



A.15-05-002, et al S-MAP Phase 2, Workshop on SMJUs and Accountability



**Electric Costs and Natural Gas Sections
Energy Division**

February 22, 2018



Context

- New General Rate Case (GRC) Plan (D.14-12-025)
- 2015 Safety Action Plan
- 2016 Update
 - Action Item 5 Staff Reports
 - PG&E (A.15-09-001), published October 2016
 - SCE (A.16-09-001), published May 2017
 - SDG&E/SoCalGas (A.17-10-007/8), ?
- SDG&E/SoCal Gas 2016 GRC (D.16-06-054)
 - “Interim” Risk Spending Accountability Reports (D.14-12-025)
 - 2014-15 filed June 2017
 - 2016 filed October 2017



Reporting Requirements

- Rate Case Plan
 - GRC projected spending for approved mitigation projects vs. actual spending
- Proposal
 - Authorized spending on specific programs that mitigate risks that impact safety
 - Based on Energy Division's Action Item 5 Safety Action Plan Reports



Reporting Requirements (cont.)

- Organization
 - Report on activities at the FERC sub-account level or equivalent. Provide more detailed reporting as available.
 - GRC workpapers and/or results of operation model worksheets can serve as a template and should be provided with the report for verification.
 - Organize the report along lines of business or operating units
 - Transmission and Distribution, Generation, A&G, etc.
 - Expensed and direct capital expenditures



Reporting Requirements (cont.)

- Selection Criteria
 - Compare authorized funding to actual spending (actual less authorized) and select items based on a set of criteria.
 - Example:
 - GRC expensed items: A variance of at least \$10 million, or a percentage variance or at least 50% subject to a minimum variance of \$5 million.
 - Capital programs: A variance of at least \$20 million, or a percentage variance of at least 100% subject to a minimum variance of \$10 million.
 - Provide a detailed explanation of the variance.
 - Impacts of balancing and/or memorandum accounts
 - Calculate the amount of safety-related spending in relation to the base rate revenue requirement.



Reporting Schedule

PG&E	SCE	SoCalGas	SDG&E
March 31	May 31	July 31	Sept 30

- **PG&E**
 - PG&E is modifying its annual Budget Reports for 2017-2019
 - Reporting takes effect in 2020
- **SCE**
 - SCE 2018 GRC for 2017-2020
 - Reporting takes effect in 2021 pending GRC decision
- **SoCalGas and SDG&E**
 - SoCalGas and SDG&E 2017-2018 “interim” reports
 - Reporting takes effect in 2019



Questions/Comments

Electric Costs:

Michael Zelazo, (916) 327-6797, michael.zelazo@cpuc.ca.gov

James Loewen, (415) 703-1063, james.loewen@cpuc.ca.gov

Natural Gas:

Kevin Flaherty, (415) 703-3842, kevin.flaherty@cpuc.ca.gov

Franz Cheng, (415) 703-1536, franz.cheng@cpuc.ca.gov

Website:

www.cpuc.ca.gov/Costs_Rates





Examples: SCE Action Item 5 Report

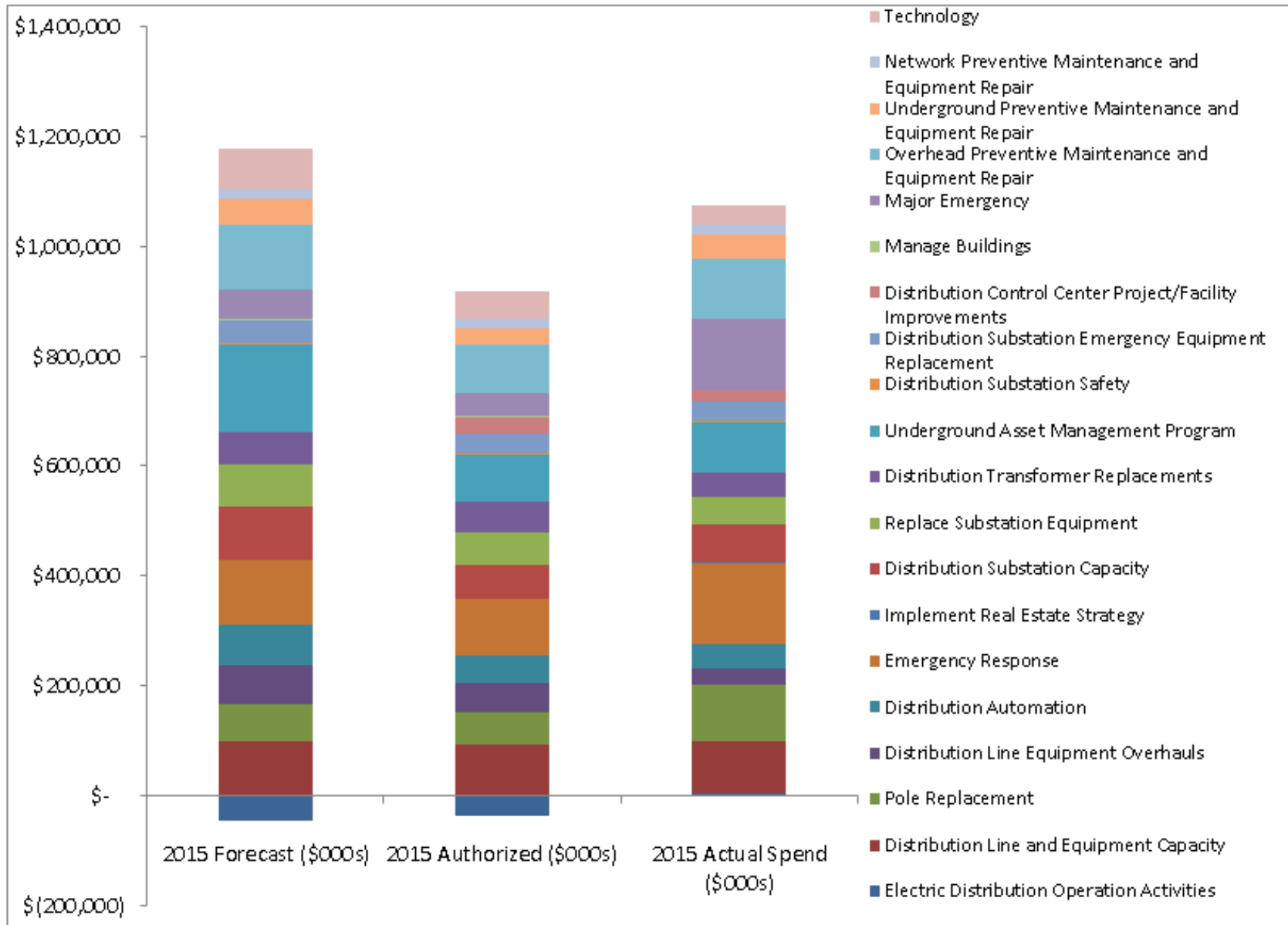
Table I-2: Capital and Expense Items Selected for Further Discussion (\$000s)

Program	(a) 2015 Requested	(b) 2015 Authorized	(c) 2015 Actual	Actual vs. Requested		Actual vs. Authorized		Category	Group
				(c-a) Variance	(c-a) / a Percent Variance	(c-b) Variance	(c-b) / b Percent Variance		
Distribution Pole Replacement	\$ 111,066	\$ 83,675	\$ 323,684	\$ 212,618	191.4%	\$ 240,009	286.8%	T&D	Capital
Pole Remediation Distribution	\$ 285,563	\$ 200,276	\$ 147,324	\$ (138,239)	-48.4%	\$ (52,952)	-26.4%	T&D	Capital
Mountainview Capital Projects	\$ 1,139	\$ 1,139	\$ 74,978	\$ 73,839	6482.8%	\$ 73,839	6482.8%	Generation	Capital
Overhead Conductor Program	\$ -	\$ -	\$ 58,126	\$ 58,126	---	\$ 58,126	---	T&D	Capital
Transmission Pole Replacement	\$ 31,910	\$ 30,953	\$ 88,000	\$ 56,090	175.8%	\$ 57,047	184.3%	T&D	Capital
Pole Remediation Transmission	\$ 58,501	\$ 41,341	\$ 9,923	\$ (48,578)	-83.0%	\$ (31,417)	-76.0%	T&D	Capital
Cable In Conduit Replacement	\$ 94,256	\$ 75,999	\$ 54,077	\$ (40,179)	-42.6%	\$ (21,923)	-28.8%	T&D	Capital
Hardware - Servers & Storage	\$ 63,199	\$ 61,637	\$ 23,122	\$ (40,077)	-63.4%	\$ (38,515)	-62.5%	Other	Capital
Electrical Equipment	\$ 38,256	\$ 38,256	\$ 2,426	\$ (35,830)	-93.7%	\$ (35,830)	-93.7%	Generation	Capital
Distribution Rule 20B Conversions	\$ 43,387	\$ 39,001	\$ 14,037	\$ (29,350)	-67.6%	\$ (24,963)	-64.0%	T&D	Capital
Underground Structure Replacement	\$ 72,712	\$ 58,169	\$ 102,060	\$ 29,348	40.4%	\$ 43,891	75.5%	T&D	Capital
Mountainview	\$ 41,084	\$ 40,750	\$ 12,363	\$ (28,721)	-69.9%	\$ (28,387)	-69.7%	Generation	Expense
Plant Betterment	\$ 8,012	\$ 8,012	\$ 35,250	\$ 27,238	340.0%	\$ 27,238	340.0%	T&D	Capital
Transmission Planned Capital Maintenance	\$ 6,268	\$ 6,268	\$ 32,151	\$ 25,883	413.0%	\$ 25,883	413.0%	T&D	Capital
Design Construction & Maintenance - Construction Support Activities	\$ 30,828	\$ 27,072	\$ 11,486	\$ (19,342)	-62.7%	\$ (15,586)	-57.6%	T&D	Expense
Underground Oil Switch Replacement	\$ 9,695	\$ 9,695	\$ 25,938	\$ 16,243	167.5%	\$ 16,243	167.5%	T&D	Capital
Corporate Security	\$ 42,950	\$ 42,950	\$ 26,906	\$ (16,044)	-37.4%	\$ (16,044)	-37.4%	Other	Expense
Distribution Pole Assessments	\$ 33,792	\$ 30,352	\$ 21,424	\$ (12,368)	-36.6%	\$ (8,928)	-29.4%	T&D	Expense
Substation Physical Security	\$ 5,791	\$ 5,791	\$ 17,673	\$ 11,883	205.2%	\$ 11,883	205.2%	T&D	Capital
Corporate Real Estate - A&G	\$ 27,896	\$ 25,812	\$ 16,062	\$ (11,834)	-42.4%	\$ (9,750)	-37.8%	Other	Expense
Transmission - Line, Structure, Road, and Right-Of-Way Maintenance	\$ 32,006	\$ 30,902	\$ 21,361	\$ (10,645)	-33.3%	\$ (9,541)	-30.9%	T&D	Expense
Distribution Pole Repairs and Distribution Pole Related Expense	\$ 11,153	\$ 10,376	\$ 3,992	\$ (7,161)	-64.2%	\$ (6,384)	-61.5%	T&D	Expense



Examples: PG&E Action Item 5 Report

Figure 3-3: 2015 Electric Distribution Capital Spending: Comparison of Forecast, Authorized, and Actual Spending by Major Work Category





Examples

SDG&E 2016 “Interim” Report

Capital Project	2016	2016	2016
	Actuals	Authorized	Variance
Nominal Dollars (\$000)			
SDG&E Weather Instrumentation Install (BC 11243)			\$0
Circuit 1215 Fire Risk Mitigation Project (BC 12265)			\$0
FiRM Phases 1, 2, & 3 (BC 13247 & 14247)	\$54,134	\$61,714	(\$7,580)
Circuit 441 Pole Loading Study/Fire Risk Mitigation (BC 13255)			\$0
Distribution Aerial Marking and Lighting (BC 13266)	\$6	\$150	(\$144)
Cleveland National Forest (CNF) (BC 13282 & 081650)	\$8,976	\$11,451	(\$2,475)
Sub-Total Fire Specific	\$63,116	\$73,315	(\$10,199)
Replace for Live Front Equipment (BC 6247)	\$515	\$906	(\$391)
Powerworkz (BC 12256)	(\$1)		(\$1)
SF6 Switch Replacement (BC 14249)	\$459	\$10,623	(\$10,164)
Sub-Total Other TY2016 Elect Dist Safety & Risk Projects	\$973	\$11,529	(\$10,556)
Total TY2016 GRC Elect Dist Safety & Risk Projects	\$64,089	\$84,844	(\$20,755)



Examples: PG&E 2017 Report

Sections of the Accountability Report

1. Comparison of 2017 authorized spending and units to 2017 actual spending and units by Maintenance Activity type (MAT code) for ED and GD and by Major Work Category (MWC) for Energy Supply

Example:

Line No.	MWC	MAT	2017 Imputed Units	2017 Imputed Regulatory Values (\$)	2017 Actual Units	2017 Actual (\$)	2017 Difference in Units Higher/(Lower)	2017 Difference Higher/(Lower)	Explanation

2. Safety Metrics by month:
 - a. T&D Wires Down
 - b. 911 Emergency Response
 - c. Dig-In Reductions
 - d. Gas Emergency Response
 - e. DCPD Reliability and Safety Indicator – Unit 1
 - f. DCPD Reliability and Safety Indicator – Unit 2
 - g. Hydro Public Safety Actions Index
 - h. Lost Workday Case Rate
 - i. OSHA Recordable Rate
 - j. Near-Hits Reported
 - k. PMVI Count
 - l. SPMVI Count
 - m. Contractor Lost Workdays
 - n. Contractor Days Away
 - o. Contractor OSHA Recordable Rate
 - p. Fires Requiring Engine Response
 - q. Employee Fatalities and Life Altering Injuries

3. Operational metrics, such as Cross Bore Program, leak find rates, pole replacement, circuit breaker replacement, cable replacement, overhead conductor replacement, grasshopper switch replacement, FLISR installation, overhead fuse installation, surge arrestor and more