

**DRA DATA REQUEST  
DRA-SCG-063-DAO  
SOCALGAS 2012 GRC – A.10-12-006  
SOCALGAS RESPONSE  
DATE RECEIVED: MARCH 22, 2011  
DATE RESPONDED: APRIL 13, 2011**

**Exhibit Reference:** SCG-15, Environmental

**Subject:** Challenges Facing Operations

**Please provide the following:**

1. Referring to SCG’s testimony on functional area, Environmental, as stated on pages LPG-5 to LPG-17, please provide the following:
  - a. The 2012 O&M and capital costs for each area: (1) Environmental Mitigation Strategy and Implementation, (2) Coastal Region Conservation Permit, (3) GHG Programs, (4) Reciprocating Internal Combustion Engines (Rice) National Emission Standard for Hazardous Air Pollutants (NESHAPS), (5) Mojave Air District Rule 1160, (6) Aboveground Storage Tank (AST) Enhanced Vapor Recovery (EVR) Modification, (7) Clean Air Act Section 185 Major Source Fees (SCAQMD Rule 317), (8) Cultural Resources, (9) Storm Water Construction Permit, (10) PCB Reassessment of Use Authorization, (11) Environmental Regulatory Tracking, (12) Hazardous Waste Vendor Audit Program, (13) Environmental & Safety Employee Compliance Training Development, and (14) Other Miscellaneous Environmental Expenses.
  - b. For each of the above areas, please indicate if the forecasted 2012 expenses are new, first time, costs.
  - c. For each of the new, first time, costs, please provide a copy of the rules and/or regulations requiring new work activities and include citations to the rules and/or regulations.
  - d. For any of the forecasted 2012 expenses that are not new, first time, costs, please provide the 2005-2010 recorded costs.
  - e. Please identify the number of FTEs assigned to environmental compliance as discussed on pages LPG-5 to LPG-17.
  - f. Please identify the number of FTEs assigned to environmental compliance each year from 2005-2010.

**SoCalGas Response:**

Referring to SoCalGas’ testimony on functional area, Environmental, as stated on pages LPG-5 to LPG-17, please provide the following:

Ms. Lisa Gomez is the SoCalGas policy witness for environmental issues and describes in her testimony (SCG-15) the environmental-related regulatory requirements that have cost impacts in Ms. Gomez’ workpapers as well as in other witnesses’ testimonies and workpapers.

- a) The 2012 O&M and capital incremental costs for each area are described below:

**1) Environmental Mitigation Strategy and Implementation**

Direct Costs		
O&M 2012 Costs	Capital 2012 Costs	New, first time cost (Yes/No)

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\$0	\$0	Yes
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**Response to Question 1 (Continued)**

O&M 2012 Incremental Costs:

- i. **Ms. Lisa Gomez** is the policy witness for environmental issues and describes in her testimony the Environmental Mitigation Strategy and Implementation activities that have cost impacts to SoCalGas. Ms. Gomez’s testimony and workpapers also identify upward pressures that the Environmental Services’ Department will specifically incur. Justification for O&M-related upward pressures are detailed in Ms. Gomez’ workpapers. The Environmental Services Department, Environmental Site Assessment and Mitigation group, assumed responsibility for the identification, acquisition, application, and management of environmental mitigation credits for air, water, and biological resources. This responsibility is to be managed with the one FTE add at SDG&E in 2012 (SDG&E-21-WP; Page 109 and 110 of 184) to implement the mitigation strategy and consultant to analyze and develop a mitigation strategy and plan for SoCalGas (SDG&E-21-WP, Pages 121 and 122 of 184). O&M 2012 costs (labor and non-labor) are allocated to SCG through the shared services accounting process (booked expenses).

Note: Book expense is retained costs (incurred costs net of any allocations in or out) plus billed-in costs. Book expense is the final cost to each utility. See also the testimony of Mr. Edward J. Reyes, Ex. SCG-24

**2) Coastal Region Conservation Permit,**

Direct Costs		
O&M 2012	Capital 2012 Costs	New, first time cost (Yes/No)
\$65,000 (SCG-15-WP/LPG-29 & 30)	\$6,300,000 (SCG-05-RKS-CWP-261 and 262)	Yes

- Coastal Region Conservation Program (CRCP) serves as an incidental take permit application under section 10 of the federal Endangered Species Act (ESA) and the California ESA under section 2081 of the state Fish and Game Code. The CRCP is a Habitat Conservation Plan which is a process that has evolved from the original process adopted primarily to address single projects to a broad-based, landscape-level planning process utilized to achieve long-term biological and regulatory goals. This programmatic permit is needed to allow SCG to perform pipeline maintenance work in a timely manner to meet pipeline safety requirements.

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**Response to Question 1 (Continued)**

O&M 2012 Incremental Costs:

- i. **Ms. Lisa Gomez** is the policy witness for environmental issues and describes in her testimony the Coastal Region Conservation Permit activities that have cost impacts to SoCalGas. Ms. Gomez’s testimony and workpapers also identify upward pressures that the Environmental Services’ Department will specifically incur (SCG-15; Pages 7 through 11). Justification for O&M-related upward pressures are detailed in Ms. Gomez’ workpapers (SCG-15-WP; Pages 29 and 30 of 93) and include the O&M direct costs for labor (\$60k) and employee expenses (\$5k) for one FTE add (15% Capital; 85% O&M), a biologist, who will be responsible for overseeing the Coastal Region Conservation Permit compliance activities.

Capital 2012 Incremental Costs:

- i. **Mr. Ray Stanford** is the witness for SoCalGas Gas Engineering and identifies in his testimony the Coastal Region Conservation Permit capital-related mitigation cost impacts to SoCalGas Gas Engineering (SCG-05; Page 80). Justification for capital-related upward pressure costs are detailed in Mr. Stanford’s workpapers (SCG-05-CWP-261 and 262) and include \$6,300k for mitigation.

Regulatory references to both the federal ESA and California ESA are provided below:

Federal ESA

<http://frwebgate.access.gpo.gov/cgi-bin/usc.cgi?ACTION=BROWSE&TITLE=16USCC35&PDFS=YES>

California ESA

<http://www.leginfo.ca.gov/cgi-bin/displaycode?section=fgc&group=02001-03000&file=2080-2085>

**3) GHG Programs**

Direct Costs		
O&M 2012 Costs	Capital 2012 Costs	New, first time cost (Yes/No)

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<p>\$156,000 (Lisa Gomez witness, SCG-15-WP; Pages 29 and 30 of 93)          \$4,542,000 (Ray Stanford witness, SCG-05-WP; Page 23 of 321)          \$5,000,000 (Ray Stanford witness, SCG-05-WP; Page 23 of 321)          \$135,000 (Ray Stanford witness, SCG-05-WP, Page 215 &amp; 216 of 321)          \$162,000 (Ray Stanford witness, SCG-05-WP, Page 17)          \$229,000 (John Dagg witness, SCG-03-WP, Page 42 of 164)          \$304,000 (James Mansdorfer witness, SCG-04-WP, Page 9 and 22 of 24)          \$76,000 (Gina Orozco-Mejia witness, SCG-02-WP, Page 145 and 217 of 234)          \$23,443,000 (Gina Orozco-Mejia witness, SCG-02-WP, page 35 of 234)</p>		<p style="text-align: center;">Yes</p>

**O&M 2012 Incremental Costs:**

- i. **Ms. Lisa Gomez** is the policy witness for environmental issues and describes in her testimony the GHG program requirements that have cost impacts to SoCalGas. Ms. Gomez’s testimony and workpapers also identify upward pressures that the Environmental Services’ Department will specifically incur (SCG-15; Pages 7-11). Justification for O&M-related upward pressures are detailed in Ms. Gomez’ workpapers (SCG-15-WP; Pages 29 and 30) and include the O&M upward pressure direct costs for labor (\$140k) and employee expenses (\$10k) for two FTEs add who will be responsible for overseeing GHG, air quality compliance requirements and new software tool management and the incremental increased direct non-labor costs for third-party verification (\$6k) that is mandated under California’s GHG Mandatory Reporting Rule.
- ii. **Mr. Ray Stanford** is the witness for SoCalGas Gas Engineering and has GHG-related compliance upward pressures described in his testimony (SCG-05; Pages 6, 9 - 10, 21-23, 53, 62-63, 81 and 84). Justification for O&M-related upward pressure direct costs are detailed in Mr. Stanford’s workpapers and include:
  - a. California Air Resources Control Board AB 32 Administrative Fees in the amount of \$4,542k in 2012 (SCG-05-WP; Pages 23 of 321).
  - b. Environmental Green House Gas Emission Fees - AB32 Cap and Trade costs for open market emission credit offset purchases for major emitters within SCG service territory in the amount of \$5,000k in 2012. Impacted facilities are Aliso Canyon, Honor Rancho, Blythe, South Needles and Newberry Springs (SCG-05-WP; Pages 23 of 321).
  - c. 1 FTE add to manage the cap-and-trade program in the amount of \$135k for labor and employee expenses (SCG-05-WP, Pages 215 & 216 of 321).

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- d. Non-labor expense associated with compliance to new environmental and air quality regulations; materials testing and technician certifications in the total amount of \$162k. These costs include: additional stationary engine source testing (\$120K); GHG gas monitoring at stations and M&R facilities for combustion and fugitives (\$15K); additional compliance testing requirements drive an increased in frequency of engine analysis and condition monitoring (\$15); increased frequency and quality of materials testing due to integrity management data requirements (\$12K). These costs are associated with Subpart W compliance activities for the Engineering Analysis Center (SCG-05-WP, Pg. 17)
- iii. **Mr. John Dagg** is the witness for SoCalGas Gas Transmission and has GHG-related compliance upward pressures described in his testimony (SCG-03; Pages JLD-7, 12). Justification for O&M-related upward pressure direct costs are detailed in Mr. Dagg's workpapers (SCG-03-WP; Page 42 of 164) and include in 2012 the CARB – AB32 Greenhouse Gas Management for labor (\$77k) and non-labor (\$152k) compliance activities for a total incremental cost of \$229k.
- iv. **Mr. James Mansdorfer** is the witness for SoCalGas Underground Storage and has GHG-related compliance upward pressures described in his testimony (SCG-04; JDM -14 & 15). Justification for O&M-related upward pressure direct costs for 2012 are detailed in Mr. Mandorfer's workpapers and include 4 FTE adds for GHG-related compliance (leak surveys, monitoring, and repairs and program administration, compliance monitoring, recordkeeping, reporting) in the amount of \$304k (SCG-04-WP, Page 9 and 22 of 24).
- v. **Ms. Gina Orozco-Mejia** is the witness for SoCalGas Gas Distribution and has GHG-related compliance upward pressures described in her testimony (SCG-02; GOM-7, 22, 23, 39, 40). Justification for O&M-related upward pressure direct costs for 2012 are detailed in Ms. Orozco-Mejia's workpapers and include:
  - e. 1 FTE add to aid in compliance monitoring, recordkeeping and reporting of GHG emission requirements in the amount of \$76k (SCG-02-WP, Page 145 and 217of 234).
  - f. GHG Mandatory Reporting Rule Subpart W requirements for natural gas distribution systems in the amount of \$23,443k (SCG-02-WP, Page 35 of 234) to be managed through the new environmental regulatory balancing account, "NERBA".

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- i. The USEPA released the final rule for Subpart W to the Mandatory Reporting Rule (MRR) in November of 2010. The cost estimates in Ms. Orozco-Mejia’s workpapers are based on the proposed rule. SoCalGas will be able to finalize cost estimates for the final GHG MRR Subpart W once some definition determinations are resolved with the USEPA. For example, USEPA’s determination of the definition of “Non-Custody Transfer Gate Stations” impacts requirements. The final cost estimate will eliminate the cost identified for leak surveys at Distribution Meter & Regulation Stations that was in the proposed rule. New additional costs will need to be included for leak survey requirements for Non-Custody Transfer Gate Stations, which was not in the proposed rule when cost estimates were developed.

**4) Reciprocating Internal Combustion Engines (Rice) National Emission Standard for Hazardous Air Pollutants (NESHAPS),**

Direct Costs		
O&M 2012 Costs	Capital 2012 Costs	New, first time cost (Yes/No)
\$83,347 (SCG-03-WP-Dagg-Page 42. Include in line items with MDAQMD Rule 1160 for total of \$114,000.)	\$3,588,000 (R. Stanford witness, SCG-05-RKS-CWP-235, 236 & 237) Revised cost estimates are described in the text below.	Yes

**Ms. Lisa Gomez** is the policy witness for environmental issues and describes in her testimony the RICE NESHAPS program activities that have cost impacts to SoCa;Gas (SCG-15; Pages LPG 11-12). The USEPA finalized RICE NESHAPS Subpart ZZZZ in August 20, 2010. The effective date for the finalized rule was October 19, 2010. The final compliance date is October 19, 2013. The estimated costs as a result of the finalized rule are lower than the estimated costs based on the March 2009 proposed rule. Compliance with the RICE NESHAPS rule will require the installation of continuous parameter monitoring system (CPMS) and pressure sensors. Certain engines will also require the installation of Nonselective Catalytic Reduction (NSCR) on engines to comply with emission limits of formaldehyde. The original proposed rule crafted by USEPA impacted 71 engines and 10 locations. The August 2010 amendments, that is, the finalized rule, impact only 7 locations and 19 engines. The finalized rule did not include lean burn engines at Major Sources over 500 horsepower. The finalized rule also assigned “work practices” as oppose to emissions limits for engines previously proposed to have emission limits.

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**Response to Question 1 (Continued)**

O&M 2012 Incremental Costs:

- i. **Mr. John Dagg** is the witness for SoCalGas Gas Transmission and has RICE NESHAP related compliance upward pressures discussed in his testimony (SCG-03; Pages JLD-12 and 13). Justification for O&M-related upward pressure direct costs are detailed in Mr. Dagg’s workpapers (SCG-03-WP; Pages 42, 54 and 55) and includes \$114k for the combined O&M costs for RICE NESHAP and MDAQMD Rule 1160 of which \$83,347 is for RICE NESHAPS compliance in 2012.

Capital 2012 Incremental Costs:

- 1. **Mr. Ray Stanford** is the witness for SoCalGas Gas Engineering and has RICE NESHAP compliance upward pressures described in his testimony (SCG-05; Page 80). Justification for capital-related upward pressure direct costs are detailed in Mr. Stanford’s workpapers and include the capital-related equipment and labor costs for RICE NESHAPS compliance (SCG-05-CWP; Pg. 235, 236 & 237) in the amount of \$3,588k for equipment and labor. These cost estimates have been revised. The revised capital cost for equipment is \$1,707,143 based on the final rule as compared to the \$3,524,000 for equipment based on the proposed rule.

Please see Question #12 for a link to the RICE NESHAPS Final Rule.

**5) Mojave Air District Rule 1160,**

Direct Costs		
O&M 2012 Costs	Capital 2012 Costs	New, first time cost (Yes/No)
\$30,216 (SCG-03-WP/Dagg-Page 42. The MDAQMD Rule 1160 O&M-related costs are shown in workpaper line items combined with RICE NESHAP-related costs for total of \$114,000.)	\$7,595,000 (SCG-05-CWP/Stanford, Pg. 238-240)	Yes

O&M 2012 Incremental Costs:

- i. **Mr. John Dagg** is the witness for SoCalGas Gas Transmission and has MDAQMD RULE 1160 related compliance upward pressures discussed in his testimony (SCG-03; Pages JLD- 13 and 14). Justification for O&M-related upward pressure direct costs are detailed in Mr. Dagg’s workpapers (SCG-03-WP; Pages 42, 54 and 55) and includes \$114k for the combined O&M costs for MDAQMD Rule and RICE NESHAPS of which \$30,216 is for the MDAQMD Rule compliance in 2012.

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Capital 2012 Incremental Costs:

1. **Mr. Ray Stanford** is the witness for SoCalGas Gas Engineering and has MDAQMD Rule 1160 compliance upward pressures discussed in his testimony (SCG-05-CWP/Stanford, Pg. 238-240). Equipment required to meet Rule 1160 emission and monitoring requirements is outlined in the referenced work papers for a total capital cost estimate of \$8,542,000, with \$7,595,000 planned in 2012.

Please see the response to Question 14 for a copy of the Rule.

**6) Aboveground Storage Tank (AST) Enhanced Vapor Recovery (EVR) Modification,**

Direct Costs		
O&M 2012 Costs	Capital 2012 Costs	New, first time cost (Yes/No)
\$0	\$158,000 (David Taylor, witness; SCG-23-CWP, Page DGT-CWP-23)	Yes

Capital 2012 Incremental Costs:

- i. **David Taylor** is the witness for SoCalGas Real Estate, Land & Facilities, and provides in his workpapers capital-related blanket dollars that would fund this project in the amount of \$158k in 2012 (SCG-23-CWP; Page DGT-CWP-23).
- ii. The California Air Resources Board has extended the implementation due date for Aboveground Storage Tanks Enhanced Vapor Recovery (EVR) System to January 01, 2016 per Executive Order VR-301. Equipment for new installations is expected to be available and certified in 2012 for existing aboveground storage tanks. SoCalGas plans to install the new EVR system equipment in 2012.



eo301b\_final.pdf

**7) Clean Air Act Section 185 Major Source Fees (SCAQMD Rule 317),**

O&M 2012 Costs	Capital 2012 Costs	New, first time cost (Yes/No)
\$754,000 (SCG-04-WP-9 and 21)	\$0	Yes

O&M 2012 Incremental Costs:

- i. **Mr. James Mansdorfer** is the witness for SoCalGas Underground Storage and has SCAQMD Rule 317 compliance upward pressures described in his testimony (SCG-04; JDM -15). Justification for O&M-related upward pressure direct costs for 2012 is detailed in Mr. Mandorfer's workpapers and include fees in the amount of \$754k (SCG-04-WP, Page 9 and 21 of 24).

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**8) Cultural Resources,**

Direct Costs		
O&M 2012 Costs	Capital 2012 Costs	New, first time cost (Yes/No)
\$50,000 (SCG-15-WP-27)	\$0	Yes

O&M 2012 Incremental Costs:

- i. **Ms. Lisa Gomez** is the policy witness for environmental issues and describes in her testimony the data maintenance requirements to develop and automate mapping tools for cultural resource within the service territory. The costs in the amount of \$50k are for a qualified vendor to research and digitize archaeological records for environmental project pre-screening of projects for cultural resources impacts. These digitized maps provide the needed tools to meet the requirements of the California Environmental Quality Act Guideline §15300.2(f) and Section 106 of the National Historic Preservation Act of 1966, as amended, and local county and city ordinances, as applicable.

**9) Storm Water Construction Permit,**

Direct Costs		
O&M 2012 Costs	Capital 2012 Costs	New, first time cost (Yes/No)
\$0	\$69,000 (Gas Transmission - RKS-CWP-207)	Yes
\$270,000 (Gas Distribution – SCG-02-WP, Pg. 145 of 234)	\$777,000 (Gas Distribution - GOM-CWP-19)	Yes

O&M 2012 Incremental Costs:

- i. **Ms. Gina Orozco-Mejia** is the witness for SoCalGas Gas Distribution and describes in her testimony to support the review and management of storm water run-off (SCG-02; Pages GOM-7, 39, 40, 66). Justification for O&M-related upward pressure costs are detailed in Ms. Orozco-Mejia’s workpapers (SCG-02-WP-145 of 234) and include \$270k for 3 FTE adds.

Capital 2012 Incremental Costs:

- i. **Mr. Ray Stanford** is the witness for SoCalGas Gas Engineering and describes in his testimony the Storm Water Construction Permit capital-related activities that have cost impacts to SoCalGas Gas Engineering (SCG-05; Pages RKS-10, 69). Justification for capital-related upward pressure costs are detailed in Mr. Stanford’s workpapers (SCG-05-CWP-207) and include \$69k for new permit-related compliance requirements.

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- ii. **Ms. Gina Orozco-Mejia** is the witness for SoCalGas Gas Distribution and describes in her testimony the Storm Water Construction Permit capital-related activities that have cost impacts to SoCalGas Gas Distribution (SCG-02; Pages GOM-7, 66). Justification for capital-related upward pressure costs are detailed in Ms. Orozco-Mejia’s workpapers (SCG-02-CWP-19) and include \$777k for new permit-related compliance requirements.

**10) PCB Reassessment of Use Authorization**

Direct Costs		
O&M 2012 Costs	Capital 2012 Costs	New, first time cost (Yes/No)
\$18,000 (Gas Engineering - SCG-05-WP, Page 9)	\$0	Yes

O&M 2012 Incremental Costs:

- i. **Mr. Ray Stanford** is the witness for SoCalGas Gas Engineering and details O&M-related upward pressure costs are detailed in Mr. Stanford’s workpapers (SCG-05-WP, Pg. 9 of 321) and include contractor services to locate and sample transformers (\$10k) and labor for data collection and analysis (\$8k) to identify the presence of polychlorinated biphenyls (PCBs) in company-owned electric distribution equipment.

Please see Question 20 for a copy of the EPA Advance Notice of Proposed Rulemaking for PCBs; Reassessment of Use Authorizations.

**11) Environmental Regulatory Tracking,**

Direct Costs		
O&M 2012 Costs	Capital 2012 Costs	New, first time cost (Yes/No)
\$0	\$0	Yes

- i. **Ms. Lisa Gomez** is the policy witness for environmental issues and describes in her testimony the Environmental Regulatory Tracking activities that have cost impacts to SoCalGas. Ms. Gomez’s testimony and workpapers also identify upward pressures that the Environmental Services’ Department will specifically incur. Justification for O&M-related upward pressures are detailed in Ms. Gomez’ workpapers. Beginning in April 2010, the Environmental Services Department, Environmental Strategy group, assumed responsibility for coordinating and tracking new and proposed environmental regulations. Tracking of environmental regulations allows for timely implementation of new compliance requirements and it critical to the utility’s compliance and strategic planning. This responsibility is managed by one FTE at SDG&E (SDG&E-21-WP, Pages 145 of 184). O&M 2012 costs (labor and non-labor) are allocated to SCG through the shared services accounting process (booked expenses).

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**12) Hazardous Waste Vendor Audit Program,**

Direct Costs		
O&M 2012 Costs	Capital 2012 Costs	New, first time cost (Yes/No)
\$0	\$0	Yes

O&M 2012 Incremental Costs:

- i. **Ms. Lisa Gomez** is the policy witness for environmental issues and describes in her testimony the Environmental Regulatory Tracking activities that have cost impacts to SoCalGas. Ms. Gomez's testimony and workpapers also identify upward pressures that the Environmental Services' Department will specifically incur. Justification for O&M-related upward pressures are detailed in Ms. Gomez' workpapers. In 2010, the Environmental Services Department, Environmental Strategy group, assumed responsibility for auditing third-party vendors who manage or dispose of high-risk-waste on behalf of the company. This responsibility is managed by one FTE at SDG&E (SDG&E-21-WP, Pages 145 of 184). O&M 2012 costs (labor and non-labor) are allocated to SCG through the shared services accounting process (booked expenses).

**13) Environmental & Safety Employee Compliance Training Development**

Direct Costs		
O&M 2012 Costs	Capital 2012 Costs	New, first time cost (Yes/No)
\$0	\$0	Yes

O&M 2012 Incremental Costs:

- i. **Ms. Lisa Gomez** is the policy witness for environmental issues and describes in her testimony the Environmental & Safety Employee Compliance Training Development activities that have cost impacts to SoCalGas. Ms. Gomez's testimony and workpapers also identify upward pressures that the Environmental Services' Department will specifically incur. Justification for O&M-related upward pressures are detailed in Ms. Gomez' workpapers. The Environmental Services Department, Environmental Strategy group, has 2012 costs for instructional designer contract labor to complete the backlog of E&S compliance training updates to meet compliance and technology requirements of the company (SDG&E-21-WP, Pages 147 through 151 of 184). O&M 2012 non-labor costs are allocated to SCG through the shared services accounting process (booked expenses).

**14) Other Miscellaneous Environmental Expenses.**

Direct Costs		
O&M 2012 Costs	Capital 2012 Costs	New, first time cost (Yes/No)
\$148,000 (Lisa Gomez, witness, SCG-15-WP, LPG-30, 82, 83)	\$0	Yes

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O&M 2012 Incremental Costs:

- i. **Ms. Lisa Gomez** is the policy witness for environmental issues and describes in her testimony the other miscellaneous environmental activities that have cost impacts to SCG. Ms. Gomez’s testimony and workpapers also identify upward O&M-related pressures that the Environmental Services’ Department will specifically incur for miscellaneous activities which include:
  - a) The net upward and downward pressures for environmental compliance are in the total amount of \$148 (stormwater local ordinance tracking (+\$25k) to ensure compliance; reduction in historic 2009 spend (-\$30k); the annualization of labor, that is, an adjustment for full staffing (\$122k in cost center 2200-2176 and \$29k in cost center 2200-2312) and employee non-labor expense (\$2k) in cost center 2200-2312) (SCG-15,WP; LPG-29, 30,35, 78,83).
  - b) **For each of the above areas, please indicate if the forecasted 2012 expenses are new, first time, costs.**  
Only incremental upward pressures are shown in the tables above. These are new, first time costs for SoCalGas.
  - c) **For each of the new, first time, costs, please provide a copy of the rules and/or regulations requiring new work activities and include citations to the rules and/or regulations.**  
The rules and/or regulations for new, first time costs are provided either in the response to Question 1 above or referenced in other responses as appropriate.
  - d) **For any of the forecasted 2012 expenses that are not new, first time, costs, please provide the 2005-2010 recorded costs.**  
Many of the environmental-related programs above have historic costs. The upward pressures for 2012 are based on analysis of incremental costs associated with new requirements and program activities.
  - e) **Please identify the number of FTEs assigned to environmental compliance as discussed on pages LPG-5 to LPG-17.**

<b>FTEs Incremental Adds Assigned to Environmental Compliance (O&amp;M) to address the new requirements discussed in LPG-5 to LPG-17</b>	
<b>Witness Area</b>	<b>O&amp;M Incremental FTE adds in 2012</b>
<b>Lisa Gomez, Environmental SCG-15</b>	<b>2.9 FTEs for GHG/CRCP (SCG-15-WP, Pgs. 29, 30)</b>
<b>Ray Stanford, Gas Engineering, SCG-05</b>	<b>1.0 FTE for Cap-and-Trade (SCG-05, Pg. 17 of 321)</b>
<b>Gina Orozco-Mejia, Gas Distribution, SCG-02</b>	<b>4.0 FTEs for GHG/Stormwater and daily compliance activities (SCG-02-WP, Pgs. 145 of 234)</b>
<b>John Dagg, Gas Transmission, SCG-03</b>	<b>0.5 FTE AB32; 0.8 FTE R1160 (SCG-03-WP, Pg. 42)</b>
<b>James Mansdorfer, Gas Storage, SCG-04</b>	<b>4 FTEs for GHG (SCG-04-WP, Pgs. 9, 22)</b>

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**Response to Question 1 (Continued)**

- f) Please identify the number of FTEs assigned to environmental compliance each year from 2005-2010.**

Below are the O&M FTEs dedicated to environmental compliance for 2005 through 2009.

<b>Witness Area</b>	<b>FTEs Assigned to Environmental Compliance (O&amp;M)</b>				
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Lisa Gomez, Environmental SCG-15</b>	<b>24.5</b>	<b>22.9</b>	<b>18.2</b>	<b>16.9</b>	<b>21.5</b>
<b>Gina Orozco- Mejia, Gas Distribution, SCG-02</b>	<b>2.40</b>	<b>2.21</b>	<b>2.97</b>	<b>4.04</b>	<b>3.92</b>
<b>John Dagg, Gas Transmission, SCG-03</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>James Mansdorfer, Gas Storage, SCG-04</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Raymond Stanford, Gas Engineering, SCG-05</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>

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2. Please provide a table which ties the environmental areas discussed on pages LPG-5 to LPG-17, to specific costs, as well as exhibit and page numbers of the testimony and workpapers, in SCG’s Application.

**SoCalGas Response 02:**

<b>Environmental Areas</b>	<b>\$ Type</b>	<b>Direct Costs</b>	<b>Testimony Reference</b>	<b>Workpaper Reference</b>
Environmental Mitigation Strategy & Implementation	O&M	\$0	Environmental; SCG-15; LPG-5	SDGE-21-WP, Pages 121 and 122 of 184
Coastal Region Conservation Permit	O&M	\$65,000	Environmental, L. Gomez, SCG-15; LPG-6	SCG-15-WP; Pgs. 29 & 30
Coastal Region Conservation Permit	Capital	\$6,300,000	Gas Engineering, R. Stanford; SCG-05; RKS-80	SCG-05-CPW; Pgs. 261 & 262
GHG Programs	O&M	\$156,000	Environmental; SCG-15; LPG-7 to 11.	SCG-15-WP; Pgs 29 & 30
GHG Programs	O&M	\$4,542,000	Gas Engineering, R. Stanford; SCG-05; RKS-6,9-10,21-23,53,62-63,81 and 84.	SCG-05-CPW; Pgs. 23 of 321
GHG Programs	O&M	\$5,000,000	Gas Engineering, R. Stanford; SCG-05; RKS-6,9-10,21-23,53,62-63,81 and 84.	SCG-05-CPW; Pgs. 23 of 321
GHG Programs	O&M	\$135,000	Gas Engineering, R. Stanford; SCG-05; RKS-62, 63	SCG-05; Pgs. 215 & 216 of 321
GHG Programs	O&M	\$162,000	Gas Engineering, R. Stanford; SCG-05; RKS-16	SCG-05; Pg. 17 of 321
GHG Programs	O&M	\$229,000	Gas Transmission, J. Dagg; SCG-03; JLD-7,12	SCG-03-WP; Pg. 42
GHG Programs	O&M	\$304,000	Underground Storage, J. Mansdorfer; SCG-04, JDM-14&15	SCG-04-WP, Pg. 9 & 22 of 24
GHG Programs	O&M	\$76,000	Gas Distribution, G.	SCG-02-WP, Pg.

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Environmental Areas	\$ Type	Direct Costs	Testimony Reference	Workpaper Reference
			Orozco-Mejia; SCG-02, GOM-7,22,23,39,40	145 and 217 of 234
GHG Programs	O&M	\$23,443,000	Gas Distribution, G. Orozco-Mejia; SCG-02, GOM-7,22,23	SCG-02-WP, Pg. 35 of 234
RICE NESHAPS	O&M	\$83,347 (included in line item from MDAQMD Rule 1160 for \$114k)	Gas Transmission, J. Dagg; SCG-03; JLD-12-13	SCG-03-WP; Pg. 42,54,55
RICE NESHAPS	Capital	\$1,707,143 based on final rule (formerly \$3,588k for 2012 based on workpapers Dec/2010)	Gas Engineering, R. Stanford; SCG-05; RKS-80	SCG-05-CWP; Pg. 235, 236, 237
Mojave Air District Rule 1160	O&M	\$30,216 (included in line item from RICE NESHAPS for \$114k)	Gas Transmission, J Dagg; SCG-03; JLD- 13 and 14	SCG-03-WP; Pg. 42
Mojave Air District Rule 1160	Capital	\$7,595,000	Gas Engineering, R. Stanford; SCG-05; RKS-69	SCG-05-CWP, Pgs. 238-240
Aboveground Storage Tank Enhanced Vapor Recovery Modifications	Capital	\$158,000	Facilities D. Taylor, witness; SCG-23	SCG-23-CWP, Page DGT-CWP-23) [paid from blanket account]
Clean Air Act Section 185 Major Source Fees (SCAQMD Rule 317)	O&M	\$754,000	Underground Storage, James Mansdorfer, SCG-04, JDM-15	SCG-04-WP/ Pgs. JDM 9 and 21
Cultural Resources	O&M	\$50,000	Environmental, L. Gomez, SCG-15; LPG-6	SCG-15-WP, Pg. 30
Stormwater Compliance	O&M	\$270,000	SCG Gas Distribution, G.	SCG-02-WP, Pg. 145 of 234

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Environmental Areas	\$ Type	Direct Costs	Testimony Reference	Workpaper Reference
			Orozco-Mejia, SCG-02, Pgs. GOM-7,39,40,66.	
Stormwater Construction Permit	Capital	\$69,000	SCG Gas Engineering, R. Stanford; SCG-05, Pgs. RKS-10, 69.	SCG-05, RKS-CWP-207
Stormwater Construction Permit	Capital	\$777,000	SCG Gas Distribution, G. Orozco-Mejia; SCG-02, Pgs. GOM-7, 66.	SCG-02-CWP-19
Stormwater Compliance	O&M	\$270,000	SCG Gas Distribution, G. Orozco-Mejia, SCG-02, Pgs. GOM-7,39,40,66.	SCG-02-WP, Pg. 145 of 234
PCB Reassessment of Use Authorization	O&M	\$18,000	Gas Engineering, R. Stanford; SCG-05; RKS-16	SCG-05-WP, Pg. 9 of 321
Environmental Regulatory Tracking	O&M	\$0	one FTE at SDG&E SCG-15; LPG-15	SDG&E-21-WP, Pages 145 of 184
Hazardous Waste Vendor Audit Program	O&M	\$0	one FTE at SDG&E SCG-15; LPG-16	SDG&E-21-WP, Pages 145 of 184
E&S Employee Compliance Training Development	O&M	\$0	one FTE at SDG&E SCG-15; LPG-16	SDG&E-21-WP, Pages 147 thru 151 of 184
Other Miscellaneous Env Expenses	O&M	\$148,000 (includes full staffing adjustment)	Environmental, L. Gomez, SCG-15; LPG-17	SCG-15,WP; LPG-30,82,83

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3. Please provide a copy of the EPA GHG Mandatory Reporting Rule (MRR) and Subpart W to the MRR, referred to on page LPG-7.

**SoCalGas Response 03:**

- a) An electronic copy pdf of the EPA Mandatory Reporting Rule (MRR) is embedded below for your reference.



2010-EPA Final  
MRR.pdf

- b) An electronic copy pdf of the final Subpart W to the MRR is embedded below for your reference.



2010-Final Subpart  
W.pdf

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4. Provide citations to the EPA GHG Mandatory Reporting Rule and/or Subpart W that require specific actions from SCG and identify the actions required. Also, identify the costs associated with the required actions.

**SoCalGas Response 04:**

Environmental Protection Agency, 40 CFR Part 98 - Mandatory Reporting Rule (MRR) of Greenhouse Gases has several subparts that impact SoCalGas, with Subpart W having the largest monetary and activity impact to SoCalGas. In the MRR, subpart A of 40 CFR part 98 - General Provision, Subpart C of 40 CFR part 98—General Stationary Fuel Combustion, and subpart NN of 40 CFR part 98 - Suppliers of Natural Gas and Natural Gas Liquids all have data collection and reporting requirements. These activities will be supported by the FTE adds included in SoCalGas estimates for GHG/Subpart W compliance.

Subpart W - 40 CFR § 98.232(e) – requires emissions reporting from certain sources: (1) Reciprocating compressor rod packing venting, (2) Centrifugal compressor venting., (3) Transmission storage tanks, (4) Blowdown vent stacks, (5) Natural gas pneumatic device venting, (6) Well Sites,(7) Equipment leaks from valves, connectors, open ended lines, pressure relief valves, and meters. Also, 40CFR §98.3(g)(5) requires the development and implementation of monitoring plans for reporting the above emissions. Estimated cost for these activities \$698k.

In the proposed Subpart W rule language, Section 98.234(a), “Monitoring and QA/QC requirements” of Proposed Subsection W states that you must use methods described to conduct annual leak detection of fugitive emissions from a source listed in Sec. 98.233 (q) in operation or on standby mode that occur during the reporting period. Method 1 of Sec. 98.234 is an optical gas imaging instrument. You must use the methods described in Sec. 98.234(a) to conduct an annual leak detection of fugitive emissions from all source listed in Sec. 98.232(d)(9) (i)(1). Aboveground meter regulators and gate station fugitive emissions from connectors, block valves, control valves, pressure relief valves, orifice meters, other meters, regulators and open ended lines. This cost estimate for this activity as written in the proposed rule was \$23,433,000 O&M for 2012 and \$15,700,000 capital (2011). USEPA released the final rule for Subpart W to the Mandatory Reporting Rule in November of 2010. SCG will be able to finalize cost estimates for the final GHG MRR Subpart W once some definition determinations are resolved with the USEPA as discussed in the response to Question 1.a.3. and Question 6 of this document.

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5. What is the current status of the EPA GHG MRR, Subpart W?

**SoCalGas Response 05:**

Both the Mandatory Reporting Rule and Subpart W are final. See question 3 for pdf of final rules.

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6. Provide a copy of the “initial review” that suggests that the final rule will lower costs, as stated in footnote 1 of page LPG-7.

**SoCalGas Response 06:**

The proposed Subpart W rule required that annual leak detection surveys of fugitive emissions at above ground Meter & Regulation (M&R) sites, per 40 CFR Section 98.230(8). Costs for this program were estimated based on 101,763 new M&R leak surveys. The final rule requires annual leak surveys to aboveground meters and regulators at custody transfer city gates and not all M&R sites. This change in the final rule will lower the total number of sites requiring annual leak surveys. Currently the definition of city gate is being reviewed for clarification and potential revision by USEPA. Until this clarification is received from the USEPA, SoCalGas cannot finalize its cost estimates for Subpart W.

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7. Please identify the “costs” referred to in footnote 1 of page LPG-7, as well as the exhibit and page numbers where these costs are discussed.

**SoCalGas Response 07:**

The Subpart W 2012 program costs that are anticipated to be revised based on the final rule are shown below:

GHG Programs	O&M	\$23,443,000	Gas Distribution, G. Orozco-Mejia; SCG-02, GOM-7,22,23	SCG-02-WP, Pg. 35 of 234
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8. Provide a copy of the EPA “GHG Tailoring Rule” referred to on page LPG-8.

**SoCalGas Response 08:**

A link/URL to the EPA “GHG Tailoring Rule” is embedded below for your reference. (40 CFR Parts 51, 52, 70, and 71; [EPA–HQ–OAR–2009–0517; FRL–9152–8])

<http://www.gpo.gov/fdsys/pkg/FR-2010-06-03/pdf/2010-11974.pdf#page=1>

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9. Provide citations to the EPA “GHG Tailoring Rule”, referred to on page LPG-8, requiring specific actions from SCG and identify the actions required. Also, identify the costs associated with the required actions.

**SoCalGas Response 09:**

The Greenhouse Gas Tailoring Rule impacts 40 CFR Parts 51, 52, 70, and 71. The EPA docket number for the rule action is EPA-HQ-OAR-2009-0517.

SoCalGas will be required to incorporate GHG provisions and emission tracking and reporting at eleven of their Title V permits as required by GHG Tailoring Rule 40 CFR parts 51, 52, 70 and 71. The GHG-related activities will require establishing Potential to Emit (PTE) calculations at all eleven Title V facilities and six non-Title V facilities. Environmental air quality staff will also need to develop a permitting and compliance strategy for the GHG Tailoring rule requirement.

The GHG Tailoring Rule related activities will be supported by the 2 FTE adds in 2012 described in Ms. Gomez’ Environmental testimony and workpapers in addition to these FTEs’ other air quality compliance responsibilities (\$150k). (SCG-15, L. Gomez, witness, Pages 7-11/ SCG-15-WP, Pages 29 and 30)

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10. Please provide a copy of AB 32, referred to on pages LPG-8 to LPG-11.

**SoCalGas Response 10:**



AB32 Reg  
profinoal.pdf



AB32 Proposed Cap  
and Trade Reg.pdf



AB32 Final Fee  
Reg.pdf

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11. Please provide citations to AB 32 requiring specific actions from SCG and identify the actions required. Also, identify the costs associated with the required actions.

**SoCalGas Response 11:**

**Proposed Cap and Trade, CCR 17, §95800 to §96022** has a significant potential impact to SoCalGas with implementation of this GHG Offset credit program. The potential impact to SoCalGas is based on 2008 baseline emission data and estimated offset credit prices. The estimated impact for 2012 is \$5,000,000 as referenced in SCG-05-WP/Witness, R. Stanford, Page 23 of 321 and \$135k for one FTE add to manage the cap and trade program as referenced in SCG-05-WP/Witness, R. Stanford, Page 215 and 216).

**AB 32 Administrative Fee Bill**, which was renamed Cost of Implementation Fee, is outlined in CCR 17 §95200 to §95207. These fees will be calculated and paid for each therm of natural gas delivered to any end user in California, excluding natural gas delivered to electricity generating facilities. The estimated cost for these fees is \$4,542,000 reference in SCG-05-WP/Witness R. Stanford - Page 23 of 321.

**The AB32 emission data collection and quality assurance** related activities are outlined in CCR 17 §95100 to §95133. These requirements will be supported by the 2 FTE adds in 2012 described in Ms. Gomez' Environmental testimony and workpapers in addition to the FTEs' other air quality compliance responsibilities in the amount of \$150k (SCG-15, L. Gomez, witness, Pages 7-11/ SCG-15-WP, Pages 29 and 30) and the \$6k (CCR 17 §95101; SCG-15, L. Gomez, witness, Pages 7-11/ SCG-15-WP, Pages 46 of 93) verification incremental costs for third party verification (need ref). There is one FTE add to support AB32 requirements in Gas Transmission that will have reporting and data collection responsibilities (SCG-03-WP, Dagg witness page 42) along with other air quality compliance duties in the amount of \$77k. Gas Transmission also has \$152k estimated for non-labor compliance activities.

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12. Provide a copy of the NESHAPs rule referred to on page LPG-11.

**SoCalGas Response 12:**

- a) A link to the Rice NESHAPS final Rule is embedded below for your reference (Docket number EPA-HQ-OAR-2008-0708): [EPA Subpart ZZZZ RICE NESHAPS](#)

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13. Please provide citations to the NESHAPs requiring specific actions from SCG and identify the actions required. Please also identify the costs associated with the required actions.

**SoCalGas Response 13:**

In order to comply with the proposed RICE NESHAPs Rule 40 CFR §63.6600, 63.6602 and §63.6640 Table 2c (Emission Limitation) and 40 CFR 63.6625 (Monitoring). SoCalGas estimated rule would impact 10 SoCalGas facilities and would require installation of catalyst and monitoring equipment with an estimated net capital cost of \$14,501k as referenced SCG-05-CWP/Stanford, Pages 235-237.

The final EPA RICE NESHAP Rule 40 CFR was issued in August 2010 and the impact to SoCalGas was reduced to 7 locations and total capital cost of \$2,257k, with \$1,707k planned for 2012 (Please also see DRA-050-KCL).

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14. Please provide a copy of the Mojave Air District Rule 1160 referred to on page LPG-12.

**SoCalGas Response 14:**

- a) A pdf of the current MDAQMD Rule 1160 that is going to be revised by the MDAQMD is embedded below for your reference.



MDAQMD Rule  
1160.pdf

- b) SoCalGas is anticipating that the updates/revisions for the MDAQMD Rule 1160 will be similar to the updated requirements contained in the proposed Rule 1160.1 for similar equipment used by another industry type. The proposed MDAQMD Rule 1160.1 is embedded below for your reference.



MDAQMD Proposed  
1160\_1.pdf

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15. Please provide citations to the Mojave Air District Rule 1160 requiring specific actions from SCG and identify the actions required. Please also identify the costs associated with the required actions.

**SoCalGas Response 15:**

Compliance with the Mojave Desert Air Quality Management District (MDAQMD) Rule 1160 will require the installation of continuous parameter monitoring system (CPMS), Air Fuel Ratio Controllers and pressure sensors. Certain engines will also require the installation or upgrades of Nonselective Catalytic Reduction (NSCR) on engines to comply with anticipated emission limits of oxides of nitrogen and volatile organic compounds at Newberry Springs, North Needles and South Needles Compressor Stations to comply emission limits in Rule 1160 which is scheduled to be updated. Anticipated NO<sub>x</sub>, CO and VOC limits are expected to be similar to the proposed MDAQMD 1160.1(C)(1)(a)(i) for internal combustion engines. Equipment required to meet Rule 1160 emission and monitoring requirements is outlined in the work papers of Mr. R. Stanford, witness for SoCalGas Gas Engineering (SCG-05-CWP/Stanford, Pg. 238-240) for a total capital cost estimate of \$8,542,000, with \$7,595,000 planned in 2012.

Mr. John Dagg is the witness for SoCalGas Gas Transmission and has MDAQMD RULE 1160 related compliance upward pressures discussed in his testimony (SCG-03; Pages JLD- 13 and 14). Justification for O&M-related upward pressure direct costs are detailed in Mr. Dagg's workpapers (SCG-03-WP; Pages 42, 54 and 55) and includes \$114k for the combined O&M costs for MDAQMD Rule and RICE NESHAPS of which \$30,216 is for the MDAQMD Rule compliance in 2012.

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16. Please provide a copy of the Clean Air Act Section 185 Major Source Fees (SCAQMD Rule 317) referred to on page LPG-13.

**SoCalGas Response 16:**

- a) An electronic copy pdf of the SCAQMD Rule 317 is embedded below for your reference.



r317.pdf

- b) A link/URL to the EPA Clean Air Act Section 185 is embedded below for your reference.  
Title 42; Chapter 85; Subchapter I; Part D; subpart 2; section 7511(d)

[http://www.law.cornell.edu/uscode/usc\\_sec\\_42\\_00007511---d000-.html](http://www.law.cornell.edu/uscode/usc_sec_42_00007511---d000-.html)

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17. Please provide citations to the Clean Air Act Section 185 Major Source Fees (SCAQMD Rule 317), referred to on page LPG-13, requiring specific actions from SCG and identify the actions required. Please also identify the costs associated with the required actions.

**SoCalGas Response 17:**

On January 6, 2011, the SCAQMD noticed a new version of the Rule 317 that was subsequent to SoCalGas' GRC filing. This revision contains language that would demonstrate fee equivalency based on the application of alternative funding programs from federal and other sources. Unlike previous versions of the proposed rule that were under consideration by the SCAQMD, this methodology has the potential to eliminate or reduce fees paid by major facilities under Section 185 of the Federal Clean Air Act. The SCAQMD Board voted and adopted the January 2011 version of Rule 317 on February 4, 2011.

SoCalGas has reviewed the latest version of the SCAQMD's rule and supports its implementation. However, the environmental justice community has expressed their opposition to the fee equivalency methodology. It is likely that legal measures against the rule, as written, will be taken by the environmental community at the EPA level, or in current or new litigation.

Section 185 impacts other non-attainment air districts, including the Mojave Desert Air Quality Management District, where SoCalGas has one qualifying facility in addition to three facilities in the SCAQMD. Furthermore, there is uncertainty about how many alternative funding sources and programs, used to demonstrate fee equivalency, will indeed be available in 2012 and each year beyond. In the case that funding programs become insufficient to offset fees, Rule 317 contains a Backstop provision where each major source will need to make up the difference based on historic emissions. Given these challenges and uncertainties, SoCalGas stands by its current cost estimate of \$754k.

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18. Please provide a copy of the State Water Resources Control Board's Construction Stormwater General Permit, as discussed on page LPG-14.

**SoCalGas Response 18:**

- a) A link to the State Water Resources Control Board's Construction Stormwater General Permit is embedded below for your reference.

[http://www.waterboards.ca.gov/water\\_issues/programs/stormwater/docs/constpermits/wqo\\_2009\\_0009\\_complete.pdf](http://www.waterboards.ca.gov/water_issues/programs/stormwater/docs/constpermits/wqo_2009_0009_complete.pdf)

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19. Please provide citations to the State Water Resources Control Board's Construction Stormwater General Permit, as discussed on page LPG-14, requiring specific actions from SCG and identify the actions required. Please also identify the costs associated with the required actions.

**SoCalGas Response 19:**

The upward pressures as a result of the adoption of the State Water Resources Control Board's (SWRCB) General Permit for Storm Water Discharges Associated with Construction Activity, 2009-0009-DWQ (adopted as Order No. 2009-0009-DWQ, effective July 1, 2010) or "CGP". This permit included new risk-based requirements for construction projects, including but not limited to, inspections, sampling, effluent limits, reporting, specific minimum best management practices (BMPs), post-construction BMPs, bio-assessments and personnel certifications.

The estimated incremental costs that apply to SCG's operations include requirements contained in the following sections of the permit:

- **Preparation of the Notice of Intent and Storm Water Pollution Prevention Plan (SWPPP):** Order Section XIV specifies the requirement for Storm Water Pollution Prevention Plans, which must include all of the applicable requirements contained in Attachments A, A.1., A.2. and F. Preparation of Storm Water Pollution Prevention Plans now require additional research and analysis and are required to be prepared by personnel with specific credentials/qualifications.
  - (SoCalGas Distribution - \$17,000; SCG Transmission - \$950)
- **Risk Based Permit Requirements (including Sediment Sensitive Watershed):** Attachment A.1. These costs are reflected in the other categories of incremental costs.
- **Bioassessments:** Attachment A, Section M.4.d.ii.; Appendix 3 -Bioassessment Monitoring Guidelines.
  - (SoCalGas Gas Distribution - \$1,000; SCG Gas Transmission - \$500)
- **Qualified SWPPP Developer:** Attachment A, Section H.2.a.
  - (SoCalGas Gas Distribution - \$131,800; SCG Gas Transmission - \$9,200)
- **Qualified SWPPP Practitioner:** Attachment A, Section H.2.b.
  - (SoCalGas Gas Distribution - \$586,500; SCG Gas Transmission - \$40,100)
- **Discharge Sampling:** Attachment A, Sections M.4.b, c, g, h, I, j, k, o.
  - (SoCalGas Gas Distribution - \$25,500; SCG Gas Transmission - \$12,800)
- **Receiving Water Sampling:** Attachment A, Sections M.4.d, e, g, h, i, j, k, o.
  - (SoCalGas Gas Distribution - \$100; SCG Gas Transmission - \$50)

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DATE RESPONDED: APRIL 13, 2011**

**Response to Question 19 (Continued)**

- **Treatment:** Attachment A, section F.2. establishes numeric effluent limits (NELs) for Risk Type 3 projects. For projects where an Active Treatment System is required to meet the NELs, the project must comply with Attachment F.
  - (SoCalGas Gas Distribution - \$10,800; SCG Gas Transmission - \$5,400)
- **Annual Fees** – Incremental cost for annual fees for these projects under the new permit.
  - (SoCalGas Gas Distribution - \$4,300; SCG Gas Transmission - \$0)

To estimate of the incremental costs for 2012, a five-year history of pipeline projects was evaluated to determine the number of projects that had obtained coverage under the expired permit. The percentage of SoCalGas' pipelines located in Sediment Sensitive Watersheds, which increases the potential risk type for a project, was used to estimate the number of projects that would have more restrictive permit requirements. Based on the five-year average number of projects that would have needed this permit and the percentage of pipe in Sediment Sensitive Watersheds, SoCalGas estimated the incremental cost increase to conduct these projects in 2012 under the new permit.

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20. Please provide a copy of the EPA Advance Notice of Proposed Rulemaking (ANPRM) referred to on pages LPG-14 and LPG-15.

**SoCalGas Response 20:**

An electronic copy pdf of the EPA Advance Notice of Proposed rulemaking (ANPRM) for Polychlorinated Biphenyls (PCBs); Reassessment of Use Authorizations is embedded below for your reference. (40 CFR Part 761 [EPA-HQ-OPPT-2009-0757; FRL-8811-7]).



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21. Please provide citations to the EPA Advance Notice of Proposed Rulemaking (ANPRM) referred to on pages LPG-14 and LPG-15, requiring specific actions from SCG and identify the actions required. Please also identify the costs associated with the required actions.

**SoCalGas Response 21:**

The citations to the EPA Advance Notice of Proposed Rulemaking for Polychlorinated Biphenyls (PCBs); Reassessment of Use Authorizations that were used to identify needed actions to evaluate PCBs in the SoCalGas-owned electrical equipment included:

- Section VI. A. [Inventory of electrical equipment, including sampling, testing and evaluation of sample analyses, to determine PCB content for marking: \$18k]