SoCalGas

Angeles Link Phase 1 Reasonableness Review
Chapter 4 Workpapers: High Level Feasibility Assessment & Permitting Analysis

I. Introduction

This workpaper provides details on the prudent and reasonable activities taken to develop the High Level Feasibility and Permitting Analysis (Permitting Analysis) in compliance with Decision (D.) 22-12-055 (Phase 1 Decision),[1] including details on study costs and management and cost control measures. The total loaded cost associated with the Permitting Analysis is $0.4 million in operating and maintenance (O&M) expenditures for Phase 1 activities [2]

II. Study Costs

A combination of internal and external resources was utilized to effectively execute the Permitting Analysis. Direct costs for these activities reflect labor costs (e.g., internal personnel) and non-labor costs (e.g., third-party contractors and miscellaneous costs associated with supporting Angeles Link Phase 1 activities).[3] Indirect costs reflect costs for overhead loaders.[4] The total loaded cost for the Permitting Analysis is $0.4 million. Table 1 provides additional cost details.

Table 1: Permitting Analysis Total Costs (in millions)

Labor	Non-Labor	Overheads	Total Loaded Costs
$0.1	$0.2	$0.1	$0.4

[1] Phase 1 Decision OP 3(a), 3(e), 3(h), 5(a), 5(c), 5(d), and 7 (Phase 1 Decision at 73-77). The activities were scoped and conducted in compliance with the Phase 1 Decision in its entirety, which includes broader requirements than those required for cost recovery, including OP 6(i) and OP 6(n) (*id.* at 76-77). Phase 1 Decision OP 6 requirements to advance to Phase 2 are being addressed in A.24-12-011.

[2] Expenditures for these activities were incurred from January 2023 through December 2024, with some discrete trailing charges in 2025.

[3] *See* Chapter 1 (Direct Testimony of Shirley Arazi and Amy Kitson) for description of miscellaneous costs.

[4] *See* Chapter 6 (Direct Testimony of Jenny Chhuor and Michael W. Foster) for a description of overhead costs.

A. Labor Costs

Labor costs for the Permitting Analysis total $0.1 million and consist of support from SoCalGas personnel within the Angeles Link organization (e.g., project managers, directors, and subject matter experts (SMEs), as well as personnel from other departments in areas such as general administration, regulatory and policy, and public affairs).[5] The subject matter expertise within SoCalGas was utilized throughout the development of the Permitting Analysis, including collaboration with personnel from Environmental Services. Leveraging this institutional knowledge allowed for alignment with company standards, industry codes, and technical requirements, while reducing costs and reliance on third-party contractors.

Labor costs reflect the following activities:

- Assigned staff including a dedicated project manager with expertise in land-use planning as well as engineers.
- Determined assumptions, inputs, scope, and objectives for the study, in alignment with the Phase 1 Decision.
- Managed contractor, including review of progress, activities, and invoices.
- Provided review, feedback, and comments on contractor deliverables.
- Collaborated with Angeles Link personnel to align workstreams and support integration across studies.
- Closely collaborated with the Environmental Services (ES) Department, from the initial contractor selection through review of the final study.
- Supported preparation of quarterly reports in alignment with Phase 1 Decision.
- Collaborated on technical evaluation and report development.

[5] *See* Chapter 1 (Direct Testimony of Shirley Arazi and Amy Kitson) for additional labor costs details.

B. Non-Labor Costs

Non-labor costs for the Permitting Analysis total $0.2 million and consist of third-party contractor costs and miscellaneous expenses. Examples of non-labor cost activities include the following:

- Participating in meetings to gather pertinent information based on scope objectives.
- Conducting technical evaluations, including coordination and data exchange with other Phase 1 Studies and the regulatory and policy requirements informing the study.
- Collaborating with internal SoCalGas personnel to align efforts.
- Managing the study through cost tracking, schedule oversight, and overall progress monitoring.
- Reviewing milestone deliverables, quarterly reports, and stakeholder comments and responses, as appropriate.

The following section provides details on the third-party contractor and contract amendments necessary to conduct the Permitting Analysis.

SoCalGas awarded Rincon a not-to-exceed (NTE) contract for $250,000[6] to develop the Permitting Analysis. In October 2023, the original contract was terminated with $99,270 billed and issued a new NTE contract for $150,730 as of October 2023, through November 2024. The amount re-authorized was equal to the original contract amount minus the amount incurred. No subsequent amendments occurred. Total incurred costs from Rincon was $174,406.

SoCalGas utilized study and cost control measures to oversee the scope of the study and management of contractors, including:

- Following a structured invoicing and cost management process in accordance with SoCalGas policies. Invoices were reviewed against activities and

[6] Where applicable, SoCalGas entered into agreements that were set at market-based rates stemming from prior competitive solicitations (e.g., MSA) to select vetted and qualified firms and leverage their expertise in preparing each study. Rincon's MSA with SoCalGas was originally executed on April 1, 2020, subsequently amendment 1 on April 26, 2024 to update the previous compensation labor rates, effective as of April 1, 2024.

deliverables to confirm that costs accurately reflect work performed. This approach provided transparency in expense tracking and enabled contractor work to progress in accordance with the agreed timeline and costs.

- Holding routine meetings with the contractor to manage the scope and schedule of deliverables, addressing technical questions as they arose, and providing clear work direction.