

**SOUTHERN CALIFORNIA GAS COMPANY  
SAN DIEGO GAS & ELECTRIC COMPANY**

**APPLICATION TO RECOVER COSTS RECORDED IN THE  
PIPELINE SAFETY AND RELIABILITY MEMORANDUM ACCOUNTS,  
THE SAFETY ENHANCEMENT EXPENSE BALANCING ACCOUNTS, AND  
THE SAFETY ENHANCEMENT CAPITAL COST BALANCING ACCOUNTS  
(A.16-09-005)**

**(DATA REQUEST TURN-SCGC-11)**

**Date Requested: July 3, 2017**

**Date Responded: August 22, 2017**

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**QUESTION 11.1:**

**These questions are directed at the workpapers regarding the Line 49-14 Replacement Project.**

- 11.1.1. With respect to the statement on page WP-III-A369: “Included in this project was 54 feet of pipe accelerated from Phase 2B. The accelerated mileage was included to realize efficiencies and to enhance project constructability.” Table 2 also shows an additional 16 feet included as incidental mileage.**
- 11.1.1.1. Please describe in specific terms what pipe corresponds to the 54 feet of pipe accelerated from Phase 2B and show the location of the pipe in Figures 1 and 2.
- 11.1.1.2. Please state in detail the basis for including the pipe in the Line 49-14 replacement project.
- 11.1.1.3. Please demonstrate that there were cost savings achieved by including the 54 feet of pipe in the project accelerated from Phase 2B by showing the cost estimates including and excluding this length of pipe.
- 11.1.1.4. Please describe in specific terms what pipe corresponds to the 16 feet of incidental mileage pipe and show the location of the pipe in Figures 1 and 2.
- 11.1.1.5. Please state in detail the basis for including the incidental mileage pipe in the Line 49-14 replacement project.
- 11.1.1.6. Please demonstrate that there were cost savings achieved by including the 16 feet of incidental mileage pipe by showing the cost estimates including and excluding this length of pipe.

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**RESPONSE 11.1.1.1:**

- 11.1.1.1 The 54 feet of pipe accelerated from Phase 2B is Category 1, installed in 1952. It is reflected by the blue dotted marks within the replaced pipeline (shown in green), with 35 feet of pipe on the northern side of the section and the remaining 19 feet on the southern side of the section. A high-resolution copy of Figure 1 is provided in the attachment folder.
- 11.1.1.2. The 54 feet of accelerated pipe were included for constructability purposes. As described on WP-III-A373, pipe was added to move the tie-in locations out of an intersection. This enhanced safety for the construction personnel and the public.
- 11.1.1.3. Cost estimates were not created specifically to measure the cost of including versus excluding this pipe. Based on operator knowledge and experience, not including the 54 feet in this project would have required SoCalGas and SDG&E to extend two future Phase 2B projects into the intersection.
- 11.1.1.4. The 16 feet of incidental pipe is not identified in Figures 1 or 2. The 16 feet of incidental pipe is the additional length of new pipe installed that is greater than the pipe replaced.
- 11.1.1.5 The 16 feet of incidental pipe was required for additional depth and horizontal offset to avoid existing substructures and to facilitate tie-in to the existing pipe. To replace the existing pipe, the new alignment had to be installed offset to the existing pipe and deeper than the existing pipe. This resulted in 16 more feet of pipe being installed compared to the pipe that was replaced.
- 11.1.1.6. Cost estimates were not created specifically to measure the cost of including versus excluding this pipe. The incidental pipe was required for constructability purposes.

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**QUESTION 11.1.2:**

**With respect to the statement on page WP-III-A373: “Design for the use of jack-and-bore construction to install a new pipeline underneath a culvert. Additional Considerations: Replacement of 97 feet of pipe plus approximately 60 feet of pipe to reach a location out of the intersection where the tie-ins could be performed. The planned new route was deeper and had more bends than the old route to avoid the existing pipeline. Additionally, some pipe closer to grade level would need to be removed to accommodate the boring operation.”**

- 11.1.2.1. Did SDG&E consider any alternatives to boring under the culvert?
- 11.1.2.2. If the answer to the previous question is “yes,” please provide a description of the alternatives and an assessment of their feasibility relative to boring under the culvert.
- 11.1.2.3. What was the incremental cost associated with boring under the culvert that was identified during the planning stage?
- 11.1.2.4. If SDG&E did not consider any alternative to boring under the culvert, please explain why SDG&E failed to consider alternatives.
- 11.1.2.5. Why was it necessary to complete the tie ins outside of the intersection?
- 11.1.2.6. What was the incremental cost associated with replacing the additional 60 feet of pipe instead of completing the tie ins within the intersection?

**RESPONSE 11.1.2:**

- 11.1.2.1. Yes.
- 11.1.2.2. Open trench was evaluated during preliminary design and was determined to require long-lead permits from the Army Corps of Engineers (ACOE) and the State of California Department of Fish and Wildlife (CADFW). The estimated minimum application review time is six months for the ACOE and CADFW. Moreover, SoCalGas and SDG&E determined the impacted agencies were unlikely to issue a

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permit for this work using open trenching construction methods. In typical urban construction environments, there is a separation between the top of an underground structure and the road base where other utilities can be located, facilitating open-trenching construction. In this particular instance, the underground drainage culvert was constructed such that there is no separation between the top of the drainage culvert and the road base. SoCalGas and SDG&E determined open trenching across this specific drainage culvert could have structurally impacted the integrity of the facility. Consequently, SoCalGas and SDG&E determined it was more practicable to bore underneath the existing underground drainage culvert.

- 11.1.2.3. The incremental cost associated with boring under the culvert was not quantified because, based on operator knowledge and experience, the open trench option was not a viable alternative. See response to TURN-SCGC Q.11.1.2.2.
- 11.1.2.4. Not applicable.
- 11.1.2.5. The location is in an urban residential area where closing lanes of the intersection for an extended period of time would significantly impact traffic. Moving the work out of the intersection reduced safety risk for the public and construction personnel.
- 11.1.2.6. The incremental cost associated with completing the tie-in outside of the intersection was not quantified. See response to TURN-SCGC Q.11.1.2.3.

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**QUESTION 11.1.3:**

**With respect to the statement on page WP-III-A375: “Designed the bore pits to use engineered shoring to avoid a full road closure which the final design would otherwise require. Due to boring operation and new route, an additional 11 feet of pipe was added to the scope, for a new scope total of 167 feet of pipe.”**

- 11.1.3.1. What was the estimated cost of not using the engineered shoring and working with a full road closure?
- 11.1.3.2. What was the estimated cost of using the engineered shoring and avoiding the full road closure?
- 11.1.3.3. What was the incremental cost of adding the 11 feet of pipe?

**RESPONSE 11.1.3:**

- 11.1.3.1. The alternative to engineered shoring is sloping the walls of the bore-pit at about a 45-degree angle, which greatly increases the surface area impacted. During preliminary design, this alternative was excluded, as it is cost prohibitive, not likely to be approved by the permit agency, and significantly impactful on the community. Accordingly, SoCalGas and SDG&E did not prepare detailed cost estimates for this method.
- 11.1.3.2. The estimate for bore-pit shoring was \$210,000.
- 11.1.3.3. The selected alignment was the most cost effective, considering the location of other substructures. There is no incremental cost associated with the installation of eleven feet of incidental pipe because this was the most cost effective and practical option.

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**QUESTION 11.1.4:**

**With respect to the statement on page WP-III-A376: “The Performance Partner/Construction Contractor TPE was \$xxxx, which is \$xxxx more than the Stage 3 construction contractor direct estimate of \$xxxx that was used to develop the Phase 2 WOA estimate.”**

- 11.1.4.1. Please reconcile the third redacted cost figure to the contract costs and/or other direct cost category in Table 3.
- 11.1.4.2. Please break down the other direct cost category in Table 3 into its major cost categories.
- 11.1.4.3. Please reconcile the first redacted cost figure to the contract costs category in the Capital column in Table 4.
- 11.1.4.4. Please breakdown the dollar figure shown in other direct cost category, capital column of Table 4 into its major cost categories.

**RESPONSE 11.1.4:**

- 11.1.4.1. **The following response includes Confidential and Protected Information Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.**

<b>Line 49-14 Estimated Contractor Other Direct Cost Reconciliation (Phase 2 WOA)</b>	
<b>Cost Element</b>	<b>Contract Cost</b>
Construction Contractor - TIC (WP-III-A376)	\$ [REDACTED]
Construction Contractor Contingency	\$ [REDACTED]
Other Contracted Services	\$ [REDACTED]
<b>TOTAL ESTIMATED OTHER DIRECT COST (WP-III-A374)</b>	<b>\$ [REDACTED]</b>

- 11.1.4.2. Other Direct Costs as represented in Table 3: L-49-14 Phase 2 WOA Estimate (WP-III-A374) represent estimated unloaded contracted services for Construction Management Services, Environmental Planning, Engineering Services, Survey and Mapping, Land Use and Permits and Other / Miscellaneous.

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11.1.4.3. The following response includes Confidential and Protected Information Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.

<b>Line 49-14 Capital (actual) Construction Contractor Cost Reconciliation</b>	
<b>Cost</b>	<b>Actual Contract Cost</b>
Construction Contractor TPE (WP-III-A376)	\$ [REDACTED]
Change Orders	\$ [REDACTED]
Risk Reward	\$ [REDACTED]
<b>Total Construction Contractor Actual Costs</b>	<b>\$ [REDACTED]</b>
Construction Management & Support	\$ [REDACTED]
Other	\$ [REDACTED]
<b>TOTAL CAPITAL (actual) CONTRACT COST (WP-III-A378)</b>	<b>\$ [REDACTED]</b>

11.1.4.4. The following response includes Confidential and Protected Information Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.

<b>Line 49-14 – Capital (actuals) Other Direct Costs Breakdown</b>	
<b>Cost Element by WOA/Function</b>	<b>Actual Other Direct Costs</b>
Environmental - Planning Services	\$ [REDACTED]
Engineering & Design Services	\$ [REDACTED]
Permits & ROW	\$ [REDACTED]
Project Management and Project Services	\$ [REDACTED]
Other	\$ [REDACTED]
<b>TOTAL OTHER DIRECT COST (WP-III-A378)</b>	<b>\$ [REDACTED]</b>

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**QUESTION 11.1.5:**

**With respect to the statement on page WP-III-A377: “A 30-day waiting period between base pave and final pave was required by the city, which was not included in the original schedule. This period was mandated by the city to allow for settlement and compaction. Excluding this change, the construction would have finished on time.”**

- 11.1.5.1. Please identify the incremental cost associated with the city’s requirement to wait 30-days between base pave and final pave, including any costs associated with having a delay in demobilizing the construction site.
- 11.1.5.2. How much of a delay in the construction schedule was created by the city’s requirement?

**RESPONSE 11.1.5.1:**

- 11.1.5.1. There is no incremental cost from construction contractor associated with the 30-day waiting period between base paving and final paving activities. No additional construction activities occurred during the 30-day waiting period. Contractors were utilized on other PSEP projects. There may be additional costs for SoCalGas/SDG&E labor and non-construction activities, such as project management and inspection services, that were not tracked and reported separately for this delay.
- 11.1.5.2. 30 days.



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**QUESTION 11.2:**

**These questions are directed at the workpapers regarding the Line 49-22 Abandonment Project.**

- 11.2.1. **With respect to the statement on page WP-III-A382: “Included in this project was 2 feet of pipe accelerated from Phase 2B. The accelerated mileage was included to realize efficiencies and to enhance project constructability.” Table 2 also shows an additional 670 feet included as incidental mileage.**
- 11.2.1.1. Please describe in specific terms what pipe corresponds to the 2 feet of pipe accelerated from Phase 2B and show the location of the pipe in Figures 1 and 2.
- 11.2.1.2. Please state in detail the basis for including the pipe in the Line 49-22 abandonment project.
- 11.2.1.3. Please demonstrate that there were cost savings achieved by including the 2 feet of pipe in the project accelerated from Phase 2B by showing the cost estimates including and excluding this length of pipe.
- 11.2.1.4. Please describe in specific terms what pipe corresponds to the 670 feet of incidental mileage pipe and show the location of the pipe in Figures 1 and 2.
- 11.2.1.5. Please state in detail the basis for including the incidental mileage pipe in the Line 49-22 abandonment project.
- 11.2.1.6. Please demonstrate that there were cost savings achieved by including the 670 feet of incidental mileage pipe by showing the cost estimates including and excluding this length of pipe.

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**RESPONSE 11.2.1.1:**

- 11.2.1.1. The two feet of pipe accelerated from Phase 2B is Category 1, installed in 1956-1961. It is reflected by a single blue dot at the southernmost part of the abandoned pipeline (shown in orange) in Figure 1. The blue dot can be more readily seen in Figure 5 as the two feet was accelerated in Section 2.
- 11.2.1.2. Since the entire length of Line 49-22 was planned to be abandoned, it was necessary to include all footage (Phase 1A, Accelerated, and Incidental) associated with this line to effectuate the complete abandonment of this line.
- 11.2.1.3. See response to TURN SCGC Q.11.2.1.2.
- 11.2.1.4. See response to TURN SCGC Q.11.2.1.2.
- 11.2.1.5. Five segments of incidental pipe exist between segments of Category 4 pipe. To abandon all of the Category 4 pipe in the most cost efficient manner, the incidental pipe was also removed from service by abandonment.
- 11.2.1.6. Excluding the incidental pipe in the Line 49-22 abandonment project was eliminated during preliminary design due to being impracticable. Therefore, SoCalGas and SDG&E did not prepare a separate design or cost estimate for this alternative.

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**QUESTION 11.2.2:**

**With respect to the statement on page WP-III-A386: “The decision to abandon L-49-22 was made because there was sufficient redundancy provided by L-49-23, which is a xxxx line that runs parallel to L-49-22. By abandoning L-49-22 SoCalGas and SDG&E avoided the expense to test or replace this 4-mile pipeline.”**

- 11.2.2.1. Did SDG&E consider any alternatives to abandoning Line 49-22?
- 11.2.2.2. If the answer to the previous question is “yes,” please provide a list of the alternatives considered and the cost estimate associated with each alternative demonstrating that the abandonment was the least cost alternative.
- 11.2.2.3. If SDG&E did not consider any alternatives to abandoning Line 49-22, please explain why SDG&E failed to consider alternatives and demonstrate that taking this approach was reasonable given that SDG&E would be unable to demonstrate that abandonment was the least cost alternative.

**RESPONSE 11.2.2:**

- 11.2.2.1. Yes.
- 11.2.2.2. Testing, replacing, derating, or abandoning alternatives for Line 49-22 were evaluated. Cost estimates for these alternatives were not developed because, based on operator knowledge and experience, it was evident that abandonment would be the lowest cost option.
- 11.2.2.3. Not applicable.

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**QUESTION 11.2.3:**

**With respect to the statement on page WP-III-A388: “In order to meet the unique planning requirements of each city, SoCalGas and SDG&E had to operate under two distinct timelines. This required splitting the project into two sections distinguished by the two cities.” Please provide the incremental cost associated with operating the project as two section with two timeline relative to operating the project as one project with one timeline.**

**RESPONSE 11.2.3:**

SoCalGas and SDG&E were required to split the project into two sections to comply with conditions imposed by the permitting agencies. Accordingly, operating the project as a single project was not a viable alternative and SoCalGas and SDG&E did not prepare cost estimates for that hypothetical approach.

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**QUESTION 11.2.4:**

**With respect to the statement on page WP-III-A388: “The schedule for the National City portion of the project was planned for advancement in order to execute around a city repaving project. If the construction was executed after the city’s repaving project, SDG&E would have had to pay for a “curb to curb” resurfacing.”** Please provide the incremental cost associated with the curb to curb resurfacing requirement that SDG&E would have faced if it did not meet the National City schedule.

**RESPONSE 11.2.4:**

SoCalGas and SDG&E did not prepare an estimate of the incremental cost associated with curb-to-curb resurfacing, as this alternative was excluded during preliminary design. Based on operator knowledge and experience, a complete curb-to-curb resurfacing would have been more costly than the repaving required to execute the construction prior to the city’s repaving project. This selected alternative also avoided further disruption to the community.

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**QUESTION 11.2.5:**

**With respect to the statement on page WP-III-A389: “Acquisition of permit from Chula Vista took longer than normal with a number of design changes and as a result drawings changed.” Please identify the incremental cost associated with the design changes imposed by the city.**

**RESPONSE 11.2.5:**

SoCalGas and SDG&E did not prepare separate cost estimates to evaluate the cost of design changes requested by the City of Chula Vista. Implementing the requested changes enabled SoCalGas and SDG&E to negotiate favorable terms for the use of city property as a laydown yard, which reduced overall project costs.

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**QUESTION 11.2.6:**

**With respect to the statement on page WP-III-A390: “Construction was performed by SDG&E Field Operations.”**

- 11.2.6.1. Why did SDG&E choose to have its Field Operations complete the project rather than using a contractor?
- 11.2.6.2. Did SDG&E Field Operations use SDG&E employees to complete this project?
- 11.2.6.3. Did the completion of the project require employee overtime?
- 11.2.6.4. Did the completion of the project require any temporary or contract labor?
- 11.2.6.5. Does SDG&E include the cost of Field Operations employees in its general rate case applications?
- 11.2.6.6. How did SDG&E account for the cost of Field Operations employees that worked on the Line 49-22 abandonment project?

**RESPONSE 11.2.6.1:**

- 11.2.6.1. SDG&E elected to have Field Operations personnel complete construction of this project, because the scope is similar to projects SDG&E has performed in the past.
- 11.2.6.2. Yes.
- 11.2.6.3. Yes.
- 11.2.6.4. SDG&E Field Operations subcontracted labor for activities such as traffic control, paving, saw-cutting, and lighting.
- 11.2.6.5. Yes.

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11.2.6.6. SDG&E Field Operations directly charged hours to a specific PSEP project internal order.



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**QUESTION 11.2.7:**

**With respect to the statement on page WP-III-A391 to WP-III-A392:**

**“Permit Conditions: The City of Chula Vista required over three months from first drawing submittal to issue a permit (Note: the City of National City permit was obtained in Stage 4). Field Conditions: An existing pressure control fitting installed on the pipeline that was planned to be used for isolation was a nonstandard design. A new pressure control fitting was installed nearby in a new excavation.**

**At a different location, construction crews planned to use an existing pressure control fitting for isolation. Upon excavation an unknown tap off the line was discovered which prevented the use of the existing pressure control fitting for isolation. A new pressure control fitting was installed downstream of the tap to facilitate isolation of 49-22.**

**Site Restoration: The City of Chula Vista was initially dissatisfied with the site restoration efforts. Additional work was performed under the guidance of the Contract Administrator to replace a tree and other landscaping.”**

11.2.7.1. Please identify the incremental costs associated with the delay in obtaining a permit.

11.2.7.2. Did the delay in the start of the Chula Vista section of the project create conditions that led to reduced productivity or other problems?

11.2.7.3. What was the incremental cost associated with the occurrence of the non-standard pressure control fitting?

11.2.7.4. What was the incremental delay associated with the occurrence of the non-standard pressure control fitting?

11.2.7.5. What was the incremental cost associated with the occurrence of the unknown tap line?

11.2.7.6. What was the incremental delay associated with the occurrence of the unknown tap line?

11.2.7.7. What was the incremental cost associated with the additional site restoration efforts?

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**APPLICATION TO RECOVER COSTS RECORDED IN THE  
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11.2.7.8. What was the incremental delay associated with the occurrence of the additional site restoration efforts?

**RESPONSE 11.2.7.1:**

- 11.2.7.1. There is no incremental cost from construction contractor associated with this delay. There may be additional costs for SoCalGas/SDG&E labor and non-construction activities, such as project management and inspection services, that were not tracked and reported separately for this delay.
- 11.2.7.2. No.
- 11.2.7.3. Material cost was approximately \$4,000 for the new pressure control fitting. In addition to these direct costs, there may be additional costs for SoCalGas/SDG&E labor and non-construction activities, such as project management and inspection services, that were not tracked and reported separately for this activity.
- 11.2.7.4. No discernible delay is associated with the non-standard pressure control fitting.
- 11.2.7.5. No incremental construction costs were incurred as a result of the unknown tap.
- 11.2.7.6. No discernible delay is associated with the unknown tap location.
- 11.2.7.7. The work was performed by SDG&E Field Operations personnel and costs were not tracked separately. There may be additional costs for SoCalGas/SDG&E labor and non-construction activities, such as project management and inspection services, that were not tracked and reported separately for this activity.
- 11.2.7.8. There was no discernible schedule delay associated with the additional site restoration work.

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**QUESTION 11.2.8:**

**With respect to Table 4:**

- 11.2.8.1. Please identify the all costs associated with SDG&E’s Field Operations crews in both the Phase 2 WOA and Capital columns.
- 11.2.8.2. Please explain what costs correspond to contract costs in the Capital column of the table.
- 11.2.8.3. Please identify the contractors used and the activities they pursued that resulted in the contract costs and describe the process for retaining those contractors.
- 11.2.8.4. Please break down the other direct costs by major cost category for both the Phase 2 WOA and Capital columns.

**RESPONSE 11.2.8.1:**

- 11.2.8.1. The table below identifies the estimated (Phase 2 WOA) and actual (Capital) Company Labor costs for SDG&E Field Operations crews for tie-in and commissioning activities. The Phase 2 WOA Estimate for the Line 49-22 (Sections 1 & 2) Abandonment Project assumed contracted construction labor would be retained to execute this project, which is reflected in the Field Operations crew cost estimate.

<b>Line 49-22 Phase 2 WOA Estimated Costs and Actual Company Labor Costs (WP-III-A393)</b>		
	<b>Phase 2 WOA</b>	<b>Capital (actual)</b>
Project Management	\$ 329,221	\$ 272,788
Union Labor	\$ 3,643	\$ 292,455
<b>TOTAL COMPANY LABOR</b>	\$ 332,864	\$ 565,243

- 11.2.8.2. See the Workpaper Introduction (WP-Intro-10): “Contract Costs: contractor services such as construction contractor, construction management, construction inspection services, radiographic services, specialized material traceability services, contamination mitigation, etc.”

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11.2.8.3. The following response includes Confidential and Protected Information Pursuant to PUC Section 583, GO 66-C, and D.16-08-024. A confidential list of contractors included in the Contract Costs category, type of service and contract type for the Line 49-22 Abandonment Project is provided in the table below.

<b>Line 49-22 (Sections 1 &amp; 2) Abandonment Project Contracted Services</b>		
<b>NAME</b>	<b>DESCRIPTION</b>	<b>TYPE</b>
[REDACTED]	Construction Services	Market Based Rates
[REDACTED]	Construction Management Services	Competitively bid
[REDACTED]	Construction Services	Competitively bid
[REDACTED]	Construction Services	Single Source
[REDACTED]	Construction Services	Single Source
[REDACTED]	Environmental Services	Competitively bid
[REDACTED]	Equipment Rental	Single Source
[REDACTED]	Equipment Rental	Market Based Rates
[REDACTED]	Equipment Rental	Competitively bid
[REDACTED]	Industrial Hygienist	Competitively bid
[REDACTED]	Inspection Services	Market Based Rates
[REDACTED]	Inspection Services	Competitively bid
[REDACTED]	Security Services	Competitively bid
[REDACTED]	Other	Single Source
[REDACTED]	Environmental Services	Single Source
[REDACTED]	Construction Services	Market Based Rates

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11.2.8.4. The following response includes Confidential and Protected Information Pursuant to PUC Section 583, GO 66-C, and D.16-08-024. The table below represents Table 4 detailed costs for Other Direct Costs.

<b>Line 49-22 Phase 2 WOA Estimated and Actual Other Direct Costs Breakdown (WP-III-A393)</b>		
<b>Cost Element by WOA/Function</b>	<b>Phase 2 WOA</b>	<b>Capital (actual)</b>
Construction Contractor	[REDACTED]	[REDACTED]
Construction Management & Support	[REDACTED]	[REDACTED]
Environmental - Abatement	[REDACTED]	[REDACTED]
Environmental - Planning Services	[REDACTED]	[REDACTED]
Engineering & Design Services	[REDACTED]	[REDACTED]
Permits & ROW	[REDACTED]	[REDACTED]
Project Management and Project Services	[REDACTED]	[REDACTED]
Other	[REDACTED]	[REDACTED]
<b>TOTAL OTHER DIRECT COST</b>	[REDACTED]	[REDACTED]

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**QUESTION 11.3:**

**These questions are directed at the workpapers regarding the Line 49-32 Replacement Project.**

- 11.3.1. **With respect to the statement on page WP-III-A397: “Included in this project was 17 feet of pipe accelerated from Phase 2B. The accelerated mileage was included to realize efficiencies and to enhance project constructability.” Table 2 also shows an additional 44 feet included as incidental mileage and breaks the mileage apart for Section 1 and Section 2 of the project.**
- 11.3.1.1. Please describe in specific terms what pipe corresponds to the 17 feet of pipe accelerated from Phase 2B in Section 1 of the project and show the location of the pipe in Figures 3 and 4.
- 11.3.1.2. Please state in detail the basis for including the pipe in the Line 49-32 Section 1 replacement project.
- 11.3.1.3. Please demonstrate that there were cost savings achieved by including the 17 feet of pipe in the Section 1 project accelerated from Phase 2B by showing the cost estimates including and excluding this length of pipe.
- 11.3.1.4. Please describe in specific terms what pipe corresponds to the 44 feet of incidental mileage pipe in Section 1 of the project and show the location of the pipe in Figures 1 and 2.
- 11.3.1.5. Please state in detail the basis for including the incidental mileage pipe in the Line 49-32 Section 1 replacement project.
- 11.3.1.6. Please demonstrate that there were cost savings achieved by including the 44 feet of incidental mileage pipe in Section 1 of the project by showing the cost estimates including and excluding this length of pipe.
- 11.3.1.7. Please describe in specific terms what pipe corresponds to the 1 foot of incidental mileage pipe in Section 2 of the project and show the location of the pipe in Figures 5 and 6.

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- 11.3.1.8. Please state in detail the basis for including the incidental mileage pipe in the Line 49-32 Section 2 replacement project.
- 11.3.1.9. Please demonstrate that there were cost savings achieved by including the 1 foot of incidental mileage pipe in Section 2 of the project by showing the cost estimates including and excluding this length of pipe.

**RESPONSE 11.3.1:**

- 11.3.1.1. The 17 feet of pipe accelerated from Phase 2B is Category 1, installed in 1956-1961. It is reflected by blue dotted marks on the eastern-most portion of the replaced Section 1 pipeline (shown in green) in Figures 1 and 3.
- 11.3.1.2. As stated in Direct Testimony Chapter 2 (Phillips) at page 9, accelerated miles are miles that would otherwise be addressed in a later phase of PSEP under the approved prioritization process, but are advanced to Phase 1A to realize operating and cost efficiencies. The basis for including the 17 feet was for constructability purposes.
- 11.3.1.3. Cost estimates were not created specifically to measure the cost of including versus excluding this pipe. Based on operator knowledge and experience, not including the 17 feet in this project would have required SoCalGas and SDG&E to extend a future Phase 2B project to remediate these 17 feet of pipe.
- 11.3.1.4. The 44 feet of incidental pipe is reflected by pink hash marks on the eastern-and western-most parts of Section 1, within the replaced pipeline (shown in green) on Figures 1 and 3. It is comprised of 14 feet of Category 1 pipe installed in 1956-1961 on the east side of the section and 30 feet of Category 2 pipe installed post-1970 on the west side of the section.
- 11.3.1.5. Line 49-32 was rerouted in order to install less Phase 1A pipe than existed. Due to the shorter route, the west tie-in location moved 30 feet south, resulting in 30 feet of incidental mileage. Additionally, 14 feet of incidental pipe was included at the east tie-in to accommodate the extension of the existing casing at the request of the permitting agency.
- 11.3.1.6. By including 44 feet of incidental pipe, the overall length of the project was reduced. Accordingly, there is no incremental cost attributable to including this 44 feet of incidental pipe.

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- 11.3.1.7. The one foot of incidental pipe is Category 2, post -1970. It is reflected by a single pink hash mark at the southern part of Section 2 within the replaced pipeline (shown in green) on Figures 1 and 3.
- 11.3.1.8. The one foot of incidental pipe was included for constructability purposes.
- 11.3.1.9. There is no incremental cost associated with including the additional foot of pipe. This additional length of pipe was necessary for constructability purposes. This question appears to assume it would have been feasible to exclude the foot of pipe from the scope of the project; however, additional footage on each side of a replacement project is required to complete construction.



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**QUESTION 11.3.2:**

**With respect to the statement on page WP-III-A405: “In order to facilitate pigging in both directions, the boundary of xxxx and xxxx pipe would be moved approximately 160 feet west.”**

- 11.3.2.1. Please describe the boundary to which this statement refers.
- 11.3.2.2. Where was the boundary initially located and where was the boundary finally located? Please show this on Figures 3 and 4.
- 11.3.2.3. Did the movement of the boundary create an incremental cost?
- 11.3.2.4. If the answer to the previous question is “yes,” please identify the cost.

**RESPONSE 11.3.2:**

- 11.3.2.1. The boundary refers to the delineation between Line 49-11 and Line 49-32. At the boundary of the two pipelines, the outside diameter changes. The boundary of the pipelines was relocated to provide an accessible location for a section break, away from the railroad right-of-way, to facilitate assessment of the pipe line using in-line inspection tools.
- 11.3.2.2. The initial boundary was located approximately 160-feet east of the new boundary. Figure 3 and Figure 4 are updated to include reference to the initial and final boundary locations and are located in the attachments folder.
- 11.3.2.3. No.
- 11.3.2.4. Not applicable.

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**QUESTION 11.3.3:**

**With respect to the statement on page WP-III-A408: “Construction was performed by SDG&E Field Operations.”**

- 11.3.3.1. Why did SDG&E choose to have its Field Operations complete the project rather than using a contractor?
- 11.3.3.2. Did SDG&E Field Operations use SDG&E employees to complete this project?
- 11.3.3.3. Did the completion of the project require employee overtime?
- 11.3.3.4. Did the completion of the project require any temporary or contract labor?
- 11.3.3.5. Does SDG&E include the cost of Field Operations employees in its general rate case applications?
- 11.3.3.6. How did SDG&E account for the cost of Field Operations employees that worked on the Line 49-32 replacement project?

**RESPONSE 11.3.3.1:**

- 11.3.3.1. SDG&E elected to have Field Operations complete construction of this project, because the scope is similar to projects SDG&E has performed in the past.
- 11.3.3.2. Yes.
- 11.3.3.3. Yes.
- 11.3.3.4. SDG&E Field Operations subcontracted labor for activities such as traffic control, paving, saw-cutting, and lighting.
- 11.3.3.5. Yes.
- 11.3.3.6. SDG&E Field Operations directly charged hours to a specific PSEP project internal order.

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**QUESTION 11.3.4:**

**With respect to the statement on WP-III-A409: “As described below, the two-week schedule delay was caused by unforeseen conditions encountered in the field which required redesign.”**

- 11.3.4.1. Did the two-week delay require a demobilization/remobilization of the construction site?
- 11.3.4.2. If the answer to the previous question is “yes,” please state the incremental cost associated with the demobilization/remobilization of the construction site.

**RESPONSE 11.3.4:**

- 11.3.4.1. No. The two-week delay did not result in additional mobilization or demobilization. The events resulting in a two-week delay did not occur simultaneously, rather, the events occurred staggered throughout the project, therefore demobilization was not necessary.
- 11.3.4.2. Not applicable.

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**QUESTION 11.3.5:**

**With respect to the statement on WP-III-A409 to WP-III-A410: “Listed below is a summary of the key field changes broken down by type of change for this project:**

**Constructability Issues: Potholing reports indicated the soil conditions to be sandy; however, the impacts of sandy soil were more severe than anticipated. As a result, the following design modifications were made:**

**Originally, the entire length of pipe that was being retired from service was planned to be excavated and removed. After starting construction it became clear this would be too costly, so significant portions were abandoned in place.**

**Changes to the engineered shoring were required in order to safely execute the excavations. The shoring changes necessitated the re-routing of a conduit and removal and replacement of a guard rail at the edge of the construction footprint Power poles in the area had to be reinforced because digging near them could create instability in the pole’s foundation.**

**Removal of a valve, rather than abandoning it in place, was performed to accommodate a future water line planned by the City of San Diego.**

**Clearance issues with the casing and piping on the low-pressure side of Regulator Station 981 required a redesign.**

**Substructures: The sandy soil conditions were unsafe for excavating under the underground 230kV line and necessitated the re-route of the connection for L-49-11-I (lateral that feeds regulator station 1474) to go over it rather under it. This resulted in 5 bends rather than the original plan for just one.**

**Access: Delays in obtaining rail permits from the North County Transit District delayed project completion.**

- 11.3.5.1. Please state the incremental cost associated with the various changes listed under the constructability heading that were driven by the sandy soil.
- 11.3.5.2. Please identify the incremental cost associated with the removal of the 16-inch valve rather than abandoning it in place.
- 11.3.5.3. Please identify the incremental cost associated with the redesign of the piping on the low-pressure side of Regulator Station 981.

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11.3.5.4. Please state the incremental cost associated with the re-routing of the connection for L-459-11-1.

**RESPONSE 11.3.5:**

- 11.3.5.1. Field changes occurred as a result of sandy soil conditions. The work was performed by SDG&E Field Operations personnel and costs were not tracked separately. SoCalGas and SDG&E did not prepare separate cost estimates for the changes due to the sandy soil conditions.
- 11.3.5.2. Abandonment of the main line valve in place was excluded as an alternative design during construction because the valve conflicts with the extension of the casing required as a condition of the permit. Accordingly, SoCalGas and SDG&E did not prepare a cost estimate for this hypothetical alternative.
- 11.3.5.3. There are no discernible incremental direct costs associated with the redesign.
- 11.3.5.4. The work was performed by SDG&E Field Operations personnel and costs were not tracked separately. There may be additional costs for SoCalGas/SDG&E labor and non-construction costs for activities, such as project management and inspection services, that were not tracked and reported separately for this specific activity.

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**QUESTION 11.3.6:**

**With respect to Table 4:**

- 11.3.6.1. Please identify the all costs associated with SDG&E's Field Operations crews in both the Phase 2 WOA and Capital columns.
- 11.3.6.2. Please explain what costs correspond to contract costs in both the Phase 2 WOA and Capital columns of the table.
- 11.3.6.3. Please identify the contractors used and the activities that they pursued that resulted in the contract costs and describe the process for retaining those contractors.
- 11.3.6.4. Please break down the other direct costs by major cost category for both the Phase 2 WOA and Capital columns.

**RESPONSE 11.3.6.1:**

<b>Line 49-32 Phase 2 WOA Estimated Costs and Actual Labor Costs (WP-III-A411)</b>		
	<b>Phase 2 WOA</b>	<b>Capital (actual)</b>
Project Management	\$ 229,534	\$ 274,731
Union Labor	\$ 11,000	\$ 276,809
<b>TOTAL COMPANY LABOR</b>	<b>\$ 240,534</b>	<b>\$ 551,540</b>

**RESPONSE 11.3.6.2:**

<b>Line 49-32 Replacement Project Contract Cost Categories (WP-III-A411)</b>		
<b>Cost Category</b>	<b>Estimated Costs (Phase 2 WOA)</b>	<b>Actual Costs (Capital)</b>
CONTRACT COSTS	<ul style="list-style-type: none"> <li>• Environmental Abatement Services</li> </ul>	<ul style="list-style-type: none"> <li>• Construction Contractor Services</li> <li>• Construction Management Services</li> <li>• Environmental Abatement Services</li> </ul>

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11.3.6.3.

The following response includes Confidential and Protected Information Pursuant to PUC Section 583, GO 66-C, and D.16-08-024. A confidential list of contractors included in the Contract Costs category, type of service and contract type for Line 49-32 Replacement Project is provided in the table below.

<b>Line 49-32 Replacement Project Contracted Services</b>		
<b>NAME</b>	<b>DESCRIPTION</b>	<b>TYPE</b>
[REDACTED]	Construction Contractor Services	Market Based Rates
[REDACTED]	Construction Management Services	Competitively bid
[REDACTED]	Construction Services	Competitively bid
[REDACTED]	Environmental Services	Competitively bid
[REDACTED]	Equipment Rental	Competitively bid
[REDACTED]	Equipment Rental	Single Source
[REDACTED]	Equipment Rental	Market Based Rates
[REDACTED]	Equipment Rental	Competitively bid
[REDACTED]	Environmental Services	Single Source
[REDACTED]	Environmental Services	Competitively bid
[REDACTED]	Environmental Services	Competitively bid
[REDACTED]	Construction Services	Competitively bid
[REDACTED]	Inspection Services	Market Based Rates
[REDACTED]	Inspection Services	Competitively bid
[REDACTED]	Construction Services	Single Sourced
[REDACTED]	Construction Services	Competitively Bid
[REDACTED]	Construction Services	Single Sourced

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11.3.6.4. The following response includes Confidential and Protected Information Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.

<b>Line 49-32 Phase 2 WOA Estimated and Actual Other Direct Costs Breakdown (WP-III-A411)</b>		
<b>Cost Element by WOA/Function</b>	<b>Phase 2 WOA</b>	<b>Capital (actual)</b>
Construction Contractor	[REDACTED]	[REDACTED]
Construction Management & Support	[REDACTED]	[REDACTED]
Environmental - Planning Services	[REDACTED]	[REDACTED]
Engineering & Design Services	[REDACTED]	[REDACTED]
Permits & ROW	[REDACTED]	[REDACTED]
Project Management and Project Services	[REDACTED]	[REDACTED]
Other	[REDACTED]	[REDACTED]
<b>TOTAL OTHER DIRECT COST</b>	[REDACTED]	[REDACTED]



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**QUESTION 20:**

11.4. **These questions are directed at the workpapers regarding the Playa del Rey Phase 4&5 Hydrotest Project.**

11.4.1. **With respect to the statement on WP-III424: “The Performance Partner/Construction Contractor’s TPE was \$xxxx, which is \$xxxx more than the Stage 3 construction contractor direct estimate of \$xxxx that was used to develop the Phase 2 WOA.”**

11.4.1.1. Please provide a copy of the Phase 4 estimate for the Playa del Rey Phase 4&5 Hydrotest Project.

11.4.1.2. Please provide a copy of the Performance Partner’s estimate for the Playa del Rey Phase 4&5 Hydrotest Project.

11.4.1.3. Please reconcile the third redacted cost figure to the contract cost amount found in the Phase 2 WOA column of Table 4.

11.4.1.4. Please reconcile the first redacted cost figure to the contract cost amount found in the O&M column of Table 4.

**RESPONSE 11.4.1.1**

11.4.1.1. **The attached supporting documents include Confidential and Protected Materials Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.** Provided in the attachment folder is a copy of the combined estimate for the Playa del Rey Phase 4 & 5 Hydrotest Project. SoCalGas and SDG&E did not prepare a separate estimate for Phase 4.

11.4.1.2. See the response to TURN-SCGC Q.11.4.1.1.

**SOUTHERN CALIFORNIA GAS COMPANY  
SAN DIEGO GAS & ELECTRIC COMPANY**

**APPLICATION TO RECOVER COSTS RECORDED IN THE  
PIPELINE SAFETY AND RELIABILITY MEMORANDUM ACCOUNTS,  
THE SAFETY ENHANCEMENT EXPENSE BALANCING ACCOUNTS, AND  
THE SAFETY ENHANCEMENT CAPITAL COST BALANCING ACCOUNTS  
(A.16-09-005)**

(DATA REQUEST TURN-SCGC-11)

Date Requested: July 3, 2017

Date Responded: August 22, 2017

11.4.1.3. The following response includes Confidential and Protected Information Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.

<b>Playa del Rey: Estimated Contractor Cost Reconciliation (Phase 2 WOA) -</b>	
<b>Cost Element</b>	<b>O&amp;M (actual)</b>
Construction Contractor TIC (WP-III-A424)	\$ [REDACTED]
Construction Contractor Contingency	\$ [REDACTED]
Other Contracted Services	\$ [REDACTED]
<b>TOTAL ESTIMATED CONTRACT COST (WP-III-A422)</b>	<b>\$ [REDACTED]</b>

11.4.1.4. The following response includes Confidential and Protected Information Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.

<b>Playa Del Rey O&amp;M (Actual) Construction Contractor Cost Reconciliation</b>	
<b>Cost</b>	<b>O&amp;M (actual)</b>
Construction Contractor TPE (WP-III-A424)	\$ [REDACTED]
Change Orders	\$ [REDACTED]
OCIP Credit	\$ [REDACTED]
Risk Reward	\$ [REDACTED]
<b>Total Construction Contractor Actual Costs</b>	<b>\$ [REDACTED]</b>
Construction Management & Support	\$ [REDACTED]
Other	\$ [REDACTED]
<b>TOTAL O&amp;M (actual) CONTRACT COST (WP-III-A427)</b>	<b>\$ [REDACTED]</b>

SOUTHERN CALIFORNIA GAS COMPANY  
SAN DIEGO GAS & ELECTRIC COMPANY

APPLICATION TO RECOVER COSTS RECORDED IN THE  
PIPELINE SAFETY AND RELIABILITY MEMORANDUM ACCOUNTS,  
THE SAFETY ENHANCEMENT EXPENSE BALANCING ACCOUNTS, AND  
THE SAFETY ENHANCEMENT CAPITAL COST BALANCING ACCOUNTS  
(A.16-09-005)

(DATA REQUEST TURN-SCGC-11)

Date Requested: July 3, 2017

Date Responded: August 22, 2017

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**QUESTION 11.4.2:**

With respect to Table 4: Please breakdown the Other Directs figure in the O&M column by major cost category.

**RESPONSE 11.4.2:**

The following response includes Confidential and Protected Information Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.

Playa del Rey - O&M Actual Other Direct Costs Breakdown (WP-III-A427)	
Cost Element by WOA/Function	
Environmental - Planning Services	
Engineering & Design Services	
Permits & ROW	
Project Management and Project Services	
Other	
<b>TOTAL OTHER DIRECT COST</b>	

**BEFORE THE PUBLIC UTILITIES  
COMMISSION OF THE STATE OF CALIFORNIA**

**DECLARATION OF HUGO MEJIA  
REGARDING CONFIDENTIALITY OF CERTAIN DATA/DOCUMENTS  
PURSUANT TO D.16-08-024**

I, Hugo Mejia, do declare as follows:


1. I am a Project and Execution Manager in the Major Programs & Project Controls for San Diego Gas & Electric Company (“SDG&E”) and Southern California Gas Company (“SoCalGas”) designated by Jimmie Cho, Senior Vice President, Gas Operations and System Integrity for SDG&E and SoCalGas. I have been delegated authority to sign this declaration by Mr. Cho. I have reviewed the Response of SoCalGas and SDG&E to the Eleventh Data Request of The Utility Reform Network (TURN) and Southern California Generation Coalition (SCGC) of the California Public Utilities Commission (CPUC) in the Pipeline Safety and Enhancement Plan (PSEP) 2016 Reasonableness Review A.16-09-005 proceeding, submitted concurrently herewith (Response to TURN-SCGC’s Eleventh Data Request). I personally am familiar with the facts and representations in this Declaration, except where stated as based upon my information and belief. If called upon to testify, I could and would testify to the following based upon my personal knowledge and/or information and belief.

2. I hereby provide this Declaration in accordance with Decision (D.) 16-08-024 to demonstrate that the confidential information (Protected Information) provided in the Response to TURN-SCGC’s Eleventh Data Request is within the scope of data protected as confidential under applicable law and pursuant to Public Utilities Code (“PUC”) § 583 and General Order (“GO”) 66-C, as further described in Attachment A. The intervenors in this proceeding (The Utility Reform Network, the Office of Ratepayer Advocates, and Southern California Generation Coalition) have requested that SDG&E and SoCalGas provide their responses to all data requests to all other parties; since this necessarily includes the Office of Ratepayer Advocates, this Declaration has been necessitated.

3. In accordance with the legal authority described herein, the Protected Information should be protected from public disclosure.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed this 18<sup>th</sup> day of August, 2017, at Los Angeles, California.

  
\_\_\_\_\_  
Hugo Mejia  
Project and Execution Manager

## ATTACHMENT A

### **SoCalGas and SDG&E Request Confidential Treatment of the Following Information in Their Response to TURN-SCGC's Eleventh Data Request in A.16-09-005, Application to Recover Costs Recorded in Pipeline Safety & Reliability Memorandum Accounts, Safety Enhancement Capital Costs Balancing Accounts, and Safety Enhancement Expense Balancing Accounts**

SDG&E and SoCalGas designated the vendor bid and pricing information (including rates and invoices) as confidential in their response to TURN-SCGC's Eleventh Data Request in A.16-09-005, Application to Recover Costs Recorded in Pipeline Safety & Reliability Memorandum Accounts, the Safety Enhancement Expense Balancing Accounts, and the Safety Enhancement Capital Cost Balancing Accounts because:

- (1) This data is market-sensitive information and is entitled to confidential treatment under D.11-01-36, 2011 WL 660568 (2011) GO 66-C Sections 2.2(b), 2.8. The disclosure of such information would trigger the protection of section 2.2(b) of G.O. 66-C, which protects “[r]eports, records and information requested or required by the Commission which, if revealed, would place the regulated company at an unfair business disadvantage.” The yellow highlighted portions on the pages identified in the table below fall within the category of vendor identifying information.

<b>DATA / INFORMATION</b>	<b>JUSTIFICATION FOR CONFIDENTIALITY</b>	<b>ATTACHMENTS</b>
Vendor information	<p>Vendor names, bid and pricing information have been marked as confidential protected information as publicly disclosing this information could lead to a competitive disadvantage and potential loss of market share for those vendors.</p> <p><i>See, e.g.</i>, D.11-01-36, 2011 WL 660568 (2011)</p> <p>GO 66-C Sections 2.2(b), 2.8</p> <p>Gov't Code § 6254.15 (disclosure not required for “corporate financial records, corporate proprietary information including trade secrets, and information relating to siting within the state furnished to a government agency by a private company for the purpose of permitting the agency to work with the company in retaining, locating, or expanding a facility within California”)</p> <p>Gov't Code §6254.7(d) (relating to trade secrets)</p> <p>Gov't Code § 6254(k); Evid. Code §1060; Civil Code §3426</p>	<p>Data Request Response: Q11.1.4.1, Q11.1.4.3, Q11.1.4.4, Q11.2.8.3, Q11.2.8.4, Q11.3.6.3, Q11.3.6.4, Q11.4.1.3, Q11.4.1.4 and Q11.4.2</p> <p>Q11.4.01.1 CONFIDENTIAL PDR 4-5 Var Table: pp.1</p> <p>Q11.4.02.1 CONFIDENTIAL PDR Sec 2 Phase 4-5 Cost Estimate: pp.1-26</p>