

**SOUTHERN CALIFORNIA GAS COMPANY
SAN DIEGO GAS & ELECTRIC COMPANY**

**APPLICATION TO RECOVER COSTS RECORDED IN THE
PIPELINE SAFETY AND RELIABILITY MEMORANDUM ACCOUNTS,
THE SAFETY ENHANCEMENT EXPENSE BALANCING ACCOUNTS, AND
THE SAFETY ENHANCEMENT CAPITAL COST BALANCING ACCOUNTS
(A.16-09-005)**

(3RD DATA REQUEST FROM TURN)

Date Requested: June 19, 2017

Date Responded: July 7, 2017

QUESTION 3.1:

3.1. These questions are directed at the workpapers regarding the Line 1014 Replacement Project.

3.1.1. With respect to the statement on page WP-III-A48: “Included in this project was 8 feet of pipe accelerated from SoCalGas and SDG&E’s PSEP Phase 2B. This Phase 2B footage was included to realize efficiencies and to enhance project constructability.”

- 3.1.1.1. Please describe in specific terms what pipe corresponds to the 8 feet of pipe accelerated from Phase 2B and show the location of the pipe in Figures 1 and 2.
- 3.1.1.2. Please state in detail the basis for including the pipe in the Line 1014 replacement project.
- 3.1.1.3. Please demonstrate that there were cost savings achieved by including the 8 feet of pipe in the project by showing the cost estimates including and excluding this length of pipe.

RESPONSE 3.1:

- 3.1.1.1 The 8 feet of pipe accelerated from Phase 2B is Category 1, installed in 1957. The accelerated pipe is reflected in blue dotted marks on Figure 1, within the replaced pipeline (shown in green). It consists of 7 feet of pipe on the west side of the section and 1 foot of pipe east of the section. A high-resolution copy of Figure 1 is provided in the attachment folder.
- 3.1.1.2 The basis for including the eight feet was to complete construction and to take advantage of the pipeline being taken out of service to remove a wedding band (from the seven-foot segment) and fire control assembly (from the one-foot segment) installed at the same time as the Phase 1A pipe, further enhancing the integrity of the pipeline by removing appurtenances that no longer are necessary.
- 3.1.1.3 SoCalGas and SDG&E did not prepare a cost estimate to compare the cost of including these eight feet of pipe within the scope of this Phase 1A project versus excluding these eight feet and addressing them in a later project. This question appears to assume it would have been feasible to exclude the entire 8 feet of pipe from the scope of the project; however, additional footage on each side of a replacement project is required to complete construction.

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QUESTION 3.1.2:

3.1.2. With respect to the statement on page WP-III-A53: “The construction start date for L-1014 Replacement Project was delayed 8 weeks while waiting for another utility to remove its electrical facilities in the vicinity of the replacement section. That removal was not completed until late October; postponing L-1014’s planned construction start date to the first week in November 2014.”

- 3.1.2.1. How much notification did SoCalGas provide to this other utility regarding the need to relocate the electrical facilities in the vicinity of the replacement section.
- 3.1.2.2. What phase of the Line 1014 Replacement project did this 8-week delay occur?
- 3.1.2.3. Please identify any incremental cost increase that is associated with this 8-week delay.

RESPONSE 3.1.2:

- 3.1.2.1 SoCalGas notified the other utility in May 2014 to discuss the conflict within the project area, i.e., three months before the planned construction commencement date.
- 3.1.2.2 The eight-week delay occurred in Stage 4 (Detailed Design/Procurement).
- 3.1.2.3 This delay occurred during Stage 4; as such, the cause of the delay was identified in the planning stage of the project and resources were reallocated to other projects, as needed, to avoid incurring incremental costs.

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QUESTION 3.1.3:

3.1.3. With respect to the statement on page WP-III-A53 to WP-III-A54: “Additionally, SoCalGas and SDG&E assessed customer impact from the isolation of L-1014. It was determined that there was sufficient capacity to maintain service to core and firm noncore customers, unless power generators in the area ramped up to their maximum usage on an hourly basis. If this occurred, it would trigger a curtailment of interruptible noncore customers to support core and firm noncore customers. SoCalGas and SDG&E coordinated with these customers to avoid a loss of supply to the customers. SoCalGas and SDG&E planned to schedule the PSEP work to coincide with an electric generator’s (EG) planned maintenance which would shut down one generator. This would provide a mutually beneficial opportunity to perform this work with the least amount of potential for customer impact and reduced the risk of additional project costs.”

- 3.1.3.1. Please identify the potential source of “additional project costs” referred to in the quoted material.
- 3.1.3.2. How many EG customers are served from the section of Line 1014 that would be isolated?
- 3.1.3.3. Were any of these EG customers paying for firm service?
- 3.1.3.4. If the answer to the previous question is “yes,” please identify the percentage share of total EG that was receiving firm service.
- 3.1.3.5. What is meant by “ramped up to their maximum usage on an hourly basis” given SoCalGas’ ability to curtail a portion of these generators’ loads as a part of its then existing curtailment order?
- 3.1.3.6. Did the CAISO identify potential electrical problem associated with curtailing any of the EG customers that are served from the section of Line 1014 that would be isolated?
- 3.1.3.7. If the answer to the previous question is “yes,” please identify the percentage of total gas requirement that would have been associated with these generators.

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RESPONSE 3.1.3:

- 3.1.3.1 "Additional project costs" pertains to costs associated with supplying CNG/LNG to serve customers during the outage.
- 3.1.3.2 There are no EG customers served by Line 1014; however, three electric generators were affected by the isolation on Line 1014.
- 3.1.3.3 Yes.
- 3.1.3.4 Two of the three EGs (66.7%) were receiving firm service at the time.
- 3.1.3.5 "Ramped up to their maximum usage on an hourly basis" refers to Rule 23, which, at the time of this curtailment, did not authorize SoCalGas to curtail customers on an hourly basis. Therefore, customers were limited to their daily volumes, but the rate at which they could burn their allotted daily volumes was not restricted. Under those circumstances, an EG could burn its entire daily volume in an hour, which could impact service to core customers.
- 3.1.3.6 No, SoCalGas was not notified that CAISO identified potential electrical problems associated with curtailing these customers.
- 3.1.3.7 Not applicable.

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QUESTION 3.1.4:

3.1.4. With respect to the statement at WP-III-A55: “Upon excavating the section, two wedding bands and fire control fittings were identified on both ends of the replacement section. An additional 8 feet of pipe was added to the scope to replace the existing wedding bands and fire control fittings. The replacement project’s new scope of work entailed 16 feet.”

3.1.4.1. Please explain the function of the “wedding bands and fire control fittings”

3.1.4.2. Please explain in detail why it was necessary to replace the existing wedding bands and fire control fittings.

RESPONSE 3.1.4:

3.1.4.1 Please refer to Workpapers Appendix at WP-G-10. Wedding bands are used to make final tie-in welds when a satisfactory butt-weld between the new pipe and existing pipe cannot be made. Wedding bands can also be used to repair gas transmission pipelines. They allow for full encirclement repair over damage/defects. Fire control fittings are installed to assist with the hot tie-in of a new pipe. Fire control fittings allow for a safe welding operation by maintaining the proper levels of gas and pressure within the pipeline.

3.1.4.2 As explained above in Response 3.1.1.2, the eight feet of pipe was included to complete construction and to take advantage of the pipeline being taken out of service to remove a wedding band (from the 7-foot segment) and fire control assembly (from the 1-foot segment) installed at the same time as the Phase 1A pipe, further enhancing the integrity of the pipeline by removing appurtenances that no longer are necessary.

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QUESTION 3.1.5:

- 3.1.5. With respect to the statement at WP-III-A55: “The project was mobilized on a Sunday which increased the cost of tie-in activities which started immediately after blowdown of the line. This was due to a small window of time to avoid a possible power plant curtailment. This work avoided a potential curtailment.”**
- 3.1.5.1. What was the increased cost associated with the weekend work?
- 3.1.5.2. Please provide a copy of all Change Order materials or other notices or correspondence provided to SoCalGas’ PSEP management team by its contractor that are related to the delay or added cost created by the weekend work described above in the cited quotation.
- 3.1.5.3. Please provide a copy of all of SoCalGas’ PSEP management team’s responses to its contractor in regards to these change order materials, notices or correspondence.

RESPONSE 3.1.5:

- 3.1.5.1 The increase in cost for the Construction Contractor was \$14,278. The increased construction contractor costs pertaining to weekend work are composed of the following: \$8,452 for mobilization on Sunday and \$5,826 for extended hours on the tie-in day. In addition to these direct costs from the contractor, there may be additional costs for SoCalGas/SDG&E labor and non-construction costs for activities, such as project management and inspection services, that were not tracked and reported separately for this specific delay.
- 3.1.5.2-3 **The attached supporting documents include Confidential and Protected Materials Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.** Copies of the Contractor and SoCalGas’ correspondence are provided in the attachment folder.

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QUESTION 3.1.6:

3.1.6. With respect to the statement at WP-III-A55: “Several days of rain delayed the schedule by on week.”

3.1.6.1. What was the increased cost associated with the rain delay?

3.1.6.2. Please provide a copy of all Change Order materials or other notices or nce provided to SoCalGas’ PSEP management team by its contractor that are related to the delay or added cost created by the rain delay described above in the cited quotation.

3.1.6.3. Please provide a copy of all of SoCalGas’ PSEP management team’s responses to its contractor in regards to these change order materials, notices or correspondence.

RESPONSE 3.1.6:

3.1.6.1 There were no additional construction contractor costs associated with the rain delay. There may be additional costs for SoCalGas/SDG&E labor and non-construction costs for activities, such as project management and inspection services, that were not tracked and reported separately for this specific delay.

3.1.6.2 Not applicable.

3.1.6.3 **The attached supporting documents include Confidential and Protected Materials Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.** Copies of the Contractor and SoCalGas’ correspondence are provided in the attachment folder.

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QUESTION 3.1.7:

3.1.7. With respect to Table 4: In specific terms, please identify the materials, services, or other costs that correspond to the “Other Directs” row that increased from \$31,295 in the Phase 2 WOA column to \$420,765 in the Capital column.

RESPONSE 3.1.7:

3.1.7 **The attached supporting documents include Confidential and Protected Materials Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.** The table provided in the attachment folder lists the estimated and actual cost elements that were grouped under the Contract Cost and Other Direct categories. All costs are unloaded direct costs.

QUESTION 3.2:

3.2. These questions are directed at the workpapers regarding the Line 1015 Hydrotest Project.

3.2.1. With respect to the statement on page WP-III-A60: “Included in this project was 851 feet of pipe accelerated from SoCalGas and SDG&E’s PSEP Phase 2B. This Phase 2B footage was included to realize efficiencies and to enhance project constructability.”

3.2.1.1. Please describe in specific terms what pipe corresponds to the 565 feet of pipe accelerated from Phase 2B for the south project (as identified in Table 2) and show the location of the pipe in Figures 1 and 2.

3.2.1.2. Please state in detail the basis for including the pipe in the Line 1015 hydrotest south project.

3.2.1.3. Please demonstrate that there were cost savings achieved by including the 565 feet of pipe in the south project by showing the cost estimates including and excluding this length of pipe.

3.2.1.4. Please describe in specific terms what pipe corresponds to the 20 feet of pipe that is considered incidental mileage for the south project (as identified in Table 2) and show the location of the pipe in Figures 1 and 2.

3.2.1.5. Please state in detail the basis for including the pipe in the Line 1015 hydrotest south project.

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- 3.2.1.6. Please demonstrate that there were cost savings achieved by including the 20 feet of incidental mileage in the south project by showing the cost estimates including and excluding this length of pipe.
 - 3.2.1.7. Please describe in specific terms what pipe corresponds to the 286 feet of pipe accelerated from Phase 2B for the north project (as identified in Table 2) and show the location of the pipe in Figures 1 and 2.
 - 3.2.1.8. Please state in detail the basis for including the pipe in the Line 1015 hydrotest north project.
 - 3.2.1.9. Please demonstrate that there were cost savings achieved by including the 286 feet of pipe in the north project by showing the cost estimates including and excluding this length of pipe.

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RESPONSE 3.2:

- 3.2.1.1 The 565 feet accelerated from Phase 2B are Category 1, of which 553 feet were installed in 1954 and 12 feet were installed in 1964. The accelerated pipe is reflected in blue dotted marks on Figure 3, within the tested pipeline (shown in yellow). A high-resolution copy of Figure 3 is provided in the attachment folder.
- 3.2.1.2 As stated in Direct Testimony Chapter 2 (Phillips) at p. 9, accelerated miles are miles that otherwise would be addressed in a later phase of PSEP under the approved prioritization process, but are advanced to Phase 1A to realize operating and cost efficiencies. The original design called for placing the test head 200 feet north of the intersection. The test head was located instead along Grand Avenue, a more accessible location. An additional 365 feet of the total 565 feet of accelerated miles were addressed in order to accommodate a proximate (in time and location) street-widening project planned by the City of Santa Ana so that the test head would not interfere with the City's project. An ancillary benefit realized from addressing these accelerated miles is that SoCalGas was able to avoid additional expenses associated with procuring a separate laydown yard (instead, the City allowed SoCalGas to utilize adjacent City property, at a lower cost than if SoCalGas and SDG&E had been required to procure a private laydown yard to complete the project).
- 3.2.1.3 SoCalGas and SDG&E did not prepare a cost estimate to compare the cost of including the 565 feet of pipe within the scope of this Phase 1A project versus excluding these 565 feet and addressing that segment in a later project. This question appears to assume it would have been feasible to exclude the entire 565 feet of pipe from the scope of the project; however, additional footage was required to complete construction.
- 3.2.1.4 The 20 feet of incidental pipe is Category 2, installed in 1991. The incidental pipe is reflected in pink hash marks on Figure 3, in the center of the tested pipeline (shown in yellow). A high-resolution copy of Figure 3 is provided in the attachment folder.

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- 3.2.1.5 The 20 feet of incidental pipe were included for constructability reasons and to realize cost efficiencies. The 20-foot segment of incidental pipe is located between two Category 4 segments that required testing. Based on operator experience and knowledge, the costs and impacts of performing two tests are expected to exceed the costs and impacts of completing a single project.
- 3.2.1.6 SoCalGas and SDG&E did not prepare a cost estimate to compare the cost of conducting a single hydrotest project versus conducting two separate hydrotest projects to circumvent 20 feet of incidental pipe within the two test sections. Among other things, conducting two hydrotests would have required four test head locations rather than two, which necessarily would have increased costs.
- 3.2.1.7 The 286 feet accelerated from Phase 2B are shown on Figure 5 as follows: 172 feet are Category 1, installed in 1954 (shown as the blue dotted marks on the northern side) and 114 feet are Category 1, installed in 1954 (shown as the blue dotted marks on the southern side). A high-resolution copy of Figures 5 is provided in the attachment folder.
- 3.2.1.8 As stated in Direct Testimony Chapter 2 (Phillips) at p. 9, accelerated miles are miles that otherwise would be addressed in a later phase of PSEP under the approved prioritization process, but are advanced to Phase 1A to realize operating and cost efficiencies. The 286 feet of accelerated pipe were included within the scope of the Phase 1A project to enable SoCalGas and SDG&E to move the construction and laydown areas out of a heavily traversed street intersection and to eliminate the need for a future project and the associated costs.
- 3.2.1.9 SoCalGas and SDG&E did not prepare a cost estimate to compare the cost of including the 286 feet of pipe within the scope of this Phase 1A project versus excluding these 286 feet and addressing them in a later project. As described above, the 286 feet of pipe were included both to enable SoCalGas and SDG&E to move the construction and laydown areas out of a heavily traversed street intersection and to eliminate the need for a future project and the associated costs. Based on operator knowledge and experience, not including the 286 feet in this project would require a separate project to be planned and executed in a future PSEP phase which would duplicate the activities and expenses undertaken in the Seven Stage Review Process in this project. Included in these activities and expenses are engineering and design, material procurement, and all related construction activities. Including the accelerated segment now also avoids future

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system impact of taking the pipeline out of service at a later time. This question appears to assume it would have been feasible to exclude the entire 286 feet of pipe from the scope of the project; however, additional footage was required to complete construction of the Phase 1A project.

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QUESTION 3.2.2:

3.2.2. With respect to the statement on WP-III-A67: “In evaluating the options and this new information, it was decided that, in this instance, hydrotesting this short section of pipe was the more cost effective solution because of the added costs due to the more complex engineering design associated with replacement. Customer impacts were manageable and there were no known conditions that would preclude the line from being hydrotested.”

3.2.2.1. Please provide the cost estimates for the north replacement project as it was conceived at this point in the project.

3.2.2.2. Please provide the cost estimates for the north hydrotest project as it was conceived at this point in the project.

RESPONSE 3.2.2:

3.2.2.1 **The attached supporting documents include Confidential and Protected Materials Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.** A copy of the Stage 3 Estimating Tool for Line 1015 North replacement project is provided in the attachment folder.

3.2.2.2 **The attached supporting documents include Confidential and Protected Materials Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.** A copy of the Stage 3 Estimating Tool for Line 1015 North hydrotest project is provided in the attachment folder.

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QUESTION 3.2.3:

3.2.3. With respect to the statement on WP-III-A69: “In order to facilitate the construction of the South Section hydrotest so that the city street widening project could begin as scheduled, a design change was agreed upon to increase the length of the South Section hydrotest segment by one street block. This design change also allowed SoCalGas to utilize an adjacent city property as the northern laydown yard for pipeline fabrication and staging of equipment for construction and hydrotest which was also a cost avoidance measure.”

- 3.2.3.1. Was it necessary to agree to the change in project scope in order to obtain a permit from the city?
- 3.2.3.2. Please identify the cost increase associated with increasing the hydrotest by one street block.
- 3.2.3.3. Please identify the cost savings associated with utilizing adjacent city property as the northern laydown yard versus utilizing an alternate piece of property.

RESPONSE 3.2.3:

- 3.2.3.1 No, but as discussed above, this enabled SoCalGas and SDG&E to negotiate for the use of city property under favorable terms which reduced project costs.
- 3.2.3.2 The cost to hydrotest the additional length of pipeline was not tracked separately from the costs of the project. During Stage 4 (Engineering Design and Procurement) it was determined the hydrotest project would need to be designed to avoid the City’s street widening project. Typical additional costs for an increased hydrotest length include additional water and water management.

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3.2.3.3

SoCalGas and SDG&E did not prepare a cost estimate to compare the cost of using a private laydown yard for this project. However, the City of Santa Ana charged SoCalGas \$2,000 for use of its property as a staging and fabrication area, thus allowing SoCalGas to avoid having to obtain a separate area for this purpose. In order to approximate the value of the savings, for reference, the property that was utilized for the north section of this project cost about \$13,000 per month. In addition, while cost estimates were not created specifically to measure the costs of utilizing an alternate piece of property, the costs that SoCalGas and SDG&E potentially avoided may also include increased traffic control costs, the costs of locating and negotiating for the use of an alternate piece of property, and additional costs for grading a different laydown yard.

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QUESTION 3.2.4:

3.2.4. With respect to the statement on WP-III-A71: “The hydrotest was performed on November 24, 2014” while the construction start date was listed as October 14, 2014 on the same page.

- 3.2.4.1. Why did the hydrotest commence 40 days later than the construction start date?
3.2.4.2. Please account for all factors that prevented the starting of the hydrotest and identify the number of days delay associated with each factor.

RESPONSE 3.2.4:

- 3.2.4.1 The hydrotest commenced 40 days later than the construction start date due to the time it took to perform preparation activities for hydrotest and construction activities, such as pipeline excavation, pipeline abatement, and pipeline isolation; and due to company operations personnel being diverted to meet other operational needs.
- 3.2.4.2
- Original schedule - Isolation: October 29, 2014, Hydrotest: November 5, 2014
 - Contractor revised schedule –Isolation: November 5, 2014, Hydrotest: November 12, 2014
 - Revised schedule due to unavailability of company personnel –Isolation: November 13, 2014, Hydrotest: November 19, 2014
 - Revised schedule due to mainline valve not sealing completely–Isolation: November 18, 2014, Hydrotest: November 24, 2014

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Date Responded: July 7, 2017

QUESTION 3.2.5:

3.2.5. With respect to the statement on WP-III-A71: “The Project team added 4 feet to the South Section excavation site at E. Chestnut and S. Grand Avenues to install a secondary fire control fitting in order to decrease the risk of operational and safety issues during the tie-in operation.”

- 3.2.5.1. What was the increased cost associated with the installation of the secondary fire control fitting?
- 3.2.5.2. Please provide a copy of all Change Order materials or other notices or correspondence provided to SoCalGas’ PSEP management team by its contractor that are related to the delay or added cost created by the secondary fire control fitting described above in the cited quotation.
- 3.2.5.3. Please provide a copy of all of SoCalGas’ PSEP management team’s responses to its contractor in regards to these change order materials, notices or correspondence.

RESPONSE 3.2.5:

- 3.2.5.1 The increase in cost for the Construction Contractor was \$7,189. In addition to these direct costs from the contractor, there may be additional costs for SoCalGas/SDG&E labor and non-construction costs for activities, such as project management and inspection services, that were not tracked and reported separately for this specific delay.
- 3.2.5.2-3 **The attached supporting documents include Confidential and Protected Materials Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.** Copies of change orders and Requests for Information (RFIs) are provided in the attachment folder.

**SOUTHERN CALIFORNIA GAS COMPANY
SAN DIEGO GAS & ELECTRIC COMPANY**

**APPLICATION TO RECOVER COSTS RECORDED IN THE
PIPELINE SAFETY AND RELIABILITY MEMORANDUM ACCOUNTS,
THE SAFETY ENHANCEMENT EXPENSE BALANCING ACCOUNTS, AND
THE SAFETY ENHANCEMENT CAPITAL COST BALANCING ACCOUNTS
(A.16-09-005)**

(3RD DATA REQUEST FROM TURN)

Date Requested: June 19, 2017

Date Responded: July 7, 2017

QUESTION 3.2.6:

3.2.6. With respect to the statement on WP-III-A71: “The tie-in work lasted 24 hours instead of the initial estimate of 16 hours. The costs associated with the extended tie-in work and delays increased construction costs.”

- 3.2.6.1. What was the increased cost associated with the tie-in work?
- 3.2.6.2. Please provide a copy of all Change Order materials or other notices or correspondence provided to SoCalGas’ PSEP management team by its contractor that are related to the delay or added cost created by the tie-in work described above in the cited quotation.
- 3.2.6.3. Please provide a copy of all of SoCalGas’ PSEP management team’s responses to its contractor in regards to these change order materials, notices or correspondence.

RESPONSE 3.2.6:

- 3.2.6.1 The increase in cost for the Construction Contractor was \$50,692. In addition to these direct costs from the contractor, there may be additional costs for SoCalGas/SDG&E labor and non-construction costs for activities, such as project management and inspection services, that were not tracked and reported separately for this specific delay.
- 3.2.6.2-3 **The attached supporting documents include Confidential and Protected Materials Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.** Copies of change orders and Requests for Information (RFIs) are provided in the attachment folder.

SOUTHERN CALIFORNIA GAS COMPANY
SAN DIEGO GAS & ELECTRIC COMPANY

APPLICATION TO RECOVER COSTS RECORDED IN THE
PIPELINE SAFETY AND RELIABILITY MEMORANDUM ACCOUNTS,
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THE SAFETY ENHANCEMENT CAPITAL COST BALANCING ACCOUNTS
(A.16-09-005)

(3RD DATA REQUEST FROM TURN)

Date Requested: June 19, 2017

Date Responded: July 7, 2017

QUESTION 3.2.7:

3.2.7. With respect to the statement on WP-III-A72: “Operating department personnel were diverted to immediate operational needs and therefore, were not available to assist with the hot line as scheduled. This caused a one-week delay.”

- 3.2.7.1. When did this one-week delay occur?
- 3.2.7.2. What was the increased cost associated with the delay?
- 3.2.7.3. Please provide a copy of all Change Order materials or other notices or correspondence provided to SoCalGas’ PSEP management team by its contractor that are related to the delay or added cost created by the lack of availability of operating department personnel described above in the cited quotation.
- 3.2.7.4. Please provide a copy of all of SoCalGas’ PSEP management team’s responses to its contractor in regards to these change order materials, notices or correspondence.

RESPONSE 3.2.7:

- 3.2.7.1 The delay was from November 5, 2014 to November 13, 2014.
- 3.2.7.2 There were no additional Construction Contractor costs associated with the delay. There may be additional costs for SoCalGas/SDG&E labor and non-construction costs for activities, such as project management and inspection services, that were not tracked and reported separately for this specific delay.
- 3.2.7.3 **The attached supporting documents include Confidential and Protected Materials Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.** Copies of the Contractor’s notification and Requests for Information (RFIs) are provided in the attachment folder.
- 3.2.7.4 **The attached supporting documents include Confidential and Protected Materials Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.** A copy of SoCalGas’ response to the contractor is provided in the attachment folder.

**SOUTHERN CALIFORNIA GAS COMPANY
SAN DIEGO GAS & ELECTRIC COMPANY**

**APPLICATION TO RECOVER COSTS RECORDED IN THE
PIPELINE SAFETY AND RELIABILITY MEMORANDUM ACCOUNTS,
THE SAFETY ENHANCEMENT EXPENSE BALANCING ACCOUNTS, AND
THE SAFETY ENHANCEMENT CAPITAL COST BALANCING ACCOUNTS
(A.16-09-005)**

(3RD DATA REQUEST FROM TURN)

Date Requested: June 19, 2017

Date Responded: July 7, 2017

QUESTION 3.2.8:

3.2.8. With respect to the statement on WP-III-A72: “Rain delayed the tie-in and restoration of service to the pipeline by one week which also delayed demobilization.”

- 3.2.8.1. When did this one-week delay occur?
- 3.2.8.2. What was the increased cost associated with the delay?
- 3.2.8.3. Please provide a copy of all Change Order materials or other notices or correspondence provided to SoCalGas’ PSEP management team by its contractor that are related to the delay or added cost created by the rain delay described above in the cited quotation.
- 3.2.8.4. Please provide a copy of all of SoCalGas’ PSEP management team’s responses to its contractor in regards to these change order materials, notices or correspondence.

RESPONSE 3.2.8:

- 3.2.8.1 The delay was from November 30 to December 3, 2014.
- 3.2.8.2 There were no additional Construction Contractor costs associated with the delay. There may be additional costs for SoCalGas/SDG&E labor and non-construction costs for activities, such as project management and inspection services, that were not tracked and reported separately for this specific delay.
- 3.2.8.3 **The attached supporting documents include Confidential and Protected Materials Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.** Copies of the Contractor’s notification to SoCalGas and Requests for information (RFIs) are provided in the attachment folder.
- 3.2.8.4 There was no such correspondence from SoCalGas’ PSEP management team to the contractor.

**SOUTHERN CALIFORNIA GAS COMPANY
SAN DIEGO GAS & ELECTRIC COMPANY**

**APPLICATION TO RECOVER COSTS RECORDED IN THE
PIPELINE SAFETY AND RELIABILITY MEMORANDUM ACCOUNTS,
THE SAFETY ENHANCEMENT EXPENSE BALANCING ACCOUNTS, AND
THE SAFETY ENHANCEMENT CAPITAL COST BALANCING ACCOUNTS
(A.16-09-005)**

(3RD DATA REQUEST FROM TURN)

Date Requested: June 19, 2017

Date Responded: July 7, 2017

QUESTION 3.2.9:

3.2.9. With respect to the statement on WP-III-A73: “The 2-inch tap extension that was relocated to the north side of Katella Avenue and Batavia Street was tied in to the existing 2-inch pipe and nitrogen tested up to the existing regulator station on the south side of Katella and Batavia Street. This was done to simplify gas handling procedures.”

- 3.2.9.1. Did this activity create a delay?
- 3.2.9.2. If the answer to the previous question is “yes,” when did it occur and what was the increased cost associated with the delay?
- 3.2.9.3. Please provide a copy of all Change Order materials or other notices or correspondence provided to SoCalGas’ PSEP management team by its contractor that are related to the delay or added cost created by the testing of the tap extension described above in the cited quotation.
- 3.2.9.4. Please provide a copy of all of SoCalGas’ PSEP management team’s responses to its contractor in regards to these change order materials, notices or correspondence.

RESPONSE 3.2.9:

- 3.2.9.1 No.
- 3.2.9.2 Not applicable.
- 3.2.9.3-4 **The attached supporting documents include Confidential and Protected Materials Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.** Copies of change orders and Requests for Information (RFIs) are provided in the attachment folder.

**SOUTHERN CALIFORNIA GAS COMPANY
SAN DIEGO GAS & ELECTRIC COMPANY**

**APPLICATION TO RECOVER COSTS RECORDED IN THE
PIPELINE SAFETY AND RELIABILITY MEMORANDUM ACCOUNTS,
THE SAFETY ENHANCEMENT EXPENSE BALANCING ACCOUNTS, AND
THE SAFETY ENHANCEMENT CAPITAL COST BALANCING ACCOUNTS
(A.16-09-005)**

(3RD DATA REQUEST FROM TURN)

Date Requested: June 19, 2017

Date Responded: July 7, 2017

QUESTION 3.2.10:

3.2.10. With respect to the statement on WP-III-A73: “SoCalGas crews mobilized and then postponed a tie-in due because the main line valve [was] not completely sealing. The tie-in was delayed a week while the valve was being serviced.”

- 3.2.10.1. When did this one-week delay occur?
- 3.2.10.2. What was the increased cost associated with the delay?
- 3.2.10.3. Please provide a copy of all Change Order materials or other notices or correspondence provided to SoCalGas’ PSEP management team by its contractor that are related to the delay or added cost created by the malfunctioning valve delay described above in the cited quotation.
- 3.2.10.4. Please provide a copy of all of SoCalGas’ PSEP management team’s responses to its contractor in regards to these change order materials, notices or correspondence.

RESPONSE 3.2.10:

- 3.2.10.1 The delay was from November 13, 2014 to November 18, 2014.
- 3.2.10.2 The increase in cost for the Construction Contractor associated with the delay was \$8,638, which was the cost to excavate and backfill the valve. In addition to these direct costs from the contractor, there may be additional costs for SoCalGas/SDG&E labor and non-construction costs for activities, such as project management and inspection services, that were not tracked and reported separately for this specific delay.
- 3.2.10.3-4 **The attached supporting documents include Confidential and Protected Materials Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.** Copies of change orders and Requests for Information (RFIs) are provided in the attachment folder.

**SOUTHERN CALIFORNIA GAS COMPANY
SAN DIEGO GAS & ELECTRIC COMPANY**

**APPLICATION TO RECOVER COSTS RECORDED IN THE
PIPELINE SAFETY AND RELIABILITY MEMORANDUM ACCOUNTS,
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THE SAFETY ENHANCEMENT CAPITAL COST BALANCING ACCOUNTS
(A.16-09-005)**

(3RD DATA REQUEST FROM TURN)

Date Requested: June 19, 2017

Date Responded: July 7, 2017

QUESTION 3.2.11:

3.2.11. With respect to the statement on WP-III-A75: “For this hydrotest project, SoCalGas and SDG&E have identified a total of 0.244 miles of pipe as being installed post 1955 and lacking pressure test records that provide the minimum information to demonstrate compliance with industry standards or regulatory strength testing and recordkeeping requirements then applicable. Of the 0.409 miles of pipeline that was pressure tested, 0.240 miles (59%) of Phase 1A pipe is disallowed, therefore \$3,071,282 (59%) of the total project O&M costs are disallowed from recovery. In addition, of the pipeline that was replaced, 23 feet of Phase 1A pipe are disallowed.”

- 3.2.11.1. What is the amount in feet that corresponds to the 0.244 miles according to SoCalGas’ calculations?
- 3.2.11.2. What is the amount in feet that corresponds to the 0.240 miles according to SoCalGas’ calculations?
- 3.2.11.3. Referring to the breakdown of final project mileage in Table 2, which is shown in feet, please identify in feet the portion of the 0.244 miles that is part of the northern section of the project and identify in feet the portion of the 0.244 miles that is part of the southern section of the project.
- 3.2.11.4. Please identify in feet the portion of the 23 feet of replaced pipeline that is part of the northern section of the project and identify in feet the portion of the 23 feet of replaced pipeline that is part of the southern section of the project.

RESPONSE 3.2.11:

Note: in preparing this data request response, SoCalGas and SDG&E identified an inadvertent error in the calculation of the disallowance for this project. The portion of the pipeline subject to disallowance is 0.244, not 0.240. SoCalGas and SDG&E will prepare and submit a corrected workpaper to address this inadvertent error.

- 3.2.11.1 0.244 miles is 1,290 feet.
- 3.2.11.2 0.240 miles is 1,267 feet.
- 3.2.11.3 Please refer to Table 2 at p. WP-III-A60.

**SOUTHERN CALIFORNIA GAS COMPANY
SAN DIEGO GAS & ELECTRIC COMPANY**

**APPLICATION TO RECOVER COSTS RECORDED IN THE
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THE SAFETY ENHANCEMENT EXPENSE BALANCING ACCOUNTS, AND
THE SAFETY ENHANCEMENT CAPITAL COST BALANCING ACCOUNTS
(A.16-09-005)**

(3RD DATA REQUEST FROM TURN)

Date Requested: June 19, 2017

Date Responded: July 7, 2017

3.2.11.4 All 23 feet of the replaced pipeline correspond to the southern section.

SOUTHERN CALIFORNIA GAS COMPANY
SAN DIEGO GAS & ELECTRIC COMPANY

APPLICATION TO RECOVER COSTS RECORDED IN THE
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THE SAFETY ENHANCEMENT CAPITAL COST BALANCING ACCOUNTS
(A.16-09-005)

(3RD DATA REQUEST FROM TURN)

Date Requested: June 19, 2017

Date Responded: July 7, 2017

QUESTION 3.2.12:

3.2.12. With respect to Table 4: please provide a breakdown of each column of the table between the north and south sections of the project.

RESPONSE 3.2.12:

With respect to Table 4: L-1015 Hydrotest Project Phase 2 WOA Estimate and Actual Costs (WP-III-A74), this project was planned, designed and managed as one project. **The attached supporting documents include Confidential and Protected Materials Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.** The table provided in the attachment folder breaks down the estimated costs for the two sections; however actual costs cannot be segregated.

**BEFORE THE PUBLIC UTILITIES
COMMISSION OF THE STATE OF CALIFORNIA**

**DECLARATION OF JEFFERY SALAZAR
REGARDING CONFIDENTIALITY OF CERTAIN DATA/DOCUMENTS
PURSUANT TO D.16-08-024**

I, Jeffery Salazar, do declare as follows:

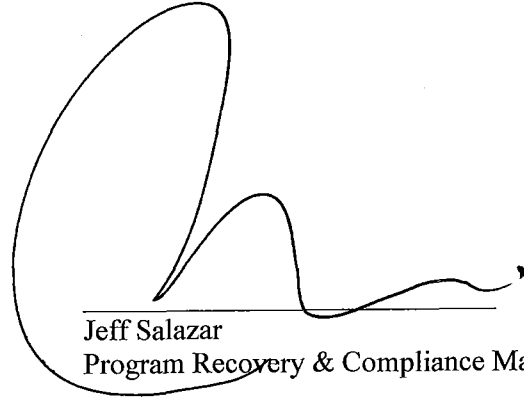
1. I am a Program Recovery & Compliance Manager in the Major Programs & Project Controls for San Diego Gas & Electric Company (“SDG&E”) and Southern California Gas Company (“SoCalGas”) designated by Jimmie Cho, Senior Vice President, Gas Operations and System Integrity for SDG&E and SoCalGas. I have been delegated authority to sign this declaration by Mr. Cho. I have reviewed the Response of SoCalGas and SDG&E to the Third Data Request of The Utility Reform Network (TURN) and Southern California Generation Coalition (SCGC) of the California Public Utilities Commission (CPUC) in the Pipeline Safety and Enhancement Plan (PSEP) 2016 Reasonableness Review A.16-09-005 proceeding, submitted concurrently herewith (Response to TURN-SCGC’s Third Data Request). I personally am familiar with the facts and representations in this Declaration, except where stated as based upon my information and belief. If called upon to testify, I could and would testify to the following based upon my personal knowledge and/or information and belief.

2. I hereby provide this Declaration in accordance with Decision (D.) 16-08-024 to demonstrate that the confidential information (Protected Information) provided in the Response to TURN-SCGC’s Third Data Request is within the scope of data protected as confidential under applicable law and pursuant to Public Utilities Code (“PUC”) § 583 and General Order (“GO”) 66-C, as further described in Attachment A. The intervenors in this proceeding (The Utility Reform Network, the Office of Ratepayer Advocates, and Southern California Generation Coalition) have requested that SDG&E and SoCalGas provide their responses to all data requests to all other parties; since this necessarily includes the Office of Ratepayer Advocates, this Declaration has been necessitated.

3. In accordance with the legal authority described herein, the Protected Information should be protected from public disclosure.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed this 3rd day of July, 2017, at Los Angeles, California.

A handwritten signature in black ink, consisting of a large, stylized initial 'J' followed by a series of loops and a horizontal line extending to the right.

Jeff Salazar
Program Recovery & Compliance Manager

ATTACHMENT A

SoCalGas and SDG&E Request Confidential Treatment of the Following Information in Their Response to TURN-SCGC's Third Data Request in A.16-09-005, Application to Recover Costs Recorded in Pipeline Safety & Reliability Memorandum Accounts, Safety Enhancement Capital Costs Balancing Accounts, and Safety Enhancement Expense Balancing Accounts

SDG&E and SoCalGas designated the combination of the pipeline diameter attribute and location data as confidential in their response to TURN-SCGC's Third Data Request in A.16-09-005, Application to Recover Costs Recorded in Pipeline Safety & Reliability Memorandum Accounts, the Safety Enhancement Expense Balancing Accounts, and the Safety Enhancement Capital Cost Balancing Accounts, because:

- (1) This data is sensitive critical energy infrastructure information that is not currently published by PHMSA and, if made publicly available, could present a risk to the security of California's critical energy infrastructure. SoCalGas' and SDG&E's assessment of the risks associated with critical energy infrastructure data will continue to evolve as the sophistication, frequency and volume of security threats increase. In light of certain events, such as the attack on Pacific Gas & Electric Company's Metcalf Substation in 2013, SoCalGas and SDG&E believe pipeline diameter data must be treated as confidential. SoCalGas and SDG&E designate this pipeline diameter data as confidential pursuant to several laws, regulations, and guides that seek to protect critical infrastructure information and sensitive security information from public disclosure for national security reasons. These include, but are not limited to: (i) the Protected Critical Infrastructure Information (PCII) Program; (ii) FERC Order 630 - Critical Energy Infrastructure Information (CEII); (iii) Sensitive Security Information Regulations; and (iv) the Transportation Security Administration's (TSA) Pipeline Security Guidelines. *See also* the Federal Register Notice on August 27, 2015 (Volume 80, Number 166) concerning PHMSA/OPS' proposed changes to the National Pipeline Mapping System (NPMS) data collection and the protection of pipeline information such as MAOP and pipe diameter. The yellow highlighted portions on the pages identified in the table below fall within the category of sensitive critical energy infrastructure.

SDG&E and SoCalGas designated the vendor bid and pricing information (including rates and invoices) as confidential in their response to TURN-SCGC's Third Data Request in A.16-09-005, Application to Recover Costs Recorded in Pipeline Safety & Reliability Memorandum Accounts, the Safety Enhancement Expense Balancing Accounts, and the Safety Enhancement Capital Cost Balancing Accounts, because:

- (2) This data is market-sensitive information and is entitled to confidential treatment under D.11-01-36, 2011 WL 660568 (2011) GO 66-C Sections 2.2(b), 2.8. The disclosure of such information would trigger the protection of section 2.2(b) of G.O. 66-C, which protects "[r]eports, records and information requested or required by the Commission which, if revealed, would place the regulated company at an unfair business disadvantage." The yellow highlighted portions on the pages identified in the table below fall within the category of vendor and employee identifying information.

SDG&E and SoCalGas designated their employee names as confidential because:

- (3) Disclosure of this information would constitute an unwarranted invasion of personal privacy. Releasing names could put employees at risk for identity theft, personal harm, harassment or other negative outcomes. This information is exempt from public disclosure, and constitutes

confidential information pursuant to Government Code § 6254(c); Gov't Code 6255; Civil Code §§ 1798.3 & 1798.24 (the California Information Practices Act); and Cal. Const., Art. I, § 1 (California constitutional right to privacy) among other relevant provisions. The yellow highlighted portions on the pages identified in the table below fall within the category of employee identifying information (e.g., names, signatures, other contact information). The yellow highlighted portions on the pages identified in the table below fall within the category of employee identifying information.

| DATA / INFORMATION | JUSTIFICATION FOR CONFIDENTIALITY | ATTACHMENTS |
|---|---|--|
| <p>Pipeline attribute (i.e. diameter, pressure, and location)</p> | <p>This information has been identified as confidential protected information as this data constitutes sensitive critical energy infrastructure information that is not currently published by the PHMSA and, if made publicly available, could present a risk to the security of the SoCalGas and SDG&E pipeline system and California’s critical energy infrastructure.</p> <p><u>CEII</u>: 18 CFR §388.113(c); FERC Orders 630, 643, 649, 662, 683, and 702 (defining CEII).</p> <p><u>Critical Infrastructure Information</u>: 6 U.S.C. §§131(3), 133(a)(1)(E); 6 CFR §§ 29.2(b), 29.8 (defining CII and restricting its disclosure).</p> <p>Gov’t Code § 6254(e) (“Geological and geophysical data, plant production data, and similar information relating to utility systems development, or market or crop reports, that are obtained in confidence from any person.”)</p> <p>Gov’t Code § 6254 (ab) (“Critical infrastructure information, as defined in Section 131(3) of Title 6 of the United States Code, that is voluntarily submitted to the Office of Emergency Services for use by that office”)</p> | <p>Q3.1.05.2-3 CONFIDENTIAL Line 1014 Lyles Changes Field DOC: pp.1 Q3.2.05.2-3 CONFIDENTIAL Line 1015 CO 4 RFI 4: pp.1 Q3.2.05.2-3 CONFIDENTIAL Line 1015 DIR N Seg Days 11-03-14: pp.1,3 Q3.2.05.2-3 CONFIDENTIAL Line 1015 District Support: pp.2,4,5 Q3.2.08.3-4 CONFIDENTIAL Line 1015 RFI 8: pp.1 Q3.2.10.3-4 CONFIDENTIAL Line 1015 RFI 11 Inv LF-39351: pp.1,4</p> |
| <p>Vendor information</p> | <p>Vendor names, bid and pricing information have been marked as confidential protected information as publicly disclosing this information could lead to a competitive disadvantage and potential loss of market share for those vendors.</p> <p><i>See, e.g.</i>, D.11-01-36, 2011 WL 660568 (2011)</p> <p>GO 66-C Sections 2.2(b), 2.8</p> <p>Gov’t Code § 6254.15 (disclosure not required for</p> | <p>Q3.1.05.2-3 CONFIDENTIAL Line 1014 Lyles Changes Field DOC: pp.1-2 Q3.1.05.2-3 CONFIDENTIAL Line 1014 SoCalGas Contract Amend: pp.1-3 Q3.1.05.2-3 CONFIDENTIAL Line 1014 Update (Email): pp.1-2 Q3.1.06.2-3 CONFIDENTIAL Line 1014 Grading Seeding Photos (Email): pp.1 Q3.1.07 CONFIDENTIAL Cost Tables: pp.1 Q3.2.12 CONFIDENTIAL Cost Tables: pp.1 Q3.2.02.1 CONFIDENTIAL Line 1015 N Repl Stage 3 Est Rev 1 5-5-14: pp.1-21 Q3.2.02.2 CONFIDENTIAL Line 1015 N Hyd Stage 3 Est Rev 0 5-5-14: pp.1-21</p> |

| | | |
|---|--|--|
| | <p>“corporate financial records, corporate proprietary information including trade secrets, and information relating to siting within the state furnished to a government agency by a private company for the purpose of permitting the agency to work with the company in retaining, locating, or expanding a facility within California”)</p> <p>Gov’t Code §6254.7(d) (relating to trade secrets)</p> <p>Gov’t Code § 6254(k); Evid. Code §1060; Civil Code §3426</p> | <p>Q3.2.05.2-3 CONFIDENTIAL Line 1015 CO 4 RFI 4: pp.1-2</p> <p>Q3.2.05.2-3 CONFIDENTIAL Line 1015 DIR N Seg Days 11-03-14: pp.1-2</p> <p>Q3.2.05.2-3 CONFIDENTIAL Line 1015 District Support: pp.1-3</p> <p>Q3.2.06.2-3 CONFIDENTIAL Line 1015 CO 980005_980007_RFI 5_7: pp.1-2</p> <p>Q3.2.07.3-4 CONFIDENTIAL Line 1015 RFI 3: pp.1,3</p> <p>Q3.2.08.3-4 CONFIDENTIAL Line 1015 RFI 7: pp.1,3</p> <p>Q3.2.08.3-4 CONFIDENTIAL Line 1015 RFI 8: pp.1,3</p> <p>Q3.2.09.3-4 CONFIDENTIAL Line 1015 CO 980003 RFI 3: pp.1-2</p> <p>Q3.2.10.3-4 CONFIDENTIAL Line 1015 RFI 11 Inv LF-39351: pp.1,3-4</p> |
| <p>Employee identifying information (e.i. names, signatures, other contact information)</p> | <p>Public disclosure of staff level employee names, signatures, and other contact information is being prevented to protect against privacy, employee security, identity theft, and cyber-security risks.</p> <p>Gov’t Code § 6254(c); Gov’t Code 6255;</p> <p>Civil Code §§ 1798.3 & 1798.24 (the California Information Practices Act);</p> <p>Cal. Const., Art. I, § 1 (California constitutional right to privacy).</p> | <p>Q3.1.05.2-3 CONFIDENTIAL Line 1014 Lyles Changes Field DOC: pp.1-2</p> <p>Q3.1.05.2-3 CONFIDENTIAL Line 1014 SoCalGas Contract Amend: pp.2</p> <p>Q3.1.05.2-3 CONFIDENTIAL Line 1014 Update (Email): pp.1-2</p> <p>Q3.1.06.2-3 CONFIDENTIAL Line 1014 Grading Seeding Photos (Email): pp.1</p> <p>Q3.2.05.2-3 CONFIDENTIAL Line 1015 CO 4 RFI 4: pp.2</p> <p>Q3.2.05.2-3 CONFIDENTIAL Line 1015 DIR N Seg Days 11-03-14: pp.3</p> <p>Q3.2.05.2-3 CONFIDENTIAL Line 1015 District Support: pp.1-4,6</p> <p>Q3.2.06.2-3 CONFIDENTIAL Line 1015 CO 980005_980007_RFI 5_7: pp.2</p> <p>Q3.2.07.3-4 CONFIDENTIAL Line 1015 RFI 3: pp.3</p> <p>Q3.2.08.3-4 CONFIDENTIAL Line 1015 RFI 7: pp.3</p> <p>Q3.2.08.3-4 CONFIDENTIAL Line 1015 RFI 8: pp.3</p> <p>Q3.2.09.3-4 CONFIDENTIAL Line 1015 CO 980003 RFI 3: pp.2</p> <p>Q3.2.10.3-4 CONFIDENTIAL Line 1015 RFI 11 Inv LF-39351: pp.1,3</p> |