



Jeff Salazar  
Regulatory Business Manager  
Regulatory Affairs  
555 West Fifth Street, GT14D6  
Los Angeles, CA 90013-1011  
Tel: 213.244.5916  
Fax: 213.244.4957  
jlsalazar@semprautilities.com

April 18, 2013

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

Brigadier General Jack Hagan  
Director, Safety and Enforcement Division  
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 March 2013 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  
Elizaveta Malashenko, CPUC Safety and Enforcement Division  
Sunil Shori, CPUC Safety and Enforcement Division

## March 2013 PSEP Update

### I. Introduction

In D.12-04-021, the Commission directs Southern California Gas (SoCalGas) and San Diego Gas & Electric (SDG&E) to provide monthly Pipeline Safety Enhancement Plan (PSEP) updates to the Commission's Energy and Consumer Protection and Safety Division as the plan is implemented.<sup>1</sup> Attached is the update for March 2013.

### II. Current Status

SoCalGas and SDG&E have undertaken the following PSEP related activities since the last monthly update dated March 14, 2013.

- The PSEP Master Schedule was approved for Phase 1A activities. The master project schedule supports the resource loading and staffing plans for the engineering, design and construction management efforts for the project. The first update on the baseline schedule was conducted for March 29<sup>th</sup>, and will be published in April.
- The PSEP Safety Plan has been completed. The Safety Plan provides an overview of the basic safety requirements to be followed on all PSEP projects and will be used as a reference for each project's Job Specific Safety Plan (JSSP) to be completed prior to the start of construction.
- A Safety and Owner Controlled Insurance Program (OCIP) presentation was developed for SoCalGas and SDG&E pipeline contractors seeking to do work on PSEP. The purpose of the presentation was to introduce new and enhanced safety requirements that PSEP will be implementing on all projects.
- Supply Management held a DBE Outreach event on March 8<sup>th</sup> for PSEP. Over 200 DBE contractors attended the event. The hope is that PSEP will create more opportunities for new DBE contractors to participate in SoCalGas and SDG&E work.
- Joint PSEP project overview presentation at California's League of Cities conference on February 28<sup>th</sup> with PG&E. Over 25 Directors of Public Works attended the panel presentation.
- Construction is scheduled to begin on L-2000 in June for hydro testing. The Project Execution team has received engineering packages from SPEC Services and completed their technical review. Hydrostatic test calculations were finalized jointly between Jacobs and SoCalGas Engineering teams.
- Engineering work on L-235 West, L-407, and L-1005 continue in order to meet 4<sup>th</sup> quarter construction start dates. The scope on each of the projects has been reduced due to records being found.

---

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

- Record search efforts continued to find additional records in March. As a result, planning work on L-35-20, L-1020, and L-2001 East are on hold pending additional record validation that will remove or reduce project scope. Also, record search efforts on L-404, L-406, and L-2003 indicate that these lines will likely be reduced in project scope. Lastly, record search work continues on L-1013 and L-1015, with significant reductions in project scope already determined to-date.
- Planning on L-1014 has also been placed on hold in order to determine the best mitigation approach for the 8 foot section of Category 4 pipeline.
- Continue to perform records review and implement interim safety measures as listed in Appendix C.

### III. **Costs**

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

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

Pipeline	PSEP Filing Priority	Total Miles	Project Lifecycle Stage <sup>(1)</sup>	Prominent Diameter	Prominent Vintage	%SMYS <sup>(2)</sup>	Construction Start Date (Est.)
<b>Pipeline-SCG</b>							
2000 <sup>(3)</sup>	1	117.6 <sup>(3)</sup>	4-Detailed Design <sup>(3)</sup>	30	1947	67%	Jun-13
1005	4	3.50	2-Selection	22	1949	59%	Nov-13
2003	6	26.50	2-Selection	30	1949	36%	TBD <sup>(5)</sup>
407	7	6.30	2-Selection	30	1951	36%	Nov-13
406	9	20.70	2-Selection	22	1951	60%	Jul-14
235 West	10	3.10	2-Selection	30	1957	49%	Sep-13
1013	11	3.50	1-Project Initiation	30	1954	43%	TBD <sup>(5)</sup>
1015	12	7.85	1-Project Initiation	30	1954	43%	TBD <sup>(5)</sup>
404	14	37.80	1-Project Initiation	18	1949	50%	Sep-14
44-137	15	1.00	1-Project Initiation	20	1950	43%	Jan-14
247	21	0.08	1-Project Initiation	16	1944	48%	May-14
43-121	22	4.41	1-Project Initiation	26	1930	42%	Oct-13
33-120	24	1.25	1-Project Initiation	22	1940	44%	Dec-14
45-120	25	4.30	1-Project Initiation	22	1930	26%	Nov-14
32-21	26	10.23	1-Project Initiation	20	1948	48%	Nov-15
36-9-09 North	29	16.02	1-Project Initiation	8.625	1932	46%	Mar-15
36-9-06	30	7.92	1-Project Initiation	16	1953	25%	Jul-15
36-9-06-A	31	2.64	1-Project Initiation	16	1953	25%	Apr-15
36-37	38	0.02	1-Project Initiation	16	1970	40%	Jul-13
42-66-1	40	0.04	1-Project Initiation	12.75	1947	34%	Jun-13
42-66-2	41	0.03	1-Project Initiation	12.75	1947	34%	Jun-13
44-654	50	0.01	3-Project Definition	6.625	1957	32%	Dec-13
45-163	54	0.91	1-Project Initiation	16	1966	37%	TBD <sup>(5)</sup>
41-19	56	0.01	1-Project Initiation	12.75	1957	35%	Aug-13
33-121	59	0.16	1-Project Initiation	26	1955	42%	Jan-14
36-1032	64	1.54	1-Project Initiation	8.625	1963	39%	TBD <sup>(5)</sup>
35-20-A	71	1.32	1-Project Initiation	12.75	1965	49%	Apr-14
41-30-A	80	0.26	1-Project Initiation	12.75	1940	37%	Jul-13
41-30	82	3.95	1-Project Initiation	10.75	1953	31%	Mar-14
38-200	86	0.23	1-Project Initiation	12.75	1948	23%	Aug-13
45-120X01	87	0.01	4-Detailed Design	8.625	1930	26%	Aug-13
41-80	90	1.84	1-Project Initiation	6.625	1949	42%	May-14
41-04-I	121	0.38	1-Project Initiation	8.625	1943	28%	Oct-13
41-17-F	131	0.03	1-Project Initiation	4.5	1955	30%	Aug-13
41-17	133	3.57	1-Project Initiation	8.625	1955	32%	Jan-14
Storage <sup>(4)</sup>	- <sup>(4)</sup>	2.83	1-Project Initiation	various <sup>(4)</sup>	various <sup>(4)</sup>	various <sup>(4)</sup>	various <sup>(4)</sup>
<b>Pipeline-SDG&amp;E</b>							
49-28	1	4.89	1-Project Initiation	16	1996	10%	Jun-14
49-32	5	0.06	1-Project Initiation	16	1950	25%	Sep-13
49-11	7	6.30	1-Project Initiation	20	1969	31%	Jan-14
49-26	10	2.62	1-Project Initiation	12.25	1957	45%	Nov-14
49-22	16	4.04	1-Project Initiation	10.75	1949	48%	Oct-13

<sup>(1)</sup> Stage Categories: - These categories represent seven stages of a pipeline project's lifecycle. Stage 1 Project Initiation, Stage 2 Selection, Stage 3 Project Definition, Stage 4 Detailed Design/Procurement, Stage 5 Construction, Stage 6 Start-up/Turn-over, and Stage 7 Close-out.

<sup>(2)</sup> The number shown, e.g. 67% is the stress level of the majority of the pipeline segments.

<sup>(3)</sup> L-2000, because of its length, will be remediated in two phases. Detailed Design has begun on the first phase.

<sup>(4)</sup> There are many segments of Storage lines, therefore there are too many lines to distinguish predominant pipe diameters, vintage, %SMYS, and construction start dates for each Storage lines.

<sup>(5)</sup> Records research conducted is indicating that there will likely be scope changes. Therefore, until records research is completed, construction start dates cannot be determined at this time.

**SCG and SDGE PSEP Cost Report to the Commission for March 2013**  
**Appendix B - Memorandum Account Projects**

SCG	( in \$1,000)		( in \$1,000)	
PSEP Pipeline Projects - Active (as shown in Appendix A) And Not Yet Active Projects	March	Project-To-Date Total	Forecasted Expenditure (est.)	Remaining Spend (under)/over
Line 2000	769	3,339	16,301	(12,962)
Line 2001 West	17	17	1,107	(1,090)
Line 1005	39	70	62	8
Line 2003	30	59	455	(396)
Line 407	62	105	129	(24)
Line 406	125	167	257	(90)
Line 235 West	75	97	70	27
Line 1013	18	19	66	(47)
Line 1015	11	11	2,320	(2,308)
Line 1004	1	2	143	(141)
Line 404	38	130	342	(213)
Line 44-137	2	2	253	(251)
Line 2000-0.18-XO2	-	-	17	(17)
Line 1014	4	10	272	(262)
Line 247	-	1	456	(455)
Line 43-121	42	46	988	(942)
Line 33-120	2	2	442	(440)
Line 44-66	-	-	-	-
Line 45-120	-	-	950	(950)
Line 32-21	1	1	3,842	(3,841)
Line 41-6000-2	-	-	2,706	(2,706)
Line 36-9-09 North	-	-	2,533	(2,533)
Line 36-9-06	-	-	1,234	(1,234)
Line 36-9-06-A	2	2	637	(635)
Line 37-18 K	1	1	768	(767)
Line 36-37	-	-	464	(464)
Line 42-66-1	-	-	288	(288)
Line 42-66-2	-	-	233	(233)
Line 35-20	-	1	171	(170)
Line 37-18	2	2	901	(899)

**SCG and SDGE PSEP Cost Report to the Commission for March 2013**  
**Appendix B - Memorandum Account Projects**

SCG (continued)	( in \$1,000)		( in \$1,000)	
PSEP Pipeline Projects - Active (as shown in Appendix A) And Not Yet Active Projects	March	Project-To-Date Total	Forecasted Expenditure (est.)	Remaining Spend (under)/over
Line 37-18 F	1	1	486	(485)
Line 44-654	-	-	164	(164)
Line 31-09	2	2	1,812	(1,811)
Line 41-19	-	-	66	(66)
Line 33-121	3	3	342	(338)
Line e 33-121	-	-	24	(24)
Line 36-1006	-	-	1,678	(1,678)
Line 36-1032	4	4	363	(359)
Line 35-20-A	1	2	316	(315)
Line 35-10	-	-	741	(741)
Line 1172 ID 2313 2	-	-	232	(232)
Line 41-30-A	2	2	163	(161)
Line 41-30	2	2	1,002	(1,001)
Line 38-200	-	-	156	(156)
Line 45-120X01	-	1	15	(14)
Line 45-163 - Active	-	-	208	(208)
Line 1171LT1BP2 - Inactive	-	-	309	(309)
Line 41-80	2	2	472	(470)
Line 35-22	-	-	78	(78)
Line 36-1002	-	-	143	(143)
Line 44-687	-	-	570	(570)
Line 35-20-N	-	-	175	(175)
Line 30-32	2	2	458	(456)
Line 41-04-I	2	2	169	(167)
Line 41-17-F	4	4	202	(198)
Line 41-17	1	5	949	(944)
Line 41-25	2	3	-	3
Line 41-05	2	2	-	2
Line 37-18 J	11	31	-	31
Line 1020	17	60	121	-
Line 2001 East	34	43	154	-

**SCG and SDGE PSEP Cost Report to the Commission for March 2013**  
**Appendix B - Memorandum Account Projects**

SCG (continued)	( in \$1,000)		( in \$1,000)	
	March	Project-To-Date Total	Forecasted Expenditure (est.)	Remaining Spend (under)/over
<b>PSEP Pipeline Projects - Active (as shown in Appendix A) And Not Yet Active Projects</b>				
Storage Fields	51	91	600	(509)
Communications *	9	26	-	26
Construction *	287	606	-	606
Engineering *	765	1,614	-	1,614
Training *	110	475	-	475
Gas Control *	5	32	-	32
Environmental *	146	215	-	215
Supply Management *	342	2,244	-	2,244
Insurance *	-	2,815	-	2,815
General Administration *	720	1,111	-	1,111
Program Management Office *	792	1,654	2,000	(346)
<b>Total SCG PSEP Pipeline Projects - Active (as shown in Appendix A) And Not Yet Active Projects</b>	<b>4,560</b>	<b>15,136</b>	<b>52,578</b>	<b>(37,271)</b>

\*Overhead allocation pools have been established. Dollars accumulated in overhead allocation pools will be distributed to specific PSEP projects when work occurs on those specific projects.

Overall Table Notes:

- (1) Costs reflect actuals for the month of March and project-to-date costs from May 2012 to March 2013.
- (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 loaders.
- (6) As of March 2013, the SCG balance in the Pipeline Safety and Reliability Memorandum Account reflects a balance of \$25,737,432 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 March 2013, the SDGE balance in the Pipeline Safety and Reliability Memorandum Account reflects a balance of \$1,380,172 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 March 2013**  
**Appendix B - Memorandum Account Projects**

SDGE	( in \$1,000)		( in \$1,000)	
	March	Project-To-Date Total	Forecasted Expenditure (est.)	Remaining Spend (under)/over
<b>PSEP Pipeline Projects - Active (as shown in Appendix A) And Not Yet Active Projects</b>				
Line 49-28	-	-	962	(962)
Line 49-17	-	-	1,078	(1,078)
Line 49-19	-	-	-	-
Line 49-25	-	-	491	(491)
Line 49-32	8	34	118	(83)
Line 49-16	-	-	2,002	(2,002)
Line 49-11	-	-	101	(101)
Line 49-18	-	-	903	(903)
Line 1600	-	-	1,240	(1,240)
Line 49-26	-	-	563	(563)
Line 49-20	-	-	-	-
Line 49-27	-	-	142	(142)
Line 49-18	-	-	-	-
Line 49-14	-	-	215	(215)
Line 49-15	-	-	566	(566)
Line 49-22	8	28	-	28
Line 49-13	-	-	381	(381)
Communications *	1	4	-	4
Construction *	39	74	-	74
Engineering *	103	200	-	200
Training *	-	2	-	2
Gas Control *	1	5	-	5
Environmental *	17	31	-	31
Supply Management *	-	337	-	337
Insurance *	347	386	-	386
General Administration *	58	109	-	109
Program Management Office (PMO) *	108	228	300	(72)
<b>Total SDGE PSEP Pipeline Projects - Active (Appendix A) And Not Yet Active Projects</b>	<b>691</b>	<b>1,437</b>	<b>9,062</b>	<b>(7,625)</b>

\* Overhead allocation pools have been established. Dollars accumulated in overhead allocation pools will be distributed to specific PSEP projects when work occurs on those specific projects.

Overall Table Notes:

- (1) Costs reflect actuals for the month of March and project-to-date costs from May 2012 to March 2013.
- (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 loaders.
- (6) As of March 2013, the SCG balance in the Pipeline Safety and Reliability Memorandum Account reflects a balance of \$25,737,432 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 March 2013, the SDGE balance in the Pipeline Safety and Reliability Memorandum Account reflects a balance of \$1,380,172 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 March 2013

## Appendix B

### Projects Originally Identified in Memorandum Account Request But Have Since Been Remediated or Removed from Phase 1A

SCG	( in \$1,000)		( in \$1,000)	
PSEP Pipeline Projects - Remediated Outside of Phase 1A or Removed Due to Successful Locating of Records	March	Project-To-Date Total	Bridge Period (est.)	Remaining Spend (under)/over
Line 235 East	6	6	1,035	-
Line 4000	33	35	103	-
Line 1018	-	-	-	-
Line 1024	1	2	1,013	-
Line 1025	-	-	-	-
Line 765BR4	-	-	-	-
Line 408XO1	-	-	225	-
Line 1171LT2	-	-	275	-
Line 30-6200	-	-	177	-
Line 3000-261.73-BO	-	-	148	-
Line 3000-261.73-BR	-	-	159	-
Line 37-49	-	-	5,810	-
Line 43-34	-	-	3,117	-
Line 43-1106	-	-	752	-
Line 42-46	-	-	364	-
Line 53	-	-	-	-
Line 41-199	-	-	154	-
Line 1172BP3	-	-	-	-
Line 1172BP2ST4	-	-	-	-
Line 1017BR4	-	-	-	-
Line 1017BR5	-	-	-	-
Line 1017BR6	-	-	-	-
Line 1017BR7	-	-	-	-
Line 317	-	-	441	-
Line 35-6416	-	-	667	-
Line 41-25-A	-	-	1,026	-
Line 41-90	-	-	196	-
Line 30-02	-	-	-	-
Line 32-90	-	-	-	-
Line 1017BP1	-	-	-	-

# SCG and SDGE PSEP Cost Report to the Commission for March 2013

## Appendix B

### Projects Originally Identified in Memorandum Account Request But Have Since Been Remediated or Removed from Phase 1A

<b>SCG</b> (continued)	( in \$1,000)		( in \$1,000)	
<b>PSEP Pipeline Projects - Remediated Outside of Phase 1A or Removed Due to Successful Locating of Records</b>	March	Project-To-Date Total	Bridge Period (est.)	Remaining Spend (under)/over
Line 1017BP2	-	-	-	-
Line 1017BP3	-	-	-	-
Line 35-6405	-	-	-	-
Line 41-84	-	-	446	-
Line 41-84-A	-	-	684	-
Line 42-57	-	-	-	-
Line 765-8.24-BO	-	-	-	-
Line 765-8.24-BR	-	-	-	-
Line 38-351	-	-	-	-
Line 44-1008	-	-	-	-
Line 44-181	2	2	-	-
Line 8107	-	-	-	-
Line 42-46-F	-	-	169	-
Line 775BO1	-	-	-	-
Line 775	-	-	-	-
Line 30-6292	-	-	-	-
Line 36-6588	-	-	-	-
Line 36-1001	-	-	-	-
Line 30-6799BR1	-	-	-	-
Line 30-6799	-	-	-	-
Line 36-9-21BR1	1	1	-	-
Line 41-198	-	-	-	-
Line 36-7-04	-	-	-	-
Line 41-05-A	-	-	-	-
Line 41-116BP1	1	1	-	-
Line 169	-	-	-	-
Line 30-09-A	-	-	-	-
Line 35-40	-	-	-	-
Line 1003LT2	-	-	-	-
Line 30-6543	-	-	-	-
Line 35-6520	-	-	-	-
Line 37-6180	-	-	-	-
Line 41-101	-	-	-	-
Line 1172BP2ST3	-	-	-	-
Line 30-6209	-	-	-	-

# SCG and SDGE PSEP Cost Report to the Commission for March 2013

## Appendix B

Projects Originally Identified in Memorandum Account Request But Have Since Been Remediated or Removed from Phase 1A

<b>SCG</b> (continued)	( in \$1,000)		( in \$1,000)	
	March	Project-To-Date Total	Bridge Period (est.)	Remaining Spend (under)/over
<b>PSEP Pipeline Projects - Remediated Outside of Phase 1A or Removed Due to Successful Locating of Records</b>				
Line 41-83	-	-	-	-
Line 1172BP2ST1	-	-	-	-
Line 41-6045	1	1		
Line 6100	-	-	-	-
Line 41-141	-	-	-	-
Line 35-6405BR1	-	-	-	-
Line 5009	-	-	-	-
Line 1019BP1	-	-	-	-
Line 1170 ID502-T 1	-	-	-	-
Line 1171 ID567-P 13	-	-	-	-
Line 3000 East	-	-	-	-
<b>Total PSEP Pipeline Projects - Remediated Outside of Phase 1A or Removed Due to Successful Locating of Records</b>	<b>46</b>	<b>48</b>	<b>16,960</b>	-

## SCG and SDGE PSEP Cost Report to the Commission for March 2013

### Appendix C - Records Review and Interim Safety Measure Costs

SCG	( in \$1,000)		( in \$1,000)	
	March	Project-To-Date Total	Forecasted Expenditure (est.)	Remaining Spend (under)/over
Leak Survey and Pipeline Patrol	50	871	760	111
Records Review	676	14,423	10,309	4,114
Pressure Protection Equipment	-	195	195	-
Other Remediation	1	442	546	(104)
<b>Total SCG Records Review and Interim Safety Measure Costs</b>	<b>726</b>	<b>15,931</b>	<b>11,811</b>	<b>4,121</b>

SDGE	( in \$1,000)		( in \$1,000)	
	March	Project-To-Date Total	Forecasted Expenditure (est.)	Remaining Spend (under)/over
Leak Survey and Pipeline Patrol	5	34	37	(3)
Records Review	-	1,186	997	189
Pressure Protection Equipment	-	3	3	-
Other Remediation	-	1	1	-
<b>Total SDGE Records Review and Interim Safety Measure Costs</b>	<b>5</b>	<b>1,225</b>	<b>1,039</b>	<b>186</b>

Overall Table Notes:

- (1) Costs reflect actuals for the month of March and project-to-date costs from May 2012 to March 2013
- (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 loaders
- (6) As of March 2013, the SCG balance in the Pipeline Safety and Reliability Memorandum Account reflects a balance of \$25,737,432 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 March 2013, the SDGE balance in the Pipeline Safety and Reliability Memorandum Account reflects a balance of \$1,380,172 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).