

**ORA DATA REQUEST
ORA-SCG-DR-058-SWC
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE
DATE RECEIVED: FEBRUARY 6, 2015
DATE RESPONDED: FEBRUARY 23, 2015**

Exhibit Reference: SCG-17

Subject: Environmental Services

Please provide the following:

1. In Exhibit SCG-17, page JT-13, SoCalGas is requesting an increase of \$147,000 for Water Quality Programmatic Permits.
 - a. When did SoCalGas start work on the Water Quality Programmatic Permits?
 - b. When does SoCalGas anticipate work on the Water Quality Programmatic Permits to be completed?
 - c. Explain why the cost for the work on the Water Quality Programmatic Permits is a recurring expense beyond 2016.

SoCalGas Response:

- a. When did SoCalGas start work on the Water Quality Programmatic Permits?
 - The development of a water quality programmatic permit (Programmatic 401 Certification for Linear Projects) has not started. The effort is anticipated to begin in the first quarter of 2015 after the necessary consultant contracts are established and funding is secured from each cooperating utility.
- b. When does SoCalGas anticipate work on the Water Quality Programmatic Permits to be completed?
 - The work to develop the water quality programmatic permit and obtain coverage for SoCalGas under the permit (after adoption by State Water Resources Control Board) is anticipated to take two or more years starting 2015. SoCalGas anticipates the Programmatic 401 Certification for Linear Projects to be completed around 2018.
- c. Explain why the cost for the work on the Water Quality Programmatic Permits is a recurring expense beyond 2016.
 - This non-labor expense directly attributable to developing the programmatic permit is forecast to be incurred in 2015 and 2016 for an estimated \$147k in each of those years and non-recurring thereafter. And while not included in the test-year forecast, there will be additional non-labor expenses incurred beyond 2016 until the adoption of the permit as well as expenses associated with permit fees and implementation of the permit conditions.

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2. In Exhibit SCG-17, page JT-13, SoCalGas is requesting an increase of \$122,000 for the GHG and Environmental Sustainability Management Tool Project.
 - a. When did the O&M expense for the GHG and Environmental Sustainability Management Tool Project begin?
 - b. Provide the recorded O&M expense for the GHG and Environmental Sustainability Management Tool Project and the date the O&M expense was recorded.
 - c. When does SoCalGas anticipate the GHG and Environmental Sustainability Management Tool Project will be completed?
 - d. Explain why the O&M costs associated with the development of a new GHG and Environmental Sustainability Management Tool Project are a recurring expense beyond 2016.

SoCalGas Response:

- a. When did the O&M expense for the GHG and Environmental Sustainability Management Tool Project begin?
 - The development of the GHG and Environmental Sustainability Tool Project is still in process and is anticipated to be completed in 2015. The O&M expense for the GHG and Environmental Sustainability project is anticipated to occur in 2016.
- b. Provide the recorded O&M expense for the GHG and Environmental Sustainability Management Tool Project and the date the O&M expense was recorded.
 - No O&M expense for the GHG and Environmental Sustainability Tool Project. The O&M expense is anticipated to occur in 2016.
- c. When does SoCalGas anticipate the GHG and Environmental Sustainability Management Tool Project will be completed?
 - SoCalGas anticipates the installation and implementation of the GHG and Environmental Sustainability Management Tool Project to be completed in fourth quarter of 2015.
- d. Explain why the O&M costs associated with the development of a new GHG and Environmental Sustainability Management Tool Project are a recurring expense beyond 2016.

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Response to Question 2d (Continued)

- Maintaining and updating the GHG and Environmental Sustainability Management Tool will require support annually on an ongoing basis. Existing regulations are still subject to a myriad of rule changes that impact how and what information is captured and reported. Both California Air Resources Board and Environmental Protection Agency adopt new rules and/or implement revisions to existing rules every year that result in changes to data collection methods, emission factor calculations, reporting program requirements, etc. Any tool selected must have inherent flexibility to adjust to rule changes and will need ongoing maintenance by the service provider to ensure both rule changes and company operations changes are appropriately captured.