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)

(TURN-SCGC DATA REQUEST TURN-SCGC-14)

Date Requested: July 25, 2017 Date Responded: August 31, 2017

TURN-SCGC Data Request TURN-SCGC-014 regarding the response to TURN-SCGC-02 and TURN-SCGC-03

QUESTION 14.1:

14.1. Please send a more readable version of the following figures: Figure 1, Figure 3, and Figure 5.

<u>RESPONSE 14.1:</u> High-resolution copies of Figures 1, 3 and 5 are provided in the attachment folder. SoCalGas and SDG&E identified a coding error in Figure 1 and will prepare and submit a corrected workpaper to address this inadvertent error.

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)

(TURN-SCGC DATA REQUEST TURN-SCGC-14)

Date Requested: July 25, 2017 Date Responded: August 31, 2017

QUESTION 14.2:

14.2. With respect to the response to Q.2.1.2 and subparts:

14.2.1. Was the supplier referred to in the response to Q.2.1.2.2 the only manufacturer available for the 20x12 barred reducing tees as modified to include guide bars?

RESPONSE 14.2.1:

No.

14.2.2. On how many occasions previously had SoCalGas obtained 20x12 barred reducing tees modified to include guide bars or similar materials from this supplier?

RESPONSE 14.2.2:

This was the first time SoCalGas used this vendor to provide 20x12 barred reducing tees. This vendor was previously used to provide other barred reducing tees.

14.2.3. When did SoCalGas first identify the quality issues which arose on a similar fitting on another PSEP project that was referred to in the response to Q.2.1.2.8?

RESPONSE 14.2.3:

August 7, 2014.

14.2.4. Please describe in detail the quality issues that are referred to in the response to Q.2.1.2.8.

RESPONSE 14.2.4:

Cracks on the manufacturer's coating were noticed on the similar barred tee after it successfully passed the hydrotest.

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)

(TURN-SCGC DATA REQUEST TURN-SCGC-14)

Date Requested: July 25, 2017 Date Responded: August 31, 2017

14.2.5. Please describe in detail the discrepancy in heating numbers and circumstances that required a reinspection that are referred to in the response to Q.2.1.2.8.

RESPONSE 14.2.5:

The inspector completed his inspection on September 17, 2014, but after submitting the inspection release, observed that the heat number of the fitting (G13ADD3) did not match the heat number approved by SoCalGas (G13ADDB3). G13ADD3 is a 20" X 12" Grade Y-52 barred tee, whereas the Line 1005 project required a 20" X 12" Grade Y-65 barred tee.

Upon this finding, the inspector was asked to review the inspection photos to confirm the heat number, and SoCalGas discovered the inspector had not taken photos during the inspection. SoCalGas scheduled a follow-up inspection to verify the heat number.

The inspector was not available to return until October 3, 2014. During the followup inspection, the inspector confirmed the fitting has the correct heat number (G13ADDB3) and issued the inspection release to SoCalGas shortly thereafter.

14.2.6. Was the fitting referred to in the response to Q.2.1.2.8 obtained from the supplier referred to in response to Q.2.1.2.2?

RESPONSE 14.2.6:

The same supplier was used. However, the barred tees were from two different manufacturers.

14.2.7. If the answer to the previous question is "yes," apart from the situation referred to in response to Q.2.1.2.8, had SoCalGas ever previously had any problems with materials manufactured by this supplier?

RESPONSE 14.2.7:

The supplier does not manufacture the materials. SoCalGas has not previously had problems with materials from the manufacturer.

14.2.8. Please describe in detail the construction sequencing of when these materials were anticipated to be required that was referred to in the response to Q.2.1.2.16.

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)

(TURN-SCGC DATA REQUEST TURN-SCGC-14)

Date Requested: July 25, 2017 Date Responded: August 31, 2017

RESPONSE 14.2.8:

The materials were expected to be welded into the system in early to mid-October.

14.2.9 Were the 20x12 barred reducing tees as modified to include guide bars to be used at Site 1 or Site 2 of the project?

RESPONSE 14.2.9:

Site 2.

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)

(TURN-SCGC DATA REQUEST TURN-SCGC-14)

Date Requested: July 25, 2017 Date Responded: August 31, 2017

QUESTION 14.3:

- 14.3. With respect to the response to Q.2.1.2.19, which states: "The construction site was first demobilized on October 6, 2014":
- **14.3.1.** When was the construction site remobilized?

RESPONSE 14.3.1: November 3, 2014.

14.3.2. What location(s) was remobilized at that point?

RESPONSE 14.3.2: Site 2.

14.3.3. When was the construction site(s) next demobilized?

RESPONSE 14.3.3:

November 26, 2014.

14.3.4. When was the construction site next remobilized?

RESPONSE 14.3.4:

December 29, 2014.

14.3.5. What location(s) was remobilized at that point?

RESPONSE 14.3.5:

Site 1.

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)

(TURN-SCGC DATA REQUEST TURN-SCGC-14)

Date Requested: July 25, 2017 Date Responded: August 31, 2017

QUESTION 14.4:

14.4. With respect to the response to Q.2.1.3.2: Please state the date when the County actually issued the permit for work at Site 1.

RESPONSE 14.4:

December 22, 2014.

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)

(TURN-SCGC DATA REQUEST TURN-SCGC-14)

Date Requested: July 25, 2017 Date Responded: August 31, 2017

QUESTION 14.5:

14.5. Please provide a copy of the complete (detailed itemized) version of the Phase 2 WOA cost estimate.

RESPONSE 14.5:

SoCalGas and SDG&E interpret this question to refer to Line 1005. The attached supporting document includes Confidential and Protected Materials Pursuant to PUC Section 583, GO 66-C, and D.16-08-024. A copy of the cost estimate utilized to develop the Phase 2 WOA is provided in the attachment folder.

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)

(TURN-SCGC DATA REQUEST TURN-SCGC-14)

Date Requested: July 25, 2017 Date Responded: August 31, 2017

QUESTION 14.6:

14.6. Please provide a copy of the complete (detailed itemized) version of the Performance Partner/Construction Contractor TPE cost estimate.

RESPONSE 14.6:

SoCalGas and SDG&E interpret this question to refer to Line 1005. 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 TPE detailed cost estimate is provided in the attachment folder.

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)

(TURN-SCGC DATA REQUEST TURN-SCGC-14)

Date Requested: July 25, 2017 Date Responded: August 31, 2017

QUESTION 14.7:

14.7. With regard to the response to Q.2.3.3.4/5, attachment "Q.2.3.03.4-5 CONFIDENTIAL L1013 Contract Amend 01-HP System.pdf":

14.7.1. Please identify each item by change notice number that corresponded to costs associated with the delay caused by the failure of an existing MLV approximately a mile south of the tie-in location to seal completely

RESPONSE 14.7.1:

Change Notice No. 805 refers to the cost associated with the delay caused by the failure to seal the existing mainline valve.

14.7.2. Please identify each item by change notice number that corresponds to any costs associated with repairing the existing MLV approximately a mile south of the tie-in location that failed to seal completely.

RESPONSE 14.7.2:

Change Notice No. 813 refers to the excavation, backfill and paving related to the repair of the mainline valve.

14.7.3. Why was the tie-in completed on a Saturday rather than during the week?

RESPONSE 14.7.3:

The tie-in work was performed on a Saturday to lessen the impact to a nearby university during the pipeline isolation.

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)

(TURN-SCGC DATA REQUEST TURN-SCGC-14)

Date Requested: July 25, 2017 Date Responded: August 31, 2017

QUESTION 14.8:

14.8. With respect to the response to Q.3.2.8.2, which states: "There were no additional Construction Contractor costs associated with the delay":

14.8.1. Please explain how that statement is supportable given the attachment "Q.3.2.08.3-4 CONFIDENTIAL L-1015 RFI 7.pdf" states: "Due to heavy rain, ARB crew didn't work on the scheduled task as the trenched were filled with rain water. Therefore, ARB almost removed 400 barrels of water and placed rock bedding in trenches to make them workable for Tie-Ins" and has an associated change order amount of \$14,500.

RESPONSE 14.8.1:

Following negotiations with SoCalGas/SDG&E, the contractor elected not to pursue reimbursement for the costs associated with RFI 7.

14.8.2. Please explain how that statement is supportable given the attachment "Q.3.2.08.3-4 CONFIDENTIAL L-1015 RFI 8.pdf" states: "Due to all delays and heavy rain on 12/18/2014 when ARB was backfilling the trench on Katella dirt came off from three sides, therefore ARB crew saw cut three sides, dig almost 7' and 5' on sewer side and other two sides respectively. After that ARB backfilled the extra excavated portion with 1 and 1.5 sack slurry" and has an associated change order amount of \$20,000.

RESPONSE 14.8.2:

Following negotiations with SoCalGas/SDG&E, the contractor elected not to pursue reimbursement for the costs associated with RFI 8.

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)

(TURN-SCGC DATA REQUEST TURN-SCGC-14)

Date Requested: July 25, 2017 Date Responded: August 31, 2017

QUESTION 14.9:

14.9. With respect to the response to Q.3.2.6:

14.9.1. Please explain the basis for the increased time required to complete the tie in.

RESPONSE 14.9.1:

Due to multiple variables that may be encountered during tie-in work, such as challenges lining up the tie-in piece, it is difficult to precisely estimate the time needed to complete the work. In this case, the estimate given was 16 hours to complete, and the actual time that it took to complete the work was 24 hours.

14.9.2. Please explain why the response states that the incremental contractor cost was \$50,692 while the attachment "Q.3.2.06.2-3 CONFIDENTIAL L-1015 CO 980005_980007_RFI 5_7.pdf" only indicates an increase of \$21,000. Is there a document missing?

RESPONSE 14.9.2:

Yes, SoCalGas/SDG&E inadvertently omitted RFI 7 from the response to TURN-SCGC Q.3.2.6:

- RFI 5 is for the pipeline isolation tie-in which took place on Friday, August 22, 2014. The cost associated with RFI 5 is \$21,233.
- RFI 7 is for the pipeline tie-in to restore operation to the pipeline, which took place on Wednesday, September 3rd, 2014. The cost associated with RFI 7 is \$29,460.

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 Request for Information 7 is provided in the attachment folder.

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

DECLARATION OF HUGO MEJIA REGARDING CONFIDENTIALITY OF CERTAIN DATA/DOCUMENTS PURSUANT TO D.16-08-024

I, Hugo Mejia, do declare as follows:

1. I am the Project and Execution Manager in the Major Projects, Regulatory Compliance and Controls for San Diego Gas and 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 Fourteenth Data Request of The Utility Reform Network (TURN) and Southern California Generation Coalition (SCGC) in the Pipeline Safety and Enhancement Plan (PSEP) 2016 Reasonableness Review A.16-09-005 proceeding, submitted concurrently herewith (Response to TURN-SCGC's Fourteenth 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 Fourteenth 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 30th day of August, 2017, at Los Angeles, California.

Hugo Mejia

Project and Execution Manager

ATTACHMENT A

SoCalGas and SDG&E Request Confidential Treatment of the Following Information in Their Response to TURN-SCGC's Fourteenth 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 Fourteenth 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 Fourteenth 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 identifying information.

SDG&E and SoCalGas designated employee names as confidential in their response to TURN-SCGC's Fourteenth 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:

(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).

SDG&E and SoCalGas designated certain commercially-sensitive information as confidential in their response to TURN-SCGC's Fourteenth 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:

(4) This information includes market sensitive data that, if disclosed, would put SoCalGas at a competitive disadvantage in negotiating future contracts. In addition, portions of this information are derivative of confidential proprietary information of third parties. Disclosure of this information would put both SoCalGas and third-party vendors at a competitive disadvantage and, ultimately, could deter third-party vendors from doing business with SoCalGas in the future.

DATA /	JUSTIFICATION FOR	ATTACHMENTS
INFORMATION Pipeline attribute (i.e. diameter,	CONFIDENTIALITY This information has been identified as confidential protected information as this data	Q14.06 CONFIDENTIAL 1005 Detailed Cost Report.pdf: pp.1-28
pressure, and location)	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.	
	<u>CEII</u> : 18 CFR §388.113(c); FERC Orders 630, 643, 649, 662, 683, and 702 (defining CEII).	
	Critical Infrastructure Information: 6 U.S.C. §§131(3), 133(a)(1)(E); 6 CFR §§ 29.2(b), 29.8 (defining CII and restricting its disclosure).	
	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.")	
	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")	
Vendor information	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	Q14.06 CONFIDENTIAL 1005 Detailed Cost Report.pdf: pp.1-28 Q14.09.2 CONFIDENTIAL 1015 South RFI 7.pdf: pp.1-2

	for those vendors and could result in a negative	
	impact on customers.	
	_	
	See, e.g., D.11-01-36, 2011 WL 660568 (2011)	
	GO 66-C Sections 2.2(b), 2.8	
	Gov't Code § 6254.15 (disclosure not required	
	for "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")	
	Gov't Code §6254.7(d) (relating to trade	
	secrets)	
	Covit Code & 6254(1); Evid Code \$1060; Civil	
	Gov't Code § 6254(k); Evid. Code §1060; Civil	
	Code §3426	
Employee identifying		Q14.09.2 CONFIDENTIAL 1015 South RFI 7.pdf: pp.2
information	signatures, and other contact information is	
(e.i. names,	being prevented to protect against privacy,	
signatures, other	employee security, identity theft, and cyber-	
contact information)	security risks.	
	Gov't Code § 6254(c); Gov't Code 6255;	
	Civil Code §§ 1798.3 & 1798.24 (the California	
	Information Practices Act);	
	mormation Practices Act);	
	Cal. Const., Art. I, § 1 (California constitutional	
	right to privacy).	

Intellectual Property/	Derivatives of vendor pricing information have	Q14.05 CONFIDENTIAL 1005_Stage 3 Estimate for Phase 2 WOA: pp. 1-16
Trade Secrets:	been marked as confidential protected	
(e.i. Software,	information. Publicly disclosing derivatives of	
Certificates)	labor, equipment, material, historical project	
	cost information could lead to a competitive	
	disadvantage and potential loss of market share	
	for those vendors and have a negative impact on	
	the interests of customers.	
	Trade Secrets: Gov't Code §§ 6254(k), 6254.7(d), 6255(a); Evid. Code § 1060; Civil Code § 3426 et seq.;	
	Competitive Data: Gov't Code §§ 6254(k),	
	6254.7(d), 6255(a); Evid. Code § 1060; Civil	
	Code § 3426 et seq.; GO 66-C § 2.2(b).	