

**INDICATED SHIPPER DATA REQUEST
IS-SCG-002
SOCALGAS 2019 GRC – A.17-10-008
SOCALGAS RESPONSE
DATE RECEIVED: FEBRUARY 22, 2018
DATE RESPONDED: MARCH 8, 2018**

The following questions relate to the Direct Testimony of Maria T. Martinez, Exhibit SCG-14:

2-1. At MTM-3, Ms. Martinez explains how SoCalGas expanded its program to non-HCA pipelines on a case by case basis.

- a. Please provide 5 years of recorded capital and O&M spending for assessment of non-HCA pipelines.
- b. Referring to Ms. Martinez’s Table MTM-2 at page MTM-5 of her testimony, please identify what percentage of the forecast spending will be spent on the assessment of non-HCA pipelines.

SoCalGas Response 2-1:

- a. The cost data is not available at the level of granularity requested; thus, costs cannot be broken out into HCA versus non-HCA components. In general, the cost for including non-HCA segments as part of the assessment is negligible because the program would add non-HCAs that are contiguous to or near HCAs. For example, a 20-mile pipeline that is piggable and has segments of HCA and non-HCA only has one launch and one receipt point so all segments are inspected and the non-HCA can be viewed as incidental. The table shows 5 years of recorded capital and O&M spending for assessments in nominal thousands of direct-cost dollars.

Direct (000s)	2012	2013	2014	2015	2016
O&M					
ILI	\$24,088	\$22,679	\$20,065	\$20,879	\$20,959
ECDA	\$5,214	\$6,091	\$6,881	\$4,894	\$5,219
Total	\$29,302	\$28,770	\$26,946	\$25,773	\$26,178
Capital					
ILI	\$72,165	\$55,559	\$36,756	\$38,903	\$38,008
ECDA	\$0	\$0	\$0	\$3,638	\$3,315
Total	\$72,165	\$55,559	\$36,756	\$42,541	\$41,323

- b. There will be negligible incremental costs of non-HCA O&M and capital included in the forecasted amounts for 2019 shown on Table MTM-2 at page MTM-5 of Maria Martinez testimony, as explained in response to Question 2-1.a.

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2-2. Please describe how SoCalGas distinguishes Backbone Transmission and Pipeline Transmission from other transmission infrastructure used to deliver gas to and around its distribution system.

SoCalGas Response 2-2:

SoCalGas distinguishes between Backbone Transmission and Local Transmission for ratemaking purposes only. Please refer to SoCalGas' latest TCAP proceeding A.15-07-014, Direct Testimony of Sim-Cheng Fung p. 11 for a full discussion of this topic.

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2-3. Referring to Ms. Martinez’s Table MTM-2 at page MTM-5 of her testimony, she lists the TIMP and DIMP (in 2016 dollars) for “2016 Embedded Base Costs” and “TY 2019 Estimated Incremental.” She provides these based on total O&M and total capital. With respect to the TIMP and DIMP capital and O&M budgets please provide the following:

- a. A planned capital expenditure forecast over the next ten years, for TIMP and DIMP, reflecting the same detail used to produce Table MTM-2.
- b. A breakout of the TIMP capital expenditures by Backbone Transmission and other transmission-related delivery infrastructure.

SoCalGas Response 2-3:

a. SoCalGas objects to this request under Rule 10.1 of the Commission’s Rules of Practice and Procedure on the grounds that the timeframe encompassed in this request is not relevant to the subject matter involved in the pending proceeding and therefore, the burden, expense, and intrusiveness of this request outweighs the likelihood that the information sought will lead to the discovery of relevant and admissible evidence, and is outside the scope of this proceeding.

b. See the objection to Question 2-3.a. Additionally, SoCalGas does not break out costs into these categories because Backbone Transmission and Local Transmission is only used for ratemaking purposes, as explained in response to Question 2-2.

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2-4. Please provide the same data as requested in Question 2-3 (a) and (b) underlying a ten-year projection of O&M costs for TIMP and DIMP programs as listed in Ms. Martinez's testimony at pages MTM-2 and MTM-5.

SoCalGas Response 2-4:

See response to Question 2-3 above.

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2-5. Please provide 5 years of SoCalGas's recorded capital and O&M spending on its TIMP and DIMP programs.

SoCalGas Response 2-5:

This information is provided in Ex. SCG-14-WP, pp. 4-5 for O&M spending and in Ex. SCG-14-CWP, pp. 4, 13, and 27 for capital spending.

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2-6. For the data provided in response to Questions 2-3, 2-4 and 2-5 please identify what percentage of the request is for proposed or completed work beyond what is required for compliance with PHMSA regulations.

SoCalGas Response 2-6:

SoCalGas objects to providing data requested in Questions 2-3, 2-4 and 2-5; therefore, SoCalGas also objects to providing data in this question for the same reasons given on those requests. Subject to and without waiving the foregoing objections, SoCalGas responds as follow: All requested amounts in TY 2019 are required for compliance with PHMSA regulations.

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2-7. Please define “reasonable rates” as used throughout the testimony of Ms. Martinez.

SoCalGas Response 2-7:

The Commission defines and determines reasonable rates. *See, e.g.*, Cal. Pub. Util. Code § 451.

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2-8. Please describe how “reasonable rates” are considered when determining the timing of capital expenditures and incremental O&M that is needed:

- a. To meet the requirements of TIMP and DIMP.
- b. To meet SoCalGas’s safety goals above and beyond TIMP and DIMP requirements.
- c. Please describe with specificity how “reasonable rates” were considered when determining the DIMP and TIMP capital and O&M budget for the period 2017-2019.

SoCalGas Response 2-8:

- a. SoCalGas utilizes design, safety, and regulatory agency standards and cost review processes to optimize the investment in and timing of capital projects and O&M spending to serve gas customers.
- b. See response to Question 2-8.a.
- c. See response to Question 2-8.a.

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2-9. In her Direct Testimony at page MTM-12 beginning at line 9, Ms. Martinez states that SoCalGas's elements of safety culture used in the DIMP and TIMP programs consider data, continual improvement, and risk identification to derive the budget and spending decisions of SoCalGas. With respect to this testimony, please provide the following:

- a. Any other elements of SoCalGas's safety culture not identified in the testimony.
- b. A ten-year capital and O&M budget for DIMP and TIMP programs, by major functional group, demonstrating how SoCalGas's elements of safety culture drove the budgets.

SoCalGas Response 2-9:

- a. Ms. Martinez statements in testimony are not represented to be an all-inclusive list of considered safety culture elements for DIMP and TIMP, but are representative of the majority of the safety elements considered. Safety culture elements are dynamic to account for new information; thus, providing an all-inclusive list is not feasible.
- b. SoCalGas objects to this request under Rule 10.1 of the Commission's Rules of Practice and Procedure on the grounds that the timeframe encompassed in this request is not relevant to the subject matter involved in the pending proceeding and therefore, the burden, expense, and intrusiveness of this request outweighs the likelihood that the information sought will lead to the discovery of relevant and admissible evidence, and is outside the scope of this proceeding.

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2-10. How does SoCalGas define “assessment” as used on page MTM-15 and MTM-16 to refer to “21 ILI assessments” and “20 assessments using ECDA.” Is an assessment based on a discrete test completed or defined by the number of segments assessed?

SoCalGas Response 2-10:

SoCalGas defines assessment as stated in 49 CFR, Subpart O, Section §192.921 on a pipeline basis.

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2-11. Please explain why SoCalGas maintains two separate GIS systems, the High-Pressure Pipeline Database and the Enterprise GIS, rather than one GIS system?

SoCalGas Response 2-11:

This is discussed in the direct testimony of Mr. Omar Rivera, Exhibit SCG-05-R, pp. 65-66.