

**ORA DATA REQUEST
ORA-SCG-DR-030-DAO
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE
DATE RECEIVED: DECEMBER 17, 2014
DATE RESPONDED: JANUARY 2, 2015**

Exhibit Reference: SCG-4, Gas Distribution O&M and Capital Expenditures

Subject: Non-Routine Tool Purchases, Leak Detection Equipment Replacement Effort

Please provide the following:

1. Please explain in detail how SoCalGas determined the systematic upgrade date to be year 2016 to replace the 375 units of leak detection equipment identified on page FBA-136 and page 230 of the workpapers. Provide a copy of all supporting documents for the upgrade date of 2016.

SoCalGas Response:

The systematic upgrade of the 375 DP-IR leak detection units was based on the manufacturer's recommended life span of the units being eight to ten years. The manufacturer has made significant performance improvements to the DP-IR units since they were implemented in 2007. The details regarding the improvements are listed in the separately provided document, ORA-SCG-DR-030-DAO_Q1_CONFIDENTIAL.pdf. This document should be treated as **CONFIDENTIAL PURSUANT TO P.U. CODE SECTION 583 & G.O.66-C.**

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2. Identify the purchase date, manufacturer, and estimated lifespan, of each of the 375 units of leak detection equipment referenced on page FBA-136.

SoCalGas Response:

The manufacturer's estimated lifespan of the DP-IR leak detection equipment is eight to ten years. Please refer to the separately provided file, ORA-SCG-DR-030-DAO_Q2.xlsx for the purchase history of the DP-IR units from Heath Consultants.

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3. Referring to the 375 units of leak detection equipment discussed on lines 14-17 of page FBA-136, please provide the following:
 - a. The annual expense to repair and units repaired, for each year from 2009-2014 YTD;
 - b. The O&M expenses account(s) and/or sub-account(s) under which these expenses are tracked each year from 2009-2014 YTD;
 - c. As a result of SoCalGas’ proposal to replace existing leak detection equipment used when performing annual, routine, and special underground leakage survey, has SoCalGas removed the annual repair expense from the 2016 O&M forecast? If yes, please identify the amount, the account tracking this expense, and a citation to the testimonies and or workpapers demonstrating the removal of these costs. If no, please explain why not.

SoCalGas Response:

- a. The table below shows the number of leak detection unit repairs and the repair expenses from 2009 to 2014 year-to-date. Some of the repairs, including all repairs in 2009, were covered under warranty. Please note that the dollars are in nominal dollars of the year (they have not been escalated to 2013 dollars).

	2009	2010	2011	2012	2013	2014 YTD
Repair Tickets	6	67	145	198	241	259
Annual Repair Costs	\$0	\$4,580	\$58,671	\$142,440	\$193,457	\$153,164*

* Amount charged year-to-date 2014.

- b. The historical leak detection unit repair expenses are included in the workgroup: 2GD000.005 Field O&M - Tools Fittings & Materials. We are in the process of verifying this information and will amend the response if needed.
- c. The repair costs have not been removed from the forecast. It is expected that there will be some ongoing repair costs associated with the new units.

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4. Please provide support for the SoCalGas’ claim that the unit cost for leak detection equipment is \$11,810, as identified on page 230 of the workpapers. Include a copy of all documents and calculations used to derive this unit cost.

SoCalGas Response:

Please refer to the separately provided file, ORA-SCG-DR-030-DAO_Q4_CONFIDENTIAL.pdf for the base cost per leak detection unit. This document should be treated as **CONFIDENTIAL PURSUANT TO P.U. CODE SECTION 583 & G.O.66-C.**

The unit cost calculations, including taxes and shipping fees are shown on page 230 of Exhibit SCG-04-CWP:

Assumptions:

- [F]: Cost for Taxes and Shipping.
- 10% Tax.
- \$100 Shipping for Surveying Leak Detector.

	[E]	[F]	[G] ([E]+[F])
Description	Base Cost Per Unit	Taxes and Shipping Fees	Total Cost Per Unit
Surveying Leak Detector (WP 009060.001)	\$ 10,645	\$ 1,164.50	\$ 11,810