

ORA DATA REQUEST
ORA-SCG-149-YNL
SOCALGAS 2019 GRC – A.17-10-008
SOCALGAS RESPONSE
DATE RECEIVED: MARCH 1, 2018
DATE RESPONDED: MARCH 15, 2018

Exhibit Reference: SCG-09-R
SCG Witness: Deanna R. Haines
Subject: Gas Engineering

Please provide the following:

1. Referring to Ex. SCG-09-R, p. DRH-19, lines 4-5, please provide a summary and a timeline of the negotiations between SCG and Morongo Tribe from the time the GRC testimony has been filed until now.

SOCALGAS Response 01:

Since the time the GRC testimony was filed, renewal negotiations between parties resumed in January 2018, after which several offers were exchanged; however, parties have not come to an agreement for the renewals of the rights of way. See below for timeline of negotiations:

- Aug 28, 2017 – Impasse declared by mediator
- Dec 12, 2017 – Morongo letter to SoCalGas proposing resumption of negotiations
- Dec 19, 2017 – SoCalGas replied to Morongo proposing face-to-face meeting in early January 2018
- Jan 10, 2018 – SoCalGas and Morongo met in person to resume negotiations
- Jan 22, 2018 – SoCalGas extended offer to Morongo for a short-term extension of the rights-of-way for all three transmission pipelines while parties continue to negotiate the terms of a long-term agreement
- Jan 23, 2018 – Morongo Tribe rejected SoCalGas' 1/22/2018 offer
- Jan 26, 2018 – SoCalGas and Morongo Tribe met to continue negotiations
- Feb 5, 2018 – Morongo offered a very short-term extension of the Line 2000 right-of-way and rearticulated its 6/27/2017 \$308M counter-proposal to renew all rights of way for up to 50 years
- Feb 9, 2018 – SoCalGas made a written counter-offer for long-term renewal of the three transmission rights-of-way
- Feb 15, 2018 – SoCalGas and Morongo met to discuss SoCalGas' 2/9/2018 offer, which Morongo Tribe rejected at the meeting. SoCalGas rejected Morongo's 2/5/2018 short-term offer. Morongo expressed interest in a short term offer to enable further negotiations. SoCalGas extended new short-term offer while committing to continue negotiations for a long-term agreement
- Feb 21, 2018 – Morongo rejected SoCalGas 2/15/18 short-term offer and provided a verbal counter-offer
- Mar 8, 2018 – SoCalGas rejected Morongo's 2/21/18 counter-offer.
- Mar 9, 2018 – SoCalGas and Morongo in-person meeting.

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2. Referring to Ex. SCG-09-R, p. DRH-17, line 8, what are SCG's contingencies if SCG and Morongo will not reach an agreement with respect to Line 2000 and the impending expiration of right-of-way on March 29, 2018?

SOCALGAS Response 02:

SoCalGas objects to this request to the extent it seeks the production of information, analyses or documents protected from disclosure by the Attorney Client Communications privilege or the Attorney Work Product doctrine. Subject to and without waiving the foregoing objection, SoCalGas responds as follows:

SoCalGas is committed to not operating in trespass. If SoCalGas and Morongo do not reach an agreement to extend the right-of-way for Line 2000 by March 29, 2018, SoCalGas may be required to isolate and no longer flow gas through the pipeline across the Morongo Reservation to avoid operating in trespass.

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3. Referring to Ex. SCG-09-CWP, page 14 of 31 regarding capital tools & lab equipment, please explain and provide supporting documentation (if any) regarding a large increase in recorded capital costs in 2014.

SOCALGAS Response 03:

The capital tools & lab equipment workpaper includes capital budget codes 730, 714 and 736. There was no large increase in recorded capital costs in 2014; however, there was an increase in recorded capital cost in 2015. The increase in 2015 was a result of the Gas Scopes Replacement project (Internal Order Number 300773436). The project consisted of replacing aging equipment with new Combustible Gas Indicators (CGI). The CGIs replaced old tools that utilized 30-year-old technology that could not be calibrated. Please see below an image from the general ledger accounts for some of the capital costs incurred in 2015.

Image 1: Screenshot of General Ledger 2013-2015 actuals for BCs 730 and 736

Budget Code	Order	Fiscal year	K4/2013		K4/2014		K4/2015	
			Amount	FTE	Amount	FTE	Amount	
00730.0	GT Lab Equip / Quality/Economic Driven	300381154						
		300762907	ENGINEERING - CAP TOOLS	\$ 788,629.19	0.000	\$ 71,953.32	0.000	-\$ 153,745.24
		300762925	INSTALL EMISSION ANALYZER IN EMISSIONS LAB			\$ 155.66	0.002	\$ 119,909.80
		300766212	REPLACE MOISTURE ANALYZER BLYTHE COMP ST			\$ 55,616.11	0.035	\$ 5,873.38
		300774427	ENGINEERING CAP TOOLS FOR UNITIZATION			\$ 359,582.38	0.000	\$ 682,142.80
		300774824	UPGRADE 16 STATION IPT TANK & ANCILLARY					\$ 27,841.24
		300775014	WEATHER-OMETER AND INSTALLATION					\$ 145,113.67
		300775050	TWO DUCTLESS SPLIT SYSTEMS FOR SEPARATE					\$ 22,536.08
		300775090	SECURITY DOOR AND INSTALLATION					\$ 12,318.00
		300775482	MAXAIR FUME ARMS AND EXHAUST FAN					\$ 7,161.84
			SECURITY SURVEILLANCE CAMERAS					\$ 28,730.25
			Result	\$ 788,629.19	0.000	\$ 487,307.47	0.037	\$ 897,881.82
00736.0	GT Cap Tools / Quality/Economic Driven	300634607	PDR-CARBON CANISTER & VAPOR BLOWER SKID	\$ 531.77	0.001			
		300707659	PURCHASE GAS GRAVITOMETER VALVE OPERATOF	\$ 41.20	0.000			
		300714583	CAPITAL TOOLS 8 PORTABLE AUTO DEGAUSS	\$ 289.14	0.003			
		300714586	CAPITAL TOOLS 2 MERIAM INSTR CALIBRATORS	\$ 1,088.74	0.015			
		300715475	CAPITAL TOOLS 3 REMOTE METHANE LEAK	-\$ 41.62	-0.001			
		300717469	CAPITAL TOOL 2 MERIAM MULTIFUNCTION TEST	\$ 565.71	0.008			
		300718147	CAPITAL TOOLS 3 PRESSURE CALIBRATION KIT	\$ 16,817.62	0.000			
		300723278	STORAGE OPERATION CAP TOOLS PURCH 2013	\$ 408,318.94	0.000	\$ 28,292.11	0.000	
		300725308	CAPITAL TOOL PURCHASE HOT WATER PRESSURE	\$ 10,697.39	0.017			
		300729932	CAPITAL TOOL FABRICATE EMERGENCY VALVE	\$ 151,919.63	0.014	\$ 98.55	0.001	
		300730673	CAPITAL TOOLS 2 TORQUE SENSING WACHS	\$ 17,971.73	0.027			
		300733325	AUTOMATIC REGULATOR TEST MACHINE	\$ 147,913.08	0.000	\$ 21,266.06	0.005	
		300744090	BC 736 PURCHASE PRIMARY METROLOGY STANDA	\$ 82,756.73	0.000	\$ 45.62	0.000	
		300748556	CAPITAL TOOLS PURCH 7 DEWPOINT TESTER			\$ 89,134.45	0.000	
		300750908	STORAGE OPS CAP TOOLS PURCHASE 2014			\$ 37,373.62	0.000	\$ 16,751.11
		300753252	CAPITAL TOOLS WINDROCK ANALYZER 6320/PA			\$ 49,141.48	0.006	
		300753854	ROSEMOUNT HART COMMUNICATORS MODEL 475			\$ 21,020.81	0.005	
		300760379	2014 METROLOGY INSTRUMENTS FOR PICO SHOP			\$ 34,327.22	0.000	
		300766540	CAPITAL TOOLS ACTIV-8 GREASE GUNS			\$ 26,563.08	0.023	\$ 380.69
		300766541	CAP TOOLS STATIONARY WELDING UNIT - TAFT			\$ 13,309.35	0.017	
		300767851	CAP TOOLS CLASS 1 DIV 1 NIGHTLIGHT NEWBE			\$ 12,411.24	0.007	\$ 289.58
		300768333	CAP TOOLS 7 REMOTE METHANE LEAK DETECT			\$ 144,653.20	0.000	-\$ 368.16
		300769408	AC - STORAGE OPS CAP TOOLS PURCHASE - BG			\$ 547,563.62	0.000	
		300769609	CAP TOOLS 2 CATHODIC PROTECTION TEST KIT					\$ 13,314.75
		300769954	CAP TOOL DIGITAL ULTRASONIC GAUGE					\$ 86,770.38
		300770710	STORAGE OPS CAP TOOLS PURCHASE 2015					\$ 2,607.83
		300771507	CAPITAL TOOLS BURNDY CRIMP KIT WEST CP D					\$ 15,481.46
		300771821	CAPITAL TOOL REPLACE AUTO DEGAUSS UNIT					\$ 46,746.59
		300772363	CAPITAL TOOL MERIAM CALIBRATION UNIT					\$ 16,765.28
		300772364	CAP TOOL SPECTRASENSOR MOISTURE ANALYZER					\$ 26,159.86
		300772365	CAP TOOL RANAREX PORTABLE GRAVITOMETER					\$ 39,946.64
		300772366	CAP TOOL DRILLING & STOPPING MACHINE KIT					\$ 44,253.31
		300772609	2015 STORAGE ENGINEERING CAP TOOLS PURCH					\$ 22,520.44
		300773427	HR - CAPITAL TOOLS PURCHASE					\$ 28,330.90
		300773436	M60 GAS SCOPE REPLACEMENT					\$ 2,500,208.84
		300775314	CAPITAL TOOL PURCHASE RMLD OMD DPIR					\$ 717,171.84
			Result	\$ 838,870.06	0.084	\$ 1,025,800.41	0.064	\$ 3,577,331.34

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4. Referring to Ex. SCG-09-R, p. DRH-38, lines 20-21, SCG states that the forecasted method used for land and right-of-way was a five-year average. However, page 5 of 31 of Ex. SCG-09-CWP workpapers shows that the base year forecasted methodology was selected. Please clarify which methodology was used and provide any adjustments to forecasts, if necessary.

SOCALGAS Response 04:

Workpaper, Exhibit SCG-09-CWP, referenced in Ex. SCG-09-R, p. DRH-38, lines 17-18 for capital budget codes (BC), BC617, Land Rights and BC633, Buildings contains the correct methodology. The methodology used for these two budget codes is the base year. The testimony will be revised at the earliest opportunity to reflect this adjustment.

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5. Referring to question 4 above, if the base year forecast methodology was used, please provide supporting documentation as to why SCG is “anticipated to continue this pattern [of capital costs] for test year 2019.”

SOCALGAS Response 05:

SoCalGas selected the base year forecast methodology because it more closely aligned with the projected capital investment and work needed under the two budget codes (BCs 617 and 633). Image 2 illustrates the 2017 actuals, and Table 1 lists projected capital investments with a forecast higher than the \$5.468M originally in the workbook.

Image 2: Screenshot of General Ledger 2017 actuals for BC617 & BC633

Budget Code	Order	Fiscal year	K4/2017 Amount	
00617.0	GT PL Land Rights / Externally Driven	300705957	L2000, L2001, L5000 LAND RIGHTS ACQUISI	\$ 9,507.82
		300705993	ANGELES NATIONAL FOREST-LINE 85 S	\$ 75,465.06
		300708417	P1: MORONGO EASEMENT RENEWAL	-\$ 286,027.65
		300708563	DESERT CENTER WELL SITE EASEMENT ACQUISI	\$ 2,777.59
		300742331	SL 41-36/SL 41-47/SL41-39 LAND RIGHTS AC	\$ 3,513.78
		300744126	SL 41-6001 LAND RIGHT AQUISIITON FROM US	\$ 96,031.41
		300745914	L325 LAND RIGHTS ACQUISITION IN DOMINQUE	\$ 1,886.45
		300760062	SL31-08 ARMY CORP EASEMENT RENEWAL SANTA	\$ 2,446.18
		300771510	L2000/2001/5000 EASEMENT ACQUISITION/CON	\$ 169,331.61
		300773776	EASEMENT ACQUISITION RESIDENTIAL SANDIMAS	\$ 1,000.00
		300782830	LINE 85 BLM GRANT RENEWAL R/W 85.90	\$ 1,611.42
		300783105	CA ENERGY COMMISSION ROW INTRUSION RESEA	\$ 6,875.33
		300783167	SL38-504 NEW EASEMENTS	\$ 2,928.00
		300784516	RIGHT OF WAY 2182 REVEWAL FOR STL DIS PL	\$ 9,197.23
		300786289	SL41-81 RW 250365 BLM ROW GRANT RENEWAL	\$ 6,617.29
		300786290	L235 PISGAH TIE-OVER RW 235-1.35 BLM ROW	\$ 3,196.00
		300786291	L235/L335 RW 18519 BLM ROW GRANT RENEWAL	\$ 466.48
		300786292	L7055 ROW 33462 BLM ROW GRANT RENEWAL	\$ 5,856.23
		300786293	L7058 RW 33431 BLM ROW GRANT RENEWAL	\$ 4,054.31
		Result		\$ 116,734.54
00633.0	GT Bld'gs & Improve / Quality/Economic Driven	300760040	BLYTHE STN SUPPORTS & VAULT REPLACEMENTS	\$ 762,606.62
		300770828	SIMI VALLEY PROPERTY DEVELOP GTTS LAYDOW	\$ 769,883.60
		300776807	BLYTHE STATION_NEW WAREHOUSE	\$ 1,362,370.49
		300778915	INTERNAL CP SYSTEM BLYTHE STAT WATER TAN	\$ 19,243.22
		300781042	SIMI VALLEY PROPERTY DEVELOP GTTS LAYDOW	\$ 130.86
		300784257	BLYTHE COMPRESSOR STATION PROPERTY IMPRO	\$ 977,214.70
	Result		\$ 3,891,449.49	
Result			\$ 4,008,184.03	

Table 1: Projected Capital Investments for BC633

Work Order Title	Budget Code	2018 (\$000 Direct)	2019 (Direct \$000)
BLYTHE STN SUPPORTS & VAULT REPLACEMENTS	633	\$2,103	-
BLYTHE COMPRESSOR STATION PROPERTY IMPROVEMENT	633	\$3,800	\$900
TOTAL		\$7,803	\$900

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6. Please provide 2017 recorded capital costs for land and right of way.

SOCALGAS Response 06:

The table below includes the 2017 recorded cost for budget code 617, Land Rights, and an adjustment to include budge code 633 in the land and right of way workpaper. All values are direct.

2017 Recorded			Adjustment			2017 Adjusted Recorded		
Labor	Non-Labor	Total	Labor	Non-Labor	Total	Labor	Non-Labor	Total
93,233	23,501	116,734	53,650	3,837,800	3,891,450	146,883	3,861,301	4,008,184