SAN DIEGO GAS & ELECTRIC COMPANY SOUTHERN CALIFORNIA GAS COMPANY

APPLICATION TO PROCEED WITH PHASE 2 OF THE PIPELINE SAFETY ENHANCEMENT PLAN AND ESTABLISH MEMORANDUM ACCOUNTS TO RECORD PHASE 2 COSTS

(A.15-06-013) (DATA REQUEST ORA-02)

Date Requested: July 21, 2016 Date Responded: July 28, 2016

QUESTION 1:

In its reply comments on Safety and Enforcement Division's Analysis Report in response to the April 5, 2016 assigned Commissioner's scoping memo and ruling filed July 15, 2016, SCG/SDG&E stated (page 5):

"Because it is a Phase 1B project, SoCalGas and SDG&E had planned to replace this 15- foot segment [of Line 127]. However, SoCalGas and SDG&E believe there may be opportunities to avoid costs associated with this 15-foot segment."

and (page 6):

"SoCalGas and SDG&E request the Commission determine that direct examination of this 15-foot segment [of Line 127] is appropriate. In the alternative, SoCalGas and SDG&E propose to present the above direct examination proposal in a future application."

- a. On what date did SCG/SDG&E's desired plan to address this 15-foot segment of Line 127 change from replacement to direct inspection?
- b. What circumstances, events, or information caused the change described in part (a)?
- c. Have SCG/SDG&E previously discussed or requested this change in their opening comments or elsewhere in this proceeding? If so, please provide the appropriate citation.

RESPONSE 1:

- a. The alternative approach was initially discussed in late June 2016 and confirmed as a viable alternative in mid-July 2016.
- b. Additional detailed review of the Line 127 configuration at La Goleta indicated/confirmed that: a) the short segment is between the header and the start of the pig launcher, b) it was pressure tested in the late 1960's, c) the segment consists of seamless pipe that would not have the same integrity issues that seamed pipe would have, and d) the short length of pipe on SoCalGas property facilitates a direct examination. Based on the above factors, SoCalGas and SDG&E determined that a

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direct examination would be an appropriate safety enhancement action and would avoid costs associated with blowing down the line and replacing the segment.

c. No, SoCalGas and SDG&E have not previously discussed this alternative approach to Line 127. SoCalGas and SDG&E acknowledge this is a new proposal. SoCalGas and SDG&E included this proposal to seek guidance on an alternative approach to this accelerated Phase 1B project that could avoid costs for our customers.