



PIPELINE CLASSIFICATIONS

The United States Department of Transportation (DOT) uses either 'Location Class' or 'High Consequence Area' (HCA) to describe areas in which pipelines are located.

Following the 2010 natural gas pipeline rupture in San Bruno, a city just south of San Francisco, the California Public Utilities Commission (CPUC) launched a pipeline safety rulemaking proceeding. The intent of the proceeding is to adopt new safety and reliability regulations for natural gas pipelines, based upon lessons learned.

As part of the proceeding, the CPUC ordered the state's four natural gas transmission pipeline operators – Pacific Gas & Electric, Southwest Gas and San Diego Gas & Electric, as well as Southern California Gas Company -- to develop plans to replace or pressure test all natural gas transmission pipelines that have not been tested to modern standards, which are within certain location classes and/or HCAs. Regulations specifying pressure testing were implemented after many of the transmission pipelines were installed.

In response, SoCalGas has submitted to the CPUC a Pipeline Safety Enhancement Plan in which we propose to conduct, over the next several years, pressure testing on approximately 360 miles and to replace approximately 246 miles of our 3,640-mile transmission pipeline system. This will further enhance SoCalGas' pipeline system safety.

SoCalGas has approximately 1,329 miles of transmission pipelines defined by the DOT as HCA and/or Location Class 3. While many pipeline segments are captured by both definitions, there are some differences.

The US Department of Transportation (DOT) uses the term "Location Class" to define levels of population density along a pipeline based upon the number of buildings intended for human occupancy within a fixed distance from the pipeline. The numbers of buildings are categorized according to the summary below

Class 1: refers to any location within 220 yards of the pipeline that contains 10 or fewer dwellings

Class 2: refers to any location within 220 yards of the pipeline that contains more than 10 and fewer than 46 dwellings

Classes 1 and 2 generally are in unpopulated areas and are not covered by the CPUC's order.

Class 3: refers to 1) any location within 220 yards of the pipeline that contains 46 or more dwellings, or 2) an area where the pipeline lies within 100 yards of a building or a small, well-defined outside area (such as playgrounds, recreational areas, outdoor theater, or places of assembly) that is occupied for a specified number of days per year.

Class 4: refers to any location within 220 yards of the pipeline where buildings with four or more stories above ground are prevalent.

SoCalGas' transmission system does not include any Class 4 pipelines.

The US Department of Transportation also uses the term "High Consequence Areas" to identify pipelines that are subject to ongoing pipeline integrity assessments. HCA are defined using a variable distance from the pipeline that contains 20 or more buildings intended for human occupancy, or specific sites where 20 or more people gather such as beaches, playgrounds, hospitals, and recreational facilities. The variable distance is calculated using different combinations of pipe specific properties (e.g., pressure and outer diameter) in contrast to the fixed distances used for Location Class.