

**SOUTHERN CALIFORNIA GAS COMPANY  
SAN DIEGO GAS & ELECTRIC COMPANY**

**APPLICATION FOR REVIEW OF COSTS INCURRED IN EXECUTING  
PIPELINE SAFETY ENHANCEMENT PLAN (PSEP) (A.18-11-010)**

**(SCGC Data Request-04)**

**Date Requested: April 19, 2019**

**Date Responded May 3, 2019**

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Regarding the Line 2001 West B Section 17, 18, and 19 Hydrotest Project

**QUESTION 4.1:**

- 4.1. With respect to the workpapers at page WP-III-A806 that state: The Project Team then further split Line 2001 West B during detailed design. Sections 10 and 11 were completed as two hydrotest projects, and Section 14 was completed as a replacement project. The Project Team rescoped the remaining Section 17, 18, and 19 as three short segment replacement projects.
- 4.1.1. Prior to the completion of the Sections 10 and 11, did the Project Team ever consider performing Sections 10, 11, 14, 17, 18, and 19 as a single hydrotest project?
- 4.1.2. Please identify and discuss each of the factors that would have prevented Sections 10, 11, 14, 17, 18, and 19 from being performed as a single hydrotest project.
- 4.1.3. Did the Project Team ever consider performing the Sections 14, 17, 18, and 19 as a single hydrotest project?
- 4.1.4. Please identify and discuss each of the factors that would have prevented Sections 14, 17, 18, and 19 from being performed as a single hydrotest project.

**RESPONSE 4.1:**

- 4.1.1. No.
- 4.1.2. Based on engineering expertise and pipeline knowledge, SoCalGas/SDG&E determined it would not be feasible to perform a single hydrotest. The reasons that sections 10, 11, 14, 17, 18 and 19 were not performed as a single hydrotest were:
- Timing and Scheduling – In order to meet the Commission’s objective of executing PSEP as soon as practicable, SoCalGas and SDG&E reasoned that the necessary permitting and land rights negotiations would not be resolved synchronously for six sections located in different cities. The Project Team executed each section as soon as permits and land rights were obtained to achieve project completion as soon as practicable.
  - Project length – A single hydrotest would have spanned 71 miles between Section 10 in the City of Banning and Section 19 in the City of Industry. A single hydrotest of this length would have required more than 13.6 million gallons of water, which is more than can be reasonably handled and discharged within such a densely populated area. Moreover, a potential rupture of this magnitude of water is too great of a risk to impose on the community. Please see the attached map of Line 2001 West B, Sections 10, 11, 14, 17, 18, and 19.

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- Multiple jurisdictions and agencies - This pipeline passes through multiple cities and through the jurisdiction of many agencies and permitting times vary between cities, counties and agencies, which could lead to delays.
- Constructability – the complexity of preparing this length of pipeline for a hydrotest would have been costly and delayed construction for an indefinite amount of time. The entire length of pipe would have been examined for any potential leaks or other conditions that needed to be resolved to prepare the pipeline for the hydrotest.
- Elevation changes – because Line 2001 West B traverses through rugged mountain ranges, multiple test breaks are required, which would have resulted in far more than the six hydrotests ultimately executed on this pipeline.
- System impact – it was not feasible to shut down 71 miles of pipeline during the months preceding the hydrotest when construction would have occurred, while continuing to meet SoCalGas' obligation to serve the multitude of customers served off this pipeline.

4.1.3. No.

4.1.4. Although the length of a hydrotest that incorporates Sections 14, 17, 18 and 19 is 16.6 miles and is far less than the 71 miles between Section 10 in the City of Banning and Section 19 in the City of Industry, the same limitations detailed in response to 4.1.2 apply.

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**QUESTION 4.2:**

4.2. Please breakdown the \$1.544 million actual cost for Engineering & Design that is listed on page WP-III-A822 into the engineering and design activities associated with Sections 17, 18, and 19 as replacement projects versus the engineering and design activities associated with Sections 17, 18, and 19 as hydrotest projects.

**RESPONSE 4.2:**

The attached supporting documents include Confidential and Protected Materials provided pursuant to PUC Section 583, GO 66-D, D.17-09-023, the accompanying declaration, and/or non-disclosure agreement.

Please see the attached cost data spreadsheet.

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**QUESTION 4.3:**

4.3. Please provide a listing of the individual amounts charged to the category Engineering & Design showing the date, the name of the entity providing the services, and the amount of the charge for the services.

**RESPONSE 4.3:**

Please refer to the cost data spreadsheet provided in response to question 4.2.

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**QUESTION 4.4:**

- 4.4. With respect to the workpaper at WP-III-A812 that states: As part of SoCalGas and SDG&E's bell hole inspection practice, the Construction Contractor removed the two end point pieces, sandblasted, and further inspected the pipe. In doing so, the Construction Contractor identified imperfections/defects on the pipe, and repairs were required. To conduct the repairs, the Project Team decided to extend the excavation limits that required additional abatement of coal tar wrap.
- 4.4.1. Were both of the two end point pieces found to be defective?
- 4.4.2. Please provide a diagram that shows the original location of the defective end point piece(s) and the location of the repaired or replaced end point pieces once the construction was completed.
- 4.4.3. What distance was the excavation limit(s) extended?
- 4.4.4. Was the excavation limit extend on each end of the project?
- 4.4.5. If so, please define the extension separately for each end of the project.
- 4.4.6. For each extension, please identify and explain each of the factors that was considered in determining that the extension was necessary and indicate how that factor determined the distance of the extension.
- 4.4.7. What was the incremental abatement costs associated with the extension?

**RESPONSE 4.4:**

- 4.4.1. Yes.
- 4.4.2. Please see the attached diagrams.
- 4.4.3. The east excavation was extended 10 feet, 5 inches. The west excavation was extended 8 feet, 8 inches.
- 4.4.4. Yes.
- 4.4.5. See SoCalGas/SDG&E's response to SCGC DR-04.4.3
- 4.4.6. Bell hole inspections were performed on the pipeline at the planned west and east test breaks locations for the project. The bell hole inspections identified several linear indications/anomalies on the pipe where the planned tie-in points for the test heads were to occur. The corrective action executed was to extend the excavation and expose additional pipeline to suitable tie-in points, where the pipeline would not require repairs and the test heads could be tied in, eliminating the requirement to grind and repair several anomalies for

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the originally planned tie-in points. This required additional coal tar wrap abatement of the newly-exposed segments of pipe.

4.4.7. The incremental cost to remove additional coal tar wrap was \$4,697. In addition to these direct costs, there may be additional costs for SoCalGas/SDG&E labor and other activities, that were not tracked and reported separately for this activity.

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**QUESTION 4.5:**

- 4.5. With respect to the workpaper at WP-III-A812 that states: Post construction, the Project Team identified damage to the concrete parking lot that was used as the construction laydown yard and staging area. The Construction Contractor removed and replaced three 9 foot by 10 foot concrete pads.
- 4.5.1. What was the incremental cost associated with repairing the damage to the concrete parking lot that was used as the construction laydown yard?
  - 4.5.2. Did the Project Team determine who caused the damage to the concrete parking lot that was used as the construction laydown yard?
  - 4.5.3. If the answer to the previous question is “no,” why did the Project Team fail to determine who caused the damage?
  - 4.5.4. If the answer to Q.4.5.2 is “yes,” please identify who caused the damage.
  - 4.5.5. Was the damage covered by insurance?
  - 4.5.6. If the answer to the previous question is “no,” please explain why the damage to the concrete parking lot was not covered by insurance.

**RESPONSE 4.5:**

- 4.5.1. The incremental cost associated with repairing the damage to the concrete parking lot was \$12,006. In addition to these direct costs, there may be additional costs for SoCalGas/SDG&E labor and non-construction costs for activities, such as project management and inspection services, that were not tracked and reported separately for this activity.
- 4.5.2. The Project Team determined that the damage to the concrete parking lot, chipping of the concrete, was due to wear tear caused by normal construction activity. Construction activity involves the use of heavy equipment and materials as well as repeated ingress and egress of heavy construction vehicles from the facility, all of which normally results in wear and tear to the property which can result in damage over time. Minor damages are anticipated and are considered a site restoration cost.
- 4.5.3. Not applicable.
- 4.5.4. Please refer to SoCalGas/SDG&E’s response to question 4.5.2.
- 4.5.5. No.

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4.5.6. Since the damage to the parking lot was caused by normal wear and tear caused by construction activities, the cost of repair is part of the normal restoration practices and not typically covered by insurance.



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**QUESTION 4.6:**

4.6. If the answer to Q.4.5.5 is “yes,” was the insurance proceeds paid into the PSEP account or otherwise used to offset the cost of the repair?

**RESPONSE 4.6:**

Not applicable.

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**QUESTION 4.7:**

4.7. Please provide larger, higher resolution versions of Figures 1 and 2.

**RESPONSE 4.7:**

Please find attached enlarged versions of the figures provided in workpapers. These maps are provided in the highest resolution available given that SoCalGas and SDG&E overlay their GIS maps with Google Earth images and therefore these maps are provided in the highest resolution available.