

**ORA DATA REQUEST
 ORA-SCG-DR-087-DAO
 SOCALGAS 2016 GRC – A.14-11-004
 SOCALGAS RESPONSE
 DATE RECEIVED: MARCH 2, 2015
 DATE RESPONDED: MARCH 18, 2015**

Exhibit Reference: SCG-4, Gas Distribution O&M and Capital Expenditures

Subject: Field Support Expenses

Please provide the following:

1. In reference to SoCalGas' discussion of its forecast method and cost drivers for Field Support on pages FBA-46 to FBA-FBA-48, please provide the following information:
 - a. Referring to SoCalGas' request of \$618,000, for 6 Administrative Advisors in 2016, as stated on page FBA-46, please provide all calculations and any and all supporting documents used to derive the number of Administrative Advisors and the expense amount.
 - b. Provide the number of Administrative Advisors allocated to Field Support each year from 2009-2014 and the annual expense incurred for these Administrative Advisors.
 - c. Regarding the claim of increased turnover in its workforce, as stated on page FBA-46, please provide the number of employees who left employment due to retirement, each year from 2009-2014.
 - d. The total number of FTEs assigned to Gas Distribution each year from 2009-2014.
 - e. Referring to the request of \$412,000 for 4 Field Instructors, as stated on pages FBA-46 to FBA-47, please provide all calculations and any and all supporting documents relied on to derive the number of Field Instructors and expense amount.
 - f. The number of Field Instructors allocated to Field Support each year from 2009-2014 and the annual expense incurred for these Field Instructors.

SoCalGas Response:

- a. The requested calculations can be found on workpaper pages 64 and 65:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2015	200	6	0	206	2.0	1-Sided Adj

i. Administrative Advisors - Incremental Administrative Advisors to support local Supervisors with compliance duties. These supervisors will also provide support to comply with CFR 192.615 which requires utilities to maintain liaison with fire, police, and other public officials California Public Utility Code 956.5 (AB 56- Hill).

Labor costs will be 2 FTEs X \$100K = \$200K beginning in 2015. Associated non-labor expense is estimated to be 2 FTEs X \$3K = \$6K also beginning in 2015.

Beginning in TY2016, an additional four Administrative Advisors will be hired. Total labor for TY2016 is 6 FTEs X \$100K = \$600K. Total non-labor for TY2016 is 6 FTEs X \$3K = \$18K.

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SoCalGas Response to Question 1.a., Continued:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2016	600	18	0	618	6.0	1-Sided Adj

i. Administrative Advisors - Incremental Administrative Advisors to support local Supervisors with compliance duties. These supervisors will also provide support to comply with CFR 192.615 which requires utilities to maintain liaison with fire, police and other public officials California Public Utility Code 956.5 (AB 56- Hill).

Labor costs will be 2 FTEs X \$100K = \$200K beginning in 2015. Associated non-labor expense is estimated to be 2 FTEs X \$3K = \$6K also beginning in 2015.

Beginning in TY2016, an additional four Administrative Advisors will be hired. Total labor for TY2016 is 6 FTEs X \$100K = \$600K. Total non-labor for TY2016 is 6 FTEs X \$3K = \$18K.

- b. There were no Administrative Advisors in the years 2009 – 2014. This is a newly created position that is forecasted to start in 2015. The justification for this new position can be found on testimony pages FBA-45 – FBA-46.
- c. The number of field employees (does not include office employees and supervisors) that retired in the years 2009 – 2014 can be found in the table below:

	2009	2010	2011	2012	2013	2014
Distribution Field Employees	17	23	18	11	34	34
Field Supervisors	5	8	9	6	15	5

- d. Please refer to the tables below for the total historical O&M and Capital FTEs in Gas Distribution. These FTEs include vacation and sick time.

	2009	2010	2011	2012	2013	2014
O&M - Non-Shared Services	918	884	926	974	994	1,076
O&M - Shared Services	16	24	34	32	29	24
Total O&M FTEs	934	908	959	1,006	1,023	1,100
Total Capital FTEs	815	733	716	740	794	813
Total FTEs	1,749	1,641	1,675	1,746	1,817	1,913

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SoCalGas Response to Question 1, Continued:

e. The requested calculations can be found on workpaper pages 64 – 66:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2015	200	6	0	206	2.0	1-Sided Adj

ii. Field Instructors - Incremental Field Instructors needed to provide SAP and Graphic Information System (GIS) support to new Distribution employees. These Instructors will provide local Mobile Data Terminal training and assistance, mentoring, guidance on new policies and procedures and construction safety inspections.

Labor costs will be 2 FTEs X \$100K = \$200K beginning in 2015. Associated non-labor expense is estimated to be 2 FTEs X \$3K = \$6K also beginning in 2015.

Beginning in TY2016, an additional two Field Instructors will be hired. Total labor for TY2016 is 4 FTEs X \$100K = \$400K. Total non-labor for TY2016 is 4 FTEs X \$3K = \$12K.

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2016	400	12	0	412	4.0	1-Sided Adj

ii. Field Instructors - Incremental Field Instructors needed to provide SAP and Graphic Information System (GIS) support to new Distribution employees. These Instructors will provide local Mobile Data Terminal training and assistance, mentoring, guidance on new policies and procedures and construction safety inspections.

Labor costs will be 2 FTEs X \$100K = \$200K beginning in 2015. Associated non-labor expense is estimated to be 2 FTEs X \$3K = \$6K also beginning in 2015.

Beginning in TY2016, an additional two Field Instructors will be hired. Total labor for TY2016 is 4 FTEs X \$100K = \$400K. Total non-labor for TY2016 is 4 FTEs X \$3K = \$12K.

f. There were no Gas Distribution Field Instructors in the years 2009 – 2014. This is a newly created position that is forecasted to start in 2015. The justification for this new position can be found on testimony pages FBA-46 – FBA-47.

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2. In reference to the statement on page FBA-47, “The number of Operator Qualification covered tasks is increasing from 55 to 125 and will require the qualification of all impacted employees,” please provide the following information:
- a. a definition of “covered tasks” in this statement;
 - b. a definition of “impacted employees” and the number of impacted employees;
 - c. a copy of all calculations, analyses, any and all documents relied on for the claim that covered tasks are increasing from 55 to 125;
 - d. The number of “covered tasks” and “impacted employees” each year from 2009-2014;
 - e. a listing of the 55 tasks and the increased 125 tasks;
 - f. When will the impacted employees need to be trained/qualified for the 125 covered tasks?
 - g. Explain in detail the “qualification” process of the impacted employees for the 125 covered tasks;
 - h. What is the “qualification” schedule for the impacted employees regarding the 125 covered tasks?
 - i. How often do impacted employees need to go through the “qualification” process for the 125 covered tasks?

SoCalGas Response:

- a. Please refer to 49 CFR 192.801(b):

For the purpose of this subpart, a covered task is an activity, identified by the operator, that:

- (1) Is performed on a pipeline facility;*
- (2) Is an operations or maintenance task;*
- (3) Is performed as a requirement of this part; and*
- (4) Affects the operation or integrity of the pipeline.*

- b. The impacted employees are those employees that were / will be qualified.

Please refer to the table provided in response to Question 2d. below for the historical number of impacted employees.

The number of employees used in the forecast for incremental field operator qualification training is shown in Column [A] of the table provided in response to Question 3b. below.

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SoCalGas Response to Question 2, Continued:

- c. As stated in ORA-SCG-DR-015-DAO, Question 3.c.:

SoCalGas compared the ASME B31Q documentation to our current task list to determine the additional tasks to be added to the program. There are 55 tasks currently, and the program will be expanding to 125 tasks, which is a difference of 70 tasks.

The American Society of Mechanical Engineers (ASME) B31Q standard is copyrighted and consists of more than 200 pages. Access to this document is through purchase, under the provisions of that purchase SoCalGas is not permitted to share it. SoCalGas has requested terms under which it may share that document with regulatory agencies although that permission has not yet been received. Please refer to the separately provided document, ORA-SCG-DR-087-DAO_Q2c.pdf for a list of the existing tasks and expanding tasks.

- d. Please refer to data request ORA-SCG-DR-015-DAO, Question 2d. for the covered tasks:

The table below shows the total number of covered tasks per year in the SoCalGas Operator Qualification Program.

<i>Year</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014 YTD</i>
<i>Number of Covered Tasks</i>	<i>52</i>	<i>52</i>	<i>52</i>	<i>52</i>	<i>55</i>	<i>55</i>

The number of covered tasks for 2014 remained unchanged at the end of the year.

Please refer to data request ORA-SCG-DR-015-DAO, Question 3e. for the number of impacted employees for the years 2009 – 2013:

Below are the number of employees initially or subsequently qualified or tested under the Operator Qualification program:

<i>Year</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014 YTD as of 12/4/14</i>
<i>Employees Qualified / Tested</i>	<i>698</i>	<i>298</i>	<i>353</i>	<i>757</i>	<i>795</i>	<i>899</i>

The number of impacted employees for the full year 2014 was 896. Three employees from the 12/4/14 year-to-date total were deemed “no longer performing” covered tasks.

Please refer to the separately document provided in response to Question 2c. above, ORA-SCG-DR-087-DAO_Q2c.pdf for a list of the tasks.

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SoCalGas Response to Question 2, Continued:

- e. There isn't a specified date that the employees need to be trained by. Please refer to the separate file provided in response to Question 3a. below, ORA-SCG-DR-087-DAO_Q3a.xlsx, for the Gas Distribution Operator Qualification tasks that are estimated to be completed in the forecast years 2014 – 2016. Please note that this schedule will not complete all of the expanded tasks during the forecast years. The remaining Gas Distribution Operator Qualification tasks are estimated to be completed after 2016.
- f. Operator Qualification initial training and qualifying happens once. Re-qualifying happens on a reoccurring cycle depending on the task. The qualification process and re-qualification interval is described on page FBA-58 of testimony:

Impacted employees will be required to demonstrate proficiency in each new covered task and the qualification process will need to be observed and documented by a qualified observer. The intervals in which employees will be re-evaluated will vary, depending on the task. Under the current program all tasks have a re-evaluation requirement of five years. Under the expanded program, however, re-evaluation will occur every three years for many of the Operator Qualification elements.

- g. Please refer to the responses to Questions 2f. and 2g. above. The estimated 2014 – 2016 schedule for the initial training and qualification of the expanded tasks is shown in the separate file provided in response to Question 3.a. below, ORA-SCG-DR-087-DAO_Q3a.xlsx. The schedule past 2016 has not yet been estimated.
- h. Please refer to the response to Question 2g. above. Employees will go through initial qualification once. Re-qualification will need to occur at specified intervals (every-three years for many of the expanded Operator Qualification tasks), for as long as the employee performs the covered task.

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3. In reference to page 71 of the Field Support workpapers, please provide the following:
 - a. A copy of all calculations, analyses and any and all documents relied on to develop the number of hours of training for 2014-2016, (“5,168”, “35,785”, and 36,062”) as shown on page 71 of the workpapers.
 - b. A copy of all calculations, analyses, and any and all documents relied on to develop the “Weighted Average Overtime Rate” for Field Support, M&R, and CP as shown on page 71 of the workpapers.
 - c. What is the “Yearly Hour Factor” and how did SoCalGas come up with 2088? Please provide a copy of all supporting documents and calculations used.
 - d. Referring to the number of FTEs requested, please provide the justification for 17.3 FTEs and list the tasks that each of the FTEs will be performing.
 - e. In the same format as presented on page 71 of the workpapers, please provide the number of Operator Qualification hours and annual labor expense incurred for each year from 2009-2014.

SoCalGas Response:

- a. The requested calculations can be found in the separately provided file titled ORA-SCG-DR-087-DAO_Q3a.xlsx.

Please refer to the response to Question 2c. above for information on the ASME B31Q standard and the tasks used in these calculation.

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SoCalGas Response to Question 3, Continued:

b. Please see the calculations shown in the table below.

Employee Title	Number of Employees	2013 Hourly Wage Rate	2013 Overtime Wage Rate	Total
	[A]	[B]	[C] (1.5*[B])	[D] ([A]*[C])
Construction Technician	289	\$ 32.69	\$ 49.04	\$14,171
Energy Technician - Distribution	176	\$ 35.15	\$ 52.73	\$ 9,280
Lead Construction Technician	239	\$ 40.67	\$ 61.01	\$14,580
Weighted Average 2013 Overtime Wage Rate for Field Support ([D]/[A])	704		\$ 54.02	\$38,031
M&R Technician	101	\$ 37.96	\$ 56.94	\$ 5,751
Weighted Average 2013 Overtime Wage Rate for M&R	101		\$ 56.94	\$ 5,751
System Protection Specialist	58	\$ 37.96	\$ 56.94	\$ 3,303
System Protection Planner	2	\$ 40.67	\$ 61.01	\$ 122
Lead System Protection Specialist	11	\$ 43.66	\$ 65.49	\$ 720
Weighted Average 2013 Overtime Wage Rate for CP ([D]/[A])	71		\$ 58.38	\$ 4,145

c. The yearly hour factor is the number of straight time work hours in each year, including vacation and sick time. In each of the years 2014, 2015, and 2016, there are 261 weekdays. 261 weekdays per year multiplied by 8 work hours per day is 2,088 hours per year.

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SoCalGas Response to Question 3, Continued:

- d. Please refer to page FBA-47 of Exhibit SCG-04 for a justification of this incremental activity:

Safety is rooted in all phases of Gas Distribution training. An integral component of overall workforce proficiency is the Operator Qualification program. SoCalGas is expanding its Operator Qualification program to better align with industry standards and feedback from the CPUC. This includes adding new qualification elements or tasks, developing qualification materials, establishing an electronic record-keeping process, and conducting training and qualification of impacted employees. The Operator Qualification program requirements are further discussed in the Operations Management and Training workgroup (Section II.D) later in this testimony. The expanded Operator Qualification program will add approximately 1,200 incremental training hours required to qualify Measurement and Regulation field employees in the new Operator Qualification elements.

Please note that the 17.3 FTEs used in the referenced calculations are associated with overtime hours that will be incurred by the field employees in order to keep up with routine work while employees are being qualified.

The list of the tasks used to calculate the Field Operator Qualification training hours and associated FTEs can be found in the file provided in response to Question 3.a. titled ORA-SCG-DR-087-DAO_Q3a.xlsx.

- e. The requested information on the historical hours and associated expenses of field employee operator qualification is not available as it is not tracked separately from other training.

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4. In reference to the statement on page FBA-48 in which SoCalGas claims an increase in regulatory pressures and the requirement to increase supervisor visits to fire and police departments to comply with 49 CFR 192.615 and SB 44, please confirm that these requirements are new and that they are effective beginning in January 1, 2016 or thereafter.

SoCalGas Response:

The effective date for SB 44 was October 7, 2011, and the date for 49 CFR 192.615 was October 1, 2011. Since these regulations were not implemented until late 2011, the effects were not seen in all of the historical years for this workgroup. Links to these regulations can be found on testimony appendix page FBA-B-5.