OSA-SEU DATA REQUEST-005
SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8
DATE RECEIVED: APRIL 25, 2018
DATE RESPONDED: MAY 4, 2018

1. Does SoCalGas currently have a long-term pipeline replacement program? Please provide a copy.

Utilities Response 1:

SoCalGas objects to this question on the grounds that the phrase "long-term pipeline replacement program" is vague and ambiguous. Subject to and without waiving the foregoing objection, SoCalGas responds as follows:

Based on other questions in this data request set, SoCalGas interprets this request as seeking information related to Phase 1B of SoCalGas' Pipeline Safety and Enhancement Plan (PSEP) and SoCalGas' early vintage pipeline replacement program within its Distribution Integrity Management Program (DIMP).

SoCalGas' PSEP Amended Application and supporting testimony describing Phase 1B are attached. Available upon request are workpapers submitted in support of the Amended Application and Testimony. The workpapers include a list of pipelines and estimated costs associated with Phase 1B replacement work. Please note the current list of Phase 1B pipelines scheduled for replacement differs from that submitted in the 2011 PSEP Application as scope validation efforts have resulted in reduction of PSEP scope. This reduction will be accomplished through a reduction in the Maximum Allowable Operating Pressure of certain pipelines or through abandonment of pipelines that are no longer required from an overall gas operating system perspective.

Additionally, SoCalGas has a long-term replacement program for its early vintage steel and plastic (Aldyl-A) main and service pipelines, within its DIMP as discussed in Exhibit SCG-14. The proposed programs are wholesale replacement over the next 25-30 years, which utilize a relative risk model and dynamic segmentation to prioritize the replacement of poor performing segments. The proposed replacement program expands upon an existing early-vintage pipeline replacement program currently being implemented as part of DIMP.

The early vintage plastic replacement program focuses on the replacement of Aldyl-A which exhibits brittle-like cracking characteristics. The brittle-like cracking characteristic could cause a leak on an early vintage plastic pipeline to grow and release additional natural gas than would normally be released, increasing the risk of natural gas gathering and igniting. Please see Ex. SCG-14, page 25 for additional details.

The early vintage steel replacement program focuses on poor performing bare steel. The lack of protective coating makes steel a high-risk family of pipe and has been identified by DOT and PHMSA as a family of pipe that should be evaluated for an accelerated replacement program. Please see Ex. SCG-14, page 26 for additional details.

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2. Around October 2017, SoCalGas experienced several pipeline outages near Newberry Springs. Please provide a copy of any preliminary root cause analyses (RCA) for the incidents.

Utilities Response 2:

SoCalGas experienced two pipelines outages near Newberry Springs in the Fall of 2017. One was a result of pipeline failure and the second due to the execution of remediation work on the other pipeline in the area due to external corrosion. SoCalGas is working with SED on the root cause analysis, a confidential version of which will be produced to SED in the future. Although the root cause, impact of the failure, and path forward are not within the scope of SoCalGas' GRC Application, and the analysis will likely continue to be reviewed after the proceeding has concluded, SoCalGas proposes to take this opportunity to set up meetings with OSA, outside of the GRC, to discuss and provide updates on findings and next steps. Please see also the response to Question 4 regarding how SoCalGas incorporates information learned from the outages as part of the Transmission Integrity Management Program (TIMP) continual assessment process.

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3. Please discuss the impacts from pipeline outages on SoCalGas' operations with regards to reliability and safety.

Utilities Response 3:

Please see the discussions in the attached assessments "SoCalGas Winter 2017-18 Technical Assessment" and "SoCalGas Summer 2018 Technical Assessment.pdf," which SoCalGas developed for the 2017-2018 winter and 2018 summer operating seasons.

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4. On Page 29 of Exhibit SCG-14, Ms. Martinez stated the followings:

> Through the TIMP, SoCalGas continually evaluates the pipeline system and proactively takes action through inspections, replacements, and other remediation activities to improve the safety and reliability of the system.

Please explain how SoCalGas has incorporated or will incorporate the information obtained from similar outages to "improve the safety and reliability of the system.

Utilities Response 4:

For purposes of this question, SoCalGas interprets the phrase "similar outages" to refer to the two pipeline outages referenced in Question 2 and OSA's request for an explanation to refer to the incorporation of information into the Transmission Integrity Management Program (TIMP). The purpose of the TIMP is to continually identify threats on transmission pipelines, determine the risk posed by these threats, schedule assessments to address threats, collect information about the condition of the pipeline, and take actions to minimize applicable threats and integrity concerns to reduce the risk of a pipeline failure. When an area requires remediation, immediate attention based on assessment results, or a safety issue has been identified, prompt action is taken for the safety of the public and personnel working on the pipeline, which may include pressure reduction or removing pipelines from service until a repair can be completed.

As noted in the response to Question 2, work on the root cause analysis of these outages, in coordination with the CPUC's Safety and Enforcement Division (SED), is ongoing and is beyond the scope of the General Rate Case (GRC). The information obtained from the outages is incorporated into the TIMP continual assessment process described above, and the threats identified as part of these outages will be evaluated in order to determine assessment and remediation requirements to reduce the risk of a pipeline failure. Please see Exhibit SCG-14 on pages MTM-2 through MTM-3, and MTM-11 through MTM-13 for more details on the TIMP continual assessment and remediation process.

It should also be noted that D.16-08-018 directs the utilities to "[r]espond to immediate or short-term crises outside of the RAMP and GRC process" because they "follow a three-year cycle and are not designed to address immediate needs." (D.16-08-018 at 146). SoCalGas and SDG&E do not wait to respond to incidents and address safety issues in a timely manner, regardless of the timing of the GRC funding cycle.

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5. In an effort to gain a better understanding of SoCalGas' pipeline replacement program, which was discussed in Exhibit SCG-15, please explain how these would fit into the replacement programs if the outages did not occur.

Utilities Response 5:

SoCalGas proposed to pressure test the portion of pipeline where the outage occurred as part of Phase 2A of the PSEP, currently pending Commission approval.

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6. Please identify the programs and projects proposed in this GRC application that would prevent the failure of infrastructures, which may have an impact on reliability and safety such as the October 2017 incident.

Utilities Response 6:

Projects and programs that are referred to in this GRC as Risk Assessment Mitigation Phase (RAMP) mitigation activities are proposed to reduce SoCalGas and SDG&E's key safety risks identified through the RAMP process. Please see the tables in Appendix A.1 in the Risk Management and Policy testimony of Diana Day Exhibit SCG-02-R/SDG&E-02-R, Chapter 1) for the GRC exhibits that address applicable RAMP risks associated with reducing the risk of a potential failure of infrastructure. For example, the Transmission Integrity Management Program (TIMP) is an existing program with proposed costs in this GRC that would address the RAMP risk of Catastrophic Damage Involving High-Pressure Gas Pipeline Incident. Please also refer to the response in Question 4 above.