

SOUTHERN CALIFORNIA GAS COMPANY
SAN DIEGO GAS & ELECTRIC COMPANY

APPLICATION FOR REVIEW OF COSTS INCURRED IN EXECUTING
PIPELINE SAFETY ENHANCEMENT PLAN (PSEP)
(A.18-11-010)

(CalPA Data Request-22)

Date Requested: April 11, 2019

Date Responded: April 25, 2019

The following questions pertain to SoCalGas' and SDG&E's response to Cal PA's data request CalPA-SCG-12 and its attachment "CalPA DR-12_Q02 CONFIDENTIAL 2018RR Project Data (highlighted).xlsx" (The Excel Spreadsheet). This Excel Spreadsheet, marked "Confidential", was provided by SoCalGas and SDG&E on February 22, 2019.

QUESTION 01:

[The following questions contain information as identified by SoCalGas and SDG&E as confidential, pursuant to California Public Utilities Code Section 583, General Order 66-D, and Commission Decision 17-09-023.]

The focus of this data request is on column E in SoCalGas/SDG&E's Data Response to Data Request (DR) 14, which asked about existing pressure test records. After a history of Public Advocates Office's discovery with regards to this matter, this Data Request will ask several follow up questions with regards to the meaning of the apparent lack of 336 pressure test records.

SoCalGas Responses to Data Requests 3 and 14: First Request for the Existence of Previous Tests. SoCalGas and SDG&E responded to Question 03 on March 20, 2019 that multiple entries in a spreadsheet indicated there was no record of a pressure test prior to PSEP on the corresponding segments.¹ there is no record of a pressure test prior to PSEP on the corresponding segment."

On February 26, 2019, Cal PA sent DR-14 as a follow up to SoCalGas' and SDG&E's response to DR-3.

As part of Data Response 14, Cal PA asked SoCalGas to provide entries showing if a "pipe segment was never pressure tested, before, during, or after pipe installation".² Where SoCalGas/SDG&E provided a response with entries showing segments that were never pressure tested, but they qualified their response to say that these entries could mean a pressure test has never taken place at all, or a pressure test previously took place but its records were missing.

Data Request-17: Second Request for the Existence of Previous Tests

On March 7, 2019, Cal PA sent DR-17, asking for information related to SoCalGas' and SDG&E's response to DR-03 with regards to the lack of many entries under Column E of the spreadsheet that accompanied that response. Cal PA noted that "[m]any of the entries under this column heading [Column E] are left blank."

Specifically, in part (a) of Question 1, Cal PA asked "Do SoCalGas and SDG&E have records showing that the pipe segment was never pressure tested before the PSEP projects included in A.18-11-010?"

¹ This spreadsheet was entitled CalPA DR-03_Q01CONFIDENTIAL2018RR Project Data_Amended 4, and the entries were under Column E, which was entitled, date of the most recent Pressure Test Prior to PSEP.

² This quote was identified as option 1, and entries were to be entered under Column AA of the Excel Spreadsheet accompanying Data Request 14.

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On March 21, 2019, SoCalGas and SDG&E responded Cal PA Data Request 17 with the following:

In preparing and implementing PSEP, SoCalGas/SDG&E reviewed records to determine whether there was sufficient documentation of a post-construction pressure test.

SoCalGas/SDG&E did not specifically search for records that expressly state a test was never conducted. That said, SoCalGas/SDG&E do not recall reviewing any original construction documents that expressly state a pressure test was never conducted. Therefore, all values in Column AC [i.e. the answers to Cal PA's question] are not applicable.

SoCalGas/SDG&E amended the Excel Spreadsheet in Response to Cal PA DR-03 and DR-12 six different times between December 20, 2018 and April 1, 2019; four times through DR-03 and twice through DR-12.

In light of this history with regards to SoCalGas/SDG&E's data responses about lacking test records, Public Advocates Office notes the following Commission Precedent:

Commission Decision D. 15-12-020 states that "neither the records presented by the Utilities [SoCalGas and SDG&E] nor industry standards indicate that the "Utilities' practice" was only to pressure test certain pipelines installed between 1956 and 1961. To the contrary, all record evidence points to the conclusion that the "Utilities' practice" by at least 1956 was to pressure test pipelines prior to placing it in service, and to prepare a record of the test."³

D.15-12-020, Conclusion of Law Number 7 further states:

Due to the determinations that SDG&E's and SoCalGas' practice was to pressure test pipeline prior to placing it in service during 1956 to 1961 and seek and obtain cost recovery from ratepayers, shareholders should cover the cost to pressure test pipeline installed between 1956-1961 and for which pressure test records are not available.

³ D. 15-12-020, mimeo pp. 16-17.

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With this factual and legal background in mind, please answer the following questions:

With regards to Column E in SoCalGas/SDG&E's response to Cal PA Data Request 14, **please confirm and provide the following:**

- a. Confirm that the records showing tests for the 336 segments that had no entries are not available.
- b. Provide the factual basis, including all documentation, for SoCalGas and SDG&E to allege that a lack of pressure test record on a given segment means that segment was never pressure tested. If no such factual basis exists, please say so.
- c. In the event that any of these segments were tested previously, please provide the supporting documentation showing this, including but not limited to pressure logs.
- d. Confirm that the attached spreadsheet (entitled "Attach_DR-22_Q1_Confidential") accurately shows the 336 segments that had no entries in response to Cal PA Data Request 14.

RESPONSE 01:

The attachments include Confidential and Protected Materials provided pursuant to PUC Section 583, GO 66-D, D.17-09-023, the accompanying declaration, and/or non-disclosure agreement.

SoCalGas and SDG&E object to the recitation of "history" on the basis that it is not stated accurately. In response to Data Request 14, SoCalGas and SDG&E did not "qualif[y]" their response to say that these entries could mean a pressure test has never taken place at all, or a pressure test previously took place but its records were missing." Rather, SoCalGas and SDG&E objected to the characterization in Data Request 14, and responded "that the segments identified as Option 1 in the attached spreadsheet refer to segments for which validation efforts did not result in the location of a pressure test record." Without waiving the foregoing objection, SoCalGas and SDG&E respond as follows:

- a. Column E in the data table attached to SoCalGas/SDG&E's responses to Cal PA Data Requests 3, 12, 14, 16, and 19 represents the date of the most recent pressure test prior to PSEP.

Three hundred and thirty-six pipeline segments lacked a date in Column E. Within the last two weeks, SoCalGas/SDG&E have reviewed historic pressure test records for two of the pipeline segments operated at below 20% SMYS and have updated HPPD accordingly, reducing the number to 334.

- 230 pipeline segments are Category 4, meaning that after a review of records conducted in response to the CPUC directive to aggressively search for records related to the transmission system (i.e. pipelines operated at > 20% SMYS) issued in D.11-06-017, sufficient pressure test records were not identified for these pipe segments. As such, these segments are included in the PSEP scope.

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- 104 pipeline segments are operated at less than 20% SMYS and are classified as incidental (*i.e.*, included within the scope of the projects presented for review in this application for efficiency or constructability reasons). SoCalGas and SDG&E have not yet completed a review of records for non-transmission pipelines to affirmatively determine that these segments lack sufficient pressure test records. Segments operated at below 20% SMYS do not fall within the scope of PSEP and are included within the scope of projects as ‘incidental’ for constructability and efficiency purposes. Records research and review for distribution pipeline segments (pipelines operated at <20% SMYS) is ongoing.

- b. SoCalGas and SDG&E object to this request on the ground that it is based on an inaccurate assumption. SoCalGas and SDG&E have not alleged that a lack of a pressure test on a given segment means that segment was never pressure tested. As previously stated, SoCalGas and SDG&E reviewed historic pipeline records to determine whether sufficient documentation of a pressure test exists.

- c. Please see attached test charts for the two segments mentioned in the response to question 1a above.

- d. The spreadsheet entitled “Attach_DR-22_Q1_Confidential” shows the 336 segments that had no entries in Column E at the time a response to CalPA Data Request 14 was provided. As noted above, review of records for non-transmission pipeline segments is ongoing and as a result, pressure test records were identified recently for two pipeline segments operated below 20% SMYS. The segments in question remain classified as incidental, and therefore, the identification of pressure test records for the two segments does not impact project scope. As HPPD is continuously updated, changes such as these are expected to occur as distribution pipeline data validation efforts result in the additional records updates.