

**ORA DATA REQUEST
ORA-SDGE-175-TCR
SDG&E 2019 GRC – A.17-10-007
SDG&E RESPONSE
DATE RECEIVED: APRIL 11, 2018
DATE RESPONDED: MAY 14, 2018**

Data Request No: ORA-SDGE-175-TCR

Exhibit Reference: SDG&E-24

SDG&E Witness: Christopher R. Olmsted

Subject: Tracking IT projects that continue across multiple rate cases

Please provide the following:

1. How does SDG&E internally approve projects that are expected to extend across multiple rate case cycles? For example, in its TY 2012 GRC, SDG&E requested \$5.085 million for DERMS, but estimated the total cost for DERMS to be \$57.4 million.

SDG&E Response 01:

SDG&E does not constrict approval of projects based on synchronization with rate case cycles. Rather, SDG&E internally evaluates the attributes of a project, either approving, tabling or rejecting the project based on those merits, and will also consider available resources to fund and execute the project. Thus, it is possible that a project may, owing to urgency, displace another project not yet begun, may be added to a queue of projects in various stages of completion, or may be tabled until such time as available resources such as engineering design, contractor availability, permit application, environmental construction ‘windows’ and system-operating conditions allow. While SDG&E manages its capital construction to a combination of approved funding levels and emergent needs, the potential to span multiple rate case cycles does not generally outweigh other attributes.

A similar consideration is also true of projects anticipated to be placed into service after the test year. If these pose a significant incremental increase to anticipated test-year capital spending, they are considered for potential consideration in the utility’s post-test-year attrition mechanism proposal.

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2. In its TY 2012 GRC, SDG&E requested \$5.085 million for DERMS, but estimated the total cost for DERMS to be \$57.4 million. Provide the initial WOA for DERMS. If the initial WOA is not available, provide the initial authorized budget for DERMS and cite to the source of this budget data.

SDG&E Response 02:

The WOA was provided to ORA in response to data request ORA-SDGE-141-TCR Q.7c.

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3. Is it correct that Budget Codes, for example 00833J, do not directly allow the CPUC to determine the total cost of a project, for example CPD? If this statement is incorrect, please explain. If this statement is correct, is there a code (e.g., project ID number) or another mechanism that allows SDG&E, the CPUC, or ORA to determine the total cost of a major IT program that extends over multiple rate cases? If so, please provide the code or describe the mechanism and show how this is used using CPD as an example.

SDG&E Response 03:

The Work Order Authorization (WOA) documents the estimated total cost of a project, throughout the development of a project estimate a WOA may be revised, or there may be multiple WOAs for different phases of a project. The WOA for the CPD project is attached, as “ORA-SDGE-175-TCR_Q3 Attachment (Confidential).pdf.”