

**ZELLER DATA REQUEST
ZELLER-SDG&E-DR-007
SDG&E 2019 GRC – A.17-10-007
SDG&E RESPONSE
DATE RECEIVED: JANUARY 7, 2018
DATE RESPONDED: JANUARY 22, 2018**

Exhibit Reference: SDG&E - 11
SDG&E Witness: Martinez
Subject: TIMP/DIMP SDG&E

1. A) On pg. 2, the testimony regarding the TIMP program states that SDG&E expanded its program to include assessments of non-HCA pipelines that are contiguous to or near HCA pipelines on a case-by-case basis. A) How much will this expanded program cost?

B) How many additional miles of pipeline will SDG&E assess and remediate as part of this expansion?

C) What factors will SDG&E consider in determining whether to assess and remediate these non-HCA pipeline segments?

SDG&E Response 1:

- A) There will be negligible incremental costs (less than \$100) because of adding non-HCA pipelines that are contiguous to or near HCA pipelines.
- B) See table below:

Year	HCA miles	Non-HCA miles	Total miles
2019	23.8	2.4	26.2
2020	0	0	0
2021	13.4	0	13.4
2022	1.2	2.9	4.1
Total	5.3	38.4	43.7

- C) The length of non-HCA pipeline segments that are assessed is dependent upon the placement of the launcher and receiver for inline inspection (ILI). In most situations, SDG&E installs the launcher and receiver at the start and end of each pipeline to minimize the impact on transmission system reliability and cost and to enhance safety by maximizing the length of pipeline inspected. Remediation of non-HCA pipeline segments will be based upon the results obtained following an ILI.

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2. In the discussion on pgs. 2-3 SDG&E discusses the data federal regulations require it to collect about distribution pipelines.

A) How much of this data does SDG&E already have available to it on its geographic information system and other data bases?

B) Does SDG&E contemplate additional data gathering as part of its compliance program with 49 CFR Section 192, Subpart B? If yes, provide details about what is contemplated and the associated cost of this activity.

SDG&E Response 2:

A) GIS currently contains information specified in 49 CFR Section 192 Subpart P.

B) Presumably the question was intended to cite 49 CFR Section 192 Subpart P and not Subpart B. At this time, additional data gathering to support compliance of the program has not been identified.

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3. On page 24 the testimony discusses the expansion of the DREAMS program, with an increase of approximately \$25 million contemplated for this program for the TY.
- A) What specific programmatic activities will be performed in 2019 beyond 2017 levels?
- B) How did SDG&E determine this level of capital expenditures is appropriate?
- C) Why does SDG&E believe that DREAMS related capital expenditures must be more than doubled in 2019?
- D) SDG&E’s request in this area is summarized by a single line in its workpapers, pg. 16 “DIMP DREAMS capital activity is increasing miles being replaced.” How many additional miles of pipeline will be replaced in 2019?
- E) How many were replaced in 2016 & 2017?
- F) Does SDG&E believe that its DREAMS expenditures in 2017 & 2018 are/will be inadequate?
- G) What is the cost per pipeline mile of the DREAMS replacement project in 2019?
- H) What was the cost per mile of pipeline replacement in 2017?
- I) Did SDG&E explore alternative approaches to pipeline replacement in developing its test year estimate for the DREAMS program such as measures to extend the life of existing pipeline facilities? If yes provide details about SDG&E’s analysis and the results of the analysis.
- J) What criteria/criterion does SDG&E use in determining whether a given segment of pipeline merits replacement?

SDG&E Response 3:

A)

	2016	2017	2019	Increase
DREAMS – Aldyl-A Replacements	10 miles	22 miles (recorded)	27 miles	5 miles

- B) The estimate is based on a 25- to 30-year horizon for replacement of early vintage plastic, primarily including Aldyl-A.

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SDG&E Response 3: -Continued

- C) See response to Question B.
- D) The TY 2016 GRC request was 17 miles replacement per year, whereas the TY 2019 GRC request is 27 miles replacement per year.
- E) See response to Question A.
- F) Spending for 2017/2018 is appropriate for the TY 2016 GRC requested period (2016-2018).
- G) The estimate is based on a historical average of \$0.0606/mi (\$320/ft).
- H) \$0.0589/mi (\$311/ft).
- I) No, plastic, unlike steel, does not have additional features such as coating or cathodic protection that can be modified to extend the life expectancy. See SDG&E's RAMP Report, Section 9.2, page SDG&E 16-25, for an alternative that was considered and rejected:

9.2 Alternative 2 – DIMP Status Quo

SDG&E considered maintaining the status quo for Aldyl-A medium pressure pipe replacement under the DIMP program. Each year the program would *require \$20 million per year* to operate and eventually eliminate all Aldyl-A pipe. Due to the fact that a small percentage of non-state-of-the-art pipes exist in the system, SDG&E determined there would be a higher benefit to eliminating the current risk associated with Aldyl-A pipe altogether in a timely manner rather than extending the time it will take to replace all of it.

- J) SDG&E uses the criterion of plastic pipe installed prior to 1986 including Aldyl-A to determine the need for replacement. As discussed in Exhibit SDG&E-11 (pages MTM-18 and MTM-19), this family of pipe has been a source of numerous industry documents which discuss the susceptibility to brittle-like cracking characteristics and the need to replace and monitor performance on a continual basis.