009-2013, state the reason why not.
    d. If SCG did have employees (supervisors and employees) performing activities associated with its DOT-required MSA Inspection Program, during 2009-2013 provide the number of FTEs involved in performing the work for each year and the associated costs incurred for the DOT-required MSA Inspection Program.
    e. Provide all supporting documentation and the basis used for the calculation of the incremental labor and non-labor forecast of $2.270 million shown in Table SAF-17 on page SAF-24 (i.e., the documentation that demonstrates the individual breakdown of all costs included in each estimate along with a source document).

SoCalGas Response:

27.a. SoCalGas' forecast of supervision costs is based on maintaining the base year 2013 average employee-to-supervisor ratio of 12:1. As demonstrated in the table below, only the zero-based forecast methodology SoCalGas employed results in a 12:1 employee-to-supervisor ratio. Using the base year or five-year average methodology would result in a higher span of control. Please see Ex. SCG-10, page SAF-24, for more details on the forecast methodology and rationale for maintaining a span of control of 12:1.

SoCalGas Response 27:-Continued

Forecast Methodology	Resulting Supervisor FTEs	Resulting Span of Control
Zero-Based Forecast	124.0*	11.9
Five-Year Average	119.2	12.4
Base Year 2013	107.3	13.8

*Note: This total excludes MSA Inspection Program supervisors because those were forecasted with a higher span of control of 20:1.

27.b-d. As indicated in response to Question 1.b of this data request, Meter Readers (who report to Meter Reading Supervisors) currently perform the DOT-required MSA inspections in conjunction with reading meters each month for billing purposes. The FTEs and costs associated with MSA inspection activity are embedded in the 2009-2013 recorded adjusted costs for the four Meter Reading work groups – Meter Reading Operations, Meter Reading Clerical, Meter Reading Supervision/Training and Meter Reading Support. SoCalGas is not able to segregate the MSA inspection portion of Meter Reading FTEs and costs, as expenses are not tracked at that level of granularity.

27.e. SoCalGas has provided supporting documentation and the basis used for the calculations of the TY 2016 forecast for the CSF-Supervision work group in its workpapers (Ex. SCG-10-WP) submitted along with the testimony of SoCalGas Witness Sara Franke (Ex. SCG-10). Copies of the working Excel files containing the live formulas and calculations used have also been provided in a CD-Rom, which is reattached to this response for your convenience.

For the detailed analysis and calculation of required funding for CSF Operations Supervision, please refer to attachment "ORA-SCG-DR-052-TLG-Q10 Attachment 1.xlsx", specifically starting in cell BD23 of tab "Workload" and all of tab "Supervisor".

For justification for the span of control of 12:1 for CSF Operations Supervision, please see Ex. SCG-10, page SAF-24. For the detailed analysis and calculation of required funding for MSA Inspection Program Supervision (calculated separately to reflect a different span of control, i.e., 20:1, given the difference in the nature of the work), please refer to attachment "ORA-SCG-DR-052-TLG-Q21 Attachment 1.xlsx", specifically starting in cell A86 of tab "1) MSA Insp FTE". For justification for a span of control of 20:1 for MSA Inspection Program supervision, please see Ex. SCG-10, page SAF-24.

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28. SCG's Customer Service Field Support Group forecasts $12.623 million ($37.869 million over three years) in TY 2016. This is an increase of $2.865 million or 29.36% over 2013 expenses of $9.758 million. The five year average (2009-2013) for Customer Service Field Support is $10.537 million. SCG's expenses declined each year between 2010 and 2013 from $11.015 million in 2010 to $9.758 million in 2013.

    a. SCG utilized a five year average of $10.537 million and used this figure as a starting point to calculate its incremental funding request of $2.087 million for its TY 2016 forecast. SCG shows its forecast as $12.623 million, an increase of $2.865 million over 2013 expenses of $9.758 million. Provide documentation that explains the proposed activities in more detail and which shows the calculation breakdown for $0.778 million (the difference between $2.865 million and $2.087 million).
    b. Provide documentation that explains why utilizing a five year average (2009-2013) to calculate SCG's TY 2016 expenses, which captures recurring, on-going and routine costs and fluctuations in expenses from year to year, is insufficient considering the decline in labor and non-labor expenses between 2010 and 2013.
    c. Provide documentation that explains why SCG is unable to reallocate costs embedded in its historical expenses from completed projects and overtime costs in order to address its proposed FTEs.
    d. Provide documentation that explains in detail if the forecast non-labor costs shown in Table SAF-22 on page SAF-33 are the total costs for each of the proposed projects or are the costs listed the amount that will be incurred annually.
    e. Provide all supporting documentation and the basis used for the calculation of the labor and non-labor forecast of $2.087 million shown in Table SAF-22 on page SAF-33 (i.e., the documentation that demonstrates the individual breakdown of all costs included in each estimate along with a source document).
    f. If SCG utilized a Market Reference Range to forecast labor costs for proposed FTEs, provide the source document for the Market Reference Range and any other documentation SCG utilized to forecast labor for FTEs.
    g. Provide documentation that explains if the proposed labor costs shown for the proposed FTE's on page SAF-33 will be adjusted for experience of workforce and the type of work required, if so, state why SCG's testimony and workpapers does not provide any discussion or calculations for salary adjustments in TY 2016.
    h. Provide documentation that explains in detail and demonstrates why SCG's current staffing levels are insufficient to perform the work activities proposed for Test Year 2016.
    i. Provide documentation that explains how SCG managed and gained access to chronically inaccessible/difficult to access meters during 2009-2013. In the response include the costs incurred for this activity.

Question 28 (Continued)

j. Provide documentation that explains if during 2009-2013 SCG employed any FTEs as Quality Assurance Inspectors for its MSA program to ensure that inspections were completed in accordance with policies, if so provide the number of FTEs and all costs incurred for this activity.
k. Provide documentation that explains if during 2009-2013 SCG employed any FTEs to design and maintain meter inspection routes for its MSA program, if so provide the number of FTEs and all costs incurred for this activity.
l. Provide documentation that explains if during 2009-2013 SCG employed any FTEs as training instructors to develop, implement, improve and update its field technician training programs and materials (i.e., refresher training, policy review and reinforcement, video maintenance, etc.), if so provide the number of FTEs and all costs incurred for these activities.
m. Provide documentation that explains if during 2009-2013 SCG incurred costs for clerical support for MSA Inspections, if so provide the number of FTEs and all costs incurred for this activity.

SoCalGas Response:

28.a. Please see Ex. SCG-10, page SAF-33, Table SAF-22 for detailed documentation on the funding request for SoCalGas' Customer Services Field – Support work group. The table has also been replicated below for your convenience, with additional cross references for each line item shown within the table.

SoCalGas Response 28a:-Continued

TABLE SAF-22
Summary of TY 2016 O&M Expenses for CSF Support
(Shown in Thousands of 2013 Dollars)

Activity	TY 2016 Forecast		
	Labor	Non-labor	Total
Forecast Based on Historical 5-Year Average	**9,454**	**1,082**	**10,536**
Incremental Funding Requests			
MSA Inspection Program Manager	120	10	130
Meter Access Clerks for MSA Inspection Program	273	17	290
Quality Assurance Inspector for MSA Inspection Program	80	10	90
Technical Specialist for MSA Inspection Program (to manage inspection routes)	86	5	91
Field Technician Training Improvements (two senior instructors to conduct formal refresher training, two senior instructors to conduct formal policy/procedure reviews at all 51 operating bases, one training modernization specialist to update/create training videos and other training tools)	498	65	563
Four Commercial/Industrial Field Instructors to provide in-field support to C/I field technicians.	384	14	398
Technology Specialist position to manage new wireless access for all field MDTs	85	2	87
New AT&T Wireless Network Access Fees for all field MDTs	0	438	438
Subtotal – Incremental Requests	**1,526**	**561**	**2,087**
Total[10]	**10,980**	**1,643**	**12,623**

[10] Numbers may not add due to rounding.

SoCalGas Response 28a:-Continued

The forecast methodology for the CSF – Support work group is a five-year historical average for both labor and non-labor, then incremental expenses (i.e., new activities or expenses not included in the recorded historical 2009-2013 costs and hence not reflected in the five-year average) are added to form the total forecast.

Using a five-year average of historical recorded adjusted expenses yields a total forecast of $10,536,000. This represents an increase of $778,000 over base year 2013 adjusted recorded expenses. A total incremental cost of $2,087,000 (detailed calculations shown below) is then added to the five-year average to result in the final TY 2016 forecast of $12,623,000 ($10,536,000 +$2,087,000) which is an increase of $2,865,000 ($12,623,000 - $9,758,000) over 2013 recorded adjusted actual costs of $9,758,000.

The calculation of the $2,087,000 in incremental expenses is detailed below.

- Incremental MSA Inspection Program Manager – Forecasted at $130,000. Labor is forecasted at $120,000 based on pay rates for existing positions within the company at a similar level. Non-labor is forecasted at $10,000 for the average expense incurred such as travel, mileage, and cell phone. Please see Ex. SCG-10, page SAF-28 for more details regarding this incremental position.
- Meter Access Clerks for MSA Inspection Program – Total expense is forecasted at $290,000. This includes labor expense of $273,026 (4 x $68,257) for four clerical positions, $5,000 (4 x $1,250) in non-labor, and $12,000 in non-labor for Can't Get In (CGI) tags. Labor is based on pay rates for existing positions within the company at a similar level. Non-labor is based on average expenses incurred for general office supplies. Please see attachment "ORA-SCG-DR-052-TLG-Q21 Attachment 1.xlsx" for detailed calculations.
- Incremental Quality Assurance Inspector for MSA Inspection Program - Total expense is forecasted at $90,000, with labor of $80,000 based on pay rates for existing positions within the company at a similar level and non-labor of $10,000 based on average expenses incurred (e.g. travel, mileage, cell phone, and meals). Please see Ex. SCG-10, page SAF-32 for more details regarding this incremental position. Please see attachment "ORA-SCG-DR-052-TLG-Q21 Attachment 1.xlsx" for detailed calculations.
- Incremental Technical Specialist for MSA Inspection Program - Total expense is forecasted as $91,000, with labor of $86,000 based on pay rates for existing positions within the company at a similar level and non-labor of $5,000 based on average expenses incurred (e.g. cell phone, mileage, and miscellaneous office supplies). Please see Ex. SCG-10, Page SAF-29 for more details regarding this incremental position. Please see attachment "ORA-SCG-DR-052-TLG-Q21 Attachment 1.xlsx" for detailed calculations.

SoCalGas Response 28a:-Continued

- Field Technician Training Improvements - Total expense is forecasted at $563,000, based on pay rates for existing positions within the company at a similar level and non-labor based on average expenses incurred (e.g. travel, mileage, meals, and cell phone). Please see Ex. SCG-10, Page SAF-29 for more details regarding the incremental positions. Please see the following table for details on the forecast calculations.

	Labor	**Non-Labor**	**Total**
2 x Refresher Training Instructor	2 x $99,600 = $199,200	2 x $5,000 = $10,000	$209,200
2 x Policy Review and Reinforcement Instructor	2 x $99,600 = $199,200	2 x $5,000 = $10,000	$209,200
1 x Training Modernization Specialist	1 x $99,600 = $99,600	1 x $5,000 = $5,000	$104,600
One Time Expense for Audio/Video Equipment		$40,000 ($10,000 for camera and accessories, $6,000 for audio equipment, $5,000 for lighting equipment, $10,000 for computer hardware and software, $9,000 for misc. editing electronics and accessories)	$40,000
Total	$498,000	$65,000	$563,000

- Incremental Industrial/Commercial Field Instructors - Total expense is forecasted at $398,000, based on pay rates for existing positions within the company at a similar level and non-labor based on average expenses incurred (e.g. travel, mileage, cell phone, and meals). Please see Ex. SCG-10, page SAF-31 for details regarding the incremental positions. Please see the table below for details on the forecast calculation.

SoCalGas Response 28a:-Continued

	Labor	Non-Labor	Total
2 x Industrial Field Instructor	2 x $96,000 = $192,000	2 x $3,500 = $7,000	$199,000
2 x Commercial Field Instructor	2 x $96,000 = $192,000	2 x $3,500 = $7,000	$199,000
Total	$384,000	$14,000	$398,000

- Incremental Technology Specialist - Total expense is forecasted at $87,000, with labor of $85,000 based on pay rates for existing positions within the company at a similar level and non-labor of $2,000 based on average incurred expenses (e.g. cell phone, and miscellaneous office supplies). Please see Ex. SCG-10, page SAF-32 for details regarding the incremental position.
- Incremental MDT Wireless Network Access Fees - Forecasted at $438,000, based on the contracted wireless network access fees charged by AT&T.

28.b-c. Please see SoCalGas' response to Question 10 in this data request for explanations regarding why existing resources are not sufficient to perform the incremental activities SoCalGas proposes to undertake. Authorizing only the five-year average forecast amount of $10,537,000 would leave SoCalGas with $2,087,000 in unfunded incremental expenses.

28.d. The forecasted costs shown in Table SAF-22 on page SAF-33 are all recurring costs that will be incurred annually. The only exception is the one-time expense of $40,000 for audio/video equipment as noted in the response to Question 28.a above.

28.e. Please see the response to Question 28.a above.

28.f-g. SoCalGas used pay rates for existing positions within the company that are at a similar level and perform related functions.

28.h. Please see SoCalGas' response to Question 10 in this data request for an explanation regarding why existing staffing levels are insufficient to perform the proposed new work activities.

28.i. Meter Reading currently performs MSA inspections in conjunction with obtaining meter reads for billing purposes. When meter readers encounter inaccessible or difficult to access meters, they leave a door tag at the customer's premise indicating the reason the meter reader was unable to access the meter. The door tag instructs the customer to contact SoCalGas for access arrangements (e.g., secure dogs on read days, leave gate unlocked on read days, etc.).

SoCalGas Response 28i:-Continued

If a customer does not contact SoCalGas or the condition persists so that the meter reader cannot access the meter, the issue is elevated through the chain of command to be resolved by a Meter Reading Technician, then ultimately the Meter Reading supervisor. SoCalGas always makes an effort to contact customers to resolve inaccessible or difficult to access meters. Costs incurred for this activity are embedded within the four Meter Reading work groups: Meter Reading – Operations, Meter Reading – Supervision and Training, Meter Reading – Clerical, and Meter Reading -Support. SoCalGas is not able to segregate the cost associated with this activity because expenses are not tracked at the level of granularity required to perform this analysis.

28.j. SoCalGas' Meter Reading department does not have quality assurance inspectors. Rather, Meter Reading uses Meter Reading field instructors to ensure that meter readers adhere to policies and procedures. For details regarding Meter Reading field instructors please see Ex. SCG-10, page SAF-40, or the response to Question 28.l. below.

28.k. During 2009-2013 SoCalGas did employ Meter Reading route analysts to design and maintain meter reading routes. These analysts designed, rebuilt, and maintained meter reading routes to improve meter reading route efficiency, and to account for new business construction (the addition of new meters), etc. MSA inspection route design and maintenance has not been a separate activity because, until Meter Reading no longer exists, there is no separate route type just for MSA inspections. MSA inspections are part of a meter reader's normal work and are performed as part of a normal meter reading route in conjunction with obtaining meter reads for monthly billing purposes. The cost associated with Meter Reading route analysis in support of MSA inspections is embedded within the recorded adjusted expenses for the Meter Reading – Support work group. SoCalGas is not able to segregate the cost associated with this activity because expenses are not tracked at the level of granularity required to perform this analysis.

28.l. Please see response to Question 1.d. in this data request.

28.m. Meter Reading – Clerical personnel handle timekeeping, payroll, and scheduling of part-time meter readers; make access arrangements for inaccessible meters and handle other related administrative duties. Meter Reading Clerical personnel support MSA inspections in so far as MSA inspections are currently a part of the monthly meter reading function. Costs associated with MSA inspections are embedded within the recorded adjusted historical expenses for the Meter Reading – Clerical work group. SoCalGas is not able to segregate the costs associated with just MSA inspections because expenses are not tracked at the level of granularity required to perform this analysis. Also, it should be noted that with the elimination of meter readers visiting customer premises to obtain meter reads each month, meters are likely to become more and more difficult to access for MSA inspection purposes given the inspections will only be conducted every three years post AMI implementation.

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29. SCG's Meter Reading Support Group forecasts $2.488 million ($7.464 million over three years) in TY 2016. This is an increase of $0.446 million or 21.84% over 2013 expenses of $2.042 million. The five year average (2009-2013) for Meter Reading Support is $2.059 million. SCG's expenses have fluctuated slightly between 2009 and 2013.

    a. SCG states on page SAF-42 that "the 2008 GRC authorized $0.428 million for additional meter reading route analysts. This cost increase was included (assumed) in SoCalGas' authorized AMI benefits. The historical 5-year average costs for 2009-2013 do not include the $0.428 million …But because of AMI implementation, SoCalGas did not add these positions in anticipation of AMI implementation and associated job reductions that would result." Provide documentation that explains in detail and demonstrates specifically the activity, costs and associated accounts where SCG reallocated the funding of $0.428 million that was authorized in its 2008 GRC, since SCG "did not add these positions" as it proposed in its 2008 GRC.
    b. If SCG refunded the 2008 GRC authorized funding of $0.428 million to ratepayers, provide documentation that clearly demonstrates that this was done.
    c. Provide documentation that clearly explains SCG's statement on page SAF-42 that "Because these costs are included in the AMIBA benefits, they need to be added here to avoid double counting of AMI benefits." In the response clearly explain how the 2008 GRC authorized funding for additional FTEs that was not spent on positions as proposed will be double counted as AMI benefits if SCG does not add the amount in its 2016 funding request.
    d. Provide documentation that explains if SCG's 2012 GRC discussed its requested and authorized funding in its 2008 GRC of $0.428 million for additional meter reading route analysts. In the response state how this issue was resolved. If SCG did not discuss this issue in its 2012 GRC, state why the issue was not raised in its 2012 GRC.
    e. Provide documentation that demonstrates that SCG is not attempting to request duplicate funding from ratepayers by requesting incremental funding for the same positions a second time (in its 2008 GRC and its 2016 GRC) for FTEs it never hired and does not propose to hire in the TY 2016.

SoCalGas Response:

29.a–b. As discussed in response to Question 20 above, SoCalGas did not reallocate the 2008 GRC authorized costs for unfilled meter reading positions. These costs were included as a benefit in the SoCalGas Advanced Metering Infrastructure (AMI) business case (approved in Decision 10-04-027). This benefit is currently in rates per Advice Letter AL 4110.

SoCalGas Response to Question 29a-b (Continued):

The following table provides the timeline and breakdown of costs for the authorized and unfilled *Meter Route Analyst and Automated Meter Reading (AMR) Analyst* positions beginning with the 2008 GRC, followed by the SoCalGas AMI filing, and ending with the 2012 GRC. This table and the excerpts from applicable testimony and workpapers included as attachments (as defined in the "Notes" column of the table) provide documentation that clearly demonstrates that these costs were included as a benefit in SoCalGas' AMI business case and refunded to ratepayers.

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2008 GRC - In 2005 $000s		
	Route Analysts/ AMR Analysts	Notes
Labor	574	Includes Vacation & Sick (V&S)
Non-labor	32	
Total	606	See "ORA-SCG-DR-052-TLG-Q20 & 29 Attachment 1.pdf" for the supporting excerpt from 2008 GRC testimony, filed in 2006, Ex. SCG-7-E, pp.
FTE	9.0	Positions & funding authorized in 2008 GRC
SoCalGas AMI Benefit - In 2008 $000s		
	Route Analysts/ AMR Analysts	Notes
Labor	-514	Excludes V&S
V&S	-92	V&S was added as a loader to direct (time at work) labor in the AMI business case.
Non-labor	-34	
Total	-641	See "ORA-SCG-DR-052-TLG-Q20 & 29 Attachment 2.pdf" for the supporting excerpt from SoCalGas AMI Errata Workpapers for Chapter III, filed in 2009, Ex. SCG-3-WP, pp. 104-106 rows 42-45, and pp. 141-142.
FTE	-9.0	Unfilled positions & funding that was authorized in the 2008 GRC and given back to Ratepayers as a benefit in AMI business case.
2012 GRC - In 2009 $000s		
	Route Analysts/ AMR Analysts	Notes
Labor	626	Includes V&S
Non-labor	35	
Total	661	See "ORA-SCG-DR-052-TLG-Q20 & 29 Attachment 3.pdf" for the supporting excerpt from 2012 GRC testimony, filed in 2010, Ex. 143, pp. EF-45-50.
FTE	9.0	Unfilled positions & funding that was authorized in the 2008 GRC and given back to Ratepayers as a benefit in AMI business case.

29.c–e. See Response to Question 20.b–e. above.