

**A.10-12-005/A.10-12-006 Sempra Utilities 2012 TY GRCs
TURN Data Request to SoCalGas**

Data Request Number: TURN-SCG-3

Date Sent: January 14, 2011

Date Due: January 28, 2011

Referencing SCG-3

1. At pp. JLD-9 and-10, Southern California Gas Company (SCG) discusses “D.O.T Safety Fee Assessments.” Please
 - a. Tie the recorded (\$4.554 million for 2009) and forecasted (\$5.086 million for 2012) expenses for this Pipeline Operations line item (from Table SCG-JLD-4) to the information presented on pp. 29-30 of SCG-03-WP, including, but limited to, of where the absolute numbers and the implied percentage increase from the testimony in Table SCG-JLD-4, line 1 is derived from the information in the workpapers. If there is no relationship between this line item and the information in the workpapers, please identify the basis for the information presented on line 1 of Table SCG-JLD-4.
 - b. Provide invoices from the Department of Transportation supporting the unit (in DOT qualified line miles) and total cost of the user fee the DOT assessed SCG for “pipeline safety activities” (please refer to lines 20-21 of p. JLD-9) for each year from 2005-2010.
 - c. Provide any guidance DOT has given SCG in any year from 2007-2010 about the DOT’s intentions regarding the fee level it would adopt in the then-upcoming billing cycle. For example, if DOT provided SCG with guidance in 2007 regarding the DOT’s intention to raise the user fee in 2008, please provide a copy of such guidance. If guidance was provided in 2010 for 2011, please also provide it, in addition to, all intervening years.
 - d. Provide copies of any documentation DOT has provided SCG regarding the reason behind the large fee increases in the past three years. If none was specifically provided, but SCG knows of publicly-available information regarding the increase, please provide the publicly-available information.
2. At pp. JLD-10 and -11, SCG discusses expense forecasts related to the removal of previously abandoned pipelines. Please
 - a. Identify the annual recorded expense for this activity from 2000-2010. In so doing, please divide the expense into two categories: i) “removal work required due to physical conflict” (as described at lines 23-24), and ii) removal request “of landowners desiring to perfect legal title on their land” (as described at lines 27-29).
 - b. Identify the annual recorded length (in feet) of pipeline removed, in the manner and for the reasons provided in the text of pp. JLD-10 and -11, from 2000-2010.

In so doing, please divide the length into two categories: i) “removal work required due to physical conflict” (as described at lines 23-24), and ii) removal request “of landowners desiring to perfect legal title on their land” (as described at lines 27-29).

- c. Provide a detailed explanation for the any difference between the length of pipe removal forecasted for 2010 (4,500 feet, per p. JLD-11) and the recorded amount identified for 2010 in part B, above. Please provide explanations for the “physical conflict” removal and “perfect legal title” removal work, as appropriate.
 - d. For the removals resulting from “physical conflict”, please provide a detailed explanation as to why it is that it is SCG’s responsibility to pay for the removal of an abandoned pipeline to allow for the implementation of a discretionary project (e.g., the installation of a light-rail system).
 - e. For the removals resulting from “perfect[ing] legal title”, please provide a detailed explanation as to whether SCG considers remedies for the quit-claim process other than pipeline removal that may reduce cost. Such remedies may include paying, for example, paying the landowner an amount that would allow SCG to quit-claim the easement while still leaving the abandoned pipeline in place. If not, please explain why not.
 - f. Identify whether SCG has expensed these types of removal costs in the past. If SCG ever capitalized such removal costs in the past, please identify when the Company began expensing them, and explain why it did so.
 - g. Explain why the removal of abandoned pipelines does not qualify for capitalization, as indicated at p. 33 of SCG-03-WP.
 - h. Identify the amount of SCG’s O&M expense request and the amount that SCG imputed from the settlement for the 2008 GRC for the removal of previously abandoned pipelines.
 - i. Identify both the i) “specific projects” and ii) “applicable mandates” that require the company to remove “these types of former abandonments,” as indicated on p. 33 of SCG-03-WP.
 - j. Provide copies of the eight intent-of-quit-claim notifications filed with SCG in 2009.
 - k. Identify the number of intent-of-quit-claim notifications filed in each year, 2005-2008 and 2010.
3. At p. JLD-11, SCG discusses O&M expenses “attributable to the performance of annual scheduled Pipeline Operation and Maintenance activities.” Please identify adjusted-recorded labor and non-labor expenses (reported in constant 2009\$) for each year, 2005-2008 and 2010.
 4. At pp. JLD-12 and -13, SCG discusses RICE NESHAP and MDAQMD Rule 1160.

- a. At lines 1-2 of p. JLD-13, SCG states, “EPA has not finalized a rule for SI engines, but is expected to do so by August 2010.” Please indicate the date by which the finalized rule requires mitigation measures to be completed and provide supporting documentation.
 - b. At lines 13-14, SCG states, “Capital improvements to comply with these rules can be found in the testimony of Mr. Raymond Stanford.” Please identify the specific passages where Mr. Stanford discusses this.
5. At p. JLD-13, SCG discusses CARB Rule A.B. 10X. Pp. 56 and 57 of SCG-03-WP support the discussion.
 - a. At p. 56 of the workpapers, SCG states, “As the State experienced budget and agency funding allocation constraints, 2010 per/ton base fee increased 12.1%.” The table on p. 57 indicates that the 2010 assessment is based at least in part on the emissions rate in 2007. Please identify the amount of the increase from 2009 to 2010 that is related to the “state budget and agency funding allocation constraints” and the amount of the increase that is related to the apparent increase in the emissions rate between 2006 (762 tons) and 2007 (808 tons).
 - b. Please identify the “Actual Tons,” “Billable Tons,” “Cost per Ton,” and “MD-AQMD Admin Fee @2.5%” in the same fashion as identified for 2005-2010 in the table on p. 57 of the workpapers, but for 1997-2004.
 - c. Please explain how SCG estimates the emissions tonnage for 2011 and 2012 (as shown in the last two lines of the table in the workpapers on p. 57), and explain why the emissions estimates appear to be large increases over the last recorded amount. Also indicate whether the 2010 “Actual Tons” datum (837) is recorded or forecasted. Whether it is recorded or forecasted, please explain why it is so much higher than any amount recorded for the years 2005-2009.
6. At p. JLD-14, SCG discusses “Gas Compression Operation and Maintenance activities.” Please identify recorded expenses (divided between labor and non-labor) for each year, 2005-2010.
7. At pp. JLD-14 and -15, SCG discusses “Right-Of-Way Management”, attributing increasing costs to “stricter habitat preservation guidelines and restrictions.” Please
 - a. Identify the “guidelines and restrictions” that have lead to “stricter habitat preservation,” and the year(s) in which each was implemented.
 - b. Identify the 2010 recorded Right-Of-Way Maintenance expense on the same basis as included in the table of historical costs on p. 73 of SCG-03-WP, and explain why SCG did not include a 2010, 2011, or 2012 forecast when developing its case for Right-Of-Way Maintenance.
 - c. Provide the basis for the forecasted 250,000-dollar incremental increase from 2010 to 2011 and from 2011 to 2012.

- d. Explain how SCG developed the forecasted incremental increase between 2010 to 2011 and 2011 to 2012, given that the company was not able to forecast 2010.
8. At p. JLD-15, SCG discusses “Technical Services Support Staffing.” Please
 - a. Identify the recorded annual expense for Technical Services Support Staffing from 2005-2010.
 - b. Identify the forecasted annual expense for Technical Services Support Staffing from 2010-2012.
 - c. Identify the recorded Technical Services Support Staffing FTE employee counts from 2005-2010, and provide the names of the positions.
 - d. Identify the forecasted Technical Services Support Staffing FTE employee counts from 2010-2012, and provide the names of the positions.
 - e. If SCG has not yet hired the employees to fill the forecasted 2012 positions (i.e., Process Manager and Process Analyst, per p. 84 of SCG-03-WP), please explain why.
9. At p. JLD-15, SCG discusses “Technical Services Operation and Maintenance activities.” Please identify recorded expenses (divided between labor and non-labor) for each year, 2005-2010.
10. At p. JLD-18, SCG discusses O&M expenses related to “Director Transmission”. Referencing p. 90 of SCG-03-WP, please
 - a. Provide a detailed explanation for the increase in non-labor expense between 2009 recorded and 2010 forecasted.
 - b. Explain why it is that the FTE count increases by 1.5 FTE employees between 2009 recorded and 2010 forecasted at the same time the labor expense forecast is only \$9,000 more than the recorded 2009 expense.
 - c. Identify 2010 recorded labor and non-labor expenses (in constant 2009\$), and FTE employee count.
11. At p. JLD-20, SCG discusses O&M expense related to “FOM Olympic”. At p. 109 of SCG-03-WP, SCG indicates a labor decrease from \$176,000 recorded for 2009 to \$48,000 forecasted for 2010. At the same time, SCG is forecasting an unchanged employee count, at 1.8 FTE. Please explain the increase in labor expense at the same time the employee count is unchanged.