

1 team also explores new channels for training, such as online training and multi-media
2 training aids.

3 These functions support the safety and reliability of SoCalGas' system by providing the
4 proper level of operations leadership, field management, operations support, and field technical
5 skills training.

6 **2. Forecast Method**

7 In projecting the future expense requirements for these functions, SoCalGas reviewed the
8 2009 through 2013 historical spending for this workgroup. In general, operations leadership,
9 field management, operations support, and personnel training increase as levels of work and
10 workforce increase; as new programs, processes and technologies are implemented; and as
11 regulatory or compliance requirements change. The review of the historical costs in this work
12 category shows a generally consistent upward trend. As a foundational forecast, SoCalGas used
13 the 2013 adjusted recorded expense, which represents the base level of leadership, management,
14 support, training personnel, and associated non-labor necessary to maintain current operations.
15 Added to this base are incremental work elements not reflected in the base forecast that are
16 necessary to adequately fund Operations Management and Training activities in TY2016. These
17 work elements are described below.

18 The total incremental funding for these incremental increases is \$5,693,000 over the 2013
19 adjusted recorded base in TY2016.

20 **a. Operator Qualification Program**

21 Safety is fundamental to employee training and qualification. Maintaining a skilled,
22 qualified and dedicated workforce is critical to SoCalGas' success. It is through the efforts of
23 these employees that SoCalGas is able to continue to deliver safe and reliable service to its
24 customers and maintain the integrity of its pipeline infrastructure. SoCalGas is expanding its
25 Operator Qualification program to better align with industry leading practices and
26 recommendations by CPUC auditors, as well as comply with SB 705, which requires pipeline
27 operators to establish a safety plan that is "consistent with leading practices in the gas industry
28 and with federal pipeline safety statutes."²⁵ This includes adding new qualification elements or
29 tasks, developing qualification materials, establishing an electronic record-keeping process, and

²⁵ Cal. Pub. Util. Code § 961(c).

1 conducting training and qualification of impacted employees. The following three items
2 describe these incremental activities.

3 i. Operator Qualification Program Enhancement in Training
4 Services - Technical Specialists, Training Instructors,
5 Administrators

6 In response to recommendations by Commission staff during a region operations audit
7 conducted in February, 2013,²⁶ SoCalGas agreed to expand its Operator Qualification program to
8 implement six additional welding and fusion elements or tasks for steel and plastic.

9 Furthermore, as a result of feedback from the CPUC auditors at SDG&E's CPUC operations
10 audit on July 16, 2013,²⁷ SoCalGas will add eight elements for employees who perform pressure
11 control operations. Because SoCalGas and SDG&E implement one consistent Operator
12 Qualification program, program enhancements are implemented across both companies. In
13 addition, the Operator Qualification program will be expanded to better align with industry
14 leading practices, which generally follow the American Society of Mechanical Engineers
15 (ASME) B31Q standard.²⁸ Feedback from CPUC auditors during recent audits has indicated
16 that they also follow these leading practices to audit Operator Qualification programs. Thus,
17 SoCalGas will be increasing its overall number of Operator Qualification covered tasks from 55
18 to 125. Impacted employees will be required to demonstrate proficiency in each new covered
19 task and the qualification process will need to be observed and documented by a qualified
20 observer. The intervals in which employees will be re-evaluated will vary, depending on the
21 task. Under the current program all tasks have a re-evaluation requirement of five years. Under
22 the expanded program, however, re-evaluation will occur every three years for many of the
23 Operator Qualification elements. Implementation of the new Operator Qualification program
24 will require two Technical Specialists for program development, four Training Instructors to
25 conduct employee training and qualification, one subject matter expert to assist in the
26 development of program materials, and two Operator Qualification program administrators. The
27 implementation of the revised Operator Qualification program will start in year 2015 and be
28 completed in 2017. Additional details can be found in supplemental workpaper SCG-FBA-

²⁶ SoCalGas Operations Audit by CPUC Safety and Enforcement Division (February 18-22, 2013).

²⁷ SDG&E Operations Audit by CPUC Safety and Enforcement Division (July 16, 2013).

²⁸ ASME B31Q Edition 10 (September 30, 2010).

1 O&M-SUP-006, located under Operations Management & Training in Exhibit SCG-04-WP.
2 The funding needed to address this incremental requirement is \$1,080,000 over the forecast base
3 for TY2016.

4 ii. Operator Qualification Program Enhancement in Training
5 Services - Operations Training Administrator Clerks

6 As employees are trained and qualified on the new Operator Qualification elements,
7 Training Services will be required to process and review more than one million additional
8 documents per year. Training Services will need five incremental Administrative Control Clerks
9 to process these records and to verify that all operators performing covered tasks are qualified.
10 Additional details can be found in supplemental workpaper SCG-FBA-O&M-SUP-006, located
11 under Operations Management & Training in Exhibit SCG-04-WP. Individual documentation is
12 needed for each Operator Qualification covered task for both initial and subsequent qualification.

13 Currently there are 55 covered tasks, and each covered tasks consists of a written test and
14 a performance test (110 tests total). The program will be expanding from 55 tasks to 125 tasks.
15 Therefore, in the new program, there will be 250 tests. These tests are used to qualify the
16 approximately 3,000 employees, in 35 job classifications that form part of SoCalGas' Operator
17 Qualification program. The Operator Qualification rule requires that the individual's knowledge,
18 skills, and abilities are demonstrated or tested for each task. The training and testing materials
19 are developed in compliance with the applicable Company Gas Standards associated with each
20 covered task.

21 The Operator Qualification Clerks will assist in verifying that all employees requiring
22 operator qualifications receive the proper initial training and re-qualifications as needed. They
23 will also add new employees in the operator qualification tracking system and will provide
24 employee operator qualification status reports to field supervision. The funding needed to
25 address this incremental requirement is \$349,000 over the forecast base for TY2016.

26 iii. SAP Enhancement for Operator Qualifications

27 As discussed in the previous section, the expanded Operator Qualification program will
28 significantly increase the number of employee qualification records. In addition to the five
29 clerks described previously, a new electronic process will be required to process this large
30 amount of records. Additional details can be found in supplemental workpaper SCG-FBA-
31 O&M-SUP-006, located under Operations Management & Training in Exhibit SCG-04-WP.
32 One of the alternatives to this electronic option is to expand the current manual data entry

1 process, which would add approximately 60 clerks. Given the large expense associated with
2 adding this level of workforce, SoCalGas determined that this is not an acceptable option. Other
3 electronic options SoCalGas reviewed are significantly more expensive. Therefore, SoCalGas
4 will implement the least cost option for the new Operator Qualification records documentation
5 electronic process, estimated at \$363,000 and this approach will be fully implemented in
6 TY2016.

7 **b. Training Services**

8 Safety is rooted in all phases of Gas Distribution training. It starts with the formalized
9 training that employees receive when they begin their career, is emphasized on the job, and then
10 re-emphasized during training they receive as they advance to new jobs. Training courses are
11 delivered to each function/classification in all field job progressions and vary from one to eight
12 weeks for entry-level positions. Courses are taught utilizing various training methods and
13 delivery by a centralized field training team, with most of the instructors having held a technical
14 or field job at some point in their careers. These instructors convey consistent safety messages
15 and confirm understanding of the classroom training by observing employees in simulated
16 situations at SoCalGas' training complex in Pico Rivera.

17 In addition to the increase of workforce required to address incremental work activities,
18 SoCalGas is experiencing increased turnover in workforce due to retirements and employee
19 movement as a result of promotions and transfers. This presents issues of knowledge transfer,
20 skills development, and overall proficiency of the new and replacement workforce. Gas
21 Distribution is taking appropriate measures to maintain this highly skilled workforce,
22 recognizing that safety and system reliability cannot be sacrificed during times of employee
23 transition. As new and less experienced employees step in to replace highly skilled employees,
24 SoCalGas is conscientiously training these employees. Below are four incremental elements
25 associated with improvement to the training program.

26 i. Gas Distribution - High Pressure Technical Advisors

27 SoCalGas will implement a high pressure training program composed of subject matter
28 experts in the high pressure pipeline field. These Technical Advisors will be dedicated to
29 develop new and refine existing training modules and deliver initial Operator Qualification
30 technical training to Managers and Supervisors involved with high pressure pipeline
31 construction. In addition, this team will deliver initial technical training to contract employees