

TURN/SCGC DATA REQUEST-013
SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8
SDG&E_SOCALGAS RESPONSE
DATE RECEIVED: APRIL 23, 2018
DATE DUE: MAY 10, 2018

Data Requests: Regarding SCG-15

Question 1: With respect to the workpapers to SCG-15 that were provided in response to TURN/SCGC-SEU-001, Q.1, the Applicants indicate that the following projects contain “accelerated Phase 2B mileage”:

- a. Line 235 West Section 3 pressure test
- b. Line 2000 Section E pressure test
- c. Line 2000 Blythe to Cactus City pressure test
- d. Line 2001 West Section D pressure test
- e. Line 2001 West Section E pressure test
- f. Line 1030 pressure test
- g. Line 2001 East pressure test
- h. Line 36-9-09 Section 15 replacement
- i. Line 44-1008

For each of these projects, please state whether the inclusion of the Phase 2B mileage in the project reduces the overall cost of the project or whether alternatively the inclusion of the Phase 2B mileage in the project increases the overall cost of the project and explain why this is so.

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SoCalGas Response 1:

The table below summarizes total mileage, Phase 2B mileage, and whether the inclusion of Phase 2B mileage affects the overall cost of the project:

Project Name	Phase 2B Mileage	Total Mileage	Phase 2B % of Total Mileage	Does the inclusion of Phase 2B increase or decrease overall cost?
Line 235 West Section 3 pressure test	0.086	26.884	0.32%	Decreases overall cost. Phase 2B mileage is included for constructability purposes.
Line 2000 Section E pressure test	0.128	8.884	1.44%	Decreases overall cost. Phase 2B mileage is contiguous with Phase 2A mileage, and therefore, reduces the need for additional test breaks.
Line 2000 Blythe to Cactus City pressure test	0.564	64.650	0.87%	Decreases overall cost. Phase 2B mileage is contiguous with Phase 2A mileage, and therefore, reduces the need for additional test breaks. Phase 2B mileage was also included for constructability purposes.
Line 2001 West Section D pressure test	0.825	17.843	4.62%	Decreases overall cost. Phase 2B Mileage is contiguous with Phase 2A mileage, and therefore, reduces the need for additional test breaks.
Line 2001 West Section E pressure test	0.052	8.880	0.59%	Decreases overall cost. Phase 2B Mileage is contiguous with Phase 2A mileage, and therefore, reduces the need for additional test breaks.
Line 1030 pressure test	0.340	25.788	1.32%	Decreases overall cost. Phase 2B mileage is included for constructability purposes.
Line 2001 East pressure test	0.151	27.433	0.55%	Decreases overall cost. Phase 2B mileage is contiguous with Phase 2A mileage, and therefore, reduces the need for additional test breaks.
Line 36-9-09 Section 15 replacement	0.032	1.531	2.09%	Decreases overall cost. Phase 2B Mileage was included to prevent additional reroute mileage and reduce the number of tie-ins.
Line 44-1008	0.118	54.859	0.22%	Decreases overall cost. Phase 2B mileage was included to prevent additional reroute mileage and reduce the number of tie-ins.

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Question 2: With respect to the workpapers to SCG-15 that were provided in response to TURN/SCGC-SEU-001, Q.1, the Applicants indicate that the following projects contain Category 4 mileage installed after 1955 that does not have test records to demonstrate compliance with then-applicable industry or regulatory strength testing and record keeping standards:

- a) Line 235 West Section 1 pressure test
- b) Line 235 West Section 2 pressure test
- c) 2000-E Cactus City Compressor Station replacement

For each of these projects, please provide the workpapers for the disallowance calculation that supports the stated “anticipated cost disallowance” amount. Please make sure that the workpapers identify the amount per mile rate that the Applicants are relying upon, the source of that amount, and a discussion of how incidental mileage is treated in the calculation.

SoCalGas Response 2:

See table below for the calculation of the disallowance forecasts for each project. The rate of \$2.6 million per mile is based on the average cost per mile of pressure test projects completed and put into service as of July 31, 2017.

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Disallowance	Test or Replace	Cost Type	Cost per Mile	Forecasted				
				Total Mileage	Disallowed Miles	Disallowed Mileage % (e/f)	O&M Cost ¹	Disallowed Amount
235 W Sec. 1	Test	O&M	N/A	24.637	0.0051	0.02%	\$41,670,437	\$8,649 (g*h)
235 W Sec. 2	Test	O&M	N/A	20.348	0.0032	0.02%	\$25,682,871	\$4,064 (g*h)
2000 E Cactus City Replacement	Replace	CAP	\$2.6 M	0.096590909	0.096590909	N/A	N/A	\$251,136 (d*f)
Total Disallowance								\$263,849

As stated in testimony, the estimated disallowance costs are forecasts. The final amount will be calculated upon the completion and closeout of each project, at which time the actual footage, project cost, and then-applicable cost-per-mile for test or replacement projects will be known.

¹ Includes forecasted disallowed amount.

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SoCalGas Response 2 Continued:

Consistent with D.14-06-007,² shareholders bear the costs of remedial pressure testing where there is not a sufficient record of a pressure test and customers bear the other costs of replacement. Accordingly, incidental footage is not included in the calculation of the forecasted disallowance for the Line 2000 East Cactus City Replacement Project, because SoCalGas has sufficient records of a pressure test of these incidental segments and included the segments in project scope to realize efficiencies or improve constructability.

Incidental footage was not included in the calculation of the forecasted disallowance for the pressure test projects because, in both instances, the small amount of Post-56 footage is not immediately adjacent to the incidental footage. In other words, the incidental footage was included to support constructability of the pre-56 pipeline segments, and as such, not subject to disallowance.

² D.14-06-007 at 35.