

**TURN DATA REQUEST**  
**TURN-SCG-DR-17**  
**SOCALGAS 2012 GRC – A.10-12-006**  
**SOCALGAS RESPONSE**  
**DATE RECEIVED: JULY 11, 2011**  
**DATE RESPONDED: JULY 26 2011**

1. Following up on TURN DR 12-7 and GOM-CWP-8 and 9,
  - a. Please provide the numbers of regulators purchased and the actual cost in 2010; divide 2010 into new regulator installations and regulator replacements.
  - b. What is the assumed in-service date in 2012 in SoCal's results of operations model of the 100,000 regulators purchased "in the final quarter of 2012 to support 2013 installations as part of an enhanced regulator infrastructure upgrade"?

**SoCalGas Response:**

- a. 2010 recorded regulator purchases and the recorded cost for both new installations and replacements regulators are shown in Table DR-1.1 below.

**Table DR-1.1**

<b>2010 Regulator Activity</b>	<b>2010 Units Purchased</b>	<b>2010 Cost (\$000)</b>
<b>New Regulator Installations</b>	14,170	\$ 556
<b>Regulator Replacements and Inventory Carryover</b>	80,963	\$ 3,175
<b>Total</b>	95,133	\$ 3,731

- b. Regulator purchases are treated as routine work (i.e., blanket purchases) where a portion of the current year's capital expenditures is deemed used and useful for utility operations and, therefore, the capital costs are settled to plant-in-service in the same year. 78.87% of current year's capital expenditures are settled to plant-in-service. The remaining capital spending closes to plant-in-service the following year.

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2. Following up on TURN DR 12-10 and GOM-CWP 12 and 13:
- a. Please provide information similar to the forecast for 2010-2012 in Table DR-10.2 identifying the number of each of the 6 items in the table installed on a recorded basis in 2005-2010 or as much of the period as SoCal has available.
  - b. Please explain why five large MSA rebuilds are projected in 2012.

**SoCalGas Response:**

- a. 2005-2010 recorded units installed are shown in Table DR-2.1 below.

**Table DR-2.1**

Unit Type	Units Installed					
	2005	2006	2007	2008	2009	2010
Low Cost GV Corrector	-	48	22	57	24	150
M Corrector 1	165	253	148	132	128	80
M Corrector 2	121	99	245	105	34	46
Flow Computer			4	2	4	4
Large MSA Electronics Upgrade	2	1	2	1	1	1
Large MSA Rebuild						
<b>Total</b>	<b>288</b>	<b>401</b>	<b>421</b>	<b>297</b>	<b>191</b>	<b>281</b>

- b. SoCalGas has more than thirty large metering sites where the existing gas chromatographs are more than twenty years old and where other electronic equipment exceeds ten years in age. This includes flow computers (similar in nature to a desktop computer where aging and technology/compatibility come into play beyond ten years service life), electronic pressure, temperature, differential pressure transmitters and wiring and related enclosures (some of which are over thirty years old). Due to customer operational requirements to remain in service and utility workforce availability, SoCalGas did not schedule more than five of these system retrofits/rebuilds in any given year. SoCalGas plans on five of these technology upgrades per year over the period 2012-2016 to address aging infrastructure and associated legacy equipment issues.

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3. Following up on TURN DR 12-11, please identify all O&M expenses associated with costs of changing out paper charts in each of the recorded years 2005-2009 and identify where those expenses are included in SoCal's budget.

**SoCalGas Response:**

O&M expenses associated with the cost of changing out paper charts for years 2005 to 2009 are shown below.

<b>Paper Chart Change Out Expenses</b>					
(Shown in Thousands of 2009 Dollars with V&S)					
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Labor Expenses	\$ 281	\$ 289	\$ 295	\$ 260	\$ 266
Non-Labor Expenses	\$ 225	\$ 212	\$ 218	\$ 296	\$ 366
<b>Total</b>	<b>\$ 506</b>	<b>\$ 501</b>	<b>\$ 513</b>	<b>\$ 556</b>	<b>\$ 632</b>

The expenses associated with the cost of changing out paper charts are recorded within FERC Account 875.

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4. Following up on TURN DR 12-19 and GOM-CWP-34,
  - a. Please provide the number of distribution regulator stations that were replaced in 2010.
  - b. Please explain the basis for the increasing numbers of replacements projected in 2011-2012.

**SoCalGas Response:**

- a. In 2010, SoCalGas replaced 19 distribution regulator stations.
- b. SoCalGas is increasing the number of Regulator Station replacements in order to address an aging infrastructure by targeting those stations that have known maintenance, reliability, or design obsolescence before operations and safety issues arise. As mentioned in testimony (Exhibit SCG-02 pages 71-72), the average life expectancy of a regulator station is approximately 35 years. Approximately 35% of existing stations have been in service for 35 years or longer and many of these stations have obsolete designs and/or equipment. Regulator station replacements will be prioritized based on various risk factors, such as ergonomically hazardous condition or location, obsolete design or equipment, deteriorating vaults or equipment, and capacity issues. Increasing the number of annual station replacements to above the 1% level will more rapidly decrease the average age of the SoCalGas stations, helping to avoid future incremental maintenance expenses and reducing the number of stations utilizing obsolete equipment.

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5. Following up on TURN DR 12-22b, a Global Insight February 2011 forecast of employment was provided. Please provide the Global Insight February 2011 forecast of single-family and multi-family building permits by quarter.

**SoCalGas Response:**

The table below shows the Global Insight February 2011 forecasts of single-family and multi-family building permits by quarter.

<b>SoCalGas Area "Big 6" Counties' Housing Starts</b>								
Source: Global Insight Feb. 2011 Regional forecast								
The aggregated "Big 6" counties are: Kern, Los Angeles, Orange, Riverside, San Bernardino, Ventura.								
YEAR	Single Family				Multi Family			
	*Quarter 1	*Quarter 2	*Quarter 3	*Quarter 4	*Quarter 1	*Quarter 2	*Quarter 3	*Quarter 4
2000	41,527	36,321	39,269	43,999	15,327	19,335	19,972	10,407
2001	44,902	45,292	42,504	44,078	14,816	15,342	14,326	13,166
2002	50,580	49,634	53,774	56,656	12,347	11,076	12,505	20,240
2003	64,038	66,447	52,819	68,064	18,695	21,643	14,843	17,330
2004	68,789	69,853	68,438	67,760	19,164	20,128	22,245	20,310
2005	67,092	71,932	77,922	67,798	25,927	17,436	21,143	14,443
2006	70,496	64,952	52,328	42,928	22,430	19,607	17,693	21,231
2007	38,647	37,812	27,491	19,747	20,890	17,594	17,275	16,710
2008	18,909	15,870	13,276	10,462	16,768	15,084	9,007	9,114
2009	8,505	11,962	12,562	11,007	8,880	6,157	4,090	2,548
2010	13,752	11,283	11,075	10,862	4,665	3,628	12,105	5,578
2011	15,061	17,443	19,195	21,147	4,504	5,443	7,282	8,472
2012	24,674	28,380	34,287	38,933	8,895	9,705	9,754	10,278
2013	40,554	43,304	45,007	48,718	10,982	12,127	13,920	15,643
2014	51,723	51,286	50,998	50,915	17,021	18,746	20,202	21,103
2015	50,790	50,475	50,180	50,472	22,119	22,517	23,014	23,366
2016	51,028	51,477	51,765	52,196	23,624	24,433	24,937	25,384
2017	53,335	53,384	53,436	53,577	25,814	25,908	26,044	26,180
2018	53,079	52,589	52,448	51,981	26,429	26,497	26,814	27,385
2019	51,473	50,813	50,197	49,670	27,667	27,822	28,063	28,201
2020	49,176	48,798	48,740	48,503	27,260	27,256	27,524	27,844

\* Quarter figures represent annualized data

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6. Following up on TURN DR 12-23,
- a. The statement is made that “The timing of the purchases of this equipment is dependant [sic] upon further interpretation of the rules. SoCalGas is currently supporting the American Gas Association who is working with EPA to gain greater clarity on the rulings and its requirements for Subpart W as it applies to SoCalGas’ business operations. Until more specific guidance is received SoCalGas has not scheduled any purchases of this equipment for implementation of this ruling.” Please provide SoCal’s current best estimate (month or months and year) as to when it will purchase the equipment and the unit cost and total cost of the equipment.
  - b. The response to this data request indicates that SoCal will be using a mix of Infrared Laser Beam Illuminated Instruments and Optical Gas Imaging instruments. Please identify the difference in unit cost resulting from the ability to use Infrared Laser Beam Illuminated Instruments rather than exclusively using Optical Gas Imaging Instruments.

**SoCalGas Response:**

- a. To date SoCalGas has purchased three optical imaging units for use as needed within the company. These units were acquired in December of 2010, at a cost of \$93,450 per piece of equipment. Any additional purchases will be predicated on further interpretation of the rule requirements. A best estimate of when any additional equipment would be purchased, if deemed necessary by rule interpretation, is the third quarter 2011.
- b. The cost associated with equipment use is based primarily on capital cost of the equipment. Estimated operational cost (time to complete an average leak inspection) is assumed to be approximately the same work based on the relative size of a Distribution M&R custody transfer gate station. The cost of the Optical Gas Imaging instrument is \$93,450. Based on these figures, the cost of the Infrared Laser Beam Illuminated instrument is approximately \$21,000. The cost difference between the Infrared Beam Illuminated instrument and the Optical Gas Imaging instrument is approximately \$72,000 per instrument.

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7. Re: GOM-CWP-46, please identify the number of units of each type and actual costs incurred for Multigas Detectors in 2010 and the most recent budget for 2011.

**SoCalGas Response:**

The table below displays the 2010 actual and the 2011 forecasted number of units and costs for Multigas Detectors.

**Multigas Detector Units and Costs**

In \$2009  
In \$000

	2010 Actual		2011 Budget	
	units	costs	units	costs
Multigas Detector	900	\$ 1,185	500	\$ 622
Calibration Stations Upgrades	42	\$ 175	0	\$ -
Misc parts/accessories/ and expenses		\$ 52		\$ 72
Labor		\$ 54		\$ 61
<b>TOTAL</b>		<u><u>\$ 1,466</u></u>		<u><u>\$ 755</u></u>