



# SDG&E TPR Stakeholder Meeting

## 2024 - Cycle 2

September 30, 2024



# Welcome

Kris Bourbois – Regulatory Case Manager

# Safety Moment

- Water
- Non-perishable food
- Flashlight and extra batteries
- First aid kit
- Medications and medical supplies

Assemble an  
Emergency Kit



- Establish a meeting place
- Identify emergency contacts
- Plan for different types of emergencies (fire, earthquake, flood)

Develop a Family  
Emergency Plan



- Sign up for emergency alerts
- Know your community's evacuation routes
- Keep a battery-powered radio handy

Stay Informed



- Conduct regular drills
- Review and update your plan annually
- Ensure everyone knows how to use emergency equipment

Practice your  
Plan



- Create defensive space around your home
- Install smoke and carbon monoxide detectors
- Secure heavy furniture and appliances
- Know how to shut off utilities (water, electricity, gas)

Secure Your  
Home



# Agenda



| Item                                           |
|------------------------------------------------|
| Welcome, Agenda & Logistics                    |
| TPR Project Spreadsheet Process & Improvements |
| Projects Not Included in TPR Spreadsheet       |
| Capital Expenditures                           |
| Blanket Budgets                                |
| Hardware/Software Projects                     |
| Fire-Related Costs                             |
| Break (if necessary)                           |
| Project Specific Inquiries                     |
| Cost-Benefit Analysis                          |
| Work Order Authorizations                      |
| Wrap-Up                                        |

# Virtual Meeting Logistics



## Meeting Agreements

- No confidential information will be discussed.
- Please be mindful that others in this virtual meeting may also have questions.
- Mute your line if you are not speaking.
- Detailed questions that cannot be addressed in the meeting should be addressed via stakeholder questions and comments due on October 14.

## Engaging in Discussion

- SDG&E SMEs will present and then take live questions.
- Raise your hand (icon).
- When asking questions, please state your name and organization.

## Important

- SDG&E welcomes stakeholder ideas and feedback on how to improve this meeting in written comments.

# SDG&E TPR Process – Remaining Schedule

| Event                                                                                                | Date         |
|------------------------------------------------------------------------------------------------------|--------------|
| Stakeholder Meeting                                                                                  | September 30 |
| Stakeholders' questions and comments related to Stakeholder Meeting                                  | October 14   |
| Written responses to questions and comments related to Stakeholder Meeting                           | November 4   |
| Last day for Stakeholders to submit project-specific, follow-up questions to SDG&E                   | November 13  |
| Written responses from SDG&E to Stakeholder project-specific follow-up questions                     | December 3   |
| Last day for Stakeholders to submit comments to SDG&E. There is no expectation of written responses. | December 9   |
| SDG&E releases Cycle 3 Project Spreadsheet                                                           | January 2    |



# **SDG&E TPR Process & Updates**

**Adam Currey – Transmission Revenue Manager**  
**Brandon Pate – Transmission Project Manager**

# SDG&E TPR Process & Updates

## SDG&E TPR Process Financial Data Collection Overview

- 60 days prior to posting date TM1 data is pulled, and Accounting data is requested
- TM1 Data is manually sorted and filtered
  - Accounting data is added once received
- All data is reviewed and compared to prior TPR Spreadsheets
  - Columns are cross checked for reasonableness (Cap Ex, CWIP, Plant Adds, EAC, etc.)
  - Any projects missing from prior spreadsheet are researched and added if necessary

## SDG&E TPR Process Non-Financial Data Collection Overview

- After the financial data pull determines projects in scope, relevant subject matter experts are identified for each project line item to assist with non-financial data collection
- A cross functional effort for each project line item is conducted to identify non-financial data field responses through various internal systems (e.g. P6, SharePoint, SAP, GIS, etc.)
- Non-financial data then goes through a data validation effort to ensure consistency and accuracy



# SDG&E TPR Process & Updates



## Issues in preparing second TPR Process Data Sheet :

- Minor data consistency issues discovered between systems (ex. Removal costs)
- Small timing issues

## Planned Updates for Cycle 3 (due January 2)

- Minimizing the use of data outside of the TM1 Planning System
- Excluding Removal Costs from Capital Expenditures
- Adding additional validations and cross checks where possible



# Projects Not Included in TPR Spreadsheet

Adam Currey – Transmission Revenue Manager

# Projects Not Included in TPR Spreadsheet

The projects below were excluded from the TPR Spreadsheet because the projects had actual or forecasted costs of less than one million dollars between 2019 and 2028. All three projects are operational and were not rescoped.

- Additional 450 MVAR of dynamic reactive support at San Luis Rey (i.e., two 225 MVAR synchronous condensers)
  - Placed in-service: 12/2017
- Imperial Valley Flow Controller (IV B2BDC or Phase Shifter)
  - Placed in-service: 05/2017
- 15 MVAR Capacitor at Basilone Substation and 30 MVAR Capacitor at Pendleton Substation
  - Placed in-service: 10/2017 and 05/2018

| Name                           | 2019 Cap Ex | 2020 Cap Ex | 2021 Cap Ex | 2019 – 2028 Cap Ex |
|--------------------------------|-------------|-------------|-------------|--------------------|
| San Luis Rey                   | \$94,208    | \$955       | \$3,566     | \$98,729           |
| IV Phase Shifter               | \$444,358   | \$199,966   | \$25,552    | \$669,876          |
| Camp Pendleton Voltage Support | \$517       | -           | -           | \$517              |



# Capital Expenditures

Adam Currey – Transmission Revenue Manager

# Capital Expenditures

a. **Line 68 CAST Security Upgrades** - Data Field 56 (Current Projected Total or Actual Final Cost) is approximately 75 times the value of Data Field 57 (2019-2023 Actual Capital Expenditures)

- Data Field 56 includes Cap Ex from prior to 2019 and Cap Ex costs from Field 58.

| Project Name           | Field 56 Total<br>(\$000) | Field 57 Total<br>(\$000) | Field 58 Total<br>(\$000) |
|------------------------|---------------------------|---------------------------|---------------------------|
| Cast Security Upgrades | \$123,731                 | \$1,644                   | \$80,760                  |

b. **Line 72 Kettner Rebuild** - Data Field 56 (Current Projected Total or Actual Final Cost) is 58% higher than the value of Data Field 57 (2019-2023 Actual Capital Expenditures).

- Data Field 56 equals the sum of Data Field 57 and Data Field 58

| Project Name    | Field 56 Total<br>(\$000) | Field 57 Total<br>(\$000) | Field 58 Total<br>(\$000) |
|-----------------|---------------------------|---------------------------|---------------------------|
| Kettner Rebuild | \$10,218                  | \$6,907                   | \$3,311                   |



# Blanket Budgets

Brandon Pate – Transmission Project Manager  
Ken Fridley –

# Blanket Budgets

Explain how SDG&E develops budgets for these blanket budget programs and give examples of subprojects

a) **Line 128 Transmission CMP Non-HFTD – Data Field 58** (Projected Capital Expenditures) shows approximately \$162.4 million in years 2025-2028.

- Budgets estimated based on historical budget analysis and inspection cycles used to approximate number of compliance projects;
- In combination with an average price per pole replacement to estimate budget needs;
- Examples: GO195 infractions on transmission structures that will require replacement, including design, procurement and construction within a compliance timeline

b) **Line 103 Substation DC Reliability Upgrades – Data Field 58** (Projected Capital Expenditures) shows approximately \$17 million in years 2025-2028

- Budgets developed by identifying substations requiring upgraded Station DC standby power to support new network and protective relay equipment installations;
- Coordinated between internal IT and substation engineering teams to develop list of future projects, prioritize according to criticality, and creates project forecasts;
- Forecast aggregated into yearly budgets;
- See table for a list of example projects

| Substation   |               |                 |
|--------------|---------------|-----------------|
| Miramar      | Carlton Hills | Sampson         |
| Scripps      | Elliot        | Monserate       |
| Cabrillo     | Mesa Heights  | Otay Mesa       |
| Chollas West | Laguna Niguel | Miguel          |
| Margarita    | Coronado      | Imperial Valley |
| Alpine       | San Onofre    |                 |





# Hardware/Software Projects

Adam Currey – Transmission Revenue Manager



# Hardware/Software Projects

The 2026 SDG&E Network Refresh project is an IT based Common Plant project.

- To allocate Common Plant Costs SDG&E first uses the FERC-prescribed labor ratio allocation method to allocate Common Utility Plant between Electric Plant and Gas Plant as shown on AD-10 of SDG&E's TO5 Cycle 6 filing below.

| SAN DIEGO GAS & ELECTRIC COMPANY                   |        |                                         |              |                                         |
|----------------------------------------------------|--------|-----------------------------------------|--------------|-----------------------------------------|
| STATEMENT AD                                       |        |                                         |              |                                         |
| COST OF PLANT                                      |        |                                         |              |                                         |
| BASE PERIOD / TRUE UP PERIOD - 12/31/2022 PER BOOK |        |                                         |              |                                         |
| (\$1,000)                                          |        |                                         |              |                                         |
| COMMON PLANT                                       |        |                                         |              |                                         |
| Line No.                                           | Month  | Description                             | Amounts      | Reference                               |
| 1                                                  | Dec-21 | Total Common Plant Per Book             | \$ 2,014,292 | Form 1; Page 356; Accts 303 to 398; BOY |
| 2                                                  |        | Electric Split of Common Utility Plant  | 74.67%       | Form 1; Page 356; Electric              |
| 3                                                  |        | Total Common Plant to Electric Per Book | \$ 1,504,072 | Line 1 x Line 2                         |
| 4                                                  |        |                                         |              |                                         |
| 5                                                  | Dec-22 | Total Common Plant Per Book             | \$ 2,126,037 | Form 1; Page 356; Accts 303 to 398; EOY |
| 6                                                  |        | Electric Split of Common Utility Plant  | 73.17%       | Form 1; Page 356; Electric              |
| 7                                                  |        | Total Common Plant to Electric Per Book | \$ 1,555,621 | Line 5 x Line 6                         |
| 8                                                  |        |                                         |              |                                         |
| 9                                                  |        |                                         |              |                                         |
| 10                                                 |        | Beginning and End Period Average        | \$ 1,529,847 | Average of Line 3 and Line 7            |
| 11                                                 |        |                                         |              |                                         |

# Hardware/Software Projects Continued

- SDG&E then uses the same FERC-prescribed labor ratio allocation method to allocate Electric Common Plant between Electric Transmission, Electric Distribution, and Electric Generation.
  - The labor ratio is updated annually using inputs from Page 354-355 of SDG&E's Annual FERC Form 1 and shown on Statement AI of SDG&E's TO5 Cycle 6 filing below.
  - The labor ratio allocation to Electric Transmission varies year to year but is typically around 20% of Electric Plant

| SAN DIEGO GAS & ELECTRIC COMPANY                                  |                                                                 |            |                     |          |
|-------------------------------------------------------------------|-----------------------------------------------------------------|------------|---------------------|----------|
| Statement AI                                                      |                                                                 |            |                     |          |
| Wages and Salaries                                                |                                                                 |            |                     |          |
| Base Period & True-Up Period 12 - Months Ending December 31, 2022 |                                                                 |            |                     |          |
| (\$1,000)                                                         |                                                                 |            |                     |          |
| Line No.                                                          | FERC Form 1 Page; Line; Col.                                    | Amounts    | Reference           | Line No. |
| 1                                                                 | Production Wages & Salaries (Includes Steam & Other Power Suppl | \$ 13,409  |                     | 1        |
| 2                                                                 |                                                                 |            |                     | 2        |
| 3                                                                 | Transmission Wages & Salaries                                   | 30,504     |                     | 3        |
| 4                                                                 |                                                                 |            |                     | 4        |
| 5                                                                 | Distribution Wages & Salaries                                   | 74,338     |                     | 5        |
| 6                                                                 |                                                                 |            |                     | 6        |
| 7                                                                 | Customer Accounts Wages & Salaries                              | 18,524     |                     | 7        |
| 8                                                                 |                                                                 |            |                     | 8        |
| 9                                                                 | Customer Services and Informational Wages & Salaries            | 17,194     |                     | 9        |
| 10                                                                |                                                                 |            |                     | 10       |
| 11                                                                | Sales Wages & Salaries                                          | -          |                     | 11       |
| 12                                                                |                                                                 |            |                     | 12       |
| 13                                                                | Total Operating & Maintenance Wages & Salaries Excl. A&G        | \$ 153,970 | Sum Lines 1 thru 11 | 13       |
| 14                                                                |                                                                 |            |                     | 14       |
| 15                                                                | Transmission Wages and Salaries Allocation Factor               | 19.81%     | Line 3 / Line 13    | 15       |

# Hardware/Software Projects Continued

The A EFD-WMP-IPREDICT Project is an internally developed software project

- Software is currently booked to Electric Miscellaneous Intangible Plant.
- Electric Miscellaneous Intangible Plant is allocated using the same FERC-prescribed labor ratio allocation method as Electric Common Plant. Shown on Statement AD of SDG&E's TO5 Cycle 6 Filing below.

| SAN DIEGO GAS & ELECTRIC COMPANY                                  |                                                              |                                         |                  |                                      |                      |                |    |
|-------------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------|------------------|--------------------------------------|----------------------|----------------|----|
| Statement AD                                                      |                                                              |                                         |                  |                                      |                      |                |    |
| Cost of Plant                                                     |                                                              |                                         |                  |                                      |                      |                |    |
| Base Period & True-Up Period 12 - Months Ending December 31, 2022 |                                                              |                                         |                  |                                      |                      |                |    |
| (\$1,000)                                                         |                                                              |                                         |                  |                                      |                      |                |    |
| Line No.                                                          | FERC Form 1<br>Page, Line, Col.                              | (a)<br>31-Dec-21                        | (b)<br>31-Dec-22 | (c) = [(a)+(b)]/2<br>Average Balance | Reference            | Line No.       |    |
| 1                                                                 | Total Steam Production Plant <sup>1,3</sup>                  | 204-207; Footnote Data (a)              |                  | \$ 573,458                           | AD-1; Line 18        | 1              |    |
| 2                                                                 |                                                              |                                         |                  |                                      |                      | 2              |    |
| 3                                                                 | Total Nuclear Production Plant <sup>1,3</sup>                | 204-207; Footnote Data (a)              |                  | -                                    | AD-2; Line 18        | 3              |    |
| 4                                                                 |                                                              |                                         |                  |                                      |                      | 4              |    |
| 5                                                                 | Total Hydraulic Production Plant <sup>1,3</sup>              |                                         |                  | -                                    | AD-3; Line 18        | 5              |    |
| 6                                                                 |                                                              |                                         |                  |                                      |                      | 6              |    |
| 7                                                                 | Total Other Production Plant <sup>1,3</sup>                  | 204-207; Footnote Data (a)              |                  | 539,342                              | AD-4; Line 18        | 7              |    |
| 8                                                                 |                                                              |                                         |                  |                                      |                      | 8              |    |
| 9                                                                 | Total Distribution Plant <sup>2,3</sup>                      | 204-207; Footnote Data (a); BOY and EOY | \$ 8,919,067     | \$ 9,750,399                         | 9,334,733            | AD-5; Line 6   | 9  |
| 10                                                                |                                                              |                                         |                  |                                      |                      | 10             |    |
| 11                                                                | Transmission Plant <sup>1,3</sup>                            | 204-207; Footnote Data (a)              |                  | 7,476,381                            | AD-6; Line 18        | 11             |    |
| 12                                                                |                                                              |                                         |                  |                                      |                      | 12             |    |
| 13                                                                | Incentive Transmission Plant <sup>1</sup>                    |                                         |                  | -                                    | AD-7; Line 18        | 13             |    |
| 14                                                                |                                                              |                                         |                  |                                      |                      | 14             |    |
| 15                                                                | Total Electric Miscellaneous Intangible Plant <sup>2,4</sup> | 204-207; Footnote Data (a); BOY and EOY | 191,894          | 112,870                              | 152,382              | AD-8; Line 6   | 15 |
| 16                                                                |                                                              |                                         |                  |                                      |                      | 16             |    |
| 17                                                                | Total General Plant <sup>2,4</sup>                           | 204-207; Footnote Data (a); BOY and EOY | 518,903          | 571,823                              | 545,363              | AD-9; Line 6   | 17 |
| 18                                                                |                                                              |                                         |                  |                                      |                      | 18             |    |
| 19                                                                | Total Common Plant <sup>2,4</sup>                            |                                         | 1,504,072        | 1,555,621                            | 1,529,847            | AD-10; Line 10 | 19 |
| 20                                                                |                                                              |                                         |                  |                                      |                      | 20             |    |
| 21                                                                | Total Plant in Service                                       |                                         |                  | \$ 20,151,506                        | Sum Lines 1 thru 19  | 21             |    |
| 22                                                                |                                                              |                                         |                  |                                      |                      | 22             |    |
| 23                                                                | Transmission Wages and Salaries Allocation Factor            |                                         |                  | 19.81%                               | Statement A; Line 15 | 23             |    |
| 24                                                                |                                                              |                                         |                  |                                      |                      | 24             |    |
| 25                                                                | Total Transmission Plant & Incentive Transmission Plant      |                                         |                  | \$ 7,476,381                         | Line 11 + Line 13    | 25             |    |
| 26                                                                |                                                              |                                         |                  |                                      |                      | 26             |    |
| 27                                                                | Transmission Related Electric Miscellaneous Intangible Plant |                                         |                  | 30,189                               | Line 15 x Line 23    | 27             |    |
| 28                                                                |                                                              |                                         |                  |                                      |                      | 28             |    |
| 29                                                                | Transmission Related General Plant                           |                                         |                  | 108,046                              | Line 17 x Line 23    | 29             |    |
| 30                                                                |                                                              |                                         |                  |                                      |                      | 30             |    |
| 31                                                                | Transmission Related Common Plant                            |                                         |                  | 303,089                              | Line 19 x Line 23    | 31             |    |
| 32                                                                |                                                              |                                         |                  |                                      |                      | 32             |    |
| 33                                                                | Transmission Related Total Plant in Service                  |                                         |                  | \$ 7,917,705                         | Sum Lines 25 thru 31 | 33             |    |



# Fire-Related Costs

Brandon Pate – Transmission Project Manager

# Fire-Related Costs

## Line 156, A CMP\_T3\_L3\_TL50003\_Z123862X\_1498

- a. **Fire Name:** Valley Fire
- b. **Cause:** The cause of the fire is officially classified as unknown. SDG&E equipment is not suspected of being related to the cause of the fire.
  - a. **If third-party, is SDG&E seeking recovery?** As the cause is unknown, SDG&E is not currently seeking recovery from a third party.
- c. **High Fire-Threat District (HFTD) Designation:** Tier 3, SDG&E will correct data field 16 to reflect the structure location.

## Line 129, ACMP\_T0\_L2\_TL6925\_Z273965\_14637

- a. **Fire Name:** N/A - Heartland Fire was the responding agency for the small localized incident, there is no record of this incident from CalFire.
- b. **Cause:** No cause given for the fire.
  - a. **If third-party, is SDG&E seeking recovery?** As no cause was given, SDG&E is not currently seeking recovery from a third-party.
- c. **High Fire-Threat District (HFTD) Designation:** Structure is located outside of the HFTD.



**Break**

**Return at: 9:50am**





# Project Specific Inquiries

# Jamacha Rebuild Project

## 7. Line 86, A APP-WMP: Jam 69kV Rebuild WO 2975539 – Overview of the project

The scope of the Jamacha substation project is to rebuild nearly all the transmission and distribution assets within and adjacent to the substation. The complexity of this project includes, but is not limited to:

- The substation must remain entirely energized throughout the project, requiring five phases to complete.
- Outages required by construction cannot occur during summer peak load from approximately June through September.
- Property size limitations require site development of retaining walls, which must be completed in phases.
- The property is bound on three sides by environmentally sensitive habitat, limiting the total workspace.
- Three quarters of the overhead transmission lines require relocation.
- All distribution lines leaving the substation require relocation.
- High speed communication lines require relocation.
- The project was initiated, and initial phase completed, during a global pandemic.

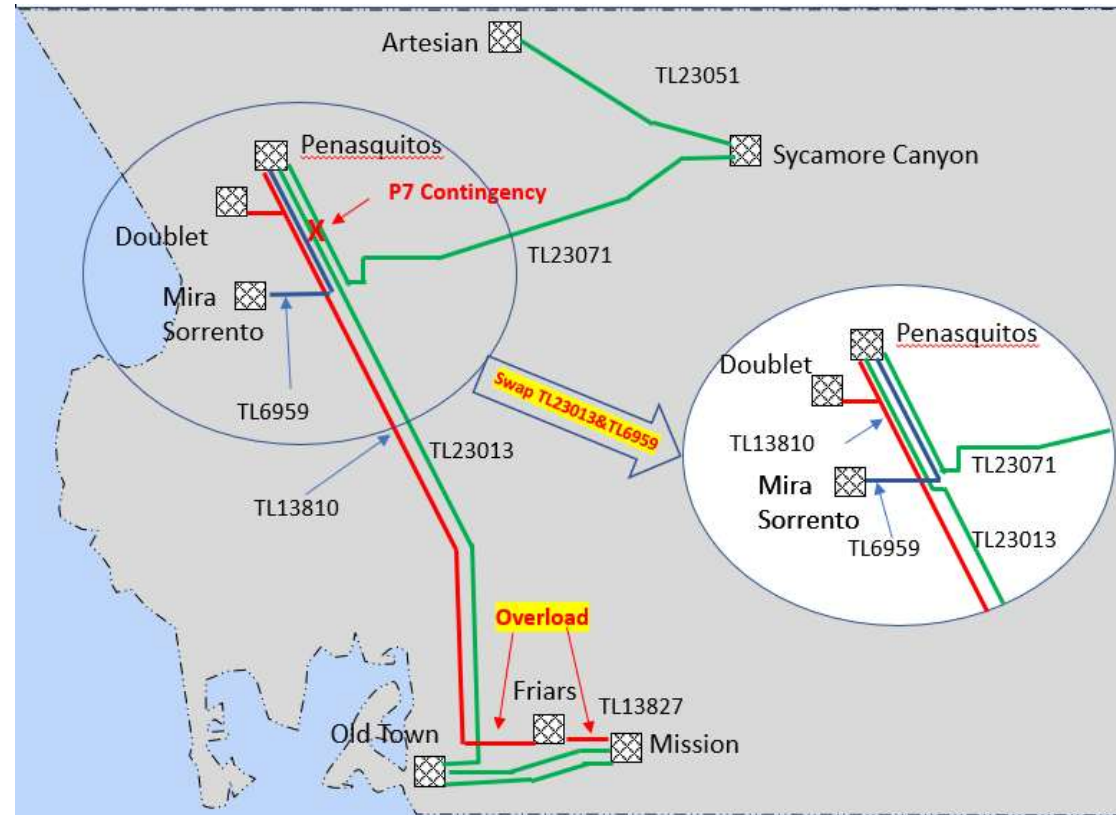
This project requires coordination of multiple internal and external workgroups to ensure each work package in each phase is completed successfully, safely, and without service disruption to our customers.



# Penasquitos-Mira Sorrento Project

## 8. Line 300, Rearrange TL23013 PQ-OT and TL6959 PQ-Mira Sorrento – Overview of project explaining overloads necessitating rearrangement.

- CAISO's on-peak delivery assessment identified SDG&E TL13810 (Friars Doublet Tap) or path to be a constraint or overloaded.
- CAISO requires the overload to be addressed and recommended the rearrangement of TL23013 PQ-OT and TL6959 PQ-Mira Sorrento Project to remove the constraint and overload in the system as part of the CAISO 2022-2023 approved Transmission Plan
- Overall scope of work is to swap TL23013 with TL6959 so that TL23013 & TL23071 will not share same structures (TL23071 sharing structures with TL6959 and TL23013 sharing structures with TL13810).
- This proposal will require upgrading 2 miles of 138kV structures for 230kV operation.



# Insulator Shanks

## 9. Line 158, ACMP\_T2\_L3\_TL23051\_Z619959X\_1463

### a) Life cycle:

- a) Life cycle of shanks in porcelain insulators depends on several factors, including the quality of the material used, environmental conditions they are exposed to, and level of maintenance they receive.
- b) Generally, shanks are designed to be durable and withstand significant mechanical stresses over long periods.
- c) The ANSI/NEMA C29.2 standard, which covers suspension-type insulators made from wet-process porcelain or toughened glass, ensures that these insulators meet specific performance and safety criteria, contributing to their overall durability and reliability.
- b) Insulators are classified in FERC account 356 with a 64-year authorized life through 2023 as part of SDG&E's TO5 approved depreciation rates (FERC regulatory filing).
- a) SDG&E is in the process of a TO6 proceeding, the average service life (ASL) for 2024 and beyond are the subject to FERC filing approval.

### b) SDG&E identified issues with other insulator shanks on its system:

- a) As the system ages, maintenance of insulator shanks may be needed. Issues are detected through SDG&E's inspection program.

# Circuit Breaker Monitoring

**10. Line 31, 5987539 - A PENASQUITOS AGING INFRS. 138K B** – Overview of program including number of oil breakers, SF6, and vacuum breakers on the system, the life cycle of each, and an explanation of the maintenance costs for each type of breaker.

- SDGE’s circuit breaker replacement program is based on the condition of the breaker, age, and/or specific type.
- When there is a specific model breaker that shows a trend of deteriorating condition, a project will be initiated to replace that model breaker.
- SDG&E also tries to prioritize replacing oil circuit breakers due to environmental impacts, age, and the increased cost of maintenance.
- Maintenance costs are based on the maintenance schedule frequency for each type of breaker.

| Type of Breaker | Total Count | Life Expectancy | Minor Overhaul Maintenance | Major Overhaul Maintenance |
|-----------------|-------------|-----------------|----------------------------|----------------------------|
| Oil             | 126         | 50 yrs.         | 2.5 yrs.                   | 5 yrs.                     |
| SF6             | 1,057       | 40 yrs.         | 6 yrs.                     | 18-24 yrs.                 |
| Vacuum          | 2           | 24-40 yrs.      | 5-6 yrs.                   | 18 yrs.                    |

# Projects On Hold



## 11. Line 245, San Mateo Substation

- SDG&E is reviewing the necessity of the project remaining “on hold” and considering an alternative status. That decision has not been made yet.

# Remediation CMP Issues

**12a. Lines 131-165** consist of projects described as "Remediation CMP issues in the Non-HFTD zone and HFTD zones". Please provide a detailed description of these projects, including the following topics:

**a) How SDG&E identifies these projects:**

- SDG&E conducts various inspection cycles that identify compliance infractions under GO95 Section I Rule 18, Section III, and Section IV that need remediation, and they are entered into the CMP program.

**a) Which types of compliance issues these projects address:**

- Remediations might include, but not limited to, wire tensions, clearances, pole loading calculations, etc. These are given a levelling category in accordance with GO requirements and an associated remediation timeline.

**b) The number of compliance issues initially identified:**

- 137 remediation issues have been identified (2024)

**c) How many of the original compliance issues have been addressed and how many compliance issues remain:**

- 77 projects have been completed, 60 are in progress (2024 YTD).

**b) How SDG&E prioritizes the work:**

- Prioritized based on the levelling categorization of the infraction as defined under GO95 Rule 18, ensuring that the portfolio of projects meet the compliance deadlines identified by the level of infraction.

# Remediation CMP Issues

**12b. Line 131, A CMP\_T0\_TL630\_Z475724\_TT13577** – Provide list of assets, including manufacturer, and explain why it is being replaced. Including whether the asset failed in service

| WO      | TL    | Structure | Project Type    | Installation Year | Age (Years) | Reason for Replacement                                   |
|---------|-------|-----------|-----------------|-------------------|-------------|----------------------------------------------------------|
| 2989637 | TL630 | Z475724   | OT-FND-OD-SCADA | 1960              | 63          | Overutilized. Sound & bore reject, modeled with 79% RSM. |
|         |       | Z101782   | OT-FND-OD-SCADA | 1993              | 30          | Safety - Engineered Steel Pole for freeway crossings.    |

- Manufacturer data for previous structures is not available. Neither structure failed in service, though compliance criteria for replacement was met as stated in the table above.

# ET Line Easements

## Line 12, A TL 682 LA JOLLA ET EASEMENT – Allocation Methodology

- The costs of the easement are allocated by the square footage of the surveyed and appraised area of each segment of the easement.
  - The Electric Transmission allocation of 74.72% is based on the square footage of the 50 ft. wide segments of the easement along transmission line TL682.
  - The Electric Distribution allocation of 25.28% is based on the square footage of the 15 ft. wide segments of the easement along distribution circuit c-214.

|            | ET      | ED      | Total     |
|------------|---------|---------|-----------|
| Sq. Ft.    | 881,888 | 298,399 | 1,180,287 |
| Allocation | 74.72%  | 25.28%  |           |





# Cost Benefit Analysis

John Anderson – Asset Management Manager

# Cost Benefit Analysis

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- a. Please explain how SDG&E develops these analyses, including the inputs and the source of the inputs and how benefits are quantified.
- b. SDG&E has included the Cost-to-Benefit ratio (CBR) for only a certain number of projects (28 out of 311 projects in the TPR Project Spreadsheet). Why have only these projects undergone a CBR? What is SDG&E's schedule to calculate CBRs for all the remaining projects? For example, how many projects will have their CBRs calculated by December 2024 and each quarter thereafter?
- c. Please explain how the values provided in Field 56 of the TPR Project Spreadsheet ("Current Projected or Actual Final Cost") are used in the cost benefit analysis. Are they the same? If not, please explain why.
- d. Are cost benefit analyses updated over time as higher value projects are completed or cost estimates are updated? What is the periodicity of the updates?

# Cost Benefit Analysis

- a.
  - i. **Project Inputs:** SDG&E considers a variety of project inputs, including safety, reliability, financial implications, customer impact, asset information, and capacity, to conduct a thorough evaluation of each investment
  - ii. **Risk Reduction Benefit Calculation:** SDG&E's process entails providing project inputs to relevant value models, calculating outputs in specific natural units (e.g., SAIDI, SAIFI, Acres Burned, Serious Injuries Avoided), and then converting these into value measures using appropriate equivalencies.
  - iii. **Value-Driven Decision Making:** The combination of all value measures gives us the total project risk reduction benefit, which informs SDG&E's decision-making process, ensuring we direct investments towards options that maximize value for our stakeholders and customers.
- b. SDGE's process for analysis of the cost-to-benefit (CBR) on projects is performed at the budget code level. This CBR analysis process went into place in 2023 so it isn't applicable to earlier projects. Additionally, the following criteria was used to exclude projects from analysis: total capital cost below \$500,000 and projects more than 1 year into the future. With the filters applied, there are an additional set of projects that SDGE expects to have scored by the next TPR data request in December.
- c. The values in Field 56 are the total project cost (actual cost incurred + projected future cost), this value is the "cost" in the cost benefit ratio.
- d. Project intake for FERC projects occur once a year for projects identified to start in the following calendar year. Once projects are analyzed, the benefit is only updated if the scope of the project benefits change. The cost of the projects are updated annually.



# Work Order Authorizations

# Work Order Authorizations



- a. Describe in further detail what the process of "Work Order Authorization" entails for each of the projects and what differentiation there might be between the 304 projects with that input.

These seven IT related projects do utilize the Work Order Authorization process as part of SDG&E's Approval and Commitment policy. The answers for data field 32 will be revised to reflect that.

All Work Order Authorizations are governed by SDG&E's Approval and Commitment Policy. The Approval and Commitment Policy sets the approval thresholds for SDG&E's financial commitments, or potential commitments. As part of that governing policy, the Work Order Authorization provides evidence of review and approval for SOX and internal control documentation purposes. Differentiation between internal SDG&E departments submitting Work Order Authorizations might exist in the formatting of its business justification, but all Work Order Authorizations follow the same financial commitment approval requirements specified in SDG&E's Approval and Commitment Policy.



# Stakeholder Requested Items (Q&A)





Thank you