Environmental Defense Fund  
General Rate Case, San Diego Gas & Electric Company  
R.14-11-003,   
EDF Data Request No. 1

|  |  |  |  |
| --- | --- | --- | --- |
| EDF Data Request No.: | EDF-SDG&E \_001 | | |
| Request Date: | April 23, 2015 | EDF Contact: | Timothy O’Connor |
| Due Date: | May 7, 2015 | EDF Contact Phone No.: | (415) 293-6132 |

1. On page 17-18 of Frank Ayala’s revised testimony, San Diego Gas & Electric Company (“SDG&E”) discusses its current leak survey method, of using an individual with a leak detection device. Please provide an explanation and appropriate documentation of any other methods or technologies that SDG&E uses to detect leaks.

2. On page 18 of Frank Ayala’s revised testimony, he describes SDG&E’s forecast method and cost drivers for leak surveys as a five-year average for annual expenses. Does this testimony account for the changes required under SB 1371? If so, please provide an explanation and appropriate documentation of how SB 1371 is accounted for.

3. Referring to page 18 of Frank Ayala’s testimony, please provide an explanation and appropriate documentation as to how leak surveys are currently monitored and on how frequently they are done.

3. On page 20-21 of Frank Ayala’s revised testimony, he describes SDG&E’ Field O&M – Main Maintenance expenses. He testifies that a consideration of cost includes the amount of leaks evaluated and repaired each year, and that number is based on customer complaints and leak surveys done by employees. Does SDG&E’s cost estimate include the likely possibility that SDG&E’s backlog of leaks will have to be fixed once SB1371 is implemented and may include more leak survey’s which tend to lead to finding more leaks to repair? Please provide an explanation and appropriate documentation how SB 1371 was factored into this calculation.

4. On page 25-26 of Frank Ayala’s revised testimony, he describes SDG&E’s Field O&M – Service Maintenance expenses. He testifies that a consideration of cost includes the amount of leaks evaluated and repaired each year, and that number is based on customer complaints, and leak surveys done by employees. Does SDG&E’s cost estimate, include the likely possibility that SDG&E’s backlog of leaks will have to be fixed once SB1371 is implemented and may include more leak survey’s which tend to lead to finding more leaks? Please provide an explanation and appropriate documentation.

5. SB 1371 requires that interested parties come up with new best practices for leak surveys, detection, repair and replacement. This will likely include new technologies and different practices for all areas including the addition of quantification of the amount of natural gas leaked, requiring different supervision and training. Frank Ayala’s testimony on page 29- 30 indicates that SDG&E expects increased costs for supervision and training in the coming years, is this associated with SB 1371? Are these expected increased costs reflected in the cost requirements of this proceeding? Please provide an explanation and appropriate documentation.

6. How is SDG&E incorporating the costs associated with the environmental harm of leaking pipes in their transmission system and the fact that environmental harm will have to be addressed within the 3 year period of this rate schedule due to SB 1371? Please provide an explanation and appropriate documentation.

7. In Section III of Frank Ayala’s testimony, he discusses capital expenditures for the pipeline system. Do these numbers include expected expenditures of repairing known leaks? Please provide an explanation and appropriate documentation regarding cost expenditures based on known leaks within the gas transmission system.

8. John L. Dagg’s testimony on costs discusses maintaining compliance with regulatory standards, but does not include any predictions about new requirements that might cause cost increases. Please provide an explanation and appropriate documentation as to how known regulatory changes are incorporated into future costs for maintaining compliance.

9. In M. Martinez’s testimony, she discusses how the cost of a type of remediation is taken into consideration when choosing how to fix a pipe. Please provide the factors used to determine cost effectiveness, and a log of repairs made and how that type of repair is determined. Please provide an explanation and appropriate documentation as to whether SDG&E is planning for quantification of the natural gas/methane emissions to be a factor in consideration of how to remediate a pipe.

10. Under what situations is a pipe replaced instead of repaired? Please provide an explanation and appropriate documentation concerning when replacement pipes are used instead of repairs and the reasons why replacement was required.

11. Please provide an explanation and appropriate documentation as to how SDG&E came up with the $74,000 in John Dagg’s testimony for expenses related to SB1371.

12. Please provide an explanation and appropriate documentation regarding how SDG&E is planning on tracking expenditures necessary for methane reduction.

13. Please provide an explanation and appropriate documentation regarding how SDG&E plans to quantify its natural gas and methane emissions to comply with SB 1371.

14. Please also provide an explanation and appropriate documentation on how the costs of quantification will be factored into SDG&E’s survey and evaluation of leaks and intentional releases of natural gas, including costs for technology upgrades, training and any other related costs.