

**ORA DATA REQUEST  
ORA-SDGE-029-LMW  
SDG&E 2019 GRC – A.17-10-007  
SDG&E RESPONSE**

**DATE RECEIVED: NOVEMBER 22, 2017  
DATE RESPONDED: NOVEMBER 12, 2017**

**Exhibit Reference:** SDG&E-22, Chapter 5, page RDT-34

**SDG&E Witness:** Tattersall

**Subject:** G. Remodels/Reconfigurations/Relocations

**Please provide the following:**

1. Referring to SDG&E’s workpaper page 45, please provide the historical data for 2012- 2016 for this category

**SDG&E Response 1:**

This category includes all projects proposed under budget code 00709.00, which is generally described on Page 47. The proposed allocation of funding for these projects is described in Workpaper Details 00709A.001 through 00709A.009. Generally speaking, Workpaper Detail 00709A.001 provides blanket funding for planned and unknown future projects with estimated values less than \$1M, while each of Workpaper Details 00709A.002 through 00709A.009 cover individual, proposed projects with estimated values greater than \$1M. As projects greater than \$1M are approved and released to proceed, SDG&E typically re-assigns the budget codes to a separate, unique budget code for convenience of tracking and reporting internally. The historical data provided in the table below, therefore, includes projects with costs under budget code 709, as well as those of qualifying scope that have been assigned unique budget codes.

We wish to clarify, however, that the cost for budget code 147610 is understated in this table. A portion of the costs was carried under blanket budget code 701 and is reflected in the historicals therein for 2015 and 2016. The total project cost was roughly \$7.5M. A similar condition exists for budget code 167690, where a portion of project costs was carried under blanket budget code 709 and is reflected in the historicals therein for 2016. Since covered by combination of budget codes 167690 and 709, this project cost is entirely captured in the table below. The total project cost was roughly \$1.22M.

Budget Code	Workpaper Title	Constant\$ (000)				
		2012 Adj-Rec	2013 Adj-Rec	2014 Adj-Rec	2015 Adj-Rec	2016 Adj-Rec
00709A	Remodel/Relocate/Reconfig Blanket	1567	1427	1681	2168	3409
127400	LIGHTWAVE EAST TI	4210	2300	24	-	-2
127410	CP2 RESTROOMS & BLDG. REFURBISH	1687	471	-	-	-
127420	CP4 COMMON AREA REFURBISH	916	84	-1	-	-
147510	CP1 FINISH REFRESH	-	-	-	-	931
147530	CP6 CUSTOMER CALL CTR TI	-	-	165	-8	4853
147570	CP 3-3 EXEC. OPERATIONS PERFORMANCE CTR	-	-	421	1266	180
147600	KEARNY OFFSITE WAREHOUSE SUITE A TI	-	-	1170	83	-
147610	CP3-1 & 3-2 TENANT IMPROVEMENTS	-	-	825	-	-
157620	CP3-3 REFRESH	-	-	-	3354	-275
167690	BEACH CITIES LOCKER ROOM REFRESH	-	-	-	-	213
		<b>8380</b>	<b>4282</b>	<b>4285</b>	<b>6863</b>	<b>9309</b>

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2. Referring to SDG&E’s workpaper page 50, 00709A.001 - Remodel/Relocate/Reconfig Blanket 2017–2019, please provide the following:
- a. The historical data from 2012-2016.
  - b. Given the major proposed remodels that appear also use the justification based on needing adequate and efficient office space, manage space allocations and addresses ergonomics, why is SDG&E requesting more than double (in 2019) than what is forecast to be spent in 2017?
  - c. Provide a specific breakout of costs for what was spent to date in 2017 in preparation for an examination of costs.

**SDG&E Response 2:**

- a. The historical data provided in the below table captures costs similar to those covered by Workpaper Detail 00709A.001, as described in our response to Item #1 above. Please note that these costs are included in the total costs tabulated in our response to Item #1 above.

	<b>Constant\$ (000)</b>				
<b>Workpaper Detail 00709A.001</b>	<b>2012</b> (\$x1,000)	<b>2013</b> (\$x1,000)	<b>2014</b> (\$x1,000)	<b>2015</b> (\$x1,000)	<b>2016</b> (\$x1,000)
	<b>1567</b>	<b>1427</b>	<b>1681</b>	<b>2168</b>	<b>3409</b>

- b. The forecast for 2019 is more than double that of 2017 because there are more projects forecasted at less than \$1M anticipated to be completed in 2019 than 2017. These projects include a renovation of the National City Branch Office lobby, replacement of Customer Service Representative furniture at the El Cajon back-up call center, wellness room conversions at various facilities, and miscellaneous improvements to the Energy Innovation Center.
- c. 2017 financial information is anticipated to be available in late Q1 of 2018.

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3. Referring to SDG&E's workpaper page 51, 00709A.002 - CP Annex Plus Tenant Improvements, please provide the following:

- a. Was this project part of the past GRC request and approval. If no, are ratepayer's funding this project, and how funded?
- b. Was this project approved by the Commission. If no, then why?
- c. Has this project been completed? If yes, was the project completed under or over budget, and if so by how much.

**SDG&E Response 3:**

a. No, this project was not part of a past GRC request and approval. The TY2016 GRC authorized revenue requirement for forecasted capital projects for 2014 – 2016. Project 00709A.002 – CP Annex Plus Tenant Improvements has incurred capital expenditures in 2017 and is forecasted to incur additional capital expenditures in 2017. SDG&E is requesting recovery in rates of 2017 costs incurred and forecasted capital expenses for this project in the TY2019 GRC.

b. As the 2016 GRC detailed capital forecasts were for years 2014-2016 only, SDG&E manages its portfolio of capital expenditures for the attrition years (2017 and 2018) within the authorized revenue requirement adopted for those years, based on business needs and priorities. GRC decisions frequently do not address each specific project but often address them in aggregate. Also, many budgets are 'blanket' or 'routine,' in which a collection of many related similar or like-kind projects are gathered; the forecasting for those budgets is often derived from averages or trends of past activity and not from cost estimates for specific assets. The money spent for "00709A.002 - CP Annex Plus Tenant Improvements" was within the Commission-authorized revenue requirement adopted in the 2016 GRC for attrition years 2017 and 2018.

GRC testimony is developed to accurately present a snapshot representation of forecasted capital projects at a moment in time. Although GRC forecasts are carefully and accurately prepared based on the available facts as the utilities know them at that point in time, there is no way of knowing how capital management circumstances and priorities may change as time passes. In contrast, the capital management process is dynamic. There are times when projects are projected to go into service at the end of the year, but are delayed due to permitting, weather, logistics issues, and other factors. Moreover, utility project needs arise on a real-time basis, irrespective of the Commission's GRC cycle and schedule.

Because the utility capital management and prioritization process requires flexibility in order to make necessary adjustments, the Commission's established GRC process allows for this management flexibility in its approval of an overall revenue requirement and post-test year mechanism based on forecasts.

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**SDG&E Response 3:-Continued**

- c. No, the project is anticipated to be completed by December 31, 2017.

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4. Referring to SDG&E's workpaper page 52, 00709A.003 - CP4 Refresh, please provide the following:

- a. SDG&E's current justification for this project indicates a refresh, but shows no real necessity, nor how the ratepayer benefits. Please provide a detailed explanation that shows how each component of the project clearly benefits the ratepayers and is necessary.
- b. Detailed plans for the project showing before and after pictures or drawings.
- c. A cost/benefit analysis showing how the ratepayers will benefit from a refresh.
- d. Outside the floors being more than 20+ years old, provide a justification for why the refresh is necessary for employee's to perform their current functions.
- e. If the refresh is not approved, please quantify and justify the \$ loss to ratepayers.
- f. Has this area ever been remodeled in any capacity? If yes, provide a listing of the upgrades and the cost broken out by type of upgrade and year.
- g. How SDG&E's current facilities lack in providing a health and safe environment for their employees.
- h. A break out of costs by addition type. For example, cost of demountable walls and raised floors, cost of spatial reconfiguration, cost of sit/adjustable work surfaces, cost of project team areas, cost of new furniture, cost of new audio visual equipment, etc.
- i. Is any of the refresh requested to meet ADA compliancy? If so, please provide a description and the cost.
- j. Please contact the originator of this data request to arrange a field visit to review the current space, and take pictures to have a record of the current office environment.
- k. Does SDG&E need to perform "ALL" the refresh work to obtain LEED certification? If yes, please explain why. If no, what measures could be taken and the cost to use the existing infrastructure to meet LEED certification?
- l. What is LEED certification and how does it benefit ratepayers?
- m. Does SDG&E currently allow employees to request an ergonomically designed office space? If no, then why. If yes, how is this funded?

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**SDG&E Response 4:**

- a. SDG&E’s business needs have changed dramatically over the last 20 years, and this project constitutes the first major tenant improvement within the facility during that time frame. The scope generally consists of (1) demolition of the existing floor plans by removing the existing “central spine” of offices and conference rooms to open the floor space, and (2) installation of demountable wall systems, raised floors, new furniture, fixtures, and equipment. The space will be designed to increase utilization by condensing spaces for offices, conference rooms, and individual workstations while simultaneously providing the necessary modularization to change the space as business needs continue to evolve. This increases space utilization and improves cost effectiveness per square foot. Creating strategic adjacencies will now be easier than ever because the space will be designed to house specific groups that work together to increase efficiency. Some benefits from using raised floors include, but are not limited to: a.) ease of access to the building installations from any place at the raised floor if future changes are needed, which ultimately reduces the cost for construction; b.) power, energy, communication and data base systems can be housed within the plenum and are readily available under the floor without the necessity to core drill and run conduit/cablings through the ceiling; and c.) the use of recycled materials can help with LEED certification.

The benefits of using modular (demountable) wall systems are 1.) cost avoidance, as the ability to re-purpose, relocate, and adapt the system may save money over the term of the lease and beyond, 2.) increased construction speed, as the walls are pre-finished, pre-glazed and pre-wired so that they can be installed in tandem with other building activities, significantly reducing construction schedules. 3.) environmental and sustainability benefits, from improving air quality for employees, to earning points in Leadership in Energy and Environmental Design (LEED); 4.) increased flexibility to change, reconfigure, or relocate walls as business needs and technology dictates.

With respect to the project’s ergonomic features for workstation standards and peripheral systems supporting our employees, SDG&E believes there will be a positive return on investment for ergonomics programs, especially programs that include ergonomics training, individualized recommendations, and ergonomic furniture that can adjust to fit every user.

- b. Detailed plans for this request have not been created as this project is currently in the conceptual phase. Interviews with internal stakeholders are in progress and plans are in the initial stages of development. We will provide conceptual “test fit” floor plans during your site visit on 14 DEC 2017.

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**SDG&E Response 4:-CONTINUED**

- c. A quantitative cost/benefit analysis has not been completed for this project. The forecasted costs have been submitted as part of testimony. Cost estimates of approximately \$232 per square foot are based on historical data from previous projects of a similar size and nature.

Please reference the benefits outlined in the response to question 4a above.

Additional benefits include a healthier workforce and a reduction in injuries. SDG&E’s ergonomic prevention strategy includes an on-going and phased-in upgrade to adjustable desks as buildings are refreshed, with the goal of reducing/eliminating future injuries.

Below is statistical data regarding OSHA recordable and lost time incidents (LTI) related to repetitive motion injuries (RMI) /cumulative trauma (CTD) reported to SDG&E. From 2015 – 2017 there has been a decline in OSHAs and LTIs related to this activity.

OSHA-Rec-Flag	LTI	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Recordable	LTI-YES	8	12	12	11	12	6	8	4	3	5	2	1	0
	LTI-NO	18	18	20	24	11	8	7	1	6	4	7	4	4
<b>Grand Total</b>		<b>26</b>	<b>30</b>	<b>32</b>	<b>35</b>	<b>23</b>	<b>14</b>	<b>15</b>	<b>5</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>5</b>	<b>4</b>

- d. CP4 has not been significantly remodeled in over 20 years and SDG&E’s business has changed dramatically during that time. Evolving technology is driving much of our workforce needs, and our work has become increasingly collaborative. This facility needs a significant remodel to accommodate these changed conditions and requirements.

The project is intended to (1) create spaces that improve space utilization through condensing and reconfiguration, (2) increase efficiencies by having work groups adjacent to one another, (3) enhance teamwork via collaboration spaces, and (4) leverage technology to improve our performance. Better utilization of floor space is accomplished by reducing the square footage of individual workstations, and reducing the number of over-sized conference rooms to produce more, smaller breakout and focus rooms to accommodate small teams and workgroups. Creating strategic adjacencies for groups that work together increases efficiencies because the groups are not physically separated by space or the lack of sufficient area. Using technology to perform our jobs is a necessary requirement that is continuously changing and by implementing furniture, fixtures, and equipment in conjunction with building systems (walls, floors) that can adjust because of their modularity will be more cost effective in the future by reducing the cost of facility renovations.

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- e. A quantification of monetary loss to ratepayers has not been completed, nor is one typically done for this type of project. Please reference responses to 4a-4d for ratepayer benefits.
- f. The following table lists remodel projects that have occurred within Century Park, Building 4, within the last 20 years. The table excludes projects exclusively involving improvements to mechanical or electrical systems for the purpose of infrastructure reliability.

CP4 Remodel Project Description	Year Completed	Cost (nominal & unloaded)
Carpet Replacement & Re-Paint at Office Areas	2010	\$ 842,945
Flooring & Finish Replacement at Common Areas	2013	\$ 1,054,493
<b>Total</b>		<b>\$ 1,897,438</b>

- g. SDG&E’s current facilities do provide a safe and healthy environment for our employees. The forecasted projects will support the ability of SDG&E facilities to continue to provide a safe and healthy employee environment and support our initiative for continuous enhancement of employee safety and health.
- h. We used historical metrics at a cost per square foot, based on previous tenant improvement projects of similar scale and scope. For this forecast, SDG&E estimates its overall cost/Sq. Ft. to be \$232/sf, which is representative of reconfiguring entire floor spaces in excess of 10,000 sf. Typical budget costs (per sf) for each component are estimated as follows, and exclude soft costs such as design and project management fees, and general contractor mark-ups:

Raised floors = \$11.40/sf

Audio Visual = \$9.55/sf

Furniture, fixtures, equipment = \$49.99/sf (includes furniture and sit/stand work surfaces, only)

Demountable walls = \$25.93

Project team areas can vary significantly based on square foot area and type of furniture preferred or required by the end users (e.g. large conference tables vs touchdown stations vs training tables vs workbenches or combination thereof). Using the overall cost/sf from above as guidance, project team rooms ranging from a nominal 250 sf to 1000 sf could vary in price between \$50K and \$250K.



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**SDG&E Response 4:-CONTINUED**

- i. The facility is currently ADA compliant to the best of our knowledge, and this project is not being submitted to mitigate or eliminate any ADA deficiency.
  
- j. A site visit is scheduled for 14-15 DEC 2017.
  
- k. The scope and cost of work to obtain LEED certification cannot be estimated until detailed design documentation has been completed and a preliminary LEED scorecard developed. While we believe certain elements of the anticipated scope will benefit LEED scoring, it is possible that additional scope enhancements may be necessary to achieve LEED certification.
  
- l. LEED stands for Leadership in Energy and Environmental Design. Indirectly, the greater societal benefits of developing and building facilities that are energy efficient by saving electricity, water and natural gas, utilizing renewable sources of energy, using sustainable and recycled materials in construction, and operating and maintaining facilities to maximize the return on investment is a benefit to the ratepayers. Reducing waste, carbon footprints and greenhouse gas (GHG) emissions are also a responsibility that we take seriously and is in our collective best interests as climate change continues to be a challenge moving forward.
  
- m. Our ergonomics program is designed to fulfill CA standard 5110 requirements. Internally, we use a “Request for Special Equipment Process,” which Safety and Employee Care Services uses to consider individual requests for ergonomic equipment. If the employee’s request is approved, the employee’s home department fund the improvement. If no, the employee request will not be funded. Our ergonomic prevention strategy includes an on-going and phased-in upgrade to adjustable desks as our buildings are refreshed, with the goal of reducing/eliminating future injuries.

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5. Referring to SDG&E's workpaper page 53, 00709A.004 - CP6 EOC Tenant Improvements, please provide the following:
- a. What would the cost be to alter the existing workstations and provide the company's current ergonomic standards? If this can't be done, please provide an explanation as to why?
  - b. How do the existing workstations and peripheral equipment (phones, keyboards, storage, etc.) for the emergency responders in the situation room not meet current company ergonomic standards?
  - c. Outside the ergonomic concerns, if the floors are not upgraded will this create an environment not suitable for SDG&E's employee's impacting their productivity? If yes, please provide an explanation as to the impacts, and costs of the impacts.
  - d. Do SDG&E's current ergonomic standards exceed any nationally recognized standards? If yes, please explain how.
  - e. Provide detailed plans for the project.
  - f. Provide a cost/benefit analysis showing how the ratepayers will benefit from a remodel.
  - g. Provide current pictures of the location subject to remodel and the proposed look after the remodel.
  - h. Outside the floors being more than 17+ years old, provide a justification for why the remodel is necessary for employee's to perform their current functions.
  - i. If the remodel is not approved, please quantify the \$ impact to ratepayers.
  - j. Has this area ever been remodeled in any capacity? If yes, provide a listing of the upgrades and the cost.
  - k. Provide a breakout of costs by addition type. For example, reconfiguring the raised floor to provide more space between rows of furniture, provide new adjustable work surfaces to allow sit/stand functionality, revise existing electrical work to accommodate the new equipment and reconfigurations, and install new carpet and stair nosing for better wear and visibility.

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**SDG&E Response 5:**

- a. This project request is specific to our Emergency Operations Center (EOC). For that reason, the area is not meant to house a typical workstation per employee and is intended to be situational by its function and constructed to address needs during emergencies (e.g., stadium style raised flooring or console-style collaborative “pods”). Therefore, retrofitting the existing workstations is not cost effective and not in alignment in terms of function for the space. Functionally, the Emergency Management and Aviation Services teams have combined into a single reporting group that will occupy space in the EOC. The group currently is housed in five (5) different locations: CP6 – EOC, Mission/Telecom facility, Miramar, Gillespie Field (El Cajon), and CP5. Because of this reorganization, we need to remodel and reconfigure the space to house six (6) employees that have been assigned to consolidate operations into the EOC suite. Repurposing the existing equipment is not cost effective due to the age of the existing furniture, equipment, and revised functions/roles.
- b. See our response to question 5a as well. The space, which does not have enough offices/workstations, no longer meets the needs of the workforce that is being reassigned to it as part of a recent reorganization. Also, the systems (furniture/equipment) and technology are antiquated and should be replaced. For example, given the nature of the work that is being performed in the EOC, time is always critical and the speed with which we have situational awareness helps support the safety of our customers and the reliability of our systems. By replacing the existing equipment, we can enhance our emergency responsiveness. Also, during an emergency event, EOC responders can be required to sit at their respective stations for 12 hour shifts, and sometimes longer, depending on their roles and the nature of the event. Stress-related fatigue, repetitive motions, strained eyesight, and overall health and welfare are a concern for the responders. Adjustable chairs, stations, and updated equipment or peripheral systems not only mitigate these types of physical conditions, but improve our ability to perform well over extended periods of time. Our testimony further addresses several different drivers that support our request.
- c. Yes, we believe that not retrofitting the raised floor has a negative impact on employee productivity. There are multiple purposes for proposing a remodel of the area. It will create expanded office/workstation space for personnel that are being reassigned from other locations to the EOC. These employees could be assigned to shifts of 12 hours or more, and the retrofit will allow for stretching and expanded movement in place to relieve muscle fatigue and mitigate the risk of repetitive motion injury. Additionally, the collaborative functions of the groups involved in emergency response activities can change during the progress of an event, thus there is a need to support changing adjacencies and groupings through the sub-floor infrastructure.

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**SDG&E Response 5c:-CONTINUED**

Emergency Management is currently dispersed over 5 locations (Mission, Miramar, Gillespie and two separate buildings on the CP campus). This creates significant challenges to our ability to operate effectively and to interface among critical groups during incidents. Not being able to house emergency personnel in the same space(s) can be dangerous and potentially costly in numerous ways.

- d. There are no national standards that we are aware of. Our ergonomics program is designed to fulfill CA standard 5110 requirements.
- e. This project is conceptual at this point and therefore we do not have detailed construction documents now. We can provide a conceptual floor plan (“test fit”) during the site visit scheduled for 14-15 DEC 2017.
- f. A quantitative cost/benefit analysis has not been completed for this project. The forecasted costs were based on historical data from past projects of a similar scope. Our estimated costs are \$ 426/sf.

The benefits consist of:

- o Consolidating geographically dispersed personnel into a single location, which increases utilization.
  - o Improving efficiencies through adjacencies for groups that need to work together.
  - o Enhancing working conditions by mitigating/eliminating physical injuries due to the nature of the work.
  - o Improving safety/reliability for customers, employees, and the public by improving our technology/systems.
- g. If possible, and in the interests of saving time, we respectfully request that we take pictures of the existing space during the site visit scheduled for 14-15 DEC. As discussed in answer 5e, we have conceptual “test fit” floor plans that can also be provided during the site visit.
  - h. See responses to questions 5a – c and f. The proposed remodel is necessary for several critical reasons, which are amplified in terms of safety and reliability due to the nature of the work done by the EOC group.
  - i. A quantification of monetary loss to ratepayers has not been completed. However, the ability to respond to emergency situations and possess the required tools and resources to effectively manage the electric/gas utilities to ensure the public’s safety is paramount.

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- j. The following table lists remodel projects that have occurred within Century Park, Building 6 EOC within the last 20 years. The table excludes projects exclusively involving improvements to mechanical or electrical systems for the purpose of infrastructure reliability.

<b>EOC Remodel Project Description</b>	<b>Year Completed</b>	<b>Cost (nominal &amp; unloaded)</b>
Repurpose/Modify Spaces for Improved Communications	2006	\$ 101,574
Improve Ancillary EOC Seminar Rooms	2009	\$ 159,289
<b>Total</b>		<b>\$ 260,863</b>

- k. We used historical metrics at a cost per square foot based on previous or planned projects of similar scope. For this forecast estimate our overall cost/Sq. Ft. was \$ 426/sf. Typical budget costs (per sf) for each component is estimated as:

Raised floors = \$11.40/sf

Audio Visual = \$525/sf (includes new situation room video wall and conf. room upgrades)

Furniture, fixtures, equipment (excluding Situation Room) = \$49.99/sf (includes furniture and sit/stand work surfaces, only)

Furniture, fixtures, equipment (including Situation Room) = \$170.06/sf (includes console “pods”, only)

Carpet = \$6.99/sf

Electrical = 26.00/sf

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6. Referring to SDG&E's workpaper page 55, 00709A.006 - Northeast Warehouse Locker Room Improvement, please provide the following:
- a. Please provide an explanation and examples, why existing locker room facilities need to be replaced. For example, leaking faucets, inadequate HVAC, tiles falling off, etc.
  - b. Please advise what the cost to "refresh" the locker rooms would be as opposed to demolition?
  - c. How does refreshing or upgrading a locker room benefit ratepayers?
  - d. Provide an explanation why the project is necessary and the negative consequences to ratepayers if the project is not approved.
  - e. If the locker rooms are not upgraded or refreshed, will this create an environment not suitable to SDG&E's employee's impacting their productivity? Please provide examples of this lack of productivity and why they will result.

**SDG&E Response 6:**

- a. The locker room has deteriorating tile flooring and base, deteriorating drywall and plaster partitions, rusted, corroded plumbing and leaks, and original HVAC equipment and lockers that have been in service beyond the normal useful life.
- b. In this specific project, to "refresh" or to demolish existing fixtures, equipment, lockers, bathroom stalls, etc. are synonymous with one another. To refresh the space, demolition/removal of items to be replaced is required.
- c. Similar to our response in question 4, SDG&E believes that a healthy environment for our employees translates into several benefits. First, an upgraded locker room can promote health and use of the exercise facilities, and thereby potentially reduce absenteeism. Second, an upgraded locker room also increases and improves morale by creating a sense of pride in our facilities, which translates into an energized workforce. Third, this project helps to improve retention rates and prevent employee turnover, thereby reducing the costs associated with recruiting and training for vacancies. Fourth, by upgrading the locker room we can introduce energy efficient applications such as lighting, HVAC, and water-free or low flow fixtures to conserve electricity, gas and water, and thus reduce our operating expenses in the long term.

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**SDG&E Response 6:-CONTINUED**

- d. See our response in question 4a also. The existing conditions in the locker room are not in alignment with our company values and do not adequately meet the needs of our workforce. The fixtures are broken, leaking, and in need of constant maintenance/repair; they are past their useful life. The locker room has not been remodeled in over 20 years and needs a major remodel. The benefits, as listed in response to question 6c, are increased employee morale, reduced absenteeism, increased employee retention and reduced turnover that in turn reduces costs, and increased energy efficiency to decrease our operating costs and environmentally conserve resources.
  
- e. Assuming the locker rooms are not upgraded, this may create an environment that is not conducive to a productive and efficient workforce. The personnel assigned to the location rely on using the facilities to prepare for the workday or at the end of an assigned shift. They use the locker room to change into/out of their uniforms, storing and securing any personal items, and using the facilities for hygiene. If the facilities are not adequate, personnel are forced to look for alternative accommodations either on the operating base or outside of the base. It is difficult to calculate what the specific productivity losses would be, but the need to provide adequate conditions is important to helping mitigate/eliminate those potential impacts.

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7. Referring to SDG&E's workpaper page 56, 00709A.007 - OCCO 2nd Floor Improvements, please provide the following:

a. Please provide a breakout of the costs by work type as noted: replacement of restroom fixtures and finishes, replacement of furniture to meet current company ergonomic standards, reorganization of the space for enhanced functional flexibility, collaboration and efficiency, upgraded audio visual technologies, provision of energy efficient lighting, and replacement of carpet, paint and window coverings.

b. A justification for this project is enhanced productivity. Based on this comment, please provide how productivity is lacking now, how productivity will be improved, the cost savings associated with this productivity, and where those cost saving are reflected in the current GRC.

c. A justification for this project is enhanced health. Based on this comment, please provide how employee's health is lacking now, how health will be improved, the cost savings associated with an employee's enhanced health, and where those cost saving are reflected in the current GRC.

d. A justification for this project is enhanced teamwork. Based on this comment, please provide how teamwork is lacking now, how teamwork will be improved, and the cost savings associated with this enhanced teamwork.

e. Provide an explanation why the project is necessary and the negative consequences to ratepayers if the project is not approved.

**SDG&E Response 7:**

- a. Costs on this project are estimated to be roughly \$180/sf. This is lower than that estimated for the CP 4 & CP 5 refreshes in that the space is substantially smaller and has a very specific business use of as the headquarters for crews providing gas and electric construction and maintenance service to SDG&E's Orange County service territory. The operational function of the building is static, and modularity and flexibility within the interior space is not of like importance as in large floor plates of general office space. As a result, raised floor and demountable partitions are not a part of the design plan for this project. Modularity and flexibility within the space will be achieved through the systems furniture design. Acoustical ceilings will also not be replaced except for local replacement of damaged tiles. Changes to enclosed areas are expected to be minor and achieved through drywall construction. Changes to HVAC will likewise be minimal and include replacement of diffusers, registers and control systems, only. The scope will generally include demolition and replacement of wall and floor finishes, drywall partitions, furniture, light fixtures and controllers, limited HVAC, window treatments and a complete refurbishment of restrooms and breakroom.



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**SDG&E Response 7a:-CONTINUED**

The project is being undertaken in two phases. Phase 1 is currently under construction and includes all elements of the scope described above excepting new furniture and partition changes. For this project, representative costs are as follows, and exclude soft costs such as design and project management fees, and general contractor mark-ups:

Restroom Fixtures and finishes = \$428.87/sf (includes general contractor markups)

Furniture, fixtures, equipment = \$49.99/sf (includes furniture and sit/stand work surfaces, only). Reorganization of the space for enhanced functional flexibility, collaboration and efficiency is essentially captured in this cost.

Audio Visual = \$13.34/sf

Lighting = \$12.71/sf

- b. Productivity is not lacking now, but we always seek to improve productivity. Our plan is to improve productivity by creating adjacencies that streamline the workflow between service planners, construction and operations supervisors and inspectors. The plan will be accomplished through the implementation of revised furniture systems. We have not projected any cost savings as a result of this effort in that while we would anticipate more efficient handling and processing of individual work or service orders, we do not envision any reduction in cost of the overall operations as a result of this improvement.
- c. Our testimony refers to enhanced health as one of many drivers that justify this project/request, but does not refer to or suggest that employee health is currently lacking. We consider, however, that improved ergonomic furniture systems will yield a cost benefit as the statistical data presented in our response to Item 4.c. above demonstrates a reduction in lost time injuries. Indirect LED light fixtures will also replace existing direct fluorescent fixtures, which will reduce glare and eye strain; however, we have no statistical data correlating this to reduced health incidents involving vision.
- d. Our testimony refers to enhanced teamwork as one of many drivers that justify this project/request, but does not refer to or suggest that teamwork is currently lacking. Our plan is to improve productivity by creating collaborative work areas, accompanied by audio-visual tools as appropriate, that allow will create more opportunities for thoughtful discussions and handoffs between service planners, construction and operations supervisors and inspectors. The plan will be accomplished through the implementation of revised partition layouts and furniture systems. We have not projected any cost savings as a result of this effort in that while we would anticipate more efficient handling and processing of individual work or service orders, we do not envision any reduction in cost of the overall operations as a result of this improvement.

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- e. Our testimony provides the drivers and reasoning for requesting the project funding. Defining the specific negative consequences to ratepayers if the project is not approved is not possible now.

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8. Referring to SDG&E's workpaper page 57, 00709A.008 - CP5 Refresh, please provide the following:

- a. SDG&E's current justification for this project indicates a refresh, but shows no real necessity, nor how the ratepayer benefits. Please provide a detailed explanation that shows how each component of the project clearly benefits the ratepayers and is necessary.
- b. Detailed plans for the project showing before and after pictures or drawings.
- c. A cost/benefit analysis showing how the ratepayers will benefit from a refresh.
- d. Outside the floors being more than 20+ years old, provide a justification for why the refresh is necessary for employee's to perform their current functions.
- e. If the refresh is not approved, please quantify and justify the \$ loss to ratepayers.
- f. Has this area ever been remodeled in any capacity? If yes, provide a listing of the upgrades and the cost broken out by type of upgrade and year.
- g. How SDG&E's current facilities lack in providing a health and safe environment for their employees.
- h. A break out of costs by addition type. For example, cost of demountable walls and raised floors, cost of spatial reconfiguration, cost of sit/adjustable work surfaces, cost of project team areas, cost of new furniture, cost of new audio visual equipment, etc.
- i. Is any of the refresh requested to meet ADA compliancy? If so, please provide a description and the cost.
- j. Please contact the originator of this data request to arrange a field visit to review the current space, and take pictures to have a record of the current office environment.
- k. Does SDG&E need to perform "ALL" the refresh work to obtain LEED certification? If yes, please explain why. If no, what measures could be taken and the cost to use the existing infrastructure to meet LEED certification?
- l. What is LEED certification and how does it benefit ratepayers?
- m. Does SDG&E currently allow employees to request an ergonomically designed office space? If no, then why. If yes, how is this funded?

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**SDG&E Response 8:**

- a. SDG&E’s business needs have changed dramatically over the last 20 years, and this project constitutes the first major tenant improvement within the facility during that time frame. The scope generally consists of (1) demolition of the existing floor plans by removing the existing “central spine” of offices and conference rooms to open the floor space, and (2) installation of demountable wall systems, raised floors, new furniture, fixtures, and equipment. The space will be designed to increase utilization by condensing spaces for offices, conference rooms, and individual workstations while simultaneously providing the necessary modularization to change the space as business needs continue to evolve. This increases space utilization and improves cost effectiveness per square foot. Creating strategic adjacencies will now be easier than ever because the space will be designed to house specific groups that work together to increase efficiency. Some benefits from using raised floors include, but are not limited to: a.) ease of access to the building installations from any place at the raised floor if future changes are needed, which ultimately reduces the cost for construction; b.) power, energy, communication and data base systems can be housed within the plenum and are readily available under the floor without the necessity to core drill and run conduit/cabling through the ceiling; and c.) the use of recycled materials can help with LEED certification.

The benefits of using modular (demountable) wall systems are 1.) cost avoidance, as the ability to re-purpose, relocate, and adapt the system may save money over the term of the lease and beyond, 2.) increased construction speed, as the walls are pre-finished, pre-glazed and pre-wired so that they can be installed in tandem with other building activities, significantly reducing construction schedules. 3.) environmental and sustainability benefits, from improving air quality for employees, to earning points in Leadership in Energy and Environmental Design (LEED); 4.) increased flexibility to change, reconfigure, or relocate walls as business needs and technology dictates.

With respect to the project’s ergonomic features for workstation standards and peripheral systems supporting our employees, SDG&E believes there will be a positive return on investment for ergonomics programs, especially programs that include ergonomics training, individualized recommendations, and ergonomic furniture that can adjust to fit every user.

- b. We have not created detailed plans for this request to date, as this project is only in the conceptual phase. We are conducting interviews with internal stakeholders and in the initial stages of development. We will provide conceptual “test fit” floor plans during your site visit 14 DEC 2017.

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- c. The forecasted and estimated costs have been submitted as part of our testimony. We based our cost estimate on historical data from previous projects of a similar nature and the estimate is approximately \$232 a square foot.

Also reference the benefits outlined in our answer to question 5a above.

To elaborate in further detail, everyone, including ratepayers, benefits from a healthier workforce. At SDG&E, we have been making progress in reducing employee injuries.

Our ergonomic prevention strategy includes an on-going and phased-in upgrade to adjustable desks as our buildings are refreshed with the goal of reducing/eliminating future injuries.

Below is statistical data regarding OSHA recordable and lost time incidents (LTI) related to repetitive motion injuries (RMI) /cumulative trauma (CTD). From 2015 – 2017 we’ve seen a decline in OSHAs and LTIs related to this activity.

OSHA-Rec-Flag	LTI	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Recordable	LTI-YES	8	12	12	11	12	6	8	4	3	5	2	1	0
	LTI-NO	18	18	20	24	11	8	7	1	6	4	7	4	4
<b>Grand Total</b>		<b>26</b>	<b>30</b>	<b>32</b>	<b>35</b>	<b>23</b>	<b>14</b>	<b>15</b>	<b>5</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>5</b>	<b>4</b>

- d. CP5 has not been significantly remodeled in over 20 years and SDG&E’s business has changed dramatically during that time. Evolving technology is driving much of our workforce needs, and our work has become increasingly collaborative. This facility needs a significant remodel to accommodate these changed conditions and requirements.

The project is intended to (1) create spaces that improve space utilization through condensing and reconfiguration, (2) increase efficiencies by having work groups adjacent to one another, (3) enhance teamwork via collaboration spaces, and (4) leverage technology to improve our performance. Better utilization of floor space is accomplished by reducing the square footage of individual workstations, and reducing the number of over-sized conference rooms to produce more, smaller breakout and focus rooms to accommodate small teams and workgroups. Creating strategic adjacencies for groups that work together increases efficiencies because the groups are not physically separated by space or the lack of sufficient area. Using technology to perform our jobs is a necessary requirement that is continuously changing and by implementing furniture, fixtures, and equipment in conjunction with building systems (walls, floors) that can adjust because of their modularity will be more cost effective in the future by reducing the cost of facility renovations.

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- e. Referring to our response to questions 5a-5d, there are benefits that would not be gained if the refresh is not approved; however, specific quantification of those benefits (or any loss to ratepayers) is not feasible now.
- f. The following table lists remodel projects that have occurred within Century Park, Building 4 within the last 20 years. The table excludes projects exclusively involving improvements to mechanical or electrical systems for the purpose of infrastructure reliability.

CP5 Remodel Project Description	Year Completed	Cost (nominal & unloaded)
Carpent Replacement & Re-Paint at Office Areas	2010	\$ 758,121
Repurpose Storage Area for Expanded Office Space	2011	\$ 66,130
Construct Additional Manager's Office	2011	\$ 43,057
Flooring & Finish Replacement at Common Areas	2013	\$ 218,228
<b>Total</b>		<b>\$ 1,085,536</b>

- g. Our facilities do provide a safe and healthy environment for our employees, however the requested improvements to the facilities support our initiative for continuous enhancement of employee safety and health.
- h. We used historical metrics at a cost per square foot, based on previous tenant improvement projects of similar scale and scope. For this forecast, SDG&E estimates its overall cost/Sq. Ft. to be \$232/sf, which is representative of reconfiguring entire floor spaces in excess of 10,000 sf. Typical budget costs (per sf) for each component are estimated as follows, and exclude soft costs such as design and project management fees, and general contractor mark-ups:

Raised floors = \$11.40/sf

Audio Visual = \$9.55/sf

Furniture, fixtures, equipment = \$49.99/sf (includes furniture and sit/stand work surfaces, only)

Demountable walls = \$25.93

Project team areas can vary significantly based on square foot area and type of furniture preferred or required by the end users (e.g. large conference tables vs touchdown stations vs training tables vs workbenches or combination thereof). Using the overall cost/sf from above as guidance, project team rooms ranging from a nominal 250 sf to 1000 sf could vary in price between \$50K and \$250K.

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- i. The facility now is ADA compliant to the best of our knowledge and this project is not being submitted as means of mitigating or eliminating any ADA deficiency.
  
- j. Site visit is scheduled for 14-15 DEC 2017.
  
- k. The scope and cost of work to obtain LEED certification cannot be estimated until detailed design documentation has been completed and a preliminary LEED scorecard developed. While we believe certain elements of the anticipated scope will benefit LEED scoring, it is possible that additional scope enhancements may be necessary to achieve LEED certification.
  
- l. Leadership in Energy and Environmental Design. (LEED) Indirectly, the greater societal benefits of developing and building facilities that are energy efficient by saving electricity, water and natural gas, utilizing renewable sources of energy, using sustainable and recycled materials in construction, and operating and maintaining facilities to maximize the return on investment is a benefit to the ratepayers. Reducing waste, carbon footprints and greenhouse gas (GHG) emissions are also a responsibility that we take seriously and is in our collective best interests as climate change continues to be a challenge moving forward.
  
- m. Our ergonomics program is designed to fulfill CA standard 5110 requirements. Internally, we use a “Request for Special Equipment Process” which Safety and Employee Care Services uses for individual requests for ergonomic equipment. Our ergonomic prevention strategy includes an on-going and phased in upgrade to adjustable desks as our buildings are refreshed with the goal of reducing/eliminating future injuries