



**Southern California Edison 2021 GRC**

**A. 19-08-013**

**TURN CROSS EXAMINATION EXHIBIT**

**TURN-079**

SCE Response to TURN-SCE-118, Q.02a-b\_Redacted

(Public Version)

*Southern California Edison*  
*A.19-08-013 – SCE 2021 General Rate Case*

**DATA REQUEST SET T U R N - S C E - 1 1 8**

**To: TURN**  
**Prepared by: Teresa Pham**  
**Job Title: Senior Advisor**  
**Received Date: 7/23/2020**

**Response Date: 7/29/2020**

**Question 02.a-b:**

At page 2, lines 11-13 of SCE-24, SCE states SB 247 instructs that “All qualified line clearance tree trimmers shall be paid no less than the prevailing wage rate for a first period apprentice electrical utility lineman as determined by the Director of Industrial Relations.”

a. Please confirm that this is the sole provision of SB 247 that results in the forecast cost increase. If not, please identify other provisions that drive the cost increase and SCE’s best estimate of the quantitative impact of each driver on the forecast cost increases.

b. Please define and quantify on a dollar per hour or yearly basis the “prevailing wage rate for a first period apprentice electrical utility lineman as determined by the Director of Industrial Relations.” Please provide all sources and workpapers used to derive this number.

**Response to Question 02.a-b:**

- a. To be clear, that provision of SB247 drives part of the forecast cost increase, but is not the only driver of the forecast cost increase, as described below. It should be noted that while SB247 directly addressed qualified line clearance tree trimmers, it also impacted the wages of those workers’ field supervisors. Also, as noted in SCE-24, Unit Rates increased prior to SB247 (“Post RFP Unit Rates”). The estimated impacts from the cost drivers described below are incremental to the Post RFP Unit Rates. The table below illustrates how Unit Rates progressed.

	Unit Rates used for Initial 2021 GRC	Post RFP Unit Rates	Post SB247 Unit Rates
Contractor #1	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED] (maintenance)
Contractor #2	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED] (maintenance)

The increase in drivers below largely resulted from the contract negotiations between contractors and the union described in the response to 5.a.

1. **Base Wage** – Escalation in accordance with SB247 guidelines

Estimated overall impact to cost: █%

2. **Line Construction Benefit Fund** – Shifted Health Insurance from a HMO to the Lineco Health Insurance. The hourly investment by the Contractor/Employer is \$█/hr for all hours worked, including overtime. This was an increase from the prior HMO cost of \$█/hr.

Estimated overall impact to cost: █%

3. **Line Construction Benefit Fund** – Employer to invest into each employee’s Health Reimbursement Account. The hourly investment by the Contractor/Employer is \$█/hr for all hours worked, including overtime. There wasn’t a prior investment into the HRA before SB247.

Estimated overall impact to cost: █%

4. **Overtime** – Overtime calculation will no longer be 1.5x the base wage but rather █x the base wage.

5. **Subsistence** – Employer to pay each employee \$█/day a subsistence per diem for trimmers, \$█/day for Groundmen.

Estimated overall impact to cost : █%

6. **National Employee Pension (NEAP)** – Contractor/Employer needs to pay into a pension plan for all employees per hour. The hourly investment by the Contractor/Employer is \$█/hr for both a Foreman and Journeyman for all hours worked, including overtime. The NEAP fees for the Contractor/Employer has annual escalations.

Estimated overall impact to cost: █%

7. **Payroll Tax** – Increases as per the increase in base wage.

Estimated overall impact to cost: █%

8. **Insurance** – Workers Compensation and General Liability insurance costs are calculated as a percent of revenue and payroll and therefore will increase in accordance with the base wage escalation.

Estimated overall impact to cost: █%

The estimated overall impacts to cost are based off of the analysis in attachment “TURN-SCE-118-Q3aii\_Forecasted Cost Increase\_Mowbrays\_Confidential.xlsx” which is a breakdown of the cost increase for one of SCE’s vendors.

- b. The prevailing wage rate for a first period apprentice electrical utility lineman as determined by the Director of Industrial Relations is \$34.85/hour. Please see <https://www.dir.ca.gov/OPRL/PWAppWage/wage/20101229.pdf?VarWageId=20120129>