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December 20, 2012

Mr. Ed Randolph
Director, Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Brigadier General Jack Hagan
Director, CPSD
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

**RE: Southern California Gas Company and San Diego Gas & Electric Monthly
Pipeline Safety Enhancement Plan Status Report**

Dear Mr. Randolph and General Hagan:

Enclosed please find the Monthly Pipeline Safety Enhancement Plan Status Report of Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E) for November 2012 as required per D.12-04-021. D.12-04-021 requires SoCalGas and SDG&E to provide a Monthly Pipeline Safety Enhancement Plan update to the Commission's Energy Division and Consumer Protection and Safety Division as our plan is implemented.

Please feel free to contact me should you have any additional questions regarding this report.

Sincerely,

Jeff Salazar
Regulatory Business Manager

Attachment

CC: Richard Myers, CPUC Energy Division
Belinda Gatti, CPUC Energy Division
Julie Halligan, CPUC CPSD
Sunil Shori, CPUC CPSD

NOVEMBER 2012 PSEP UPDATE

I. Introduction

In D.12-04-021, the Commission directs Southern California Gas (SoCalGas) and San Diego Gas & Electric (SDG&E) are to provide monthly Pipeline Safety Enhancement Plan (PSEP) updates to the Commission's Energy and Consumer Protection and Safety Division as our plan is implemented.¹ This is our update for November 2012.

II. Current Status

SoCalGas and SDG&E have undertaken the following PSEP related activities since our last monthly update dated November 16, 2012.

- Contract negotiations with short listed Program Management Contractor (PMC) and Environmental Contractor are still in progress. A letter of agreement has been signed to conduct pre-mobilization efforts with PMC, but no detailed design and construction support will be implemented until final contracts are approved.
- Insurance program briefings were held with insurance underwriters to introduce them to PSEP and proposed Owner Controlled Insurance Program (OCIP) and coverage types.
- Record search efforts continue and are currently validating records found for Line 317 (priority 78) to potentially remove entire line from phase 1A. Records also recently found for Line 404 (priority #14) and Line 406 (priority #9), and currently evaluating amount of criteria mileage these records will eliminate from the program.
- Participated with PG&E in a workshop on Pipeline Safety Enhancement Program Overview at the California State Association of Counties (CSAC) Conference for state and county officials.
- Preliminary planning in progress for 50 projects. These active projects are listed in Appendix A.
- Continue to perform records review and implement interim safety measures.

III. Costs

- Actual costs tracked in SoCalGas and SDG&E's respective Memorandum Accounts are provided in Appendix B and Appendix C.

¹ D.12-04-021, mimeo., at 7 and 12 (Ordering Paragraph No. 4).

PSEP - SCG / SDG&E
Appendix A - Active Projects List

Pipeline	PSEP Filing Priority	Total Miles	Status ⁽¹⁾	Prominent Diameter	Prominent Vintage	%SMYS ⁽²⁾	Construction Start Date (Est.)
Pipeline-SCG							
2000	1	117.60	Detailed Design ⁽³⁾	30	1947	67%	Mar-13
2001 East	2	7.10	Planning	30	1952	55%	May-13
1005	4	3.50	Planning	22	1949	59%	Dec-13
235 East	5	0.90	Planning	34	1960	72%	Jun-13
2003	6	26.50	Planning	30	1949	36%	Jan-14
407	7	6.30	Planning	30	1951	36%	Nov-13
4000	8	3.70	Planning	36	1960	72%	Jan-14
406	9	20.70	Planning	22	1951	60%	Sep-13
235 West	10	3.10	Planning	30	1957	49%	Apr-13
1013	11	3.5	Planning	30	1954	43%	May-14
1015	12	7.85	Planning	30	1954	43%	May-14
404	14	37.80	Planning	18	1949	50%	Jul-13
2000-0.18-XO2	16	0.01	Planning	20	1961	58%	Mar-13
1020	17	5.70	Planning	30	1959	39%	Jul-13
1014	18	0.00	Planning	30	1957	36%	May-13
1024	20	1.20	Planning	30	1966	36%	Feb-14
247	21	0.08	Planning	16	1944	48%	Jun-13
2000-0.18-BO	23	0.01	Planning	12.75	1952	43%	Mar-13
36-37	38	0.02	Planning	16	1927	40%	Mar-13
42-66-1	40	0.04	Planning	12.75	1937	34%	Feb-13
42-66-2	41	0.03	Planning	12.75	1937	34%	Feb-13
2000-0.18-XO2	43	0.01	Planning	12.75	1952	43%	Mar-13
35-20	44	0.56	Planning	16	1965	43%	Jul-13
3000-261.73-BO	48	0.00	Planning	12.75	1956	33%	Aug-13
3000-261.73-BR	49	0.00	Planning	12.75	1956	33%	Aug-13
44-654	50	0.01	Detailed Design	6.625	1957	32%	Mar-13
41-19	56	0.01	Planning	8.625	1959	33%	Mar-13
43-1106	58	0.14	Detailed Design	16	1952	31%	Jan-13
35-20-A	71	1.32	Planning	12.75	1965	49%	Mar-13
45-120X01	87	0.01	Detailed Design	8.625	1930	26%	Feb-13
41-80	90	1.84	Planning	6.625	1949	42%	Oct-13
41-04ST1	100	0.00	Planning	10.75	1929	29%	Apr-13
41-128	108	0.00	Planning	8.625	1956	34%	Jun-13
41-181	109	0.00	Planning	8.625	1957	33%	Feb-13
35-20-N	113	0.01	Planning	6.625	1929	51%	Feb-13
41-04-I	121	0.38	Planning	8.625	1943	27%	Dec-13
41-17-F	131	0.03	Planning	4.5	1955	30%	Jun-13
41-201	138	0.01	Planning	4.5	1957	36%	Jun-13
41-116	142	0.01	Planning	3.5	1957	23%	Mar-13
41-116BP1	143	0.00	Planning	3.5	1957	34%	Mar-13
36-8-01-C	148	0.16	Planning	4.5	1936	23%	Jun-13
35-20-A1	149	0.30	Planning	8.625	1965	23%	Jan-13
37-18-J	154	0.01	Planning	8.625	1956	24%	Dec-13
41-55	155	0.01	Planning	6.625	1960	44%	Apr-13
41-17-FST1	160	0.00	Planning	4.5	1955	30%	Jun-13
41-117	168	0.00	Planning	3.5	1957	23%	Mar-13
41-6045	170	0.01	Planning	2.375	1948	23%	Jun-13
Pipeline-SDG&E							
49-32	5	0.06	Planning	16	1950	25%	Apr-13

49-26	10	2.62	Planning	12.25	1957	45%	Aug-13
49-22	16	4.04	Planning	10.75	1949	48%	Aug-13

⁽¹⁾ Status Categories: Planning, Detailed Design, Construction, Closeout.

⁽²⁾ The number shown, eg 67% is the stress level of the majority of the pipeline segments.

⁽³⁾ L#2000 because of it's length, will be remediated in two phases. Detailed Design has begun on the first phase.

SCG and SDGE PSEP Cost Report to the Commission for November 2012

Appendix B - Memorandum Account Projects

SCG			(In \$1,000)	
	(In \$1,000)		(In \$1,000)	
	November	Project-To-Date Total	Forecasted Expenditure (est.)	Remaining Spend (under)/over
PSEP Pipeline Projects - Active (as shown in Appendix A) And Not Yet Active Projects				
Hydrotesting of Line 2000	171	326	16,301	(15,975)
Hydrotesting of Line 2001 East	-	-	154	(154)
Hydrotesting of Line 2001 West	-	-	1,107	(1,107)
Hydrotesting of Line 1005	-	-	62	(62)
Hydrotesting of Line 235 East	-	-	1,035	(1,035)
Hydrotesting of Line 2003	-	-	455	(455)
Hydrotesting of Line 407	-	-	129	(129)
Hydrotesting of Line 4000	-	-	103	(103)
Hydrotesting of Line 406	-	-	257	(257)
Hydrotesting of Line 235 West	-	-	70	(70)
Hydrotesting of Line 1013	-	-	66	(66)
Replacement of Line 1015	-	-	2,320	(2,320)
Hydrotesting of Line 1004	-	-	143	(143)
Hydrotesting of Line 404	-	-	342	(342)
Replacement of Line 44-137	-	-	253	(253)
Replacement of Line 2000-0.18-XO2	-	-	17	(17)
Hydrotesting of Line 1020	-	-	121	(121)
Replacement of Line 1014	-	1	272	(271)
Hydrotesting of Line 1024	-	-	1,013	(1,013)
Replacement of Line 247	-	-	456	(456)
Replacement of Line 43-121	1	1	988	(988)
Replacement of Line 33-120	-	-	442	(442)
Replacement of Line 45-120	-	-	950	(950)
Replacement of Line 32-21	-	-	3,842	(3,842)
Replacement of Line 41-6000-2	-	-	2,706	(2,706)
Replacement of Line 36-9-09 North	-	-	2,533	(2,533)
Replacement of Line 36-9-06	-	-	1,234	(1,234)
Replacement of Line 36-9-06-A	-	-	637	(637)
Replacement of Line 37-18-K	-	-	768	(768)
Replacement of Line 1011	-	-	464	(464)
Replacement of Line 36-37	-	-	288	(288)
Replacement of Line 42-66-1	-	-	233	(233)
Replacement of Line 42-66-2	-	-	171	(171)
Replacement of Line 35-20	-	-	901	(901)
Replacement of Line 37-18	-	2	486	(483)
Replacement of Line 37-18-F	-	-	148	(148)

SCG and SDGE PSEP Cost Report to the Commission for November 2012
Appendix B - Memorandum Account Projects

SCG (continued)		(In \$1,000)		(In \$1,000)	
		November	Project-To-Date Total	Forecasted Expenditure (est.)	Remaining Spend (under)/over
39	PSEP Pipeline Projects - Active (as shown in Appendix A) And Not Yet Active Projects				
40	Replacement of Line 3000-261.73-BO	-	-	159	(159)
42	Replacement of Line 3000-261.73-BR	-	-	164	(164)
43	Replacement of Line 44-654	-	-	1,812	(1,812)
44	Replacement of Line 31-09	-	-	66	(66)
45	Replacement of Line 41-19	-	-	752	(752)
46	Replacement of Line 43-1106	-	-	342	(342)
47	Replacement of Line 33-121	-	-	24	(24)
48	Hydrotesting of Line 33-121	-	-	1,678	(1,678)
49	Replacement of Line 36-1006	-	-	363	(363)
50	Replacement of Line 36-1032	-	-	316	(316)
51	Replacement of Line 35-20-A	-	-	741	(741)
52	Replacement of Line 35-10	-	-	232	(232)
53	Replacement of Line 1172 ID 2313 2	-	-	441	(441)
54	Hydrotesting of Line 317	-	-	156	(156)
55	Replacement of Line 38-200	-	-	15	(15)
56	Replacement of Line 45-120X01	-	-	472	(472)
57	Replacement of Line 41-80	-	-	78	(78)
58	Replacement of Line 35-22	-	-	143	(143)
59	Replacement of Line 36-1002	-	-	570	(570)
60	Replacement of Line 44-687	-	-	175	(175)
61	Replacement of Line 35-20-N	-	-	458	(458)
62	Replacement of Line 30-32	-	-	169	(169)
63	Replacement of Line 41-04-I	-	-	202	(202)
64	Replacement of Line 41-17-F	-	-	949	(949)
65	Hydrotesting of Storage Fields	2	2	600	(598)
66	Program Management Activities	383	1,197	2,000	(803)
67	Total SCG PSEP Pipeline Projects - Active (as shown in Appendix A) And Not Yet Active Projects	557	1,529	54,546	(53,017)

- (1) Costs reflect actuals for the month of November and project-to-date costs from May 2012 to November 2012.
- (2) Project costs do not reflect year to date actuals. There is some lag time in getting costs posted.
- (3) Forecasted expenditures are estimated costs from May 2012 to May 2013.
- (4) Costs are in nominal direct dollars.
- (5) Costs recovery will include indirects and applicable overheads.
- (6) As of November 2012, the SCG balance in the Pipeline Safety and Reliability Memorandum Account reflects a balance of \$15,302,375 which includes balancing account interest and is reduced for costs incurred prior to February 24, 2011 (i.e., the effective date of R.11-02-019).
- (7) As of November 2012, the SDGE balance in the Pipeline Safety and Reliability Memorandum Account reflects a balance of \$1,341,905 which includes balancing account interest and is reduced for costs incurred prior to February 24, 2011 (i.e., the effective date of R.11-02-019).

SCG and SDGE PSEP Cost Report to the Commission for November 2012
Appendix B - Memorandum Account Projects

SDGE			(in \$1,000)		
			(in \$1,000)		
			November	Project-To-Date Total	
PSEP Pipeline Projects - Active (as shown in Appendix A) And Not Yet Active Projects			Forecasted Expenditure (est.)	Remaining Spend (under)/over	
69	Replacement of Line 49-28	-	-	962	(962)
70	Replacement of Line 49-17	-	-	1,078	(1,078)
71	Replacement of Line 49-25	-	-	491	(491)
72	Replacement of Line 49-32	-	-	118	(118)
73	Replacement of Line 49-16	-	-	2,002	(2,002)
74	Replacement of Line 49-11	-	-	101	(101)
75	Replacement of Line 49-18	-	-	903	(903)
76	Replacement of Line 1600	-	-	1,240	(1,240)
77	Replacement of Line 49-26	-	-	563	(563)
78	Replacement of Line 49-27	-	-	142	(142)
79	Replacement of Line 49-14	-	-	215	(215)
80	Replacement of Line 49-15	-	-	566	(566)
81	Replacement of Line 49-13	-	-	381	(381)
82	Program Management Activities	28	264	300	(36)
83	Total SDGE PSEP Pipeline Projects - Active (Appendix A) And Not Yet Active Projects	28	264	9,062	(8,798)
84					

- (1) Costs reflect actuals for the month of November and project-to-date costs from May 2012 to November 2012.
- (2) Project costs do not reflect year to date actuals. There is some lag time in getting costs posted.
- (3) Forecasted expenditures are estimated costs from May 2012 to May 2013.
- (4) Costs are in nominal direct dollars.
- (5) Costs recovery will include indirects and applicable overheads.
- (6) As of November 2012, the SCG balance in the Pipeline Safety and Reliability Memorandum Account reflects a balance of \$15,302,375 which includes balancing account interest and is reduced for costs incurred prior to February 24, 2011 (i.e., the effective date of R.11-02-019).
- (7) As of November 2012, the SDGE balance in the Pipeline Safety and Reliability Memorandum Account reflects a balance of \$1,341,905 which includes balancing account interest and is reduced for costs incurred prior to February 24, 2011 (i.e., the effective date of R.11-02-019).

SCG and SDGE PSEP Cost Report to the Commission for November 2012

Appendix B

Projects Originally Identified in Memorandum Account Request But Have Since Been Remediated Outside of PSEP

SCG		(in \$1,000)		(in \$1,000)	
		November	Project-To-Date Total	Bridge Period (est.)	Remaining Spend (under)/over
85	PSEP Pipeline Projects - Remediated Outside of PSEP (1)				
86	Replacement of Line 408XO1	-	-	225	-
87	Replacement of Line 1171LT2	-	-	275	-
88	Replacement of Line 30-6200	-	-	177	-
89	Replacement of Line 37-49	-	-	5,810	-
90	Replacement of Line 45-163	-	-	208	-
91	Replacement of Line 43-34	-	-	3,117	-
92	Replacement of Line 1171LT1BP2	-	-	309	-
93	Replacement of Line 42-46	-	-	364	-
94	Replacement of Line 41-199	-	-	154	-
95	Replacement of Line 35-6416	-	-	667	-
96	Replacement of Line 41-30-A	-	-	163	-
97	Replacement of Line 41-25-A	-	-	1,026	-
98	Replacement of Line 41-30	-	-	1,002	-
99	Hydrotesting of Line 41-90	-	-	196	-
100	Replacement of Line 41-84	-	-	446	-
101	Replacement of Line 41-84-A	-	-	684	-
102	Replacement of Line 42-46-F	-	-	169	-
103	Total SCG PSEP Pipeline Projects - Remediated Outside of PSEP (1)	-	-	14,992	-
104					

(1) Pipelines have been or are being remediated outside of PSEP, primarily by the Transmission Integrity Management Program (TIMP).

SCG and SDGE PSEP Cost Report to the Commission for November 2012
Appendix C - Records Review and Interim Safety Measure Costs

SCG		(In \$1,000)		(In \$1,000)	
	November	Project-To-Date Total	Forecasted Expenditure (est.)	Remaining Spend (under)/over	
1					
2					
3	(1)	579	760	(181)	
4	-	10,309	10,309	-	
5	-	195	195	-	
6	-	440	546	(106)	
7	(1)	11,524	11,811	(287)	
Total SCG Records Review and Interim Safety Measure Costs					
SDGE		(In \$1,000)		(In \$1,000)	
	November	Project-To-Date Total	Forecasted Expenditure (est.)	Remaining Spend (under)/over	
8					
9					
10	2	24	37	(13)	
11	-	997	997	-	
12	-	3	3	-	
13	-	1	1	-	
14	2	1,026	1,039	(13)	
Total SDGE Records Review and Interim Safety Measure Costs					

(1) Costs reflect actuals for the month of November and project-to-date costs from February 2011 to November 2012.

(2) Forecasted expenditures are estimated costs from February 2011 to May 2013

(3) Costs are in nominal direct dollars.

(4) Costs recovery will include indirects and applicable overheads.

(5) As of November 2012, the SCG balance in the Pipeline Safety and Reliability Memorandum Account reflects a balance of \$15,302,375 which includes balancing account interest and is reduced for costs incurred prior to February 24, 2011 (i.e., the effective date of R.11-02-019).

(6) As of November 2012, the SDGE balance in the Pipeline Safety and Reliability Memorandum Account reflects a balance of \$1,341,905 which includes balancing account interest and is reduced for costs incurred prior to February 24, 2011 (i.e., the effective date of R.11-02-019).