

Company: Southern California Gas Company (U 904 G)
Proceeding: 2024 General Rate Case – Track 3
Application: A.22-05-015/-016 (cons.)
Exhibit: SCG-T3-PSEP-04

PREPARED REBUTTAL TESTIMONY OF
BILL KOSTELNIK
(PIPELINE SAFETY ENHANCEMENT PLAN – PSEP)

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



August 29, 2025

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	GENERAL REBUTTAL – CAL ADVOCATES.....	3
A.	Issue #1 – Cal Advocates double counts disallowances already acknowledged by SoCalGas.....	3
B.	Issue #2 – Cal Advocates miscalculated their proposed disallowances for straight-time labor, employee benefits, and indirect costs.	4
C.	Issue #3 – The proposed evidence required by Cal Advocates is unreasonable.....	5
III.	REBUTTAL TO CAL ADVOCATES PROPOSALS	9
A.	Cal Advocates – Straight Time Labor, Employee Benefits, and Indirect Costs.....	9
1.	Issue #4 – SoCalGas’s PSEP hiring practices were reasonable, and evidence of incrementality supports SoCalGas’s request.	9
2.	Issue #5 – Cal Advocates Witness Banarsee’s calculation of employee benefit costs for replacement projects is erroneous.	15
3.	Issue #6 – Cal Advocates Witness Chow’s calculation of indirect costs for the miscellaneous cost category is erroneous.	16
B.	Cal Advocates – Project Execution-Related Cost Reductions (i.e., “Other adjustments”)	16
1.	Issue #7 – SoCalGas’s costs associated with the acquisition of Line 306 are reasonable.....	16
2.	Issue #8 – Permitting, environmental, and easement costs related to the Santa Barbara County Valve Enhancement Project - Lions are reasonable.	17
3.	Issue #9 – Witness Banarsee’s cost reductions include several flaws and should not be relied on by the Commission.....	19
4.	Issue #10 – SoCalGas’s replacement project costs are reasonable; Witness Banarsee’s testimony is mistaken regarding replacement project execution practices, and the associated disallowances were derived using flawed logic.....	23
IV.	CONCLUSION.....	33
	APPENDIX A.....	A-1
	APPENDIX B	B-1
	APPENDIX C	C-1
	APPENDIX D.....	D-1
	APPENDIX E	E-1

**PREPARED REBUTTAL TESTIMONY OF
BILL KOSTELNIK
(PIPELINE SAFETY ENHANCEMENT PLAN – PSEP)**

I. INTRODUCTION

This rebuttal testimony regarding SoCalGas’s request for recovery of capital and O&M expenditures associated with the Pipeline Safety Enhancement Plan (PSEP) (as sponsored by Witness Bill Kostelnik) addresses the following testimony from other parties:¹

- The Public Advocates Office of the California Public Utilities Commission (Cal Advocates) as submitted by:
 - S. Hunter (Exhibit CA-01), dated July 2025.
 - M. Weaver (Exhibits CA-02 & CA-03), dated July 2025.
 - A. Banarsee (Exhibit CA-04-E), Errata dated August 2025.
 - E. Chow (Exhibit CA-05), dated July 2025.

Cal Advocates proposes \$81.9 million in reductions associated with SoCalGas’s request. The disallowances are primarily associated with two general categories. These areas include: (1) certain costs that Cal Advocates contends are not incremental, because they are “already funded through existing rates,” and included in “authorized GRC revenues;”² and (2) project execution-related costs that are not justified because SoCalGas “cannot provide sufficient information to validate that costs incurred were necessary, incremental, and aligned with approved project scope.”³ Broadly speaking, these categories pertain to internal labor, labor-related overhead, and employee benefits (\$47.2 million), and execution-related costs related to the reasonableness of SoCalGas’s project management actions⁴ (\$34.7 million), respectively. In addition to these broader categories of proposed disallowances, Cal Advocates double-counts

¹ The absence of a response to any particular issue in this rebuttal testimony does not imply or constitute agreement by SoCalGas with the proposal or contention made by these or other parties.

² Report on the Results of Operations for Southern California Gas Company San Diego Gas & Electric Company General Rate Case Test Year 2024 of Stacey Hunter on behalf of Cal Advocates (Exhibit (Ex.) CA-01) at 6.

³ Report on the Results of Operations for Southern California Gas Company San Diego Gas & Electric Company General Rate Case Test Year 2024 (Errata) of Amrisha Banarsee on behalf of Cal Advocates (Ex. CA-04-E) at 7-8.

⁴ This category includes \$40k of disputed costs related to SoCalGas’s purchase of Line 306 from PG&E.

1 previously acknowledged and recorded disallowances in compliance with D.14-06-017 that have
2 already been removed from SoCalGas's request in this proceeding. In this testimony, I also
3 identify errors in Cal Advocates' calculation of proposed disallowances.

4 SoCalGas fully complied with providing the additional information required in D.24-12-
5 074 and agreed to by the parties (including Cal Advocates) in the Track 3 Joint Case
6 Management Statement, and has executed on the PSEP in completing the projects under review
7 as directed by the Commission. SoCalGas's labor, overhead, and employee benefit costs are
8 necessary to achieve the objectives of PSEP and show the projects being reviewed are reasonable
9 and justified investments.⁵ One of the four main objectives of PSEP since its inception is to
10 maximize the cost-effectiveness of safety investments, which is in clear alignment with the
11 Commission's affordability objectives. PSEP is an unprecedented incremental program, focused
12 on pipeline and infrastructure safety, that the Commission mandated following the San Bruno
13 pipeline explosion (and codified in Public Utilities Code §§ 957 and 958). Given the
14 Commission's requirement that PSEP work be done "as soon as practicable,"⁶ SoCalGas
15 reasonably employed a combination of existing resources filled behind with incremental
16 resources, new hires, and contractors to meet the demands of PSEP's aggressive schedule in an
17 efficient manner. Further, SoCalGas's project management and execution actions are
18 reasonable, as described in detail in SoCalGas's 1,570 pages of supporting project-specific
19 workpapers that were originally included as part of the record in Track 1 of this proceeding, and
20 supplemented with 104 pages of additional workpaper pages as part of Track 3.

21 SoCalGas has a record of strong showings in reasonableness reviews in the PSEP
22 program and has provided extensive evidence showing the reasonableness of the costs requested
23 in this Track of the GRC.⁷ As stated at the PHC, SoCalGas and SDG&E provided 2,053 pages
24 of testimony and workpapers in just Track 1 of this proceeding, and more in this track, all
25 demonstrating that the requests and calculations are supported. Consistent with this showing,
26 SoCalGas's request should be approved in this proceeding.

⁵ D.24-12-074 at 40.

⁶ D.11-06-017 at 19.

⁷ It is worth noting that, in Track 1, the assigned Cal Advocates witness met with SoCalGas and was provided an overview of the PSEP showing. Had a similar meeting been held in Track 3, several of the mistaken assumptions/conclusions made by Cal Advocates may have been mitigated.

II. GENERAL REBUTTAL – CAL ADVOCATES

The purpose of this section is to provide clarifications on how Cal Advocates misrepresents disallowances in the testimony of Stacey Hunter, and also how Cal Advocates' disallowance calculations are erroneous based on SoCalGas's review. Additionally, I will address Cal Advocates' contention of what should constitute an adequate showing to demonstrate reasonableness.

A. Issue #1 – Cal Advocates double counts disallowances already acknowledged by SoCalGas.

As stated in the testimony of Bill Kostelnik, SoCalGas acknowledged \$1.584 million in disallowed costs, as ordered by the Commission in D.14-06-007 (modified by D.15-12-020).⁸ These costs are primarily associated with projects addressing pipeline segments originally installed on or after January 1, 1956, that lack sufficient records of a post-construction pressure test. In Tables 1-3 in Cal Advocates Witness Hunter's testimony, the total costs requested by SoCalGas and recommended reductions from Cal Advocates are shown as the net of the disallowed costs acknowledged by SoCalGas.⁹ Witness Hunter states, "Cal Advocates recommends that SCG be authorized recovery of \$39.429 million in Direct O&M expenses and \$376.214 million in Direct capital compared to SCG's request for recovery of \$45.243 million in Direct O&M expenses and \$452.277 million in Direct capital expenditures."¹⁰ However, both capital figures are incorrect as they erroneously reduce the recommendation by the already excluded disallowances. Therefore, these capital figures should be \$377.798 million (Cal Advocates proposed) and \$453.861 million (SoCalGas requested). The acknowledged disallowed costs have already been removed from the balances of the applicable regulatory accounts, which are shown in the Regulatory Accounts testimony of Rae Marie Yu, Exhibit SCG-38-R-E, in Track 1 of this proceeding (this testimony was not necessary to resubmit in Track 3).¹¹

⁸ Prepared Direct Testimony of Bill G. Kostelnik on behalf of SoCalGas (Ex. SCG-T3-PSEP-01) at BGK-A-42 – BGK-A-43.

⁹ Ex. CA-01 (Hunter) at 3.

¹⁰ *Id.* at 2 (emphasis added); The characterization of these costs as "Direct" is also incorrect since the figures also include indirects and are presented in SoCalGas's testimony as fully loaded figures.

¹¹ In addition, the disallowed amounts for SoCalGas are \$1.42 million O&M and \$0.162 million capital (totaling \$1.58 million), not 100% capital as shown in Witness Hunter's Table 1-3.

B. Issue #2 – Cal Advocates miscalculated their proposed disallowances for straight-time labor, employee benefits, and indirect costs.

Cal Advocates has overstated their proposed disallowances related to straight-time labor, employee benefits, and indirect costs, leading to a recommended reduction of \$47.2 million that should be \$42.6 million, even if the CPUC were to adopt Cal Advocates' own methodology. Based on the calculations provided in Cal Advocates' workpapers, SoCalGas reproduced the calculations that Cal Advocates performed in recommending their disallowances.¹² These figures are presented below in Table 1. While some amounts calculated by SoCalGas are higher, others are lower, leading to an overall variance of \$4.63 million. The largest contributors to this variance are the employee benefits addressed by Witness Banarsee in Ex. CA-04-E (\$3.85 million variance) and indirect costs addressed by Witness Chow in Ex. CA-05 (\$1.07 million).¹³ The errors made by Witnesses Banarsee and Chow in calculating the aforementioned figures are discussed in Section IV.A.3. below.

Table 1 – Cost reduction reconciliation summary (millions)

SCG	Categories	Rep	Hydro Test	Derate/ Aband.	Valve	Misc. Costs	Total
Cal Advocates Testimony		CA-04 ¹⁴	CA-03	CA-03	CA-02,03	CA-05	
Labor	SCG Costs	9.15	2.48	2.41	10.2	0.657	24.88
Labor	CalPA Proposed Adj	8.46	2.48	2.42	11.0	0.620	25.00
	Delta: over/ (under)	(0.688)	0.005	0.008	0.824	(0.037)	0.11
Benefits	SCG Costs	0.353	0.044	0.058	0.139	0.004	0.597
Benefits	CalPA Proposed Adj	4.20	0.044	0.058	0.154	0.004	4.46
	Delta: over/(under)	3.85	0.0000001	0.00002	0.015	-	3.86
Indirects	SCG Costs	-	2.65	2.75	11.1	0.597	17.10
Indirects	CalPA Proposed Adj	-	2.21	2.74	11.1	1.67	17.72
	Delta: over/(under)	-	(0.445)	(0.003)	(0.001)	1.07	0.62
Total	SCG Costs	9.50	5.17	5.22	21.44	1.26	42.58
Total	CalPA Proposed Adj	12.7	4.73	5.22	22.3	2.29	47.2

¹² See supplemental workpapers provided by witnesses Banarsee (Ex. CA-04-WP), Weaver (Ex. CA-02-WP & Ex. CA-03-WP), and Chow (Ex. CA-05-WP).

¹³ There is general agreement between the other witnesses' calculations and SoCalGas's calculations using Cal Advocates' methodology, as evidenced by the low variance amounts, which net out to - \$0.322 million across the 12 other categories shown in Table 1.

¹⁴ Witness Banarsee did not recommend any indirect cost disallowances in Ex. CA-04-E.

SCG	Categories	Rep	Hydro Test	Derate/ Aband.	Valve	Misc. Costs	Total
	Delta: over/(under)	3.16	(0.441)	0.005	0.838	1.03	4.63

C. Issue #3 – The proposed evidence required by Cal Advocates is unreasonable.

Cal Advocates’ witnesses claim that SoCalGas has not included enough, or the right kind, of information to allow them to properly assess whether SoCalGas has incurred its costs reasonably. Witness Hunter states¹⁵:

SCG’s and SDG&E’s applications lacked necessary supporting documentation for recorded costs to verify and demonstrate that all the costs recorded to the PSEP memorandum accounts are reasonable. In future reasonableness review applications, the Commission should order the utility to provide full documentation supporting its request with the application, including line-item details, invoices to support contractor payments, and timesheets or journal entries to support the utility’s internal work on each initiative.

As mentioned above, Witness Banarsee similarly states¹⁶:

SCG asserts in its testimony that it provided supporting cost documentation, but the workpapers submitted fail to include detailed cost records, contractor invoices, internal labor logs, or journal entries necessary to evaluate reasonableness.

SoCalGas’s testimony and workpapers, provided in both Track 1 and Track 3, follow an evidentiary showing that has been used and found to warrant recovery in prior proceedings. The first Commission decision that approved the PSEP Phase 1 analytical approach laid out the minimum filing requirements that became the basis for the first PSEP reasonableness review¹⁷:

When SDG&E and SoCalGas file applications to demonstrate the reasonableness of Safety Enhancement they will bear the burden of proof that the companies used industry best practices and that their actions were prudent. This is not a “perfection” standard: it is a standard of care that demonstrates all actions were well planned, properly supervised and all necessary records are retained.

¹⁵ Ex. CA-01 (Hunter) at 3.

¹⁶ Ex. CA-04-E (Banarsee) at 6.

¹⁷ D.14-06-007 at 36-37.

1 The testimony and workpapers that SoCalGas submitted, in the present Track 3
2 reasonableness review, and also in prior filings (A.14-12-016, A.16-09-005, A.18-11-010), met
3 these requirements in D.14-06-007. These filings have been guided by the reasonable manager
4 standard, which is summarized in my Track 3 testimony:

5 The act of the utility should comport with what a reasonable manager of sufficient
6 education, training, experience and skills using the tools and knowledge at his
7 disposal would do when faced with a need to make a decision and act; [...] the
8 action taken should logically be expected, at the time the decision is made, to
9 accomplish the desired result at the lowest reasonable cost consistent with good
10 utility practices[.]¹⁸

11 There's a range of outcomes that define reasonableness, and it's based on what the
12 manager knew or should have known at the time that the decisions were made.¹⁹

13 In preparing its Track 3 testimony and workpapers, SoCalGas sought to satisfy the reasonable
14 manager standard while also addressing the Commission's request in D.24-12-074 (and agreed
15 upon by parties in the Joint Case Management Statement).²⁰ The information provided includes,
16 most importantly, a focus on variance explanations. SoCalGas and SDG&E have provided a
17 robust level of detail—higher than what was deemed satisfactory for the Commission to make
18 determinations of reasonableness in previous reasonableness reviews.²¹

19 In focusing on cost variances, SoCalGas thoroughly researched its project costs,
20 particularly those where project costs exceeded estimated amounts, to identify project cost
21 impacts (including cost savings). This process required the reassessment of each project file,
22 going back to 2014 in some instances, to analyze project scope, construction activities, schedule,
23 and specific factors that influence cost fluctuations. In addition, the team sought additional

¹⁸ D.90-09-088 at 171 (Finding of Fact (FOF) 14).

¹⁹ D.05-01-054 at 14. *See also* D.19-02-004 at 7 (“[C]osts must have been prudently incurred by competent management exercising the best practices of the era, and using well-trained, well-informed and conscientious employees and contractors who are performing their jobs properly. When that occurs, the commission can find the costs incurred by the utility to be just and reasonable and therefore, they can be recovered from ratepayers”).

²⁰ 2024 GRC Track 3 Joint Case Management Statement (January 25, 2025) at 4.

²¹ D.16-12-063 at 58-59 (Conclusions of Law (COL) 1, 4, 6-18, 20-22), 60-61 (Ordering Paragraphs (OP) 1-4, 6-14); D.19-02-004 at 13, 15, 97-99 (FOF 12, 13-24, 26-34), 99-104 (COL 2-48). D.20-08-034 did not opine on the reasonableness of SoCalGas's actions but did authorize \$935 million of \$939 million in total costs after accounting for acknowledged disallowances, through approval of a settlement agreement that was found reasonable in light of the entire record.

1 insight by consulting with original project personnel, construction contractors, and other relevant
2 stakeholders. Once cost impacts were identified, additional resources were engaged to assist
3 with quantifying the cost impact. As stated in my testimony, these cost impacts were included in
4 a new section added to the supplemental workpapers, Section IV.D.

5 Despite this significant showing beyond previous reasonableness reviews, Cal Advocates
6 argues that there is an insufficient evidentiary showing here, and the evidence is insufficient to
7 show costs are just and reasonable. Cal Advocates states that “detailed cost records, contractor
8 invoices, internal labor logs, or journal entries” are “necessary to evaluate reasonableness.”²² In
9 response to seven different data requests propounded by Cal Advocates requesting “line item
10 detail,” SoCalGas submitted 98 attachments comprising detailed cost reports for all 87 projects
11 and various miscellaneous activities included in my testimony. In some cases, the number of
12 lines of data included in these files numbered in the tens of thousands. Each line-item charge
13 typically has a corresponding file, such as an invoice, journal entry, timesheet, or other data
14 supporting the charge.

15 Additionally, Cal Advocates asserts that, in order to demonstrate costs incurred are
16 “aligned with approved project scope,”²³ project execution-related documents would have to be
17 compiled and submitted with the testimony. SoCalGas retains in its OpenText and Project
18 Delivery Management System (PDMS) platforms approximately 300 different categories of
19 document types, including coating inspection forms, completion drawings/sketch sets, design
20 data sheets, form 2112s, Bundle B package, material/heat test reports, material records, material
21 transfer orders, notice of operation (NOP) records, odor conditioning, purchase orders, redlines,
22 strength test assemblies, survey data files, valve traceability documents, weld inspection reports,
23 welding procedures, and work orders. As one example of the exhaustive recordkeeping that
24 SoCalGas undertakes for a construction project that can span several years, OpenText currently
25 contains 5,284 documents for the SL45-120 Section 2 Replacement Project (*see* Table 2
26 below).²⁴ Across the overall PSEP portfolio, which includes projects outside the scope of
27 Track 3, there are 952 Project workspaces that include a total of 670,947 documents loaded.

²² Ex. CA-04-E (Banarsee) at 6.

²³ *Id.* at 8.

²⁴ Another 1,101 documents for this project are stored in PDMS although some may be duplicated from OpenText.

Table 2 – Documents loaded into OpenText for the SL45-120 Sec. 2 Replacement Project

Stage	Number of Documents
Stage 1 – Project Initiation	12
Stage 2 – Test or Replace Analysis	43
Stage 3 – Begin Detailed Planning	66
Stage 4 – Detailed Design/Procurement	271
Stage 5 – Construction	4,870
Stage 6 – Place into Service	3
Stage 7 – Closeout	19
Total	5,284

The burden that such an excessive, voluminous showing would create would be a detriment both to the Commission, SoCalGas, intervenors, and ratepayers, because of the resources that would be necessary to both compile and review such an enormous dataset, and could ultimately increase costs. In pursuing this level of detail in this proceeding, Cal Advocates' expectation and analysis are more akin to an audit of SoCalGas's project costs. Cal Advocates did not request to audit SoCalGas's records, which SoCalGas would have obliged. In fact, Cal Advocates has audited PSEP records in the past, supporting A.14-12-016 (which resulted in no cost adjustments being proposed). SoCalGas extends the invitation to Cal Advocates to have access to our records to assuage any concerns or doubts about the reasonableness of the costs included here. Although such documentation is unnecessary, SoCalGas is providing representative samples of this documentation, including the supporting invoices identified by Witness Banarsee as not provided²⁵ for the SL45-120 Section 2 Replacement project (Appendices C and D)²⁶. The invoices provided, which are only a portion of the total amount (>600) for the environmental and construction management cost categories, consist of 49 invoices comprising 783 pages. Extracting and marking these documents for confidentiality was extremely time intensive.²⁷ Spending ratepayer dollars to perform this degree of cost data compilation is not a productive use of SoCalGas's resources.

²⁵ Ex. CA-04-E (Banarsee) at 5.

²⁶ SoCalGas has similar documentation for all 87 projects included in this Application.

²⁷ This exercise required approximately 190 hours from several dedicated individuals. With the understanding that the 49 invoices represent only a fraction of the total invoices for the Supply Line

III. REBUTTAL TO CAL ADVOCATES PROPOSALS

A. Cal Advocates – Straight Time Labor, Employee Benefits, and Indirect Costs

1. Issue #4 – SoCalGas’s PSEP hiring practices were reasonable, and evidence of incrementality supports SoCalGas’s request.

Across the categories of straight time labor, employee benefits, and indirect costs, Cal Advocates proposes a disallowance of \$47.2 million for capital and O&M.²⁸ Cal Advocates contends that SoCalGas is not able to demonstrate that these costs were not already accounted for in base rates from the GRCs that were in place at the time Track 3 PSEP projects were implemented. Cal Advocates’ witnesses’ claim on this issue should be disregarded because: (1) the witness it relies on inapt Data Request responses; (2) evidence shows that the PSEP program resulted in an increase in incremental resources; and (3) SoCalGas’s PSEP expenditures were tracked using business controls and were authorized, recorded, and recovered through separate balancing accounts (Safety Enhancement Expense Balancing Account [SEEBA] and Safety Enhancement Capital Cost Balancing Account [SECCBA]), which isolate activities and costs from base GRC funding.²⁹ As previously stated, SoCalGas has a record of Commission approval in PSEP reasonableness reviews for its strong showings.

a. SoCalGas’s Data Request responses concern new PSEP hires, not the incrementality of all work.

To support its claim that SoCalGas’s costs were not incremental, Cal Advocates’ witnesses rely on SoCalGas’s response to data request PubAdv-SCG-409-MW5 Questions 1a-d, 1f, which states: “SoCalGas does not generally track whether employees were hired specifically for a given program and SoCalGas’s data related to employee hirings does not specify if they were hired to support a specific program.” SoCalGas’s response to this data request provided a list of employees who charged time to the PSEP projects included in this Application who were hired between 2011 and 2019. This list, which totaled 533 employees who were all hired

45-120 Section 2 replacement project, the 190 hours spent on this effort multiplied by the total number of projects in this filing (87) extrapolates to 16,530 hours. This is illustrative of why such an effort would be administratively burdensome if it were to be a requirement.

²⁸ It is worth noting that the cost reductions proposed for this category (straight time labor, employee benefits, and indirect costs) are unrelated to the supplemental information provided by SoCalGas.

²⁹ D.14-06-007 at 60 (OP 4).

1 externally, demonstrates the incremental demands of the PSEP program and the need to obtain
2 support from myriad employees across the company's various business units. SoCalGas's
3 Human Resources data, lacking the specificity needed to ascertain whether an employee was
4 hired specifically for PSEP, is not a reason to disallow cost recovery for labor costs, benefits, and
5 indirect costs for these employees. Whether an employee was specifically hired to work only on
6 PSEP is not determinative whether the work requested in this reasonableness review is
7 incremental.

8 For all PSEP employees to be new hires solely for one program, SoCalGas and its
9 ratepayers would have to bear the burden of incurring significant costs to bring on new
10 resources, provide benefits to them, slowing down the PSEP program and the Commission's
11 mandate to complete the work "as soon as practicable," and then finding other work for these
12 individuals to perform once the PSEP program concludes or changes. Such an approach would
13 be unreasonable, as the Commission has noted in other PSEP proceedings.³⁰ In reaching this
14 conclusion, the Commission previously considered arguments raised by intervenors that
15 SoCalGas should have hired fewer contractors and more full-time employees. The Commission
16 specifically responded, "SoCalGas and SDG&E argue that workforce limitations were and
17 remained a concern and that they attempted to recruit personnel in all project work activities with
18 limited success. Even if there were hundreds of qualified personnel available for hire, SCGC's
19 argument [that the program should be staffed with new hires] does not consider the long-term
20 implications of hiring hundreds of employees without sufficient work to do."³¹

21 **b. Ample evidence supports the incrementality of SoCalGas's**
22 **request in this reasonableness review.**

23 Decision 23-02-017, which concerns the incrementality of PG&E's reasonableness
24 review of wildfire costs, states that "Generally, costs are incremental if, in addition to completing

³⁰ D.16-12-063 at 48 ("SoCalGas and SDG&E acted prudently and reasonably in their hiring efforts for the PSEP. There is no dispute that PSEP was created as a result of a catastrophic event (i.e. the 2009 San Bruno Pipeline explosion), and the Commission directed that the PSEP be completed 'as soon as practicable'. SoCalGas and SDG&E engaged contractors and managed the cost of hiring them through competitive bidding services. Since the staffing for the PSEP was not meant to be permanent, it was reasonable for SoCalGas and SDG&E to seek to fill employment positions through the use of contractors. [...] Taken together, we conclude that SoCalGas and SDG&E acted reasonably when they engaged in their hiring efforts." (citations omitted)).

³¹ *Id.* at 47 (citation omitted).

1 the planned work that underlies the authorized costs, the utility had to procure additional
2 resources, be they in labor or materials, to complete the new activity.”³² SoCalGas is able to
3 demonstrate that “additional resources” were in fact procured that supported the PSEP program,
4 and this is borne out not only by the data SoCalGas provided in response to data request
5 PubAdv-SCG-409-MW5, but also by headcount data from the same time period that PSEP was
6 implemented. In addition, the need for rapid work required SoCalGas to quickly use both
7 existing and new resources to meet PSEP’s needs (and backfill positions left open).

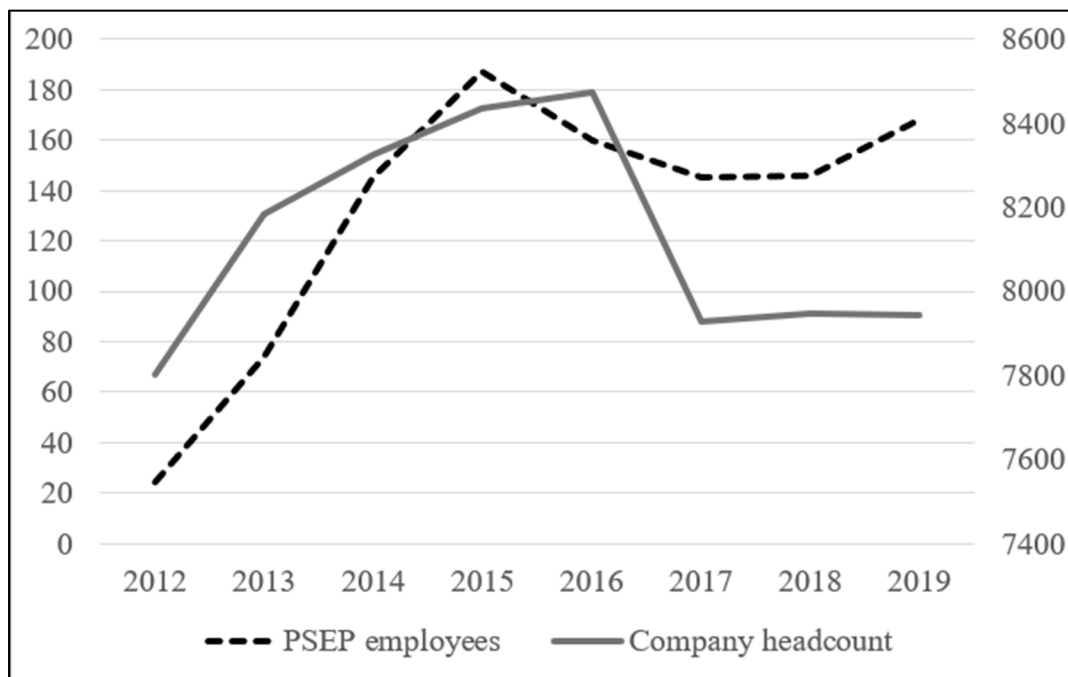
8 SoCalGas’s overall company headcount increased significantly during the period that
9 early PSEP projects were being planned as the PSEP organization was being staffed. The
10 headcount increased from 7,800 in 2012 to a peak of 8,472 in 2016. During this same time
11 frame, the number of employees charging cost centers mapped to the PSEP organization
12 followed the same trend (*see* Figure 1 below). The decrease in company employees that
13 followed, from 2016-2017, is generally attributed to a voluntary retirement program that the
14 company offered as a means of reducing headcount, while the PSEP program experienced a
15 slight decrease in activity as many of the Phase 1A projects (PSEP’s highest priority projects)
16 were being completed. PSEP was beginning its transition away from reasonableness reviews and
17 toward forecasting future work as ordered by the Commission in D.16-08-003. Still, the project
18 work underway from 2011 to 2019 was substantial: the four PSEP reasonableness reviews
19 (including Track 3) with active projects during this period comprised 227 projects across
20 SoCalGas and SDG&E.

21 In fact, the correlation between the increase in PSEP employees and SoCalGas headcount
22 during the 2012-2016 period provides clear evidence of incrementality. SoCalGas did not
23 undertake incremental work comparable to the size and scope of PSEP during this time frame.
24 The hiring was directly related to the need to obtain the support needed to begin planning,
25 engineering, and executing PSEP projects. Further, the increase in headcount coincided with
26 SoCalGas and SDG&E’s 2012 GRC decision (D.13-05-010), which authorized only a 6.2%
27 increase against SoCalGas’s 15.2% request. The work under the PSEP program was above and

³² D.23-02-017 at 27. This Decision is also cited by Cal Advocates’ Witness Chow, *see* Report on the Results of Operations for Southern California Gas Company San Diego Gas & Electric Company General Rate Case Test Year 2024 of Emily Chow on behalf of Cal Advocates (Ex. CA-05) at 12.

beyond SoCalGas's normal business operations, which would have been funded in the 2012 GRC, the period when the PSEP projects in this proceeding began to incur costs.

Figure 1 – SoCalGas Company Headcount Increased as PSEP Efforts Were Ramping Up



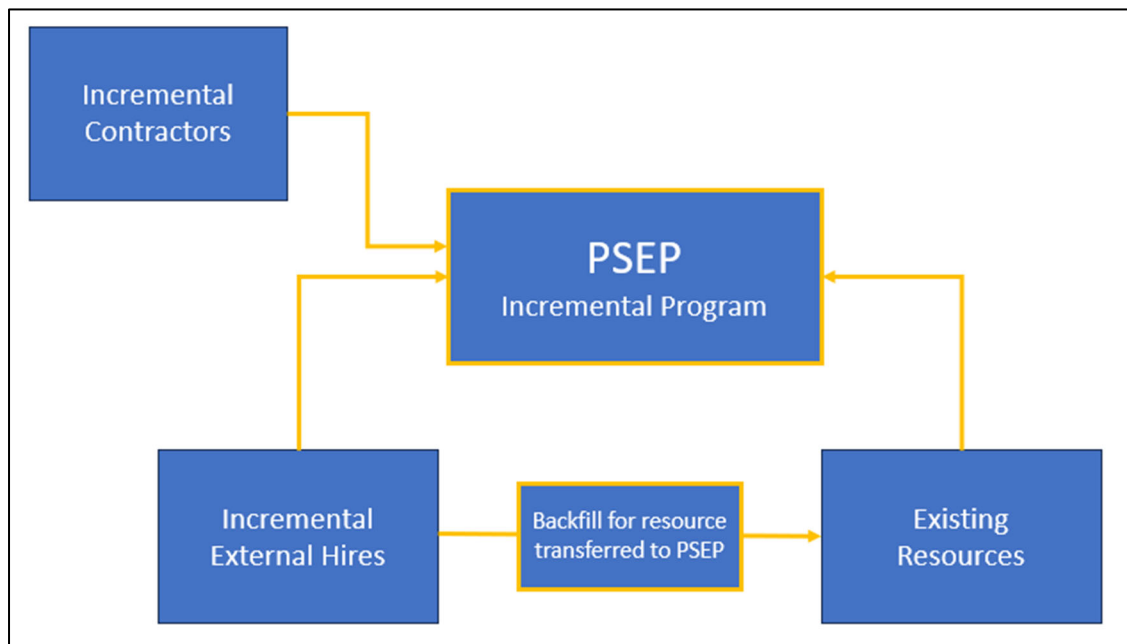
In 2011, the Commission ordered SoCalGas and SDG&E to complete PSEP work “as soon as practicable,” which required the utilities to hire new employees and use the existing workforce to complete work.³³ In order to meet this Commission directive, SoCalGas and SDG&E commenced work even prior to the approval of their PSEP. D.14-06-007 did not preapprove recovery of costs and directed the utilities to complete projects and seek final cost recovery through an after-the-fact reasonableness review. For both SDG&E and SoCalGas, the work required to implement PSEP was extensive, given that PSEP was a new compliance program unprecedented in size and scope. To meet this incremental workload, new Company employees were hired, and existing resources were utilized to support executing PSEP. A PSEP labor force was thus created through a combination of hiring new employees from outside the company, transferring existing employees over to work on PSEP, and then backfilling the vacancies as needed (or adding PSEP work to the existing responsibilities of operating support

³³ D.11-06-017 at 19, 20, 29 (COL 5), 31 (OP 5). The requirements of D.11-06-017 were codified in Pub. Util. Code §§ 957, 958 in 2012.

1 teams). These incremental resources at both SoCalGas and SDG&E included not only the
2 dedicated PSEP department described in the testimony of Bill Kostelnik, but support resources in
3 various departments, including Gas Operations, Gas Engineering, and Environmental Services,
4 among others (see Figure 2 below). Utilization of existing resources was reasonable due to the
5 magnitude of PSEP, and backfilling of existing employees who transferred to PSEP was done in
6 order to maintain company operations.

7 Hiring was done broadly to support the overall PSEP effort, given that PSEP projects
8 encompassed every corner of the 24,000 square mile SoCalGas service territory from Paso
9 Robles and the San Joaquin Valley to the Colorado River and Mexico border. Similarly,
10 SDG&E's projects were also broadly dispersed. Therefore, resources shown as supporting a
11 specific PSEP project in this application, in most cases, also spend part of their time supporting
12 GRC base business as well. Further, resources that worked on PSEP projects when the program
13 was not part of the GRC are now supporting PSEP GRC base business and Gas Transmission
14 Safety Rule (GTSR) projects, among others. However, as I discuss below, only the cost of their
15 time charged to PSEP projects is included in this reasonableness review.

16 **Figure 2 – PSEP Required Incremental Resources from Internal and External**
17 **Sources**



1 c. **SoCalGas has rigorous business controls in place to isolate**
2 **activities and costs for PSEP.**

SoCalGas has project management, governance, and business controls in place to ensure that employees charge their time accurately based on the work they are performing for incremental PSEP work. Adhering to SoCalGas accounting practices, specific work orders and internal orders (IOs) were set up to track time for PSEP projects. Employees charge their time using these specific PSEP IOs and track labor hours in the SoCalGas timesheet system (MyTime). Each month, the PSEP Project Management Office (PMO) team and/or department financial analysts review the labor charged to PSEP IOs and flag any potentially questionable entries for detailed review and/or correction. To complete this step, a monthly labor file is compiled by the PSEP PMO with the names and hours of employees charging PSEP IOs. The labor file is then issued to the project managers, charging employees, and their respective directors for review and confirmation. Appendix E represents an illustrative example of this report from July 2018. This process was in place as a project and business control during the execution period for the projects included in Track 3. In addition to the monthly labor review, PSEP reviewed and validated costs tracked in the regulatory balancing accounts. This provides a reasonable level of assurance that the Regulatory Accounts comply with the CPUC decisions authorizing such activities for refundable (balanced) versus non-refundable dollars. In D.19-02-004, the Commission found that “SoCalGas and SDG&E implemented reasonable processes to track and verify PSEP costs.”³⁴

1 Finally, the need to staff a program quickly under new regulatory obligations has been
2 recognized as a consideration in similar reasonableness reviews. In D.23-02-017, the
3 Commission stated:

Traditionally, memorandum accounts are for matters that are not included in GRC forecasts, like emergency events or **new and costly regulatory obligations** that arose between GRC proceedings. Consistent with this approach, in 2019 the Legislature recognized the need to track and recover costs for wildfire mitigation, **given the urgency of the need to undertake extensive work quickly** to reduce the risk of wildfire ignitions and with the understanding that WMP and GRC review timelines do not necessarily sync up.³⁵

³⁴ D.19-02-004 at Finding of Fact 18.

³⁵ D.23-02-017 at 22-23 (emphasis added).

1 The Commission's language in describing the need to address wildlife-related safety work
2 "quickly" and with "urgency," with cost recovery tracked through memorandum accounts for
3 later recovery due to "new and costly regulations," is akin to the Commission's decisions
4 concerning the utilities' PSEP programs.³⁶

5 **2. Issue #5 – Cal Advocates Witness Banarsee's calculation of employee**
6 **benefit costs for replacement projects is erroneous.**

7 Witness Banarsee identifies \$4.20 million in employee benefit costs that they recommend
8 for removal by the Commission. As shown in Table 1 above, the three other Cal Advocates'
9 witnesses propose total cost reductions in this category of \$0.259 million across the hydrotest,
10 derate, abandonment, valve project, and miscellaneous cost categories. Witness Banarsee's
11 calculation of employee benefits follows a methodology different from that of the other
12 witnesses without explanation.

13 Witness Banarsee errs in including the "Miscellaneous Materials" category as part of
14 employee benefits, totaling \$2.424 million. As stated in SoCalGas's response to data request
15 PubAdv-SCG-405-MW5 (supplemental) question 7a-u, this cost category is defined as "project
16 materials." This category includes the physical pipe and other appurtenances purchased for
17 replacement projects and, therefore, should not be characterized as "employee benefits." Cal
18 Advocates' data request response to SCG-SDGE-PAO-001, question 1c, also indicates that the
19 cost elements "SRV-TEMP" and "AGENO LABOR" were included in Witness Banarsee's
20 calculation; however, these categories (which are actually one single cost element: SRV-
21 temporary agency labor) do not appear on Table 4-6 as shown in the errata for Witness
22 Banarsee's testimony. It is unclear whether Witness Banarsee utilized these cost elements as
23 part of their cost reduction methodology for employee benefits. Nevertheless, these cost
24 elements should not be included, as these categories apply to labor associated with temporary
25 employees who supported PSEP projects and cannot be recognized as employee benefits or
26 expenses. SoCalGas recommends that, should the Commission decide to remove any employee
27 benefit costs tied to replacement projects from SoCalGas's request, it adopt the \$0.353 million

³⁶ D.11-06-017 at 17, 19 ("Attempts at legal exculpation have no place in our proceedings to address these **urgent** issues," and plans should provide for testing or replacing certain pipelines "**as soon as practicable**." (emphasis added)); D.14-06-007 at 2 (authorized the creation of balancing accounts because "we want the applicants to implement Safety Enhancement now.").

1 figure that was correctly calculated by SoCalGas, not \$4.20 million identified by Witness
2 Banarsee, which is based on flawed calculations.

3 **3. Issue #6 – Cal Advocates Witness Chow’s calculation of indirect costs**
4 **for the miscellaneous cost category is erroneous.**

5 As shown in Table 1, Witness Chow recommends a \$1.67 million reduction in indirect
6 costs for the miscellaneous cost category. Witness Chow mistakenly included non-labor indirect
7 costs instead of the 38 labor loading cost elements used by the other witnesses who proposed
8 indirect cost disallowances, resulting in this category being overstated by \$1.07 million
9 (including property tax of \$0.581 million). Witness Chow states in testimony that “these costs
10 are generally driven by employee base pay or hours worked,” and continues, “if the underlying
11 labor is not incremental, then the related indirect costs also must not be incremental.”³⁷
12 SoCalGas believes Cal Advocates’ intent was only to use indirect costs associated with company
13 labor, and that the non-labor indirect costs were included in error. Therefore, although there
14 should be no disallowance on this issue, should the Commission decide to remove any indirect
15 costs tied to miscellaneous costs from SoCalGas’s request, they should adopt the \$0.597 million
16 figure that was correctly calculated by SoCalGas, not \$1.67 million that Witness Chow
17 erroneously identified.

18 **B. Cal Advocates – Project Execution-Related Cost Reductions (i.e., “Other**
19 **adjustments”)**

20 **1. Issue #7 – SoCalGas’s costs associated with the acquisition of Line 306**
21 **are reasonable.**

22 Witness Chow contends that SoCalGas should not recover \$40 thousand paid to
23 SoCalGas’s title company as part of its escrow payment to acquire PG&E’s Line 306.
24 SoCalGas’s escrow payment to a title company as part of the acquisition process is a standard
25 business protocol when conducting a real estate transaction. The allowance of escrow and title
26 fees associated with purchasing real property to be included in the property’s basis is supported
27 by both GAAP standards and IRS regulations. GAAP standard ASC 360-10-30-1 states that “the
28 historical cost of acquiring an asset includes the costs necessarily incurred to bring it to the

³⁷ Chow (Ex. CA-05) at 14.

condition and location necessary for its intended use.”³⁸ SoCalGas interprets this definition to apply to title and escrow fees. IRS regulations also state that real property cost basis includes “settlement fees and closing costs for buying property.”³⁹ Therefore, the Commission should dispense with Witness Chow’s recommendation and adopt SoCalGas’s Line 306 acquisition costs in full.

2. Issue #8 – Permitting, environmental, and easement costs related to the Santa Barbara County Valve Enhancement Project - Lions are reasonable.

Witness Weaver’s valve project disallowances are not supported by evidence. SoCalGas complied with permitting requirements from Santa Barbara County and Southern California Edison’s (“SCE”) safety requirements in order to get this project done at a reasonable cost and within a reasonable timeline. At the time of the electrical utility inspection, the inspector cited the company’s Electrical Service Requirements (“ESR”) and the requirements for a stairway to meet building code requirements. While the ESR outlines that stairs may be required when a meter is installed at an elevated location, the final determination regarding acceptable access is subject to the discretion of the assigned SCE inspector. The inspector considered the meter pedestal an “elevated location” which required it to “be accessible by stairway of normal tread and rise.”⁴⁰ Previous PSEP projects had not encountered this requirement before; therefore, this interpretation was not contemplated in the project design that supported the preliminary estimate. This led to the additional cost, creating a variance. Furthermore, the ESR stipulates that the customer—in this case, SoCalGas—is responsible for modifying the access path to meet utility standards. SoCalGas installed the necessary stairway to comply with these requirements and ensure approval of the final inspection. Absent this modification, the electrical utility would have been within its rights to withhold service activation due to noncompliance with access standards. The incurred costs are reasonable and appropriate for recovery.

³⁸ GAAP Accounting Standard ASC 360-10, available at: <https://asc.fasb.org/1943274/2147482222/360-10-30-8>.

³⁹ Internal Revenue Service (IRS), *Publication 551 (12/2024), Basis of Assets* (Revised December 2024), available at: <https://www.irs.gov/publications/p551>.

⁴⁰ Southern California Edison’s (SCE) Electrical Service Requirements (ESR) (April 25, 2025) at Table 5-2: Prohibited Metering and Service Equipment Locations, Item 14, available at: <https://www.sce.com/regulatory/distribution-manuals/electrical-service-requirements>.

1 Witness Weaver’s assertion that “the planting of trees and tree maintenance is not
2 reasonable in this PSEP application because it is unrelated to pipeline safety” is inaccurate. The
3 project site falls within the jurisdiction of the County of Santa Barbara, which requires a Coastal
4 Development Permit (“CDP”) as part of its regulatory process. This permit included specific
5 “Conditions of Approval,” one of which mandated tree replacement. Compliance with these
6 conditions was essential for securing the permit, without which the valve enhancement project—
7 designed to enable rapid system isolation as part of the PSEP initiative—could not have
8 proceeded. Due to the Commission’s directive to complete PSEP “as soon as practicable,”
9 SoCalGas collaborates with permitting authorities to achieve optimal solutions for PSEP
10 projects, provided the permit conditions are reasonable (which, in this case, they were). Further,
11 SoCalGas would not have been able to secure an alternative location where such requirements
12 would not apply, since the valve to be automated was within the coastal zone and the County of
13 Santa Barbara imposes the CDP requirements. Therefore, the associated cost of \$94,000 should
14 not be disallowed, as SoCalGas acted as a reasonable manager in fulfilling permit requirements,
15 which were directly tied to the successful implementation of the project.

16 Finally, negotiations with multiple landowners, totaling approximately \$0.134 million,
17 were essential to secure both temporary workspace and permanent easements required for project
18 execution, not limited to the construction effort, which was delayed due to the conduit relocation
19 and other issues as discussed in the workpaper. Table 3 below itemizes the \$0.134 million by
20 landowner and associated purpose, providing clarity that these costs were not solely attributable
21 to a landowner’s request to relocate the electrical conduit to the opposite side of the private road.

Table 3 – Santa Barbara County Valve Enhancement Project- Lions, Easement Costs

Owner	Purpose	Associated Cost (millions)
#1	Permanent, exclusive easement for the radio repeater site with access and temporary workspace	\$0.025
#1	Temporary workspace extensions	\$0.077
#2	Permanent non-exclusive easement for SCG pipeline and exclusive rights for the valve station and temporary right of entry and workspace	\$0.010
#2	Temporary right of entry extension	\$0.006
#3	Construction Agreement – to modify valve station and construct new valve automation equipment.	\$0.014
#4	Construction Road Agreement – request for use of access road to transport equipment to the radio repeater site (on Owner #1 property)	\$0.002
Total		\$0.134

These negotiations were a more cost-effective means of procuring the land rights over eminent domain. Eminent domain is generally a difficult, time-consuming, contentious, and costly practice that SoCalGas attempts to avoid. Eminent domain proceedings can take anywhere from six to 18 months or longer to finalize, depending on whether the case settles before trial and the complexity of the acquisition, which generally leads to increased overall costs. Pursuing eminent domain for this particular issue would have created additional challenges, delays, and costs for both the company and ratepayers.

3. Issue #9 – Witness Banarsee’s cost reductions include several flaws and should not be relied on by the Commission.

Witness Banarsee’s testimony contains numerous errors and inconsistencies and does not provide a basis for the cost reductions proposed by Cal Advocates related to SoCalGas’s pipeline replacement projects. As discussed below, these issues call into question the validity of the analysis performed by Cal Advocates, which should therefore not be relied on by the Commission.

Page 5 of Witness Banarsee’s testimony, which includes a summary of proposed reductions (the summary also includes the \$8.46 million and \$4.201 million amounts related to straight time labor and employee benefits as discussed in section IV.A.1. above), identifies six pipeline replacement projects with a proposed disallowance totaling \$34.3 million. SoCalGas’s

review of Witness Banarsee’s workpapers shows that the recommended cost reductions cited in testimony do not match the amounts shown in workpapers. Table 4 below illustrates these discrepancies. Particularly notable are the five projects with recommended cost reductions falling under Cal Advocates’ “other adjustments” category, which are given no discussion in the corresponding section of CA-04 relating to these costs. These projects, which include Line 404 Section 4A, Supply Line 36-9-09 North Section 5B0-02 & 5C, SL33-120 Section 1, Supply Line 36-9-21, and Supply Line 36-1032 Section 4, are proposed by Cal Advocates to be reduced by \$8.058 million in total despite lacking any justification for the reduction. Based on SoCalGas’s analysis of these differences, it is apparent that the amounts Cal Advocates references in the supporting workpaper were identified by applying a 13.9% reduction across the board to the amounts requested by SoCalGas for these projects. The 13.9% figure represents the percentage of the total Cal Advocates-proposed disallowed amount for this cost category, \$34.3 million, divided by the total amount of the replacement projects SoCalGas included in its request, which is \$246 million. Cal Advocates offers no discussion or support for this calculation methodology in Witness Banarsee’s testimony. It is unclear how Cal Advocates justifies this flat percentage reduction methodology.

Table 4 – Discrepancies between Cal Advocates’ Reductions from CA-04

Project	Capital Reduction (Testimony, pg. 5-6)	Capital Reduction (Workpaper, “Other Adjustments”)	“Other Adjustments” Discussed in Testimony? (Y/N)
SL45-120 Section 2 Replacement Project	\$18.6M	\$12.8M	Yes
SL36-9-09 North Section 6B Replacement Project	\$6.4M	\$2.22M	Yes
SL37-18K Replacement Project	\$2.9M	\$2.34M	Yes
SL30-18 Section 2 Replacement Project	\$2.5M	\$1.52M	Yes
L2006 Replacement Project	\$2.0M	\$0.758M	Yes
SL38-101 Replacement Project	\$1.9M	\$2.02M	Yes
SL43-121 North Replacement Project	---	\$3.16M	Yes
L404 Section 4A Replacement Project	---	\$2.60M	No
SL36-9-09 North Section 5B0-02 & 5C Replacement Project	---	\$1.92M	No
SL33-120 Section 1 Replacement Project	---	\$1.74M	No

Project	Capital Reduction (Testimony, pg. 5-6)	Capital Reduction (Workpaper, “Other Adjustments”)	“Other Adjustments” Discussed in Testimony? (Y/N)
L404-406 Replacement Project Somis Station	---	\$1.31M	Yes
SL36-9-21 Replacement Project	---	\$0.947M	No
SL36-1032 Section 4 Replacement Project	---	\$0.851M	No
SL41-6001-2 Replacement Project	---	\$0.101M	Yes
Total	\$34.3M	\$34.3M	

Witness Banarsee’s testimony regarding the \$18.6 million cost reduction for the Supply Line 45-120 Section 2 project relies on data request responses submitted by SoCalGas, based on which Cal Advocates concluded that the project incurred ““excessive costs related to contractor billings and the internal General Management and Administrative (GMA) costs, including over \$12 million booked to general cost elements such as ‘Environmental’ and ‘Construction Management’ without supporting documentation.””⁴¹

SoCalGas propounded its own data request, SCG-SDGE-PAO-001, to understand how Witness Banarsee identified the \$18.6 million disallowance for this project, because it was unclear from her testimony or workpapers. Cal Advocates’ response lacks sufficient clarity to back into the figures, and, therefore, is not sufficiently responsive. In response to question 3, the witness states that the functions provided by SoCalGas to categorize the costs (e.g., Environmental, Construction Management, Engineering, etc.) were used “to isolate excessive, unsupported, or misclassified changes.” Then, the witness “filtered for cost elements and functions associated with internal labor and overheads (e.g., GMA, Environmental) where no vendor name was provided and/or descriptions were vague.”⁴² However, what the witness did to deem a line item “excessive” or “misclassified” is not apparent, nor is it clear what “descriptions were vague,” as each row has a cost element name, a function, and a vendor name where

⁴¹ Ex. CA-04-E (Banarsee) at 5.

⁴² SCG-SDGE-PAO-001, Cal Advocates’ response to Question 3.

applicable.⁴³ The statement “labor and overheads (e.g., GMA, Environmental)” also seems to be classifying GMA and Environmental as overheads, which is incorrect, as they are direct costs. Lastly, when SoCalGas follows filtering instructions provided by Cal Advocates in response to SoCalGas’s data request for this specific project, SoCalGas arrives at \$14.3 million, not the \$18.6 million amount identified by Cal Advocates. Witness Banarsee’s response to questions 4-12 of this same data request, which asked about the five other projects included in the bulleted list provided by Witness Banarsee on page 6 of their testimony, also does not verify the reductions. Rather than providing the “applicable cost tables or other supporting documentation that are filtered to reflect the calculation, with all formulas intact,” which was requested by SoCalGas in question 4b, Witness Banarsee instead provided instructions consisting of a single sentence pointing to certain cost elements that the witness believes represent the costs at issue. These differences are summarized in Table 5 below. As shown in Table 5, following the instructions provided by Cal Advocates in their response to SCG-SDGE-PAO-001 results in a revised proposed \$21.4 million disallowance amount compared to the \$34.3 million shown in Witness Banarsee’s testimony.

Table 5 – Cost differences between testimony (CA-04) and Cal Advocates’ data request response instructions

Data Request Question #	Project	Testimony (Page 5-6) (Millions)	DR Response Filters (Millions)	Variance (Millions)
3	45-120 Sec 2	18.6	14.3	4.30
4	36-9-09N 6B	6.4	2.51	3.89
5	37-18-K	2.9	0.426	2.47
6	30-18 Sec 2	2.5	2.14	0.359
7	2006-P1A	2.0	1.09	0.911
8	38-101 Wheel.	1.9	0.957	0.943
Total		34.3	21.4	12.9

Additionally, a “duplicative costs table” submitted by Cal Advocates in response to SoCalGas’s data request also does not support the proposed reductions. The “duplicative costs table,” summarized in Table 6 below, includes further cost differences that do not align with the

⁴³ Internal labor will be isolated to “SAL” (i.e. salary) cost elements, will only fall into either Company Labor or GMA Functions, and will not have vendors associated with them. Overheads are part of indirect costs, which were not included in the file being cited in the response, do not fall under GMA or Environmental, and will not have vendor names associated with them.

witness's testimony, workpapers, or data filtering instructions from data request SCG-SDGE-PAO-001. The \$10.0 million variance between the testimony and the "duplicative costs table" shows that, even in the absence of SoCalGas's attempts to reconstruct Cal Advocates' figures, there is disagreement between the documentation submitted by Cal Advocates.

Table 6 – Cost differences between testimony and Cal Advocates' "duplicative costs table" provided in discovery

Data Request Question #	Project	Testimony (Page 5-6) (Millions)	Duplicative Costs Table (Millions)	Variance (Millions)
3	45-120 Sec 2	18.6	16.7	1.9
4	36-9-09N 6B	6.4	(not shown)	6.4
5	37-18-K	2.9	2.04	0.86
6	30-18 Sec 2	2.5	2.15	0.35
7	2006-P1A	2.0	1.37	0.63
8	38-101 Wheel.	1.9	2.05	-0.14
Total		34.3	24.3	10.0

Lastly, Witness Banarsee's argument that \$1.056 million for market research (Section V.D.) should be excluded is also without support, because SoCalGas did not request \$1.056 million for market research. According to witness Banarsee, SoCalGas did not demonstrate that the GRC had already authorized funding for market research, or that the research was "related to pipeline safety enhancement activities." Due to the fact that SoCalGas has not included market research costs in its request, it is unclear how Cal Advocates arrived at the inclusion of this language and the associated O&M disallowance. This is yet another example of where, if Cal Advocates had met with SoCalGas as occurred in Track 1, or issued a follow-up data request, the misunderstandings could potentially have been resolved.

4. Issue #10 – SoCalGas's replacement project costs are reasonable; Witness Banarsee's testimony is mistaken regarding replacement project execution practices, and the associated disallowances were derived using flawed logic.

Witness Banarsee's testimony and data request responses include logical errors that concern the project execution practices SoCalGas undertook in completing the pipeline replacement projects in question. Below I highlight some of the more notable examples from the Supply Line 36-9-09 North Section 6B replacement project and provide additional detail in tabular form for each of the additional projects referenced by Witness Banarsee.

1 With respect to the Supply Line 36-9-09 North Section 6B replacement project, Cal
2 Advocates proposed in their testimony a \$6.4 million reduction for the 36-9-09 North Section
3 6B Replacement Project: “due to overstated trench and bore quantities, conflicting GIS vs. as-
4 built maps, and major scope deviations that were never reconciled; SCG failed to justify the
5 inflated construction footage with any documented scope alignment.”⁴⁴ In response to data
6 request SCG-SDGE-PAO-001, in which SoCalGas asked Cal Advocates to “provide the
7 reference and supporting documentation used to inform Cal Advocates’ claim that there are
8 ‘overstated trench and bore quantities,’” Cal Advocates states that SoCalGas’s supplemental
9 workpaper for this project: “defines a scope of three HDD crossings, three flat slick bores on
10 Alpine Street, and three flat bores on Valley Road (WP-109–WP-110), yet Figures 4–6 on WP-
11 115–WP-117 clearly show open-cut trench installations in those same Alpine Street locations—
12 an unmistakable overlap of bore and trench work that would double-count footage.” The figures
13 cited by Cal Advocates are photographs that are included below for reference:

Figure 4: Pipe Strung Out Along Alpine Street



Figure 5: Pipe Being Lowered into Trench



⁴⁴ Ex. CA-04-E (Banarsee) at 6.

1 It appears Cal Advocates mistakenly assumes that the photographs show open trenching
2 and flat slick bores occurring at the same location. However, SoCalGas completed the pipeline
3 installations along Alpine Street using both open trench and bore methods (based on site-specific
4 conditions). As noted in the project workpaper, the flat slick bores were utilized “to avoid
5 plating for pedestrian safety,”⁴⁵ and “for safety and ease of construction through the intersection
6 on Alpine and on Valley Road during the short holiday work period.”⁴⁶ The open trenching
7 method was therefore used in locations that did not require trenchless installation techniques.
8 The fact that the photographs show one portion of the ~2,000-foot segment of the pipeline
9 alignment along Alpine Street, which used open trenching, does not mean there was an
10 “unmistakable overlap” in work performed. The contention that the associated footage was
11 double-counted due to this misunderstanding is inaccurate.

12 Witness Banarsee also states that “Table 4 on WP-121 then records Construction
13 Contractor actuals only \$273,000 below estimate even though the reroute reduced total
14 replacement length to 1.732 miles.” There are several issues with this statement. First of all, the
15 reroute needed for this project did not reduce the total length of the replacement project. The
16 reroute length of 0.325 miles, which is explained in the workpaper, *increased* the total pipeline
17 installation length, resulting in the final project scope of 1.732 replacement miles. This is
18 evident from the maps provided as figures 2 and 3 on pages WP-107 and WP-108,
19 respectively—the new pipe was installed outside the existing right-of-way, “due to land owner
20 concerns over the Project impacting farming operations.”⁴⁷ Witness Banarsee’s conclusion that
21 the reroute “eliminate[d] about 0.325 miles of the original alignment execution,” to support a
22 proposed reduction, is incorrect.⁴⁸ Second, unless a pipeline reroute or other design change is
23 implemented during the construction phase, it is unsurprising that SoCalGas’s construction
24 contractor’s costs were only \$273,000 below the estimated amount (\$7.24 million actual versus
25 \$7.51 million estimated; a 4% variance). As the workpaper on page WP-115 states, “SoCalGas
26 successfully mitigated conditions during construction in a manner that minimized potential
27 impacts on project scope, cost, and schedule. As a result, these conditions did not result in any

⁴⁵ Refer to my supplemental workpapers, Ex. SCG-T3-PSEP-01 Volume 1 (Kostelnik) at WP-110.

⁴⁶ *Id.* at WP-120.

⁴⁷ Ex. SCG-T3-PSEP-01 Volume 1 (Kostelnik) at WP-109.

⁴⁸ Cal Advocates response to SCG-SDGE-PAO-001 question 4c.

1 notable change orders.” The reroute occurred during the detailed design phase, and the
2 construction contractor’s scope of work reflected this change. The workpaper on page WP-115
3 states, “SoCalGas entered a competitive bidding process to select a construction contractor,
4 which included the updated design described in the discussion of notable Scope Changes
5 above.”⁴⁹ Continuing SoCalGas’s exploration of incorrect conclusions regarding this project,
6 SoCalGas asked in data request SCG-SDGE-PAO-001 for Witness Banarsee to clarify their
7 statement that the \$6.4 million disallowance was due in part to “conflicting GIS vs. as-built
8 maps.” Witness Banarsee responded: “SCG did not produce project-specific ‘as-built’ maps for
9 39-09-09 North Section 6B that align with the trench and bore lengths cited in the cost data. The
10 GIS shapefiles and construction summary in the workpapers suggest a shorter segment than the
11 sum of trench and bore lengths recorded in the project cost summary.”⁵⁰ Cal Advocates did not
12 request as-built maps in discovery. Further, the GIS shapefiles are intended to graphically
13 represent the locations of pipeline infrastructure—not as precise representations of detailed
14 trench and bore lengths. If Cal Advocates wishes to verify actual project installation lengths,
15 SoCalGas is able to provide engineering drawings from different project stages. Final
16 construction footage and descriptions have already been included in the workpapers for this
17 project⁵¹.

18 Witness Banarsee’s calculation of the proposed cost reduction is also flawed because the
19 witness includes additional cost elements unrelated to the construction costs, which the witness
20 claims are overstated. Cal Advocates’ response to SCG-SDGE-PAO-001, question 4c states:
21 “These cost entries reflect the labor and contractor charges tied to installation quantities that
22 exceed the validated scope.” Project mileage and trench/bore quantities are not necessarily
23 recorded in cost records, data, or backup, and any discrepancies, overruns, or underruns related
24 to additional trenches or bores would result in an increase or decrease under the Construction
25 Contractor function. However, as shown in Witness Banarsee’s response to data request SCG-
26 SDGE-PAO-001 question 4b, which asked for applicable cost tables or other supporting

⁴⁹ Ex. SCG-T3-PSEP-01 Volume 1 (Kostelnik) at WP-115.

⁵⁰ Appendix B (Response to SCG-SDGE-PAO-001) at Cal Advocates’ Response to Question 4.d.

⁵¹ Ex. SCG-T3-PSEP-01 Volume 1 (Kostelnik) at WP-109-WP-110. Please note that the final project scope is presented for all PSEP projects in the “Engineering, Design and Planning” section of the corresponding project-specific workpaper.

1 documentation that are filtered to reflect the disallowance calculation, the instructions provided
2 capture other functions:

3 To isolate the costs at issue, filter the file by selecting cost element and functions
4 associated with trenching, boring and related installation work (**SRV-PSEP ENG**
5 **& CONST, SRV-ENGINEERING, SRV CONTRACTORS, Construction**
6 **Management, Engineering & Design etc.**) These cost entries reflect the labor
7 and contractor charges tied to installation quantities that exceed the validated
8 scope.⁵²

9 SoCalGas's line-item detail cost report provided in response to data request PubAdv-SCG-401-
10 MW5 for this project includes a column that clearly identifies the cost elements associated with
11 the Construction contractor function. Only one of these (SRV-PSEP ENG & CONST) should
12 have been used by Witness Banarsee to capture construction-related costs. Therefore, the latter
13 part of the statement: "These cost entries reflect the labor and contractor charges tied to
14 installation" is inaccurate. When SoCalGas filters the spreadsheet for the SRV-PSEP ENG &
15 CONST cost element, the total is only \$0.386 million. Regardless of the cost discrepancies
16 associated with Cal Advocates' flawed analysis, the fact that Witness Banarsee predicates her
17 assessment that "installation quantities that exceed the validated scope" on a misinterpretation of
18 the photographs shown above should render her recommended cost reductions moot. For this
19 reason, the entire \$6.4 million reduction proposed by Witness Banarsee for the Supply Line 36-
20 9-09 North Section 6B replacement project should be rejected by the Commission.

21 Please see Table 7 below for an exhaustive summary of the various other issues
22 SoCalGas wishes to highlight concerning Cal Advocates' replacement project testimony.

⁵² Appendix B (Cal Advocates response to data request SCG-SDGE-PAO-001 question 4b. Emphasis added.

Table 7 – SoCalGas Responses to Cal Advocates Project Disallowances

Project	Cal Advocates Project Disallowance Statements	SoCalGas Response
37-18-K Replacement Project	“SCG’s responses to Q2-Qe of Data Request PubAdv-SCG-406-ABK directly acknowledge that there is no internal reconciliation or root cause assessment associated with any cost overruns in the 37-18-K replacement project or the broader PSEP Track 3 workpaper. This response confirms that SCG lacks any internal justification for the over \$2.9 million in ambiguous labor and overhead charges.” Cal Advocates response to SCG-SDGE-PAO-001 question 5b	The project was completed \$6 million under the original estimate. The question Cal Advocates references explicitly pertains to projects in Table BK-48 where actual costs exceeded preliminary estimates. As this project did not exceed its estimate, the reference is misapplied and the claim is invalid. Despite no cost overrun, Cal Advocates provides no clear basis for the development of their \$2.9 million in labor and overhead charges.
37-18-K Replacement Project	“It supports Cal Advocates position that the cost recorded under Site Management and Expense were not tied to verified construction outputs or reconciled via any formal documentation process, such as time-tracking, scope traceability, or cost justification memos. It is used to underscore the absence of internal cost governance, an omission that reinforces the prudence of the disallowance.” Cal Advocates response to SCG-SDGE-PAO-001 question 5b	The claim that project costs lack verification or formal reconciliation is incorrect. SoCalGas has defined project deliverables and enforces cost governance through structured processes, including stage gate meetings. As stated in response to PubAdv-SCG-406-ABK Question 2e, while formal closeout memos may not exist, project costs are supported by documentation and verified through invoice reviews, timesheet checks, and contract compliance. All costs are reviewed and approved internally. Dismissing these controls ignores the rigorous oversight SoCalGas applies throughout the project lifecycle.
30-18 Section 2 Replacement Project	“The evidence comes from the Final Report and workpapers for Supply Line 30-18 Section 2 in SCG-T3-PSEP-01-WP1. Figures 4–8 on WP-34 through WP-37 show both HDD pull-backs and open-trench installations along the same 0.619-mile alignment, even though Table 3 on WP-33 records a single construction window, so trench work may have been billed twice.” Cal Advocates response to SCG-SDGE-PAO-001 question 6a	The HDDs were executed within a single construction window as part of a coordinated scope of work. Any suggestion of "double billing" is unfounded, as separating the HDDs into distinct construction efforts would have been operationally inefficient, cost-prohibitive, and inconsistent with standard construction practices for pipeline installation.
30-18 Section 2 Replacement Project	“Section C.5 on WP-30–WP-31 documents that the bore pit was relocated, deepened, and lengthened to avoid overhead wires, freeway pillars, and electrical conflicts, yet no engineering	Updated drawings are issued throughout the design phase to reflect ongoing changes and to capture the final approved design, ensuring alignment across engineering, construction, and project

Project	Cal Advocates Project Disallowance Statements	SoCalGas Response
	addendum or updated drawings were issued.” Cal Advocates response to SCG-SDGE-PAO-001 question 6a	documentation. Cal Advocates’ claim that “no drawings were issued” is erroneous and offered without evidence.
30-18 Section 2 Replacement Project	“The baseline plan and satellite maps on WP-25–WP-27 were never revised to show those changes, and Section D on WP-32 even states “no notable scope changes during detailed design,” creating a clear mismatch between field work and as-built documentation.” Cal Advocates response to SCG-SDGE-PAO-001 question 6a	This does not constitute a mismatch between field work and as-built documentation as Cal Advocates is interpreting these materials incorrectly. The baseline plan and satellite maps represent a high-level overview of the final project scope and are not intended to serve as snapshots of interim design stages. Furthermore, Section D on WP-32 appropriately reflects the absence of notable scope changes during detailed design as these changes were identified and incorporated into the design prior to the development of the final estimate, consistent with standard project management practices.
30-18 Section 2 Replacement Project	“The cost tables on WP-41–WP-44 show Engineering & Design costs rose 202 percent (from \$678 k to \$2.046 m), while Construction Contractor costs dropped 33 percent (from \$6.554 m to \$4.369 m) and Project Management & Services costs dropped 75 percent (from \$2.218 m to \$0.562 m).” Cal Advocates response to SCG-SDGE-PAO-001 question 6a	The cost variances cited in the cost impacts section of the workpaper clearly explain this variance, which states that “Engineering and Design firms completed activities originally identified as Project Management & Services in the initial estimate, while the actual costs were recognized under Engineering and Design.” This directly accounts for the observed increase in Engineering & Design costs and the corresponding decrease in Project Management & Services. Therefore, the interpretation that these variances reflect a discrepancy is inaccurate and overlooks the documented reallocation of scope between cost categories.
30-18 Section 2 Replacement Project	“WP-42 also identifies 404 feet of pipe as disallowed, yet the same trench/HDD activity appears in the photos, underscoring the risk of duplicate billing.” Cal Advocates response to SCG-SDGE-PAO-001 question 6a	The claim of duplicate billing is based on a lack of understanding of the treatment of disallowed pipe. Whether a certain segment is disallowed or not is irrelevant to the need to replace the pipe consistent with the PSEP decision tree. As described in SoCalGas’s response to PubAdv-SCG-406-ABK question 9b, SoCalGas’s disallowance calculation methodology, which includes pipe vintage, is

Project	Cal Advocates Project Disallowance Statements	SoCalGas Response
		included in Section IV.E. of the corresponding supplemental workpaper.
30-18 Section 2 Replacement Project	“A parallel pattern appears in PAO-SCG-406 Attachment 06 – Q8d (“L2006-P1-A Scope and Alignment Change Orders”) in response to POA-SCG-406-ABK, where a buried vault and slurry conditions forced mid-construction tie-in relocations and manual excavations that were simply billed as change orders (\$291,828), demonstrating SoCalGas’s recurring practice of altering field scope post-design without proper validation or documentation.” Cal Advocates response to SCG-SDGE-PAO-001 question 6a	During gas pipeline utility construction, unforeseen substructures and adverse field conditions—such as undocumented utilities assets—may arise, particularly during excavation. These conditions require the construction contractor to collaborate closely with engineering and project management teams to assess impacts and determine the most effective path forward. Any adjustments made in response to these discoveries are documented through redlines and incorporated into the final as-built drawings to ensure accurate project records and future reference. Addressing these issues in the field through coordinated adjustments is commonplace in construction and significantly more cost-effective than initiating a full redesign at this stage of construction. These actions reflect the decisions and practices a reasonable manager would undertake when balancing cost, schedule, and technical feasibility under evolving field conditions.
30-18 Section 2 Replacement Project	“There is no corresponding as-built record or redline map showing the final constructed alignment. ” Cal Advocates response to SCG-SDGE-PAO-001 question 6ai	The claim that no as-built or redline maps exist is incorrect and offered without evidence. SoCalGas prepares these engineering records for every pipeline project. Cal Advocates did not request them during the 2024 GRC Track 1 proceeding, nor were they included in any previous supplemental workpapers that the Commission used to deem prior applications reasonable. Not including it initially is not a deficiency in SoCalGas’s reporting.
30-18 Section 2 Replacement Project	“SCG response to Q2a-Q2e response to Data Request PubAdv-SCG-406-ABK are relevant because they explicitly confirm that SCG conducted no internal reconciliation or root cause analysis for cost overruns on any Track 3 PSEP project, including Line 30-18 Section 2.”	The project was completed \$2 million under the original estimate. The question Cal Advocates references explicitly pertains to projects in Table BK-48 where actual costs exceeded preliminary estimates. As this project did not exceed its estimate, the reference is misapplied and the claim is invalid.

Project	Cal Advocates Project Disallowance Statements	SoCalGas Response
	Cal Advocates response to SCG-SDGE-PAO-001 question 6b	
30-18 Section 2 Replacement Project	“This admission is directly material to the \$2.5 million disallowance. Without a cost reconciliation, SCG provides no evidence that trench or bore quantities were validated, no scope log to justify change orders.” Cal Advocates response to SCG-SDGE-PAO-001 question 6b	The claim that trench and bore quantities lack validation is incorrect. Scope changes are documented through formal change orders, which serve as the scope log.
2006-P1A Replacement Project	““layered” refers to the presence of multiple overlapping cost categories for planning, estimating, and administrative overhead, often charged across different internal departments (e.g., engineering, project management, design support) without documentation establishing that these costs supported specific construction activities.” Cal Advocates response to SCG-SDGE-PAO-001 question 7a	The claim that overlapping cost categories lack support is unfounded. These categories—such as planning, estimating, and administrative overhead—are standard in SoCalGas’s accounting system and include essential project management support, key project deliverables, and oversight functions. These costs directly support safe pipeline installation and regulatory compliance. Cal Advocates provides no evidence to the contrary, and their assertion ignores the necessity of these activities.
2006-P1A Replacement Project	“SoCalGas’s response to PubAdv-SCG-406-ABK, Questions 2a through 2e is directly relevant because it confirms that SoCalGas did not perform any internal reconciliation or root cause assessment to determine whether layered overhead costs, such as those observed on 2006-P1A, were appropriate or accurate.” Cal Advocates response to SCG-SDGE-PAO-001 question 7c	The project was completed \$1 million under the original estimate. The question Cal Advocates references explicitly pertains to projects in Table BK-48 where actual costs exceeded preliminary estimates. As this project did not exceed its estimate, it is highly unlikely that management would deem an “internal reconciliation” or “root cause assessment” to be worth pursuing. Therefore, the reference is misapplied and the claim is invalid.
2006-P1A Replacement Project	“In response to Q2c, SoCalGas states that it conducted “no internal reconciliation or root cause assessments related to these projects.” In response to Q2e, SoCalGas was unable to identify any post-construction review that evaluated whether planning or estimating charges were duplicative or unsupported by field scope.” Cal Advocates response to SCG-SDGE-PAO-001 question 7c	The claim that SoCalGas lacks post-construction review or cost reconciliation is misleading. All project costs were reviewed and approved as necessary for completion, and the project was completed under budget. The absence of a formal reconciliation document does not imply unsupported charges. SoCalGas applies rigorous cost controls throughout the project lifecycle, ensuring that planning

Project	Cal Advocates Project Disallowance Statements	SoCalGas Response
		and estimating costs are appropriate and aligned with field scope.
2006-P1A Replacement Project	<p>“This admission reinforces Cal Advocates’ conclusion that the \$2.0 million in overhead, contingency, and planning charges is undocumented, unvalidated, and ineligible for ratepayer recovery under Commission standards.”</p> <p>Cal Advocates response to SCG-SDGE-PAO-001 question 7c</p>	<p>Cal Advocates makes unsupported claims, not only for the amount calculated of disallowance but stating that just because a project that was executed underestimated amounts may not include reconciliation or root cause assessments – which are not necessary for project completion. As stated in the DR response, “SoCalGas implements procedures to verify the accuracy of costs. This includes verifying that billing rates are correct, reviewing time sheets for hours worked, and reviewing other supporting documentation for accuracy. Once the information on invoices is verified, the invoice reviewer forwards the invoices to the project managers to confirm that the correct labor hours, billed labor rates, and any additional expenses are within the terms of the contract.”</p>
38-101 Wheeler Ridge Project	<p>“Cal Advocates filtered the response to data request PubAdv-SCG-401-MW5, attachment “38-101 Wheeler Ridge Replacement Project_CONFIDENTIAL_16528.” Filter for cost elements SRV-PSEP, ENG& CONST, under functions Engineering and Design and Project Management and Project Services. These entries lack support for unit-based trench or bore quantities, corresponding construction maps, and vendor labor documentation.”</p> <p>Cal Advocates response to SCG-SDGE-PAO-001 question 8a</p>	<p>The disallowance claim is without merit, as many of the selected cost categories—such as project management and engineering and design—do not directly tie to unit-based installation quantities. As stated in SoCalGas’s response to PubAdv-SCG-406-ABK, Question 2e, cost variances are supported by verified project documentation and internal controls. The costs reflect actual scope execution and align with industry standard practices.</p>

Project	Cal Advocates Project Disallowance Statements	SoCalGas Response
38-101 Wheeler Ridge Project	“Cal Advocates stated this based on the utility’s own responses to PubAdv-SCG-406- ABK, Questions 2a through 2e, which confirmed that SCG did not conduct any post construction reconciliation, root cause review, or internal validation of unit-based contractor charges.” Cal Advocates response to SCG-SDGE-PAO-001 question 8b	The project was completed \$10 million under the original estimate, in part through engineering, design, and planning activities optimizing the project scope. The question Cal Advocates references explicitly pertains to projects in Table BK-48 where actual costs exceeded preliminary estimates. As this project did not exceed its estimate, the reference is misapplied and the claim is invalid. Cal Advocates’ claim is further unfounded, as the referenced questions did not specifically inquire whether SoCalGas conducted internal validation of unit-based contractor charges. Therefore, drawing such a conclusion is inaccurate and unsupported by the record.

IV. CONCLUSION

As I have shown, Cal Advocates’ proposed \$81.9 million in reductions associated with SoCalGas’s PSEP request are unfounded. My testimony and workpapers submitted in this Track 3 clearly demonstrate the reasonableness of the costs at issue, in furtherance of the Commission’s mandate to execute PSEP “as soon as practicable,” as laid out in D.11-06-017. SoCalGas’s execution and management of the PSEP program during this timeframe is consistent with the Commission’s statements on affordability in D.24-12-074 and the four over-arching objectives of PSEP: (1) enhance public safety, (2) comply with Commission directives, (3) minimize customer impacts, and (4) maximize the cost-effectiveness of safety investments while being cognizant of the Commission’s affordability objectives.

Cal Advocates’ testimony relies on a number of flawed arguments that render their proposed reductions invalid. These include: misrepresented or miscalculated disallowances; allegations that SoCalGas has not demonstrated incrementality despite a lack of any evidence or reasonable alternatives; and a lack of understanding of pipeline and valve project execution practices. Despite Cal Advocates’ claims, SoCalGas’s testimony and workpapers, with additional support offered in this rebuttal, meet the preponderance of the evidence to demonstrate reasonableness for the requested costs. The Commission should dispense with Cal Advocates’

1 recommended reductions and approve SoCalGas's \$499 million combined capital and O&M
2 request, as well as the associated \$132 million revenue requirement, in full.

3 This concludes my prepared rebuttal testimony.

APPENDIX A
GLOSSARY OF TERMS

Acronym	Definition
CDP	Coastal Development Permit
COL	Conclusion of Law
ESR	Electrical Service Requirements
FOF	Finding of Fact
GMA	General Management and Administrative
GTSR	Gas Transmission Safety Rule
IO	Internal Order
NOP	Notice of Operation
OP	Ordering Paragraph
PDMS	Project Delivery Management System
PMO	Project Management Office
PSEP	Pipeline Safety Enhancement Plan
PSEPMA	Pipeline Safety Enhancement Plan Memorandum Account
PSEP-P2MA	Pipeline Safety Enhancement Plan Phase 2 Memorandum Account
ROW	Right of Way
SCE	Southern California Edison
SECCBA	Safety Enhancement Capital Cost Balancing Accounts
SEEBA	Safety Enhancement Expense Balancing Accounts
SoCalGas	Southern California Gas Company

APPENDIX B
DATA REQUEST RESPONSES

Data Request Number: PAO-SCG-401-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/2/2025

Date Responded: 5/16/2025

1. For each subcategory or project within each of the following major cost categories, please provide an Excel document including line itemization for each individual direct cost. The total of each spreadsheet should match the total of each cost subcategory. Labor costs should be split between straight time, over time, and any premium or double time labor costs. Supervisory or management labor should be identified as such.

- Replacement Projects
- Hydrotest Projects
- Derate and Abandonment Projects
- Valve Projects
- Line 306 Costs
- Miscellaneous Costs

SoCalGas Response 1:

Please see the attached project Excel files for:

- 404 Section 4A Replacement Project
- 41-6000-2 Abandonment & Tie-Over
- 45-120 Section 2 Replacement Project
- Storage – Goleta
- Aviation and 104th Valve Enhancement Project
- Blythe Valve Enhancement Project - Cactus City
- 1014 Olympic Valve Enhancement Project
- 7000 Valve Enhancement Project - Rd 96 & Ave 198
- Santa Barbara Valve Enhancement Project – Lions

Please note that supervisor labor cannot be differentiated from management labor.

Data Request Number: PAO-SCG-401-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/2/2025

Date Responded: 5/16/2025

2. For each subcategory or project within each of the following major cost categories, please provide an Excel document including line itemization for each individual indirect cost.

- Replacement Projects
- Hydrotest Projects
- Derate and Abandonment Projects
- Valve Projects
- Line 306 Costs
- Miscellaneous Costs

SoCalGas Response 2:

Please see attached "PAO-SCG-401-MW5 – Question 2" for:

- 404 Section 4A Replacement Project
- 41-6000-2 Abandonment & Tie-Over
- 45-120 Section 2 Replacement Project
- Storage – Goleta
- Aviation and 104th Valve Enhancement Project
- Blythe Valve Enhancement Project - Cactus City
- 1014 Olympic Valve Enhancement Project
- 7000 Valve Enhancement Project - Rd 96 & Ave 198
- Santa Barbara Valve Enhancement Project – Lions

Data Request Number: PAO-SCG-401-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/2/2025

Date Responded: 5/16/2025

3. Please explain in detail how the indirect costs are calculated and recorded. For example, are they monthly accruals or based on the actual recorded costs? If any direct costs are reversed, how are the indirect costs adjusted?

SoCalGas Response 3:

Overheads are calculated as a percentage of charges (inclusive of accruals and reversals) and are applied based on the cost element and type of project of the direct cost. AFUDC and Capitalized Property Tax are calculated by applying an AFUDC rate and a property tax rate to the construction work in progress balance. When a direct cost is reversed, the associated indirect costs are also reversed.

Data Request Number: PAO-SCG-401-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/2/2025

Date Responded: 5/16/2025

4. Please explain in detail what types of costs are booked to Miscellaneous Costs. Please explain the criteria for determining if a cost should be booked to a project line item or to Miscellaneous Costs.

SoCalGas Response 4:

As stated in the testimony of Bill Kostelnik, starting on page BGK-A-41, miscellaneous costs are necessary costs that were incurred to execute PSEP. As presented in Table BK-52, there are five types of miscellaneous costs presented for cost recovery:

- Phase 2 Memorandum Account
- Post-Completion Construction Costs
- Facilities Lease
- Descoped Projects
- Delcon Migration Projects

Please see page BGK-A-41 for a detailed description of these miscellaneous cost categories.

If costs cannot be directly tied to the execution of a specific project, SoCalGas categorizes them as miscellaneous in nature.¹

¹ Post-Completion Construction costs adjustments are tied to projects that have already been presented for review in A.16-09-005 and A.18-11-010. As described on Page BGK-A-41, these are cost adjustments that occur when invoices or accounting adjustments are processed after filing an application for after-the-fact reasonableness review and may result in increased or decreased costs.

Data Request Number: PAO-SCG-401-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/2/2025

Date Responded: 5/16/2025

5. Regarding the \$1.584 million that was identified as “disallowed costs,” please explain how SDG&E treated these costs. Were these costs removed from SDG&E’s request? If so, from what cost categories or projects? If not, please explain.

SoCalGas Response 5:

The disallowed costs identified have been removed from SoCalGas’s request. As stated in the testimony of Bill Kostelnik on page BGK-A-42, D.14-06-007 (as modified by D.15-12-020) ordered that certain costs be disallowed from recovery in rates. The detailed project workpapers include the amount disallowed for specific projects, if applicable. For convenience, please see the table below for which projects had disallowed costs:

Project	Disallowed Cost	Workpaper Page
30-18 Section 2 Replacement Project	\$130,758	WP-43
41-6001-2 Replacement Project	\$7,692	WP-199
404 Section 4A Replacement Project	\$342	WP-290
Storage - Goleta Project	\$1,425,581	WP-348
41-6000-2 Abandonment Project	\$19,315	WP-454

Total Disallowed Cost: \$1,583,688

Data Request Number: PAO-SCG-401-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/2/2025

Date Responded: 05/23/2025

Supplemental due 5/23/25

1. For each subcategory or project within each of the following major cost categories, please provide an Excel document including line itemization for each individual direct cost. The total of each spreadsheet should match the total of each cost subcategory. Labor costs should be split between straight time, over time, and any premium or double time labor costs. Supervisory or management labor should be identified as such.

- Replacement Projects
- Hydrotest Projects
- Derate and Abandonment Projects
- Valve Projects
- Line 306 Costs
- Miscellaneous Costs

SoCalGas Response 1:

Please see the attached project Excel files for:

- 404 Section 4A Replacement Project
- 41-6000-2 Abandonment & Tie-Over
- 45-120 Section 2 Replacement Project
- Storage – Goleta
- Aviation and 104th Valve Enhancement Project
- Blythe Valve Enhancement Project - Cactus City
- 1014 Olympic Valve Enhancement Project
- 7000 Valve Enhancement Project - Rd 96 & Ave 198
- Santa Barbara Valve Enhancement Project – Lions

Please note that supervisor labor cannot be differentiated from management labor.

On May 9, 2025, SoCalGas conferred via email with Cal Advocates, explaining that due to the level of detail required to adequately answer this question, SoCalGas would need to provide documents responsive to this request on a rolling basis. Cal Advocates agreed to SoCalGas's request. This is the first supplemental production for this data request.

Data Request Number: PAO-SCG-401-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/2/2025

Date Responded: 05/23/2025

2. For each subcategory or project within each of the following major cost categories, please provide an Excel document including line itemization for each individual indirect cost.

- Replacement Projects
- Hydrotest Projects
- Derate and Abandonment Projects
- Valve Projects
- Line 306 Costs
- Miscellaneous Costs

SoCalGas Response 2:

Please see attached "PAO-SCG-401-MW5 – Question 2" for:

- 404 Section 4A Replacement Project
- 41-6000-2 Abandonment & Tie-Over
- 45-120 Section 2 Replacement Project
- Storage – Goleta
- Aviation and 104th Valve Enhancement Project
- Blythe Valve Enhancement Project - Cactus City
- 1014 Olympic Valve Enhancement Project
- 7000 Valve Enhancement Project - Rd 96 & Ave 198
- Santa Barbara Valve Enhancement Project – Lions

On May 9, 2025, SoCalGas conferred via email with Cal Advocates, explaining that due to the level of detail required to adequately answer this question, SoCalGas would need to provide documents responsive to this request on a rolling basis. Cal Advocates agreed to SoCalGas's request. This is the first supplemental production for this data request.

Data Request Number: PAO-SCG-401-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/2/2025

Date Responded: 5/30/2025

Second Supplemental due 5/30/25

1. For each subcategory or project within each of the following major cost categories, please provide an Excel document including line itemization for each individual direct cost. The total of each spreadsheet should match the total of each cost subcategory. Labor costs should be split between straight time, over time, and any premium or double time labor costs. Supervisory or management labor should be identified as such.

- Replacement Projects
- Hydrotest Projects
- Derate and Abandonment Projects
- Valve Projects
- Line 306 Costs
- Miscellaneous Costs

SoCalGas Response Supplemental 1:

Original PAO-SCG-401-MW5 Response (May 16, 2025):

Please see the attached project Excel files for:

- 404 Section 4A Replacement Project
- 41-6000-2 Abandonment & Tie-Over
- 45-120 Section 2 Replacement Project
- Storage – Goleta
- Aviation and 104th Valve Enhancement Project
- Blythe Valve Enhancement Project - Cactus City
- 1014 Olympic Valve Enhancement Project
- 7000 Valve Enhancement Project - Rd 96 & Ave 198
- Santa Barbara Valve Enhancement Project – Lions

Please note that supervisor labor cannot be differentiated from management labor.

First Supplemental Response (May 23, 2025):

On May 9, 2025, SoCalGas conferred via email with Cal Advocates, explaining that due to the level of detail required to adequately answer this question, SoCalGas would need to provide documents responsive to this request on a rolling basis. Cal Advocates agreed to SoCalGas's request. This is the first supplemental production for this data request.

Second Supplemental Response (May 30, 2025):

On May 9, 2025, SoCalGas conferred via email with Cal Advocates, explaining that due to the level of detail required to adequately answer this question, SoCalGas would need to provide documents responsive to this request on a rolling basis. Cal Advocates agreed to SoCalGas's request. This is the second supplemental production for this data request.

Data Request Number: PAO-SCG-401-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/2/2025

Date Responded: 5/30/2025

2. For each subcategory or project within each of the following major cost categories, please provide an Excel document including line itemization for each individual indirect cost.

- Replacement Projects
- Hydrotest Projects
- Derate and Abandonment Projects
- Valve Projects
- Line 306 Costs
- Miscellaneous Cost

SoCalGas Response Supplemental 2:

Original PAO-SCG-401-MW5 Response (May 16, 2025):

Please see attached "PAO-SCG-401-MW5 – Question 2" for:

- 404 Section 4A Replacement Project
- 41-6000-2 Abandonment & Tie-Over
- 45-120 Section 2 Replacement Project
- Storage – Goleta
- Aviation and 104th Valve Enhancement Project
- Blythe Valve Enhancement Project - Cactus City
- 1014 Olympic Valve Enhancement Project
- 7000 Valve Enhancement Project - Rd 96 & Ave 198
- Santa Barbara Valve Enhancement Project – Lions

First Supplemental Response (May 23, 2025):

On May 9, 2025, SoCalGas conferred via email with Cal Advocates, explaining that due to the level of detail required to adequately answer this question, SoCalGas would need to provide documents responsive to this request on a rolling basis. Cal Advocates agreed to SoCalGas's request. This is the first supplemental production for this data request.

Second Supplemental Response (May 30, 2025):

On May 9, 2025, SoCalGas conferred via email with Cal Advocates, explaining that due to the level of detail required to adequately answer this question, SoCalGas would need to provide documents responsive to this request on a rolling basis. Cal Advocates agreed to SoCalGas's request. This is the second supplemental production for this data request.

Data Request Number: PAO-SCG-401-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/2/2025

Date Responded: 06/06/2025

Third Supplemental due 6/6/2025

1. For each subcategory or project within each of the following major cost categories, please provide an Excel document including line itemization for each individual direct cost. The total of each spreadsheet should match the total of each cost subcategory. Labor costs should be split between straight time, over time, and any premium or double time labor costs. Supervisory or management labor should be identified as such.

- Replacement Projects
- Hydrotest Projects
- Derate and Abandonment Projects
- Valve Projects
- Line 306 Costs
- Miscellaneous Costs

SoCalGas Response Supplemental 1:

Original PAO-SCG-401-MW5 Response (May 16, 2025):

Please see the attached project Excel files for:

- 404 Section 4A Replacement Project
- 41-6000-2 Abandonment & Tie-Over
- 45-120 Section 2 Replacement Project
- Storage – Goleta
- Aviation and 104th Valve Enhancement Project
- Blythe Valve Enhancement Project - Cactus City
- 1014 Olympic Valve Enhancement Project
- 7000 Valve Enhancement Project - Rd 96 & Ave 198
- Santa Barbara Valve Enhancement Project – Lions

Please note that supervisor labor cannot be differentiated from management labor.

First Supplemental Response (May 23, 2025):

On May 9, 2025, SoCalGas conferred via email with Cal Advocates, explaining that due to the level of detail required to adequately answer this question, SoCalGas would need to provide documents responsive to this request on a rolling basis. Cal Advocates agreed to SoCalGas's request. This is the first supplemental production for this data request.

Second Supplemental Response (May 30, 2025):

On May 9, 2025, SoCalGas conferred via email with Cal Advocates, explaining that due to the level of detail required to adequately answer this question, SoCalGas would need to provide documents responsive to this request on a rolling basis. Cal Advocates agreed to SoCalGas's request. This is the second supplemental production for this data request.

Data Request Number: PAO-SCG-401-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/2/2025

Date Responded: 06/06/2025

SoCalGas Response Supplemental 1-Continued:

Third Supplemental Response (June 6, 2025):

On May 9, 2025, SoCalGas conferred via email with Cal Advocates, explaining that due to the level of detail required to adequately answer this question, SoCalGas would need to provide documents responsive to this request on a rolling basis. Cal Advocates agreed to SoCalGas's request. This is the third supplemental production for this data request.

The following documents are attached:

1. ATT 01_1018 Valve Enhancement Project - Avery Parkway_CONFIDENTIAL
2. ATT 02_225 Valve Enhancement Project - Beartrap_CONFIDENTIAL
3. ATT 03_225 Valve Enhancement Project - Quail Canal_CONFIDENTIAL
4. ATT 04_29 Palms Valve Enhancement Project Mohawk Trail_CONFIDENTIAL
5. ATT 05_29 Palms Valve Enhancement Project Utah Trail_CONFIDENTIAL
6. ATT 06_000-P1B Valve Enhancement Project - Camp Rock Road_CONFIDENTIAL
7. ATT 07_41-6001-2 Replacement_CONFIDENTIAL
8. ATT 08_7000 Valve Enhancement Project - Visalia Station_CONFIDENTIAL
9. ATT 09_Adelanto Valve Enhancement Project MLV 4_CONFIDENTIAL
10. ATT 10_Apple Valley Valve Enhancement Project - MLV 2_CONFIDENTIAL
11. ATT 11_Banning 2001 Valve Enhancement Project - MLV 14.3_CONFIDENTIAL
12. ATT 12_Banning 2001 Valve Enhancement Project - MLV 14A_CONFIDENTIAL
13. ATT 13_Banning 2001 Valve Enhancement Project - MLV 16A_CONFIDENTIAL
14. ATT 14_Brea Valve Enhancement Project - Atwood Station_CONFIDENTIAL
15. ATT 15_Burbank Valve Enhancement Project - Riverside and Agnes_CONFIDENTIAL
16. ATT 16_Carpinteria Valve Enhancement Project - Oxy and Rincon_CONFIDENTIAL
17. ATT 17_Fontana 4002 Valve Enhancement Project - Etiwanda and 4th_CONFIDENTIAL
18. ATT 18_Glendale Valve Enhancement Project_CONFIDENTIAL
19. ATT 19_Line 404-406 Ventura Valve Enhancement Project - Somis Yard_CONFIDENTIAL

Data Request Number: PAO-SCG-401-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/2/2025

Date Responded: 06/06/2025

SoCalGas Response Supplemental 1-Continued:

- 20. ATT 20_Supply Line 45-120 Valve Enhancement Project_CONFIDENTIAL
- 21. ATT 21_Taft Valve Enhancement Project - 7th Standard_CONFIDENTIAL
- 22. ATT 22_Taft Valve Enhancement Project - Sycamore_CONFIDENTIAL
- 23. ATT 23_Wilmington Valve Enhancement Project - Eubank
Station_CONFIDENTIAL
- 24. ATT 24_CONFIDENTIAL DECLARATION_PAO-SCG-401-MW5 Q1 06-5-
2025

Data Request Number: PAO-SCG-401-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/2/2025

Date Responded: 06/06/2025

2. For each subcategory or project within each of the following major cost categories, please provide an Excel document including line itemization for each individual indirect cost.

- Replacement Projects
- Hydrotest Projects
- Derate and Abandonment Projects
- Valve Projects
- Line 306 Costs
- Miscellaneous Costs

SoCalGas Response Supplemental 2:

Original PAO-SCG-401-MW5 Response (May 16, 2025):

Please see attached "PAO-SCG-401-MW5 – Question 2" for:

- 404 Section 4A Replacement Project
- 41-6000-2 Abandonment & Tie-Over
- 45-120 Section 2 Replacement Project
- Storage – Goleta
- Aviation and 104th Valve Enhancement Project
- Blythe Valve Enhancement Project - Cactus City
- 1014 Olympic Valve Enhancement Project
- 7000 Valve Enhancement Project - Rd 96 & Ave 198
- Santa Barbara Valve Enhancement Project – Lions

First Supplemental Response (May 23, 2025):

On May 9, 2025, SoCalGas conferred via email with Cal Advocates, explaining that due to the level of detail required to adequately answer this question, SoCalGas would need to provide documents responsive to this request on a rolling basis. Cal Advocates agreed to SoCalGas's request. This is the first supplemental production for this data request.

Second Supplemental Response (May 30, 2025):

On May 9, 2025, SoCalGas conferred via email with Cal Advocates, explaining that due to the level of detail required to adequately answer this question, SoCalGas would need to provide documents responsive to this request on a rolling basis. Cal Advocates agreed to SoCalGas's request. This is the second supplemental production for this data request.

Data Request Number: PAO-SCG-401-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/2/2025

Date Responded: 06/06/2025

SoCalGas Response Supplemental 2-Continued:

Third Supplemental Response (June 6, 2025):

On May 9, 2025, SoCalGas conferred via email with Cal Advocates, explaining that due to the level of detail required to adequately answer this question, SoCalGas would need to provide documents responsive to this request on a rolling basis. Cal Advocates agreed to SoCalGas's request. This is the third supplemental production for this data request.

The following document is attached:

ATT 01_Q2_PAO-SCG-401-MW5 Indirects Question 2

Data Request Number: PAO-SCG-401-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/2/2025

Date Responded: 06/13/2025

Fourth Supplemental due 6/13/25

1. For each subcategory or project within each of the following major cost categories, please provide an Excel document including line itemization for each individual direct cost. The total of each spreadsheet should match the total of each cost subcategory. Labor costs should be split between straight time, over time, and any premium or double time labor costs. Supervisory or management labor should be identified as such.

- Replacement Projects
- Hydrotest Projects
- Derate and Abandonment Projects
- Valve Projects
- Line 306 Costs
- Miscellaneous Costs

SoCalGas Response Supplemental 1:

Original PAO-SCG-401-MW5 Response (May 16, 2025):

Please see the attached project Excel files for:

- 404 Section 4A Replacement Project
- 41-6000-2 Abandonment & Tie-Over
- 45-120 Section 2 Replacement Project
- Storage – Goleta
- Aviation and 104th Valve Enhancement Project
- Blythe Valve Enhancement Project - Cactus City
- 1014 Olympic Valve Enhancement Project
- 7000 Valve Enhancement Project - Rd 96 & Ave 198
- Santa Barbara Valve Enhancement Project – Lions

Please note that supervisor labor cannot be differentiated from management labor.

First Supplemental Response (May 23, 2025):

On May 9, 2025, SoCalGas conferred via email with Cal Advocates, explaining that due to the level of detail required to adequately answer this question, SoCalGas would need to provide documents responsive to this request on a rolling basis. Cal Advocates agreed to SoCalGas's request. This is the first supplemental production for this data request.

Second Supplemental Response (May 30, 2025):

On May 9, 2025, SoCalGas conferred via email with Cal Advocates, explaining that due to the level of detail required to adequately answer this question, SoCalGas would need to provide documents responsive to this request on a rolling basis. Cal Advocates agreed to SoCalGas's request. This is the second supplemental production for this data request.

Data Request Number: PAO-SCG-401-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/2/2025

Date Responded: 06/13/2025

Third Supplemental Response (June 6, 2025):

On May 9, 2025, SoCalGas conferred via email with Cal Advocates, explaining that due to the level of detail required to adequately answer this question, SoCalGas would need to provide documents responsive to this request on a rolling basis. Cal Advocates agreed to SoCalGas's request. This is the third supplemental production for this data request.

The following documents are attached:

1. ATT 01_1018 Valve Enhancement Project - Avery Parkway_CONFIDENTIAL
2. ATT 02_225 Valve Enhancement Project - Beartrap_CONFIDENTIAL
3. ATT 03_225 Valve Enhancement Project - Quail Canal_CONFIDENTIAL
4. ATT 04_29 Palms Valve Enhancement Project Mohawk Trail_CONFIDENTIAL
5. ATT 05_29 Palms Valve Enhancement Project Utah Trail_CONFIDENTIAL
6. ATT 06_000-P1B Valve Enhancement Project - Camp Rock Road_CONFIDENTIAL
7. ATT 07_41-6001-2 Replacement_CONFIDENTIAL
8. ATT 08_7000 Valve Enhancement Project - Visalia Station_CONFIDENTIAL
9. ATT 09_Adelanto Valve Enhancement Project MLV 4_CONFIDENTIAL
10. ATT 10_Apple Valley Valve Enhancement Project - MLV 2_CONFIDENTIAL
11. ATT 11_Banning 2001 Valve Enhancement Project - MLV 14.3_CONFIDENTIAL
12. ATT 12_Banning 2001 Valve Enhancement Project - MLV 14A_CONFIDENTIAL
13. ATT 13_Banning 2001 Valve Enhancement Project - MLV 16A_CONFIDENTIAL
14. ATT 14_Brea Valve Enhancement Project - Atwood Station_CONFIDENTIAL
15. ATT 15_Burbank Valve Enhancement Project - Riverside and Agnes_CONFIDENTIAL
16. ATT 16_Carpinteria Valve Enhancement Project - Oxy and Rincon_CONFIDENTIAL
17. ATT 17_Fontana 4002 Valve Enhancement Project - Etiwanda and 4th_CONFIDENTIAL
18. ATT 18_Glendale Valve Enhancement Project_CONFIDENTIAL
19. ATT 19_Line 404-406 Ventura Valve Enhancement Project - Somis Yard_CONFIDENTIAL
20. ATT 20_Supply Line 45-120 Valve Enhancement Project_CONFIDENTIAL
21. ATT 21-Taft Valve Enhancement Project - 7th Standard_CONFIDENTIAL
22. ATT 22-Taft Valve Enhancement Project - Sycamore_CONFIDENTIAL
23. ATT 23_Wilmington Valve Enhancement Project - Eubank Station_CONFIDENTIAL
24. ATT 24_CONFIDENTIAL DECLARATION_PAO-SCG-401-MW5 Q1 06-5-2025

Data Request Number: PAO-SCG-401-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/2/2025

Date Responded: 06/13/2025

Fourth Supplemental Response (June 13, 2025):

On May 9, 2025, SoCalGas conferred via email with Cal Advocates, explaining that due to the level of detail required to adequately answer this question, SoCalGas would need to provide documents responsive to this request on a rolling basis. Cal Advocates agreed to SoCalGas's request. This is the fourth supplemental production for this data request.

The following documents are attached:

1. Attachment 01 - PAO-SCG-401-MW5 - Apple Valley Valve Enhancement Project – MLV 13_CONFIDENTIAL
2. Attachment 02 - PAO-SCG-401-MW5 - Brea Valve Enhancement Project - Chino Hill and Carbon Canyon_CONFIDENTIAL
3. Attachment 03 - PAO-SCG-401-MW5 - Brea Valve Enhancement Project - Gale and Azusa_CONFIDENTIAL
4. Attachment 04 - PAO-SCG-401-MW5 - PAO-SCG-401_Line 306_CONFIDENTIAL
5. Attachment 05 - PAO-SCG-401-MW5 - PAO-SCG-401-MW5_1 and 2 Misc Costs_CONFIDENTIAL
6. Attachment 06 - PAO-SCG-401-MW5 - Rainbow Valve Enhancement Project - Newport and Briggs_CONFIDENTIAL
7. Attachment 07 - PAO-SCG-401-MW5 - Rainbow Valve Enhancement Project - Ramona and Lakeview_CONFIDENTIAL
8. Attachment 08 - PAO-SCG-401-MW5 - Rainbow Valve Enhancement Project - Scott and El Centro_CONFIDENTIAL
9. Attachment 09 - PAO-SCG-401-MW5 - Rainbow-PIB Valve Enhancement Project - Rainbow Valley_CONFIDENTIAL
10. Attachment 10 - PAO-SCG-401-MW5 - Victorville Valve Enhancement Project - MLV 11_CONFIDENTIAL
11. Attachment 11 - PAO-SCG-401-MW5 - Victorville Valve Enhancement Project - MLV 12_CONFIDENTIAL
12. Attachment 12 - PAO-SCG-401-MW5 - Western Del Rey Valve Enhancement Project - Mississippi and Armacost_CONFIDENTIAL
13. CONFIDENTIAL DECLARATION_PAO-SCG-401-MW5 Q1 06-13-2025

Data Request Number: PAO-SCG-401-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/2/2025

Date Responded: 06/13/2025

2. For each subcategory or project within each of the following major cost categories, please provide an Excel document including line itemization for each individual indirect cost.

- Replacement Projects
- Hydrotest Projects
- Derate and Abandonment Projects
- Valve Projects
- Line 306 Costs
- Miscellaneous Costs

SoCalGas Response Supplemental 2:

Original PAO-SCG-401-MW5 Response (May 16, 2025):

Please see attached "PAO-SCG-401-MW5 – Question 2" for:

- 404 Section 4A Replacement Project
- 41-6000-2 Abandonment & Tie-Over
- 45-120 Section 2 Replacement Project
- Storage – Goleta
- Aviation and 104th Valve Enhancement Project
- Blythe Valve Enhancement Project - Cactus City
- 1014 Olympic Valve Enhancement Project
- 7000 Valve Enhancement Project - Rd 96 & Ave 198
- Santa Barbara Valve Enhancement Project – Lions

First Supplemental Response (May 23, 2025):

On May 9, 2025, SoCalGas conferred via email with Cal Advocates, explaining that due to the level of detail required to adequately answer this question, SoCalGas would need to provide documents responsive to this request on a rolling basis. Cal Advocates agreed to SoCalGas's request. This is the first supplemental production for this data request.

Second Supplemental Response (May 30, 2025):

On May 9, 2025, SoCalGas conferred via email with Cal Advocates, explaining that due to the level of detail required to adequately answer this question, SoCalGas would need to provide documents responsive to this request on a rolling basis. Cal Advocates agreed to SoCalGas's request. This is the second supplemental production for this data request.

Third Supplemental Response (June 6, 2025):

On May 9, 2025, SoCalGas conferred via email with Cal Advocates, explaining that due to the level of detail required to adequately answer this question, SoCalGas would need to provide documents responsive to this request on a rolling basis. Cal Advocates agreed to SoCalGas's request. This is the third supplemental production for this data request.

Data Request Number: PAO-SCG-401-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/2/2025

Date Responded: 06/13/2025

The following document is attached:

1. ATT 01_Q2_PAO-SCG-401-MW5 Indirects Question 2

Fourth Supplemental Response (June 13, 2025):

On May 9, 2025, SoCalGas conferred via email with Cal Advocates, explaining that due to the level of detail required to adequately answer this question, SoCalGas would need to provide documents responsive to this request on a rolling basis. Cal Advocates agreed to SoCalGas's request. This is the fourth supplemental production for this data request.

The following documents are attached:

1. Attachment 13 - PAO-SCG-401-MW5 - Indirects Question 2 061325 - Public

Data Request Number: PAO-SCG-402-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 5/20/2025

The following questions refer to SCG Valve Projects listed on BGK-A-38, starting with Aviation & 104th Valve Enhancement Project through Wilmington Valve Enhancement Project-Eubank Station:

1. Is there a cost cap given by the Commission for Valve Projects? If yes, please provide the relevant section of the decision and the decision number.

SoCalGas Response 1:

SoCalGas objects to this request on the grounds that it is vague and ambiguous, particularly with respect to the phrase “cost cap given by the Commission.” Subject to and without waiving the foregoing objection, SoCalGas responds as follows:

No.

2. Please describe the process of choosing which projects are selected for valve enhancement and how the order for the projects is determined.

SoCalGas Response 2:

SoCalGas's Valve Enhancement Plan (VEP) includes an evaluation process and installation criteria that were first described in the testimony of Joseph Rivera¹ in support of SoCalGas's proposed PSEP, which was submitted in response to R.11-02-019, and later authorized in D.14-06-007.² Consistent with the Commission-approved VEP criteria, the VEP focuses on the installation of valves to isolate transmission pipelines routed in Class 3 and 4 and High Consequence Area (HCA) locations with the following characteristics:

- 12 inches or greater in diameter, operating at a Maximum Allowable Operating Pressure (MAOP) that produces pipeline stresses in excess of 30% of Specified Minimum Yield Stress (SMYS); or
- 20 inches or greater in diameter, operating at an MAOP that produces pipeline stresses in excess of 20% of SMYS.

Additional valves are installed on pipelines that are 12 inches or greater in diameter and are subject to identified geologic risks, including pipelines traversing active earthquake faults where engineering analysis suggests reduced valve spacing intervals could provide added system reliability and/or enhance public safety.

As described in the testimony of Joseph Rivera, the prioritization of projects necessary to satisfy the VEP follows the following criteria:

- (1) highest potential energy of pipeline segment as represented by its potential impact radius³;
- (2) active geological hazards such as earthquake fault crossings;
- (3) high-density facilities, which may be difficult to evacuate under an emergency condition;
- (4) most expedient locations to retrofit because of few encumbrances; and
- (5) potential impact on customers (e.g., some valve work may be reprioritized to later in the schedule or coordinated with other planned work to minimize the impacts to customers).

¹ R.11.02-019, Testimony of Joseph Rivera at 67-84.

² D.14-06-007, Ordering Paragraph 2 at 59.

³ The radius of a circle within which the potential failure of a pipeline could have significant impact on people or property.

3. Were all of these projects previously approved and included in a prior PSEP? If not, were there some projects that were previously approved then delayed for these projects? Please explain and provide which projects this applies to.

SoCalGas Response 3:

The valve enhancement workpapers accompanying SoCalGas's original PSEP application (A.11-11-002) included some of the valves that were enhanced and included for cost recovery in this application. However, it is important to note that the list of valves included with the original application was based on preliminary scope information. SoCalGas has since conducted extensive scope validation that has resulted in the addition or cancellation of certain valve enhancement projects. The limitations of the 2011 PSEP VEP valve list are encapsulated in the PSEP 2016 Reasonableness Review (A.16-09-005) testimony of Mike Bermel: "The initial analysis was a high-level estimate of the scope of work to be conducted at mainline valve locations and a projection of how many isolation sections would be required to support Valve Plan isolation objectives. Due to time constraints associated with the filing schedules, this assessment work did not include walk down and site surveys of each valve site for verification, site condition analysis, site constructability, and customer impacts, among other factors. Moreover, the original Valve Plan did not include details on each smaller tap valve, crossover valve, and lesser operational valve, which would have to be reviewed and possibly modified to support full pipeline section isolation."⁴

While D.14-06-007 approved SoCalGas's PSEP as proposed in A.11-11-002, including the Valve Enhancement Plan, the Commission did not pre-approve recovery of PSEP costs. Instead, D.14-06-007 established a regulatory framework for cost recovery through after-the-fact reasonableness review applications. SoCalGas first presented valve enhancement projects for reasonableness review in A.16-09-005, again in A.18-11-010, and, consistent with D.16-08-003, presented a forecast for valve enhancement work commencing after 1/1/2019 in the Test Year 2019 General Rate Case (A.17-10-008).

⁴ A.16-09-005, Testimony of Mike Bermel at 5.

Data Request Number: PAO-SCG-402-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 5/20/2025

4. Please provide the Workpapers supporting the 2011 PSEP filing for the specific projects referenced above.

SoCalGas Response 4:

See attached “SoCalGas-SDGE PSEP WP Chapter IX – 2 Valves.”

As noted in Response 3, the list of valves included with the original application was based on preliminary scope information. SoCalGas has since conducted extensive scope validation that has resulted in the addition or cancellation of certain valve enhancement projects.

Data Request Number: PAO-SCG-402-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 5/20/2025

5. Who reviews and approves the preliminary estimates that are mentioned in the various sections of Ex. SCG-T3-PSEP-01-WP1-Bill-Kostelnik Public Volume 2, 3, and 4?

SoCalGas Response 5:

As stated on page BGK-A-31 of the testimony of Bill Kostelnik: “The estimated amounts are derived from a Total Installed Cost (TIC) estimate... Once the TIC is finalized, SoCalGas moves forward with budget authorization through the Work Order Authorization (WOA) process. The TIC, which includes direct costs only, is supplemented with indirect costs, which are calculated subject to the process described in the testimony of Sakif Wasif (Ex. SCG-T3-4 PSEP-02); together, the direct and indirect costs are combined into the Phase 2 WOA. The approval of the Phase 2 WOA by PSEP leadership is required to proceed with the execution of a project.” Furthermore, SoCalGas’s Approval and Commitment Policy governs the approval of projects and associated costs by Company leadership, establishing authority limits that are aligned with specific thresholds.

The testimony, on page BGK-A-17, further elaborates on the stage-gate process by which a project is authorized by leadership to move forward once the requisite deliverables, including the TIC estimate, are prepared and finalized: “The Stage Gate Review Process consists of seven stages, with specific objectives for each stage and an evaluation at the end of each stage by Construction leadership to verify that objectives have been met before proceeding to the next stage.” The TIC estimate and associated Phase 2 WOA process described in the first paragraph are executed during Stage 3, which also includes the project execution plan and baseline schedule, among other things.⁵

⁵ Depending on the date of a particular project, the execution of the TIC estimate and Phase 2 WOA may not have both occurred in Stage 3 since the stage gate process has evolved during the life of the PSEP program. As stated in footnote 41 of page BGK-A-17 of the testimony: “The seven-stage Stage Gate Review Process was implemented by the PSEP organization beginning in the First Quarter of 2013. It has since been reduced to five stages that still encompass all the deliverables of the seven stages, by combining Stages 1 and 2 and Stages 6 and 7. Most of the projects in this section were completed following the seven-stage Stage Gate Review Process with the exception of 13 projects which followed the five-stage Stage Gate Review Process.”

Data Request Number: PAO-SCG-402-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 5/20/2025

6. Please provide an explanation as to why the Banning Airport Valve Enhancement Project includes \$6,000 of O&M while none of the other projects have O&M costs.

SoCalGas Response 6:

The approximate \$6,000 represents several post-completion invoices received over several months after the project was financially closed out. Per accounting policy, these amounts are charged to O&M because the charges did not meet the minimum threshold to reopen the capital work order.

Data Request Number: PAO-SCG-402-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 5/20/2025

7. Are there any incentives or counterincentives for remaining within a certain percentage of the preliminary estimate? If yes, please explain.

SoCalGas Response 7:

As stated in testimony, SoCalGas has a “longstanding practice of maximizing the cost-effectiveness of safety investments, which has been one of the four primary objectives of PSEP since the Commission approved it in D.14-06-007.” Therefore, while there may not be specific incentives or counterincentives for remaining within a certain percentage of the TIC estimate, there are many steps taken by the PSEP program to reduce costs and promote affordability, including scope validation efforts, effective PSEP project sequencing, prudent procurement of materials, and use of the Performance Partnership Program to enhance contractor cost-effectiveness. It is important to note that, as stated in BGK-A-31 of the testimony of Bill Kostelnik, the purpose of a preliminary/Class 3 estimate is for budget authorization, with engineering typically between a 10% and 40% completion level. Taking this into consideration, as noted on page BGK-A-32 of testimony, “In aggregate, the portfolio of the 21 SoCalGas pipeline projects presented for review was approximately \$37 million or 10 percent below the estimated amount (\$326 million actual versus \$363 million estimated). The SoCalGas valve portfolio of 66 projects was approximately \$16 million or 11 percent below the estimated amount (\$135 million actual versus \$152 million estimated).” While the SoCalGas projects included for cost recovery in this filing did not exceed estimated amounts in the aggregate, it is important to reiterate, as stated on page BGK-A-31, that TICs classified at the Class 3 level are expected to produce “...an estimate accuracy range of -20% on the low end to +30% on the high end.” Therefore, a group of projects that may exceed estimated amounts by up to 30 percent, on average, is considered to be within the normal range of outcomes given the uncertainty facing construction projects and the myriad risks that may materialize in individual project situations. Finally, regardless of how a cost aligns with the estimate, SoCalGas must keep its costs reasonable for cost recovery purposes.

Data Request Number: PAO-SCG-402-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 5/20/2025

8. Please complete the attached Excel document that has a table similar to the one on p. BGK-A-38 that has the columns of Project, Required/Approved (if yes, mark an X in the column), Amount Approved in Prior Decision, Preliminary Estimate, Actual, Variance, Date Began, Date Completed, Project Delay, FTE, Accelerated/Incidental Mileage included, and Cost Associated with Accelerated/ Incidental Milage. If any of the amounts or input information is incorrect, please correct it and highlight it in light blue.

SoCalGas Response 8:

Please see the notes below that explain SoCalGas's response in the attached spreadsheet:

- Column B: All VEP projects included in this filing are required pursuant to D.11-06-017 and Cal. Pub. Util. Code §§ 957.
- Column C: SoCalGas interprets "approval" to refer to the Commission's approval of the VEP in D.14-06-007. None of the projects included for recovery have yet been authorized to be recovered in rates by the Commission.
- Column D: D.14-06-007.
- Column E: Not applicable. (Footnote: D.14-06-007 did not approve an authorized revenue requirement but ordered SoCalGas to file for after-the-fact cost recovery via reasonableness review.)
- Column M: Not applicable. Accelerated/incidental mileage pertains only to pipeline projects.
- Column N: Not applicable.

Data Request Number: PAO-SCG-402-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 5/20/2025

9. If the variance shown in column H in the attached spreadsheet is highlighted in orange, this indicates that the variance is significant, either because the actual cost is more than double the estimate or there is more than a million dollar difference. Please provide a detailed breakdown of all costs for each of these specific projects including the cost category and provide an explanation as to why the cost variance is significant.

SoCalGas Response 9:

SoCalGas objects to this request on the grounds that it is argumentative with respect to the term “significant.” Subject to and without waiving the foregoing objection, SoCalGas responds as follows:

As stated on page BGK-A-4 of the testimony of Bill Kostelnik, SoCalGas has added *Section IV.D. – Cost Impacts* to all project workpapers, which provides detailed information pertaining to notable variances for the specified direct cost categories. For convenience, the following table refers to the applicable workpaper page that provides detailed information for the projects requested:

Project	Workpaper Page
Aviation and 104 th Valve Enhancement Project	WP-1058
Blythe Valve Enhancement Project-Cactus City	WP-1165
Santa Barbara Valve Enhancement Project - Lions	WP-1516

Data Request Number: PAO-SCG-402-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 5/20/2025

The following questions refer to Ex. SCG-T3-PSEP-01-WP1-Bill-Kostelnik Public Volume 3-5:

10. Under Site Evaluation and Planning for DOT Class, please provide a breakdown with a description of Class 1, Class 2, Class 3, and Class 4 locations.

SoCalGas Response 10:

Please see the link below for the DOT definitions of class locations.

[eCFR :: 49 CFR 192.5 -- Class locations.](#)

The class location of the valve(s) addressed by a particular project is located in the project-specific workpapers in Section II.B. – Site Evaluation and Planning.

Data Request Number: PAO-SCG-402-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 5/20/2025

11. Under Engineering, Design, and Planning Factors in valve details, and actuator details, when it mentions that either the valve or actuator was reused by the project team (for example on WP-1104):

- i. Does this mean that these valves and actuators were reused on the same project? If yes, please answer the questions below. If no, please skip to question viii.

SoCalGas Response 11i.:

Yes. The use of the term “re-use” in the workpaper refers to the fact that the valve and actuator were existing at the site and were automated, but not replaced, as a result of the project.

Data Request Number: PAO-SCG-402-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 5/20/2025

11. Under Engineering, Design, and Planning Factors in valve details, and actuator details, when it mentions that either the valve or actuator was reused by the project team (for example on WP-1104):

ii. Please explain why those items were reused instead of replaced.

SoCalGas Response 11ii.:

SoCalGas deemed the existing equipment to be in good working condition and did not warrant replacement per the Valve Enhancement Plan (VEP) criteria, therefore avoiding additional cost to ratepayers without compromising the safe operation of the valves.

Data Request Number: PAO-SCG-402-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 5/20/2025

11. Under Engineering, Design, and Planning Factors in valve details, and actuator details, when it mentions that either the valve or actuator was reused by the project team (for example on WP-1104):

iii. How does the project team determine whether to replace or reuse a valve or an actuator?

SoCalGas Response 11iii.:

The replacement of actuators and valves is based on the capabilities and quality of existing equipment. Existing ball valves have the capability of being automated, but SoCalGas will review the operation history of the valve to determine if there are any operational issues (valve sticking, unable to fully close/seal, etc.) or integrity concerns with the equipment that would therefore warrant replacement. These issues are considered during the preliminary project design stage as a part of the scope validation for a given project. Similarly, actuators that are antiquated and cannot be automated, or those that are in poor working condition, are replaced.

Data Request Number: PAO-SCG-402-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 5/20/2025

11. Under Engineering, Design, and Planning Factors in valve details, and actuator details, when it mentions that either the valve or actuator was reused by the project team (for example on WP-1104):

iv. What is the service life of a manually actuated Class 300 ball valve and a double-acting pneumatic actuator?

SoCalGas Response 11iv.:

A manually actuated Class 300 ball valve can have a service life of 20 to 50 years or longer depending on the soil and environmental conditions in which it operates (there is potential for corrosion and deterioration of coating), the frequency of operation (which causes wear on seals and ball surface), and aging of internal polymeric components and gaskets that contribute to the valve's ability to operate freely, seal, and remain leak free. For PSEP applications, with respect to whether an existing valve can be reused, each valve must be evaluated on a project-by-project basis. Primary evaluation criteria include whether the valve can accommodate automation technology, valve type, age and condition, valve orientation, location, and constructability.

Double-acting pneumatic actuators can have a service life of 20 to 40 years or longer, depending on the number of cycles, internal gaskets, and seals. Their service life can be extended with proper maintenance and replacement of internal parts.

Data Request Number: PAO-SCG-402-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 5/20/2025

11. Under Engineering, Design, and Planning Factors in valve details, and actuator details, when it mentions that either the valve or actuator was reused by the project team (for example on WP-1104):

v. Are the valves and actuator easy to service and replace, if there is an issue with the reused item?

SoCalGas Response 11v.:

SoCalGas objects to this request on the grounds that it is vague and ambiguous, particularly with respect to the phrase “easy to service and replace.” Subject to and without waiving the foregoing objection, SoCalGas responds as follows:

SoCalGas interprets the term “easy” to refer to ease of access and availability. Actuators generally require less time and effort to service and replace than valves, as they are in existing facilities or below-ground vaults that are easily accessible. Conversely, servicing or replacing valves may require authorization from various permitting agencies, pipeline outages, traffic control and substantial construction activities.

Data Request Number: PAO-SCG-402-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 5/20/2025

11. Under Engineering, Design, and Planning Factors in valve details, and actuator details, when it mentions that either the valve or actuator was reused by the project team (for example on WP-1104):

vi. Please provide an estimate of the cost of a manually actuated Class 300 ball valve.

SoCalGas Response 11vi.:

SoCalGas objects to this request on the grounds that it is vague and ambiguous. Subject to and without waiving the foregoing objection, SoCalGas responds as follows:

The material cost of a Class 300 ball valve is not available, as SoCalGas typically installs Class 600 ball valves in the event that a Class 300 ball valve needs to be replaced per the VEP. Class 600 valves are necessary to maintain consistency with updated engineering and design criteria that have changed since the original valve was installed in order to meet anticipated operating conditions. Additionally, Class 600 valves are rated to a higher operating pressure design level and provide added safety benefits compared to a Class 300 ball valve.

Class 600 ball valves installed on PSEP VEP projects range from approximately \$9,000 for a 6-inch diameter pipeline to \$90,000 for a 36-inch diameter pipeline.

Data Request Number: PAO-SCG-402-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 5/20/2025

11. Under Engineering, Design, and Planning Factors in valve details, and actuator details, when it mentions that either the valve or actuator was reused by the project team (for example on WP-1104):

vii. Please provide an estimate of a double-acting pneumatic actuator.

SoCalGas Response 11vii.:

SoCalGas objects to this request on the grounds that it is vague and ambiguous. Subject to and without waiving the foregoing objection, SoCalGas responds as follows:

Double-acting pneumatic actuators installed on PSEP VEP projects range from approximately \$7,000 to \$50,000, depending on various factors such as the size of the valve that the actuator is automating and the type of actuator.

Data Request Number: PAO-SCG-402-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 5/20/2025

11. Under Engineering, Design, and Planning Factors in valve details, and actuator details, when it mentions that either the valve or actuator was reused by the project team (for example on WP-1104):

viii. If the response to Q. 11i is “no,” then how will SCG show the cost savings of reusing the valve and actuators in future projects?

SoCalGas Response 11viii.:

Not applicable.

Data Request Number: PAO-SCG-402-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 5/20/2025

12. For each project, does the Direct Cost Category “Company Labor” amount in Table 4: Estimated and Actual Direct Costs and Variances represent the “The Actual Full-Time Equivalent (FTE) for this Project is X” (X represents a number for each project) under Table 5: Estimated and Actual Indirect Costs, Total Costs, and Variances? If not, please describe what is included in Company Labor and also please explain where the costs associated with the FTE can be located in Table 4 or Table 5.

SoCalGas Response 12:

Yes. However, it is important to note that while the company labor amounts included in the supplemental workpapers are reflected as actual costs, the FTEs utilize the total hours directly charged to a project by company employees to represent the average number of company employees directly charging to a project throughout its lifecycle.

Data Request Number: PAO-SCG-402-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 5/20/2025

The following question refers to Ex. SCG-T3-PSEP-01-WP1-Bill-Kostelnik Public Volume 4-5:

13. On WP-1644, the days on site says 24 days but the Construction Start Date is 12/06/2017 and Construction Finish Date is 04/15/2019. Please explain how the days on Site says 24, but the start to finish date is around 495 days.

SoCalGas Response 13:

The days on site represent the time that the construction contractor is performing substantial construction activity. In this case, the electrical contractor needed to return to the site for one day to install fittings, after the construction contractor had already demobilized.

Data Request Number: PAO-SCG-404-BBE

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/9/2025

Date Responded: 5/20/2025

The following questions refer to SCG's Pipeline Safety Enhancement Plan (PSEP) Valve Projects listed on BGK-A-37.

1. Is there a cost cap given by the Commission for Valve Projects? If yes, please provide the relevant section of the decision and the decision number.

SoCalGas Response 1:

SoCalGas objects to this request on the grounds that it is vague and ambiguous, particularly with respect to the phrase "cost cap given by the Commission." Subject to and without waiving the foregoing objection, SoCalGas responds as follows:

No.

2. Please describe the process of choosing which projects are selected for valve enhancement and how the order for the projects is determined.

SoCalGas Response 2:

SoCalGas's Valve Enhancement Plan (VEP) includes an evaluation process and installation criteria that were first described in the testimony of Joseph Rivera¹ in support of SoCalGas's proposed PSEP, which was submitted in response to R.11-02-019, and later authorized in D.14-06-007.² Consistent with the Commission-approved VEP criteria, the VEP focuses on the installation of valves to isolate transmission pipelines routed in Class 3 and 4 and High Consequence Area (HCA) locations with the following characteristics:

- 12 inches or greater in diameter, operating at a Maximum Allowable Operating Pressure (MAOP) that produces pipeline stresses in excess of 30% of Specified Minimum Yield Stress (SMYS); or
- 20 inches or greater in diameter, operating at an MAOP that produces pipeline stresses in excess of 20% of SMYS.

Additional valves are installed on pipelines that are 12 inches or greater in diameter and are subject to identified geologic risks, including pipelines traversing active earthquake faults where engineering analysis suggests reduced valve spacing intervals could provide added system reliability and/or enhance public safety.

As described in the testimony of Joseph Rivera, the prioritization of projects necessary to satisfy the VEP follows the following criteria:

- (1) highest potential energy of pipeline segment as represented by its potential impact radius³;
- (2) active geological hazards such as earthquake fault crossings;
- (3) high-density facilities, which may be difficult to evacuate under an emergency condition;
- (4) most expedient locations to retrofit because of few encumbrances; and
- (5) potential impact to customers (e.g., some valve work may be reprioritized to later in the schedule or coordinated with other planned work to minimize the impacts to customers).

¹ R.11.02-019; Testimony of Joseph Rivera at Pages 67-84.

² D.14-06-007, Ordering Paragraph 2 at Page 59.

³ The radius of a circle within which the potential failure of a pipeline could have significant impact on people or property

3. Were all of these projects previously approved and included in a prior PSEP? If not, were there some projects that were previously approved then delayed for these projects? Please explain and provide which projects this applies to.

SoCalGas Response 3:

The valve enhancement workpapers accompanying SoCalGas's original PSEP application (A.11-11-002) included some of the valves that were enhanced and included for cost recovery in this application. However, it is important to note that the list of valves included with the original application was based on preliminary scope information. SoCalGas has since conducted extensive scope validation that has resulted in the addition or cancellation of certain valve enhancement projects. The limitations of the 2011 PSEP VEP valve list are encapsulated in the PSEP 2016 Reasonableness Review (A.16-09-005) testimony of Mike Bermel: "The initial analysis was a high-level estimate of the scope of work to be conducted at mainline valve locations and a projection of how many isolation sections would be required to support Valve Plan isolation objectives. Due to time constraints associated with the filing schedules, this assessment work did not include walk down and site surveys of each valve site for verification, site condition analysis, site constructability, and customer impacts, among other factors. Moreover, the original Valve Plan did not include details on each smaller tap valve, crossover valve, and lesser operational valve, which would have to be reviewed and possibly modified to support full pipeline section isolation."⁴

While D.14-06-007 approved SoCalGas's PSEP as proposed in A.11-11-002, including the Valve Enhancement Plan, the Commission did not pre-approve recovery of PSEP costs, as it was determined that SoCalGas and SDG&E did not yet have reliable, detailed PSEP cost estimates. Instead, D.14-06-007 established a regulatory framework for cost recovery through after-the-fact reasonableness review applications. SoCalGas first presented valve enhancement projects for reasonableness review in A.16-09-005, again in A.18-11-010, and, consistent with D.16-08-003, presented a forecast for valve enhancement work commencing after 1/1/2019 in the Test Year 2019 General Rate Case (A.17-10-008).

⁴ A.16-09-005; Testimony of Mike Bermel at Page 5 (Exhibit SCG-06)

Data Request Number: PAO-SCG-404-BBE

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/9/2025

Date Responded: 5/20/2025

4. Please provide the Workpapers supporting the 2011 PSEP filing for the specific projects referenced above.

SoCalGas Response 4:

See attached “SoCalGas-SDGE PSEP WP Chapter IX – 2 Valves.”

As noted in Response 3, the list of valves included with the original application was based on preliminary scope information. SoCalGas has since conducted extensive scope validation that has resulted in the addition or cancellation of certain valve enhancement projects.

Data Request Number: PAO-SCG-404-BBE

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/9/2025

Date Responded: 5/20/2025

5. Are there any incentives or counterincentives for remaining within a certain percentage of the preliminary estimate? If yes, please explain.

SoCalGas Response 5:

As stated in testimony, SoCalGas has a “longstanding practice of maximizing the cost-effectiveness of safety investments, which has been one of the four primary objectives of PSEP since the Commission approved it in D.14-06-007.” Therefore, while there may not be specific incentives or counterincentives for remaining within a certain percentage of the TIC estimate, there are many steps taken by the PSEP program to reduce costs and promote affordability, including scope validation efforts, effective PSEP project sequencing, prudent procurement of materials, and use of the Performance Partnership Program to enhance contractor cost-effectiveness. It is important to note that, as stated on BGK-A-31 of the testimony of Bill Kostelnik, the purpose of a preliminary/Class 3 estimate is for budget authorization, with engineering typically between a 10% and 40% completion level. Taking this into consideration, as noted on page BGK-A-32 of testimony, “In aggregate, the portfolio of the 21 SoCalGas pipeline projects presented for review was approximately \$37 million or 10 percent below the estimated amount (\$326 million actual versus \$363 million estimated). The SoCalGas valve portfolio of 66 projects was approximately \$16 million or 11 percent below the estimated amount (\$135 million actual versus \$152 million estimated).” While the SoCalGas projects included for cost recovery in this filing did not exceed estimated amounts in the aggregate, it is important to reiterate, as stated on page BGK-A-31, that TICs classified at the Class 3 level are expected to produce “...an estimate accuracy range of -20% on the low end to +30% on the high end.” Therefore, a group of projects that may exceed estimated amounts by up to 30 percent, on average, is considered to be within the normal range of outcomes given the uncertainty facing construction projects and the myriad risks that may materialize in individual project situations. Finally, regardless of how a cost aligns with the estimate, SoCalGas must keep its costs reasonable for cost recovery purposes.

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

1. Please clarify the nature and support for the \$25.04 million capital cost shown for Line 306 in Table BK-2. In your response, please address the following:

- a. Confirm whether the \$25.04 million reflects solely the purchase price of Line 306 from PG&E.

SoCalGas Response 1a:

Yes.

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

1. Please clarify the nature and support for the \$25.04 million capital cost shown for Line 306 in Table BK-2. In your response, please address the following:

b. Confirm whether any O&M costs were incurred or booked for Line 306 during the PSEP reasonableness review period (December 2015 through December 2020). If O&M was incurred outside this period, please specify when and how those costs are being tracked or proposed for recovery.

SoCalGas Response 1b:

No O&M costs have been incurred related to the purchase of Line 306.

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

1. Please clarify the nature and support for the \$25.04 million capital cost shown for Line 306 in Table BK-2. In your response, please address the following:

c. Provide all supporting documentation for the \$25.04 million capital cost, including but not limited to:

i. The executed purchase agreement or contract with PG&E.

SoCalGas Response 1ci.:

Please see attached: "L306 Pipeline Purchase and Sale Agreement – Response 1ci."

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

ii. Related capital booking documentation.

SoCalGas Response 1cii.:

Please see below from SAP.

Period	Fiscal Year	Cost element name	Amount	Description
4	2021	PURCHASE REAL PROP E	25,042,074.10	Escrow Payment for Purchase of Line 306 from PG&E
5	2021	PMT FOR EASEMENT / R	(1,991.00)	REFUND / CK# XXXXXXXX DTD 4/30/21
		Total	25,040,083.10	

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

iii. Any cost-benefit analysis, or approval documents used to justify the acquisition

SoCalGas Response 1ciii.:

As stated in the testimony of Bill Kostelnik on page BGK-A-39, “As indicated in D.20-03-018, the Commission authorized PG&E to sell its local gas transmission Line 306 to SoCalGas for \$25 million and further concluded that the sale was ‘not adverse to the public interest pursuant to Public Utilities Code Section 851.’” Therefore, additional supporting documentation may be found in the records associated with this proceeding (A.19-04-003).

Please see [A.19-04-003 - PG&E Application for Line 306 Sale to SoCalGas](#). SoCalGas provided documentation used to justify the purchase (see “SoCalGas Response to CalPA DR-01 Response A.19-04-003” and “SoCalGas Response to CalPA DR-02 Response A.19-04-003”).

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

1. Please clarify the nature and support for the \$25.04 million capital cost shown for Line 306 in Table BK-2. In your response, please address the following:

d. Confirm whether and how this cost has been recorded in the PSEP Memorandum Account (PSEPMA) and include the relevant accounting entries and dates of booking, if applicable.

SoCalGas Response 1d:

The \$25.05 million capital costs shown in Table BK-2 for Line 306 are not recorded in the PSEP Memorandum Account. Instead, the capital revenue requirement (depreciation, taxes, return) associated with the \$25 million asset is recorded to the PSEP Memorandum Account. Please see attachment “PSEPMA 2021-2024” for capital revenue requirement entries recorded in the PSEP Memorandum Account for years 2021-2024.

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

1. Please clarify the nature and support for the \$25.04 million capital cost shown for Line 306 in Table BK-2. In your response, please address the following:

e. Clarify whether any workpapers were intended to support the Line 306 acquisition, and if so, provide the specific file name(s), folder location, and page number(s), or attach the supporting documents directly.

SoCalGas Response 1e:

The following documents are attached:

1. "Supply Line 44-1008 Replacement Project supplemental workpaper_CONFIDENTIAL" (Submitted in SoCalGas's 2019 General Rate Case, A.17-10-008)
2. "Supply Line 44-306/44-307 Retrofit Project supplemental workpaper_CONFIDENTIAL" (Submitted in SoCalGas's 2024 General Rate Case, A.22-05-015)

As discussed in the testimony of Bill Kostelnik on page BGK-A-39, "On April 30, 2021, SoCalGas finalized the purchase of Line 306 from PG&E. SoCalGas began considering the purchase because PG&E's Line 306 could be used to provide service to customers in the region without incurring the substantial costs and environmental impacts anticipated with the replacement of SL44-1008. As SoCalGas explained in the Commission proceeding related to the purchase of Line 306 (A.19-04-003), SoCalGas anticipated that the purchase (\$25M) and refurbishments/improvements (estimated at the time to be ~\$40M) would result in a significant cost savings for ratepayers compared to the estimated cost of replacing Supply Line 44-1008."

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

2. Please provide a breakdown and supporting documentation for the \$12.615 million in Miscellaneous Costs presented in Table BK-52. Specifically, please address the following:

a. Phase 2 Memorandum Account (\$4.542 million O&M)

i. Provide a breakdown of all costs recorded in the PSEP Phase 2 Memorandum Account.

SoCalGas Response 2ai:

Please see attached: “PAO-SCG-403-SO3_2a-2e responses_CONFIDENTIAL” (“2a Ph2 Memo Acct” tab).

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

ii. For each entry, include the cost amount, date, description, and associated department or vendor.

SoCalGas Response 2aⁱⁱ:

Please see attached: "PAO-SCG-403-SO3_2a-2e responses_CONFIDENTIAL" ("2a Ph2 Memo Acct" tab).

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

iii. Provide supporting documentation for each entry (e.g., invoices, journal entries, cost reports).

SoCalGas Response 2aiii:

This response will be provided in a separate response submitted on May 28, 2025. It will provide the five highest contractor/vendor line items, as agreed upon with the California Public Advocates Office on May 20, 2025, via email.

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

2. Please provide a breakdown and supporting documentation for the \$12.615 million in Miscellaneous Costs presented in Table BK-52. Specifically, please address the following:

b. Post-Completion Construction (\$3.801 million total: \$2.517M Capital / \$1.283M O&M)

i. List all projects associated with these costs.

SoCalGas Response 2bi:

Please see attached: “PAO-SCG-403-SO3_2a-2e responses_CONFIDENTIAL” (“2b Post Completion” tab).

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

ii. For each project, describe the type of adjustment (e.g., invoice, labor cost, journal entry) and provide the corresponding documentation.

SoCalGas Response 2bii:

This response will be provided in a separate response submitted on May 28, 2025. It will provide the five highest contractor/vendor line items, as agreed upon with the California Public Advocates Office on May 20, 2025, via email.

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

2. Please provide a breakdown and supporting documentation for the \$12.615 million in Miscellaneous Costs presented in Table BK-52. Specifically, please address the following:

c. Facilities Lease (\$2.470 million O&M)

i. Provide a breakdown of lease expenses including date, amount, and billing period.

SoCalGas Response 2ci:

Please see attached: "PAO-SCG-403-SO3_2a-2e responses_CONFIDENTIAL"
("Facilities Lease" tab).

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

ii. Identify the cost centers used and provide supporting documentation (e.g., invoices, lease agreements, internal allocation memos).

SoCalGas Response 2cii:

This response will be provided in a separate response submitted on May 28, 2025. It will provide the five highest contractor/vendor line items, as agreed upon with the California Public Advocates Office on May 20, 2025, via email.

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

2. Please provide a breakdown and supporting documentation for the \$12.615 million in Miscellaneous Costs presented in Table BK-52. Specifically, please address the following:

d. Descoped Projects (\$694K O&M)

i. List each project classified as descoped, including the original project name, reason for descoping, and associated costs.

SoCalGas Response 2di:

Project Name	Reason for Descoping
PSEP-SL33-6263	Documentation was found that supported a recalculation of the Specified Minimum Yield Strength (SMYS) to below 20%, thereby removing the segment(s) from the scope of the Pipeline Safety Enhancement Plan (PSEP).
PSEP-SL38-931-P1B-01	As part of the project under Work Order 82050, a pressure limiting station was installed to derate a section of pipeline 38-931. This derating reduced the Maximum Allowable Operating Pressure (MAOP), which in turn lowered the percentage of Specified Minimum Yield Strength (%SMYS) for the remaining segments to below 20%. As a result, these segments no longer fall within the scope of the PSEP.
Line 41-181	Strength test documentation was found, thereby removing the segment(s) from the scope of PSEP.
SL 41-30	Pipe coupon samples were collected to confirm the pipe grade and wall thickness. Using revised values obtained from the samples the percent Specified Minimum Yield Strength (%SMYS) was recalculated to below 20%, thereby removing the segments from the scope of PSEP.
L2002 SCG Lincoln Tap	This project is no longer needed because the tap on L307, which is downstream of this valve, has been abandoned.
PSEP Valve Enhancement Plan – L4002 MP67	This location was not suitable for an automated valve station. The project was descoped due to close proximity to an earthquake fault zone and railroad tracks.
Valve – L85 Templin Hwy	This portion of L85 was derated and therefore no longer within the scope of PSEP.

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

SoCalGas Response 2di-Continued:

Please see attached: “PAO-SCG-403-SO3_2a-2e responses_CONFIDENTIAL” (“2d Descoped projects” tab) for associated costs.

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

ii. Provide documentation for incurred costs (e.g., planning records, labor charges, or vendor payments).

SoCalGas Response 2dii:

This response will be provided in a separate response submitted on May 28, 2025. The response will provide the five highest contractor/vendor line items, as agreed upon with the California Public Advocates Office on May 20, 2025, via email.

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

iii. Indicate whether any portion of these costs was addressed in prior applications and identify any decisions where discussions of these projects or their related costs can be found.

SoCalGas Response 2diii:

None of these descoped projects were addressed in prior applications; therefore, discussions of these projects and related costs are not included in the record of other previous filings.

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

2. Please provide a breakdown and supporting documentation for the \$12.615 million in Miscellaneous Costs presented in Table BK-52. Specifically, please address the following:

e. Delcon Migration Project (\$1.110 million O&M)

i. Provide a breakdown of the total cost by type (e.g., software configuration, scripting, internal labor, IT consulting).

SoCalGas Response 2ei:

Please see attached: “PAO-SCG-403-SO3_2a-2e responses_CONFIDENTIAL” (“2e Delcon Migration” tab).

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

ii. Identify any vendors used and the dates of service.

SoCalGas Response 2eii:

Please see attached: “PAO-SCG-403-SO3_2a-2e responses_CONFIDENTIAL” (2e Delcon Migration” tab).

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

iii. Provide documentation supporting the costs incurred and the necessity of this system migration for PSEP.

SoCalGas Response 2eiii:

Please see attached: "Decommissioning Charter_Response 2eiii CONFIDENTIAL."

The current system at the time was hosted by a third party (Delcon Technologies), which was contracted through an engineering firm. The firm was being phased out of PSEP, and the Delcon Technologies contract with the firm expired in October of 2019. The system migration was necessary because the existing system had become outdated and would experience issues with functionality and reliability. PSEP had also used some additional modules in Delcon in the past that were no longer utilized and therefore unnecessary. For these reasons, it was decided that the best path forward was to utilize a new document repository that was being developed for and funded at the enterprise level. PSEP was then migrated to the OpenText (RDMS) platform.

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

2. Please provide a breakdown and supporting documentation for the \$12.615 million in Miscellaneous Costs presented in Table BK-52. Specifically, please address the following:

f. Additional Clarification

i. If any of the costs listed above are supported in workpapers, please identify the relevant file names, locations, and page numbers.

SoCalGas Response 2fi:

SoCalGas objects to this request on the grounds that it is vague and ambiguous, particularly with respect to the phrase “supported in workpapers.” Subject to and without waiving the foregoing objection, SoCalGas responds as follows:

The costs above are not included in a supplemental workpaper. However, the testimony includes discussion of these costs. *See, e.g.*, BGK-41 and 42.

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

ii. If any costs were reclassified, disallowed, or transferred in a different proceeding, please explain.

SoCalGas Response 2fii:

These costs were not reclassified, disallowed, or transferred in a different proceeding. Please note that, as stated in the testimony of Bill Kostelnik on pages BGK-A-41 and BGK-A-42, post-completion cost adjustments “associated with lines presented for review (including descoped projects) in A.16-09-005 and A.18-11-010 are included for recovery in this section. Post-completion adjustments occur when invoices or accounting adjustments are processed after filing an application for an after-the-fact reasonableness review. Despite the best efforts of SoCalGas to capture all items during the close-out process, post-completion adjustments may result in increased or decreased costs.” Regarding Phase 2 Memorandum Account costs: “D.16-08-003 authorized the creation of the PSEP-P2MA (Phase 2 Memorandum account) to record planning and engineering design costs associated with Phase 2A projects included in the TY 2019 GRC (A.17-10-008). The PSEP-P2MA was necessary to record these costs as Phase 2 had yet to be approved by the Commission. SoCalGas indicated on A.17-10-008 that amortization of these costs would be included in a future proceeding as authorized under D.16-08-003.”^{1,2} Costs recorded in the PSEP-2MA were not included in the PSEP revenue requirement request in A.17-10-008. SoCalGas includes these costs for recovery in this filing, and the memorandum account will be closed.”³

¹ A.17-10-008, 2019 GRC Direct Testimony of Rick Phillips, Pipeline Safety Enhancement Plan (Ex. SCG-15-R) at RDP-A-21.

² D.16-08-003 at 14-15 (OP 1).

³ Refer to the 2024 GRC Regulatory Accounts Prepared Direct Testimony of R. M. Yu (Ex. SCG-38-R-E).

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

3. Please provide detail and documentation for the \$1.585 million in Disallowed Costs associated with Table BK-53. We note that Table BK-53 lists \$1,584,000 under “Post-1955 PSEP Costs” and \$1,000 under “Executive Incentive Compensation,” but the total is still reported as \$1,584,000. Please clarify whether this is a typographical error and confirm the correct total amount disallowed.

a. Post-1955 PSEP Costs (\$1.584M)

i. Identify the specific projects and cost components that fall under this disallowance.

SoCalGas Response 3ai:

Please note that, due to a typographical error, the total disallowed cost shown on Table BK-53 should be \$1.585 million, not \$1.584 million.

Please see attached: “PubAdv-SCG-403-SO3_1704 3ai 3aiii 3ei 2024 RR disallowance.xlsx.”

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

- ii. Explain how these costs were identified and removed from the revenue requirement.

SoCalGas Response 3a ii:

As noted in the testimony of Bill Kostelnik, D.14-06-007 (as modified by D.15-12-020) ordered that certain specified costs would be disallowed from recovery in rates. This includes segments of pipe installed on or after January 1st, 1956, that lack sufficient records of a pressure test that may be included within the scope of PSEP pipeline hydrotest or replacement projects. SoCalGas's disallowance methodology for these segments was initially described in the testimony of Rick Phillips in A.16-09-005⁴ and later deemed "correctly accounted for and excluded" by the Commission in D.19-02-004.⁵ As part of its Stage Gate Review process, SoCalGas requires PSEP project teams to identify disallowances and present the amounts to PSEP leadership at each stage from project initiation (Stage 1) through construction (Stage 4). The project-specific workpapers provided with this application also include, when applicable, a detailed description of the disallowance calculation in Section IV.E.

Once the amounts are identified (as described in the 2016 Reasonableness Review testimony of Rick Phillips), they are credited in the balancing accounts to remove them from the revenue requirement.

⁴ A.16-09-005; Testimony of Rick Phillips, Chapter 3 – Pipeline Projects and Other Costs, at 6-8.

⁵ D.19-02-004 at 98.

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

iii. Provide supporting documentation (e.g., cost entries, project IDs, internal memos referencing the disallowance).

SoCalGas Response 3aiii:

Please see attached: "PubAdv-SCG-403-SO3_1704 3ai 3aiii 3ei 2024 RR disallowance.xlsx."

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

3. Please provide detail and documentation for the \$1.585 million in Disallowed Costs associated with Table BK-53. We note that Table BK-53 lists \$1,584,000 under “Post-1955 PSEP Costs” and \$1,000 under “Executive Incentive Compensation,” but the total is still reported as \$1,584,000. Please clarify whether this is a typographical error and confirm the correct total amount disallowed.

b. Undepreciated Book Balances (\$0)

i. Confirm that no undepreciated book balances were disallowed in this proceeding.

SoCalGas Response 3bi:

Confirmed.

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

ii. If any were disallowed in prior PSEP filings but not included here, please explain why.

SoCalGas Response 3bii:

SoCalGas objects to this request on the grounds that it is vague and ambiguous, particularly with respect to the term “any.” Subject to and without waiving the foregoing objection, SoCalGas responds as follows:

Consistent with D.14-06-007, which disallowed, among other things, the remaining undepreciated book value for post-1961 replacement or abandonment projects, SoCalGas has previously taken disallowances in A.16-09-005 (~\$231,000) and A.18-11-010 (~\$225,000). No disallowances for undepreciated book balances are acknowledged in the present filing because no undepreciated book balance is associated with the post-1961 replacement or abandonment projects included in SoCalGas’s cost recovery request.

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

3. Please provide detail and documentation for the \$1.585 million in Disallowed Costs associated with Table BK-53. We note that Table BK-53 lists \$1,584,000 under “Post-1955 PSEP Costs” and \$1,000 under “Executive Incentive Compensation,” but the total is still reported as \$1,584,000. Please clarify whether this is a typographical error and confirm the correct total amount disallowed.

c. Executive Incentive Compensation (\$1,000)

i. Confirm the nature of the executive compensation that was disallowed (e.g., bonus type, year incurred).

SoCalGas Response 3ci:

The ICP overhead accrued on executive salaries charged to a PSEP project in 2014 and 2018. The executive portion was disallowed based on D.16-12-063.

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

ii. Provide documentation showing the accounting treatment and confirmation it was excluded from recovery.

SoCalGas Response 3cii:

This response will be provided in a separate response submitted on May 28, 2025. It will provide the five highest contractor/vendor line items, as agreed upon with the California Public Advocates Office on May 20, 2025, via email.

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

3. Please provide detail and documentation for the \$1.585 million in Disallowed Costs associated with Table BK-53. We note that Table BK-53 lists \$1,584,000 under “Post-1955 PSEP Costs” and \$1,000 under “Executive Incentive Compensation,” but the total is still reported as \$1,584,000. Please clarify whether this is a typographical error and confirm the correct total amount disallowed.

d. Records Search (\$0)

i. Confirm that no records search-related costs were disallowed in this proceeding.

SoCalGas Response 3di:

All record search-related costs incurred by SoCalGas have been disallowed in previous proceedings. SoCalGas has previously taken disallowances in A.14-12-016 (\$15.635 million) and A.16-09-005 (~\$187,000). SoCalGas has not incurred records search-related costs since March 2016, the date through which costs were incurred and presented for review in A.16-09-005; therefore, this Application does not include disallowances related to searching for pressure test records.

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

ii. If such costs were incurred but excluded voluntarily, please explain the rationale and accounting.

SoCalGas Response 3dii:

Not applicable.

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

3. Please provide detail and documentation for the \$1.585 million in Disallowed Costs associated with Table BK-53. We note that Table BK-53 lists \$1,584,000 under “Post-1955 PSEP Costs” and \$1,000 under “Executive Incentive Compensation,” but the total is still reported as \$1,584,000. Please clarify whether this is a typographical error and confirm the correct total amount disallowed.

e. Total Disallowed (\$1.585M)

i. Provide a reconciliation table or file showing how the total disallowed amount aligns with specific cost entries.

SoCalGas Response 3ei:

Please see attached: “PubAdv-SCG-403-SO3_1704 3ai 3aiii 3ei 2024 RR disallowance.xlsx.”

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 05/23/2025

ii. Confirm whether any of these disallowed costs appear elsewhere in the testimony or workpapers for transparency purposes.

SoCalGas Response 3eii:

2024 RR - Disallowance	
Project	WP-Number
30-18 Section 2 Replacement Project	WP-43
Supply Line 41-6001-2 Replacement Project	WP-199
Supply Line 41-6000-2 Abandonment Project	WP-454
PSEP Goleta Storage Field Hydrotest	WP-348
Line 404 Section 4A Replacement Project	WP-290

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 5/27/25

2. Please provide a breakdown and supporting documentation for the \$12.615 million in Miscellaneous Costs presented in Table BK-52. Specifically, please address the following:

a. Phase 2 Memorandum Account (\$4.542 million O&M)

iii. Provide supporting documentation for each entry (e.g., invoices, journal entries, cost reports).

SoCalGas Response 2aiii:

Original PAO-SCG-403-SO3 Response: This response will be provided in a separate response submitted on May 28, 2025. It will provide the five highest contractor/vendor line items, as agreed upon with the California Public Advocates Office on May 20, 2025, via email.

Supplemental Response:

Category	Project	Amt	Supporting Documentation Description/File Name
Ph2 Memo Act	2000 Blythe to Cactus City	162,145.94	"Invoices 1-4 Ph 2 Memo Act CONFIDENTIAL": pages 1-25
Ph2 Memo Act	225 North	37,627.18	"Invoices 1-4 Ph 2 Memo Act CONFIDENTIAL": pages 26-42
Ph2 Memo Act	Line 1030	34,673.58	"Invoices 1-4 Ph 2 Memo Act CONFIDENTIAL": pages 43-56
Ph2 Memo Act	225 North	31,012.85	"Invoices 1-4 Ph 2 Memo Act CONFIDENTIAL": pages 57-82
Ph2 Memo Act	Note: The file below identifies the charges above within the corresponding invoice. "Invoices 1-4 Ph 2 Memo Act Supporting Document CONFIDENTIAL"		
Ph2 Memo Act	Line 407	32,494.34	"Invoice 5 Ph 2 Memo Act CONFIDENTIAL"
Ph2 Memo Act	Note: The file below identifies the charges above within the corresponding invoice. "Invoice 5 Ph 2 Memo Act - Supporting Document CONFIDENTIAL"		

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 5/27/25

2. Please provide a breakdown and supporting documentation for the \$12.615 million in Miscellaneous Costs presented in Table BK-52. Specifically, please address the following:

b. Post-Completion Construction (\$3.801 million total: \$2.517M Capital / \$1.283M O&M)

ii. For each project, describe the type of adjustment (e.g., invoice, labor cost, journal entry) and provide the corresponding documentation.

SoCalGas Response 2bii:

Original PAO-SCG-403-SO3 Response: This response will be provided in a separate response submitted on May 28, 2025. It will provide the five highest contractor/vendor line items, as agreed upon with the California Public Advocates Office on May 20, 2025, via email.

Supplemental Response:

Category	Project	Amt	Supporting Documentation Description/File Name
Post Completion	Valve - L225 Bundle-P1B	272,163.23	"Invoice 1 Post Completion_ CONFIDENTIAL"
Post Completion	37-18 Section 1-5	251,000.00	"Invoice 2 Post Completion_ CONFIDENTIAL"
Post Completion	44-137 Abandonment	226,446.28	"Invoice 3 Post Completion_ CONFIDENTIAL"
Post Completion	44-137 Abandonment	187,048.32	"Invoice 4 Post Completion_ CONFIDENTIAL"
Post Completion	38-514 Section 1 & 2	66,069.62	"Invoice 5 Post Completion_ CONFIDENTIAL"

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 5/27/25

2. Please provide a breakdown and supporting documentation for the \$12.615 million in Miscellaneous Costs presented in Table BK-52. Specifically, please address the following:

c. Facilities Lease (\$2.470 million O&M)

ii. Identify the cost centers used and provide supporting documentation (e.g., invoices, lease agreements, internal allocation memos).

SoCalGas Response 2cii:

Original PAO-SCG-403-SO3 Response: This response will be provided in a separate response submitted on May 28, 2025. It will provide the five highest contractor/vendor line items, as agreed upon with the California Public Advocates Office on May 20, 2025, via email.

Supplemental Response:

Category	Project	Amt	Supporting Documentation Description/File Name
Facilities Lease	N/A	3,192.29	“Invoice 1 - Facilities Lease CONFIDENTIAL”
Facilities Lease	The “Facilities Lease Supporting Document_CONFIDENTIAL” file contains the interface postings, as invoices were not associated with these line items.		

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 5/27/25

2. Please provide a breakdown and supporting documentation for the \$12.615 million in Miscellaneous Costs presented in Table BK-52. Specifically, please address the following:

d. Descope Projects (\$694K O&M)

ii. Provide documentation for incurred costs (e.g., planning records, labor charges, or vendor payments).

SoCalGas Response 2dii:

Original PAO-SCG-403-SO3 Response: This response will be provided in a separate response submitted on May 28, 2025. It will provide the five highest contractor/vendor line items, as agreed upon with the California Public Advocates Office on May 20, 2025, via email.

Supplemental Response:

Category	Project	Amt	Supporting Documentation Description/File Name
Descope	Valve - L4002 MP67.00 MLV	49,958.01	“Invoices 1-5 - Descope_CONFIDENTIAL”: pages 1-5
Descope	Valve - L4002 MP67.00 MLV	33,505.74	“Invoices 1-5 - Descope_CONFIDENTIAL”: pages 6-58
Descope	Valve - L4002 MP67.00 MLV	33,088.25	“Invoices 1-5 - Descope_CONFIDENTIAL”: pages 59-64
Descope	Valve - L4002 MP67.00 MLV	28,421.04	“Invoices 1-5 - Descope_CONFIDENTIAL”: pages 65-133
Descope	Valve - L4002 MP67.00 MLV	16,450.23	“Invoices 1-5 - Descope_CONFIDENTIAL”: pages 134-156

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 5/27/25

3. Please provide detail and documentation for the \$1.585 million in Disallowed Costs associated with Table BK-53. We note that Table BK-53 lists \$1,584,000 under “Post-1955 PSEP Costs” and \$1,000 under “Executive Incentive Compensation,” but the total is still reported as \$1,584,000. Please clarify whether this is a typographical error and confirm the correct total amount disallowed.

a. Post-1955 PSEP Costs (\$1.584M)

iii. Provide supporting documentation (e.g., cost entries, project IDs, internal memos referencing the disallowance).

SoCalGas Response 3aiii:

Original PAO-SCG-403-SO3 Response: Please see attached: “PubAdv-SCG-403-SO3_1704 3ai 3aiii 3ei 2024 RR disallowance.xlsx.”

Supplemental Response:

Please see attached: “PubAdv-SCG-403-SO3_1704 3ai 3aiii 3ei 2024 RR disallowance.xlsx,” previously submitted in the original PAO-SCG-403-SO3 response.

Data Request Number: PAO-SCG-403-SO3

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/6/2025

Date Responded: 5/27/25

3. Please provide detail and documentation for the \$1.585 million in Disallowed Costs associated with Table BK-53. We note that Table BK-53 lists \$1,584,000 under “Post-1955 PSEP Costs” and \$1,000 under “Executive Incentive Compensation,” but the total is still reported as \$1,584,000. Please clarify whether this is a typographical error and confirm the correct total amount disallowed.

c. Executive Incentive Compensation (\$1,000)

ii. Provide documentation showing the accounting treatment and confirmation it was excluded from recovery.

SoCalGas Response 3cii:

Original PAO-SCG-403-SO3 Response: This response will be provided in a separate response submitted on May 28, 2025. It will provide the five highest contractor/vendor line items, as agreed upon with the California Public Advocates Office on May 20, 2025, via email.

Supplemental Response:

In the process of responding to this request, SoCalGas identified an error in SCG-T3-PSEP-02-WP1 Revenue Requirements, which incorrectly did not exclude the Executive Incentive Compensation overhead from revenue requirement calculations for recovery. Excluding the overhead results in a \$795 reduction in the SECCBA revenue requirement balance through December 2024. The updated SECCBA balance through December 2024 is \$112,506,235. SoCalGas will submit updated workpapers reflecting this change at the next available opportunity.

Data Request Number: PAO-SDGE-410-BBE

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/20/2025

Date Responded: 6/2/2025

The following questions refer to SDG&E Replacement & Pressure Test Projects listed on MT-37:

1. Is there a cost cap given by the Commission for Replacement & Pressure Test Projects? If yes, please provide the relevant section of the decision and the decision number.

SDG&E Response 1:

SDG&E and SoCalGas object to this request on the grounds that it is vague and ambiguous, particularly with respect to the phrase “cost cap given by the Commission.”

Subject to and without waiving the foregoing objection, SDG&E and SoCalGas respond as follows:

No.

Data Request Number: PAO-SDGE-410-BBE

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/20/2025

Date Responded: 6/2/2025

2. Please describe the process of choosing which projects are selected for Replacement & Pressure Test Projects and how the order for the projects is determined.

SDG&E Response 2:

SDG&E and SoCalGas's PSEP Test/Replace Decision Tree outlines the criteria determining whether a pipeline project falls within Phase 1A/1B or Phase 2, and whether a given project should pressure test or replace any in-scope segments. The decision tree was first described in the testimony of Doug Schneider¹ in support of SDG&E and SoCalGas's PSEP, which was submitted in response to R.11-02-019, and later authorized in D.14-06-007². The decision tree has remained the primary means through which SDG&E and SoCalGas identify actions taken under PSEP to address pipelines that lack sufficient documentation of a pressure test to modern standards or qualify as pre-1946 non-piggable pipelines.

PSEP's prioritization methodology and timeline were also initially described in the testimony of Doug Schneider.³ PSEP was carried out by prioritizing Phase 1A first, which represents the highest risk segments in more populated areas, followed by Phase 1B and Phase 2. Within these phases, the factors that influence SDG&E and SoCalGas's ability to execute projects may lead to postponement or rescheduling of projects in any given year. For example, as stated in the testimony of Doug Schneider, these factors may include "system conflicts, logistical coordination, and incorporation of information obtained through interim inspections and assessments."

Following D.14-06-007, the execution schedule for PSEP was further refined through the Commission's issuance of D.16-08-003, which laid out a schedule for reasonableness reviews to examine the costs of SDG&E and SoCalGas's initial efforts to execute Phase 1A projects, and the eventual incorporation of PSEP cost recovery for Phase 1B and Phase 2A projects into SDG&E and SoCalGas's General Rate Case process.⁴ During this time, and through the period comprising the projects included in this application, SDG&E and SoCalGas continued to execute Phase 1A while also making progress on Phase 1B and Phase 2A projects. As stated in the testimony of Marco Tachiquin on page MT-10, SDG&E has completed all currently identified Phase 1A mileage in its service territory.

¹ R.11.02-019, Testimony of Doug Schneider at 60-62.

² At 16, 22, 23, 25, 56 (CoL 8), 59 (OP 1)

³ R.11.02-019, Testimony of Doug Schneider at 18-20, 50-63.

⁴ D.16-08-003 at 13 (FoF 5), 16 (OP 5&6).

Data Request Number: PAO-SDGE-410-BBE

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/20/2025

Date Responded: 6/2/2025

3. Were all of these projects previously approved and included in a prior PSEP? If not, were there some projects that were previously approved then delayed for these projects? Please explain and provide which projects this applies to.

SDG&E Response 3:

The workpapers accompanying SoCalGas and SDG&E's original PSEP application (A.11-11-002) identified segments of pipelines that were ultimately tested or replaced and included for cost recovery in this application. However, it is important to note that the pipeline mileage identified in the original application was based on preliminary scope information and did not identify specific projects. After D.14-06-007, which approved SoCalGas and SDG&E's PSEP to proceed, SoCalGas and SDG&E conducted extensive scope validation, which led to the development of the pressure test and replacement projects that are the subject of cost recovery in this Application. Please refer to pages MT-39 and MT-40 for a mileage reconciliation that shows the original "as filed" mileage from A.11-02-002 compared to the mileage for the projects included in this Application.

It is important to note that while D.14-06-007 approved SoCalGas's and SDG&E's PSEP as proposed in A.11-11-002, the Commission did not pre-approve recovery of PSEP costs, as it was determined that SoCalGas and SDG&E did not yet have reliable, detailed PSEP cost estimates. Instead, D.14-06-007 established a regulatory framework for cost recovery through after-the-fact reasonableness review applications. SDG&E first presented pressure test and replacement projects for reasonableness review in A.16-09-005, and again in A.18-11-010. It presents the vast majority of the remaining projects for review in this Application.

Data Request Number: PAO-SDGE-410-BBE

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/20/2025

Date Responded: 6/2/2025

4. Please provide the Workpapers supporting the 2011 PSEP filing for the specific projects referenced above.

SDG&E Response 4:

Please see separately attached documents:

01_SoCalGas-SDGE PSEP WP Chapter IV.PDF
02A_SoCalGas-SDGE PSEP WP Chapter IX-1 Pipelines.PDF
02AAM_SoCalGas-SDGE PSEP WP Chapter IX-1 Pipelines.PDF
02B_SoCalGas-SDGE PSEP WP Chapter IX-1 1-A SCGTransAppendix.PDF
02BAM_SoCalGas-SDGE PSEP WP Chapter IX-1 1-A SCGTransAppendix.PDF
02C_SoCalGas-SDGE PSEP WP Chapter IX-1-B SCGDistAppendix.PDF
02CAM_SoCalGas-SDGE PSEP WP Chapter IX-1-B SCGDistAppendix.PDF
02D_SoCalGas-SDGE PSEP WP Chapter IX-1-C SDGETransAppendix.PDF
02E_SoCalGas-SDGE PSEP WP Chapter IX-1-D SDGEDistAppendix.PDF
02EAM_SoCalGas-SDGE PSEP WP Chapter IX-1-D SDGEDistAppendix.PDF

As noted in Response 3, the list of pipeline segments identified in the original application was based on preliminary scope information, and SDG&E and SoCalGas have since conducted extensive scope validation that has resulted in the development of specific pressure test and replacement projects.

Data Request Number: PAO-SDGE-410-BBE

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/20/2025

Date Responded: 6/2/2025

5. Are there any incentives or counterincentives for remaining within a certain percentage of the preliminary estimate? If yes, please explain.

SDG&E Response 5:

SDG&E objects to this request on the grounds that it is vague and ambiguous, in particular with respect to the phrase “incentives or counterincentives.” Subject to and without waiving the foregoing objection, SoCalGas responds as follows:

As stated in testimony, SDG&E has a “longstanding practice of maximizing the cost-effectiveness of safety investments, which has been one of the four primary objectives of PSEP since the Commission approved it in D.14-06-007.” Therefore, while there may not be specific incentives or counterincentives for remaining within a certain percentage of the TIC estimate, there are many steps taken by the PSEP program to reduce costs and promote affordability, including scope validation efforts, effective PSEP project sequencing, prudent procurement of materials, and use of the Performance Partnership Program to enhance contractor cost-effectiveness. It is important to note that, as stated in MT-32 of the testimony of Marco Tachiquin, the purpose of a preliminary/Class 3 estimate is for budget authorization, with engineering typically between a 10% and 40% completion level. Taking this into consideration, as noted on page MT-33 of the testimony, “In aggregate, the portfolio of seven SDG&E pipeline projects presented for review was approximately \$47 million or 26 percent above the estimated amount (\$229 million actual versus \$182 million estimated). The SDG&E valve portfolio of six projects was approximately \$79 million or 37 percent below the estimated amount (\$11 million actual versus \$18 million estimated).” While the SDG&E pipeline projects included for cost recovery in this filing did exceed estimated amounts in the aggregate, it is important to reiterate, as stated on page MT-32, that TICs classified at the Class 3 level are expected to produce “...an estimate accuracy range of -20% on the low end to +30% on the high end.” Therefore, the overall 26% variance for the pipeline projects is considered within the normal range of outcomes, given the uncertainty facing construction projects and the myriad risks that may materialize in individual project situations. Finally, regardless of how a cost aligns with the estimate, SDG&E must keep its costs reasonable for cost recovery purposes.

Data Request Number: PAO-SDGE-410-BBE

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/20/2025

Date Responded: 6/2/2025

The following questions refer to SDG&E Abandonment Projects listed on MT-38:

6. Is there a cost cap given by the Commission for Abandonment Projects? If yes, please provide the relevant section of the decision and the decision number.

SDG&E Response 6:

SDG&E and SoCalGas object to this request on the grounds that it is vague and ambiguous, particularly with respect to the phrase “cost cap given by the Commission.” Subject to and without waiving the foregoing objection, SDG&E and SoCalGas respond as follows:

No.

Data Request Number: PAO-SDGE-410-BBE

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/20/2025

Date Responded: 6/2/2025

7. Please describe the process of choosing which projects are selected for Abandonment projects and how the order for the projects is determined.

SDG&E Response 7:

As stated in the testimony of Marco Tachiquin on page MT-27, “A key first step in project execution is the scope validation efforts conducted in Stage 1 (Project Initiation). SDG&E does not proceed with PSEP projects without first performing due diligence to verify the project scope through diligent scope validation activities. From the initial phase of a PSEP project, the PSEP management team identifies the potential for cost avoidance when studying the proposed project. To do this, the project team reviews data from the initial PSEP application and internal databases to validate project mileage. Through this scope validation step, mileage reduction may be accomplished through the critical assessment of records, reduction in MAOP, or abandonment of lines that were no longer required from an overall gas operating system perspective. Lines are only abandoned after a thorough review of the ability of adjoining lines to meet current and future load requirements and to verify there will be no customer impact or system constraints.” Furthermore, as stated on pages MT-18 and MT-19, “In Stage 2 of the Stage Gate Review Process, SDG&E conducts a test or replacement analysis using the Decision Tree.^{5,6} In undertaking this analysis, SDG&E applies engineering judgment to determine a final execution scope to provide short- and long-term customer benefits. To supplement its Decision Tree methodology and as a part of its scope validation efforts, SDG&E evaluates alternatives to replacements through the deration or abandonment of lines containing PSEP mileage. Decisions to abandon or operate a line at a reduced pressure are only made after a thorough review to (1) check the ability of adjoining lines to meet current and future load requirements, and (2) to verify that there will be no customer impact or system constraints. Deration and abandonment projects are executed at less cost than replacements as they do not require as much capital investment to implement the project scope. As of February 28th, 2025, SDG&E has abandoned 5.4 miles of PSEP Phase 1A pipe.”

The PSEP abandonment project completed by SDG&E as a part of this Application is classified as Phase 1A and was therefore executed as conditions allowed. The scope of the project was developed alongside other Phase 1A pressure test and replacement projects. As with other pipeline projects, abandonments may be postponed or rescheduled due to system conflicts, logistical coordination, and incorporation of information obtained through interim inspections and assessments.

⁵ The Commission approved the PSEP Decision Tree in D.14-06-007.

⁶ Similarly, a detailed process is used to determine the scope of work of projects under the Valve Enhancement Plan.

Data Request Number: PAO-SDGE-410-BBE

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/20/2025

Date Responded: 6/2/2025

8. Were all of these projects previously approved and included in a prior PSEP? If not, were there some projects that were previously approved then delayed for these projects? Please explain and provide which projects this applies to.

SDG&E Response 8:

The workpapers accompanying SoCalGas and SDG&E's original PSEP application (A.11-11-002) identified pipeline segments that were ultimately abandoned and included for cost recovery in this application. However, it is important to note that the pipeline mileage identified in the original application was based on preliminary scope information and did not identify specific projects. After D.14-06-007, which approved SoCalGas and SDG&E's PSEP to proceed, SoCalGas and SDG&E conducted extensive scope validation, which led to the development of the abandonment project subject to cost recovery in this Application. The associated supplemental workpaper for this project (Supply Line 49-28 Abandonment Project) discusses the development of the abandonment scope in Section II.A. – Engineering, Design, and Planning, Project Scope.

It is important to note that while D.14-06-007 approved SoCalGas and SDG&E's PSEP as proposed in A.11-11-002, the Commission did not pre-approve recovery of PSEP costs, as it was determined that SoCalGas and SDG&E did not yet have reliable, detailed PSEP cost estimates. Instead, D.14-06-007 established a regulatory framework for cost recovery through after-the-fact reasonableness review applications. SDG&E first presented abandonment projects for reasonableness review in A.16-09-005 and presents another project for review in this Application.

Data Request Number: PAO-SDGE-410-BBE

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/20/2025

Date Responded: 6/2/2025

9. Please provide the Workpapers supporting the 2011 PSEP filing for the specific projects referenced above.

SDG&E Response 9:

The workpapers are provided in Response 4. As noted in Responses 3 and 4, the list of pipeline segments identified in the original application was based on preliminary scope information, and SDG&E and SoCalGas have since conducted extensive scope validation that resulted in the development of specific abandonment projects.

Data Request Number: PAO-SDGE-410-BBE

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/20/2025

Date Responded: 6/2/2025

10. Are there any incentives or counterincentives for remaining within a certain percentage of the preliminary estimate? If yes, please explain.

SDG&E Response 10:

See Response 5.

Data Request Number: PAO-SCG-405-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/19/2025

Date Responded: 06/03/2025

1. Does SCG have FTEs who are capable of performing the work of a Mechanical Construction Contractor and an Electrical Contractor?

a. If yes, please explain why a Mechanical Construction Contractor and an Electrical Contractor were needed.

SoCalGas Response 1a:

SoCalGas objects to this request on the grounds that it is vague and ambiguous. Subject to and without waiving the foregoing objection, SoCalGas responds as follows:

Not applicable.

Data Request Number: PAO-SCG-405-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/19/2025

Date Responded: 06/03/2025

1. Does SCG have FTEs who are capable of performing the work of a Mechanical Construction Contractor and an Electrical Contractor?

b. If not, please explain.

SoCalGas Response 1b:

SoCalGas objects to this request on the grounds that it is vague and ambiguous. Subject to and without waiving the foregoing objection, SoCalGas responds as follows:

Given the aggressive timeframe and magnitude of work to be completed at the onset of PSEP, SoCalGas chose to utilize construction (including mechanical and electrical) contractors to perform PSEP construction work rather than augment the company's full-time staff to achieve this purpose. As originally stated in the testimony of Joseph Rivera in R.11-02-019, "Consistent with existing policies, for the types of valve retrofit, pipe installation, and pressure testing being proposed, SoCalGas and SDG&E will utilize pre-approved contractors who have demonstrated the ability to successfully complete such projects. Our contractor approval process involves the complete review of the contractor's demonstrated ability, expertise, equipment, facilities, and financial backing to complete and appropriately warranty the types of construction projects the contractor will be approved to engage in on behalf of the company. We also have an ongoing contractor performance review process used to document, address, and correct contractor performance deficiencies experienced over time."

In D.16-12-063,¹ the Commission agreed that SoCalGas's proposed use of contractors (which included engineers and project managers) to augment company staff was reasonable, given the pace and non-permanent nature of the program: "We find that SoCalGas and SDG&E acted prudently and reasonably in their hiring efforts for the PSEP. There is no dispute that PSEP was created as a result of a catastrophic event (i.e. the 2009 San Bruno Pipeline explosion), and the Commission directed that the PSEP be completed—as soon as practicable. SoCalGas and SDG&E engaged contractors and managed the cost of hiring them through competitive bidding services. Since the staffing for the PSEP was not meant to be permanent, it was reasonable for SoCalGas and SDG&E to seek to fill employment positions through the use of contractors." The Commission also ruled similarly in D.19-02-004: "SoCalGas and SDG&E's retention of external contractor personnel to augment internal company personnel was a reasonable means to complete safety enhancement as soon as practicable."²

¹ D.16-12-063 at 48, 59 (CoL 18).

² D.19-02-004 at 97 (FoF 15).

Data Request Number: PAO-SCG-405-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/19/2025

Date Responded: 06/03/2025

SoCalGas Response 1b-Continued:

Using skilled, experienced contractors in this manner allows for the most efficient, cost-effective PSEP execution strategy. Please refer to the testimony of Bill Kostelnik, pages BGK-A-27 through BGK-A-29, for more information on how SoCalGas manages its contractor resources to benefit ratepayers.

Data Request Number: PAO-SCG-405-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/19/2025

Date Responded: 06/03/2025

The following questions refer to the Aviation & 104th Valve Enhancement Project Regarding SCG-T3-PSEP-01-WP1-Bill-Kostelnik-Volume III p. WP-1051 and WP-1052:

2. Please explain the benefit, the reasoning, and the cost incurred for the Mechanical Construction Contractor to pour concrete pads and foundation for the antenna pole and bollards.

SoCalGas Response 2:

Concrete pads and foundations can be installed by either an electrical or mechanical contractor for a given project. In this case, it was determined that the mechanical contractor on-site, who was performing the major excavation work, could also perform the excavation for the electrical construction, thus avoiding the need for the Electrical Contractor to perform the excavation.

Due to the nature of work, the mechanical contractor is more adept at handling excavation and concrete installation than electrical contractors, leading to construction efficiencies.

Data Request Number: PAO-SCG-405-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/19/2025

Date Responded: 06/03/2025

3. Is it typical to have a concrete pad and foundation for an antenna pole and bollards?

SoCalGas Response 3:

SoCalGas objects to this request on the grounds that it is vague and ambiguous. Subject to and without waiving the foregoing objection, SoCalGas responds as follows:

Yes.

Data Request Number: PAO-SCG-405-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/19/2025

Date Responded: 06/03/2025

4. Please explain why the project team requested that the Mechanical Construction Contractor provide a full-time safety monitor during construction
 - a. Please provide the cost associated with the full-time safety monitor.

SoCalGas Response 4a:

The cost of the full-time safety monitor was \$22,471. However, this cost was identified in a change order submitted by the Mechanical Contractor, which SoCalGas ultimately rejected. The change order was rejected because the contractor erroneously omitted the cost of the safety monitor in their competitive bid. Therefore, although this was marked in the associated workpaper as a change during construction, including the safety monitor did not result in incremental costs to SoCalGas.

Data Request Number: PAO-SCG-405-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/19/2025

Date Responded: 06/03/2025

4. Please explain why the project team requested that the Mechanical Construction Contractor provide a full-time safety monitor during construction
- b. Please explain if a safety event happened regarding the contractor?

SoCalGas Response 4b:

This project did not have a safety event involving the Mechanical Construction Contractor. In this instance, the project team requested a full-time safety monitor because the monitor was erroneously omitted in the construction bid. This project required excavation at a busy intersection next to Los Angeles International Airport (LAX) with a high volume of commercial and non-commercial vehicle traffic. It was also situated next to a Natural Gas Vehicle (NGV) refilling station that remained open during construction. A separate laydown yard was used for storage, fabrication, and miscellaneous construction operations. This complexity warranted the need for a full-time safety monitor to reduce the risk of safety incidents.

Data Request Number: PAO-SCG-405-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/19/2025

Date Responded: 06/03/2025

4. Please explain why the project team requested that the Mechanical Construction Contractor provide a full-time safety monitor during construction

c. Is it required to have a full-time safety monitor during construction?

SoCalGas Response 4c:

SoCalGas objects to this request on the grounds that it is vague and ambiguous, in particular with respect to the phrase “required.” Subject to and without waiving the foregoing objection, SoCalGas responds as follows:

The use of a safety monitor on a particular project may vary depending on project conditions, the number of contracted personnel on-site, proximity to the public, permit requirements, traffic, depth of excavation, etc. Generally, a full-time safety monitor is warranted on projects that comprise more complex construction situations, as was the case in this project, as indicated in response to Question 4a.

Data Request Number: PAO-SCG-405-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/19/2025

Date Responded: 06/03/2025

4. Please explain why the project team requested that the Mechanical Construction Contractor provide a full-time safety monitor during construction
- d. Please provide which other projects for PSEP the project team requested that the Mechanical Construction Contractor provide a full-time safety monitor and the cost associated with the request.

SoCalGas Response 4d:

There are no other projects where the PSEP project team requested a Mechanical Construction Contractor to provide a full-time safety monitor. Please refer to response 4c for an explanation of why the safety monitor was requested for the Aviation & 104th Valve Enhancement Project. The use of safety monitors on PSEP projects is accounted for during the development of the Total Installed Cost (TIC) estimate, subject to project conditions and the SoCalGas Contractor Safety Manual.

Data Request Number: PAO-SCG-405-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/19/2025

Date Responded: 06/03/2025

The following question refers to the Santa Barbara County Valve Enhancement Project - Lions

5. Regarding SCG-T3-PSEP-01-Bill-Kostelnik-Volume IV p. WP-1515, the total costs included a variance of \$1,167,817. On p. WP-1516 through WP-1518, SCG mentions that the variance is attributable to a variety of factors.

a. SCG mentions, “The local electric utility requested that concrete stairs and a handrail be installed to allow for safe access to the new electric meter pedestal.”

Does the local electric utility mean a utility outside of SCG requested this change? If yes, please answer the following questions.

SoCalGas Response 5a:

Yes.

Data Request Number: PAO-SCG-405-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/19/2025

Date Responded: 06/03/2025

5. Regarding SCG-T3-PSEP-01-Bill-Kostelnik-Volume IV p. WP-1515, the total costs included a variance of \$1,167,817. On p. WP-1516 through WP-1518, SCG mentions that the variance is attributable to a variety of factors.

b. Did the local electric utility that requested this change help cover costs? If yes, please provide supporting documentation of what they covered.

SoCalGas Response 5b:

No, the local electric utility, Southern California Edison (SCE), did not incur any costs for installing the concrete stairs and handrail.

SCE's Rule 16, section D specifies the applicant's (for new electric service) responsibilities. In this case, SoCalGas applied for new electric service for the valve automation, and the Rule specifies the conditions for providing service. SoCalGas was required to provide trench, conduits, and substructures at its expense as well as a safe, unobstructed path for operations, maintenance, and emergency response. SCE had the authority to dictate these requirements, and the applicant (SoCalGas) was obligated to perform these actions and bear the associated cost.

Data Request Number: PAO-SCG-405-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/19/2025

Date Responded: 06/03/2025

5. Regarding SCG-T3-PSEP-01-Bill-Kostelnik-Volume IV p. WP-1515, the total costs included a variance of \$1,167,817. On p. WP-1516 through WP-1518, SCG mentions that the variance is attributable to a variety of factors.

b. Did the local electric utility that requested this change help cover costs? If yes, please provide supporting documentation of what they covered.

i. Please provide the additional costs between constructing the stairs/handrail and the delay due to permits for the stairs.

SoCalGas Response 5bi:

The additional cost was approximately \$140,000.

Data Request Number: PAO-SCG-405-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/19/2025

Date Responded: 06/03/2025

5. Regarding SCG-T3-PSEP-01-Bill-Kostelnik-Volume IV p. WP-1515, the total costs included a variance of \$1,167,817. On p. WP-1516 through WP-1518, SCG mentions that the variance is attributable to a variety of factors.

b. Did the local electric utility that requested this change help cover costs? If yes, please provide supporting documentation of what they covered.

ii. Were the concrete stairs and a handrail a required project?

SoCalGas Response 5bii:

SoCal Edison drove the need to add concrete stairs and a handrail as a condition for providing electrical power to the site. The objective of the SoCalGas project for valve automation is contingent on establishing electric service from SCE and SCE's requirement to build the stairs for safe access. During inspection, the SCE inspector identified the need for additional concrete structures, resulting in a revised building permit from the County.

Data Request Number: PAO-SCG-405-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/19/2025

Date Responded: 06/03/2025

5. Regarding SCG-T3-PSEP-01-Bill-Kostelnik-Volume IV p. WP-1515, the total costs included a variance of \$1,167,817. On p. WP-1516 through WP-1518, SCG mentions that the variance is attributable to a variety of factors.

b. Did the local electric utility that requested this change help cover costs? If yes, please provide supporting documentation of what they covered.

iii. What was the initial plan for access to the new electric meter pedestal?

SoCalGas Response 5biii:

The initial plan was to only install the concrete foundation around the meter pedestal and leave the path up the hill undeveloped.

Data Request Number: PAO-SCG-405-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/19/2025

Date Responded: 06/03/2025

5. Regarding SCG-T3-PSEP-01-Bill-Kostelnik-Volume IV p. WP-1515, the total costs included a variance of \$1,167,817. On p. WP-1516 through WP-1518, SCG mentions that the variance is attributable to a variety of factors.

b. Did the local electric utility that requested this change help cover costs? If yes, please provide supporting documentation of what they covered.

iv. Please provide a picture and/or dimensions for reference as to the distance from the ground to the highest point of the steps.

SoCalGas Response 5biv:

Please see attached: "PAO-SCG-405-MW5 - 5biv - Concrete Stairs and Handrail Images." The distance from the ground to the highest point of the steps is two feet and six inches.

Data Request Number: PAO-SCG-405-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/19/2025

Date Responded: 06/03/2025

5. Regarding SCG-T3-PSEP-01-Bill-Kostelnik-Volume IV p. WP-1515, the total costs included a variance of \$1,167,817. On p. WP-1516 through WP-1518, SCG mentions that the variance is attributable to a variety of factors.

b. Did the local electric utility that requested this change help cover costs? If yes, please provide supporting documentation of what they covered.

v. Please provide a list of all other projects that had requests made by an outside electric utility that SCG paid for, and it is included in this PSEP.

SoCalGas Response 5bv:

SoCalGas objects to this request under Rule 10.1 of the Commission's Rules of Practice and Procedure to the extent it seeks the production of information that is neither relevant to the subject matter involved in the pending proceeding nor is likely reasonably calculated to lead to the discovery of admissible evidence. SoCalGas further objects to this request under Rule 10.1 of the Commission's Rules of Practice and Procedure on the grounds that the burden, expense and intrusiveness of this request clearly outweigh the likelihood that the information sought will lead to the discovery of admissible evidence. Subject to and without waiving the foregoing objection, SoCalGas responds as follows:

Where applicable and readily available, SoCalGas has included such information in the project-specific supplemental workpapers submitted with this Application, specifically in Sections III.C. – Changes During Construction and Section IV.D. – Cost Impacts.

Data Request Number: PAO-SCG-405-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/19/2025

Date Responded: 06/03/2025

6. Regarding SCG-T3-PSEP-01-Bill-Kostelnik-Volume IV, WP-1517 in Land & Row. SCG mentions that “At the request of a landowner, the alignment of the electrical conduit was changed to the opposite side of a private road. To complete the installation, the project team acquired additional easements for the electrical equipment installation at a cost of approximately \$134,000. Please answer the following questions:

a. Did the landowner pay any amount for their request? If not, please explain why not, if it was the landowner's request.

SoCalGas Response 6a:

No, the landowner did not pay any portion of the \$134,000 pertained to the electrical conduit alignment change. The landowner was concerned about slope erosion next to the driveway due to the boring activity necessary to install the conduit; therefore, as a condition of granting the easement, the landowner required SoCalGas to move the alignment and associated boring location.

Data Request Number: PAO-SCG-405-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/19/2025

Date Responded: 06/03/2025

6. Regarding SCG-T3-PSEP-01-Bill-Kostelnik-Volume IV, WP-1517 in Land & Row. SCG mentions that “At the request of a landowner, the alignment of the electrical conduit was changed to the opposite side of a private road. To complete the installation, the project team acquired additional easements for the electrical equipment installation at a cost of approximately \$134,000. Please answer the following questions:

b. Is it typical for a landowner to make this type of request and it be fulfilled? If yes, please provide a list of all other projects included in this PSEP that had a similar scenario, including the costs associated with the request paid by SCG.

SoCalGas Response 6b:

SoCalGas objects to this request on the grounds that it is vague and ambiguous, in particular with respect to the phrase “typical.” Subject to and without waiving the foregoing objection, SoCalGas responds as follows:

SoCalGas’s Land and Right-of-Way department carries out negotiations with landowners to effectuate solutions to challenges such as these. It actively maintains good relationships with landowners while balancing cost considerations for ratepayers. Entering favorable easement agreements with landowners, who are generally SoCalGas customers, provides necessary access and space to keep construction crews active and productive in executing PSEP projects. In some instances, if landowner demands are not reasonable or would lead to excessive costs to be borne by PSEP, SoCalGas may exercise eminent domain or other means to achieve the most expedient and/or cost-effective outcome.

Where applicable and available, SoCalGas has included such information in the project-specific supplemental workpapers submitted with this Application.

Data Request Number: PAO-SCG-405-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/19/2025

Date Responded: 06/03/2025

6. Regarding SCG-T3-PSEP-01-Bill-Kostelnik-Volume IV, WP-1517 in Land & Row. SCG mentions that “At the request of a landowner, the alignment of the electrical conduit was changed to the opposite side of a private road. To complete the installation, the project team acquired additional easements for the electrical equipment installation at a cost of approximately \$134,000. Please answer the following questions:

c. Was \$134,000 all the costs associated with the landowner's request? If not, please provide the final cost associated with this request.

SoCalGas Response 6c:

No. The \$134,000 is directly related to the payment of the easements. SoCalGas does not have a specific breakdown of the final costs associated with the revised alignment, as these costs are embedded within the overall installation and construction costs for the project and cannot be readily quantified.

Data Request Number: PAO-SCG-405-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/19/2025

Date Responded: 06/03/2025

6. Regarding SCG-T3-PSEP-01-Bill-Kostelnik-Volume IV, WP-1517 in Land & Row. SCG mentions that “At the request of a landowner, the alignment of the electrical conduit was changed to the opposite side of a private road. To complete the installation, the project team acquired additional easements for the electrical equipment installation at a cost of approximately \$134,000. Please answer the following questions:

d. Please explain why SCG honored the landowner's request.

SoCalGas Response 6d:

Please see the response to Question 6a.

Data Request Number: PAO-SCG-405-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/19/2025

Date Responded: 06/03/2025

6. Regarding SCG-T3-PSEP-01-Bill-Kostelnik-Volume IV, WP-1517 in Land & Row. SCG mentions that “At the request of a landowner, the alignment of the electrical conduit was changed to the opposite side of a private road. To complete the installation, the project team acquired additional easements for the electrical equipment installation at a cost of approximately \$134,000. Please answer the following questions:

e. Is all of the electrical conduit underground, or is some of it above ground? If above ground, please provide a picture.

SoCalGas Response 6e:

Yes. All underground.

Data Request Number: PAO-SCG-405-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/19/2025

Date Responded: 06/03/2025

The following questions refer to the spreadsheets SCG included in response to PubAdvSCG-001-MW5 Q. 1.

7. Regarding the Cost Element Names in the spreadsheets, please define and explain why these Cost Elements should be included in the PSEP.

- a. Meals & Tip & Ent 100
- b. Meals & Tip & Ent 50
- c. SRV- Catering
- d. SAL-Other Cash Awds
- e. SAL-Other Cash Award
- f. SAL- Signing Bonus
- g. Emp Ben- Annual Benef
- h. Matl- Apparel
- i. SRV-Holiday Events
- j. SRV- Event & Tickets
- k. EMP Ben-Gift Cards
- l. SRV-Vehicle Washing
- m. MATL- Miscellaneous
- n. SRV-Catering 50%
- o. EMP BEN-Retention
- p. Sal-Spot Cash Award
- q. Emp Ben-Emp Recogni
- r. Matl- Promotnl Items
- s. Meals&tip&Ent100% ND
- t. SRV-Online SRV Misc
- u. Mobile Reimbur prog

SoCalGas Response 7a-u:

Response is pending. Per email sent on June 3, 2025, to Stacey Hunter, SoCalGas's Subject Matter Experts require more time to provide an answer that adequately answers this question.

Data Request Number: PAO-SCG-405-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/19/2025

Date Responded: 06/03/2025

8. Please explain what it means when there is an XX in the per column and the year column is blank?

SoCalGas Response 8:

The XX was an error in the formula. SoCalGas will send a revised attachment for PubAdvSCG-001-MW5 Q.1 as soon as possible.

Data Request Number: PAO-SCG-405-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/19/2025

Date Responded: 6/5/2025

Supplemental

The following questions refer to the spreadsheets SCG included in response to PubAdvSCG-001-MW5 Q. 1.

7. Regarding the Cost Element Names in the spreadsheets, please define and explain why these Cost Elements should be included in the PSEP.

- a. Meals & Tip & Ent 100
- b. Meals & Tip & Ent 50
- c. SRV- Catering
- d. SAL-Other Cash Awds
- e. SAL-Other Cash Award
- f. SAL- Signing Bonus
- g. Emp Ben- Annual Benef
- h. Matl- Apparel
- i. SRV-Holiday Events
- j. SRV- Event & Tickets
- k. EMP Ben-Gift Cards
- l. SRV-Vehicle Washing
- m. MATL- Miscellaneous
- n. SRV-Catering 50%
- o. EMP BEN-Retention
- p. Sal-Spot Cash Award
- q. Emp Ben-Emp Recogni
- r. Matl- Promotnl Items
- s. Meals&tip&Ent100% ND
- t. SRV-Online SRV Misc
- u. Mobile Reimbur prog

SoCalGas Response 7a-u:

Original Response (June 3, 2025):

Response is pending. Per email sent on June 3, 2025, to Stacey Hunter, SoCalGas's Subject Matter Experts require more time to provide an answer that adequately answers this question.

Data Request Number: PAO-SCG-405-MW5**Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3****Publish To: Public Advocates Office****Date Received: 5/19/2025****Date Responded: 6/5/2025**

Supplemental

Supplemental Response (June 6, 2025):

The cost elements identified in Q7 are related to expenses for projects, dedicated employees supporting these projects, or those supporting PSEP's overall general and administrative functions. These are activities to support PSEP and were not included in the applicable general rate case (GRC); in other words, the PSEP costs sought to be recovered here are incremental to the GRC. See the table below for additional cost element information.

	Cost Element Name	Activity/Description
a	MEALS &TIP & ENT 100	Overtime Meals (Incl. Tips) & Ent. (100% deductible)
b	MEALS & TIP & ENT 50	All other meals (incl. tips) & ent. (50% deductible)
c	SRV-CATERING	Food Service - Catering
d	SAL-OTHER CASH AWDS	Spot Cash/Employee recognition
e	SAL-OTHER CASH AWARDS	Spot Cash/Employee recognition
f	SAL-SIGNING BONUS	Employee expenses
g	EMP BEN-ANNUAL BENEF	Employee expenses
h	MATL-APPAREL	Safety vests
i	SRV-HOLIDAY EVENTS	Holiday events
j	SRV-EVENT & TICKETS	Employee expenses
k	EMP BEN-GIFT CARDS	Employee expenses
l	SRV-VEHICLE WASHING	Employee expenses
m	MATL-MISCELLANEOUS	project Materials
n	SRV-CATERING 50%	Food service-catering (50% deductible)
o	EMP BEN-RETENTION	Employee expenses
p	SAL-SPOT CASH AWARD	Spot Cash/Employee recognition
q	EMP BEN-EMP RECOGNI	Employee expenses
r	MATL-PROMOTNL ITEMS	Misc office supplies
s	MEALS&TIP&ENT100% ND	All other meals (incl. tips) & ent. (100% non-deductible)
t	SRV-ONLINE SRV MISC	Land service provider
u	MOBILE REIMBUR PROG	Employee expenses for monthly mobile fees

Data Request Number: PAO-SCG-405-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/19/2025

Date Responded: 6/5/2025

Supplemental

8. Please explain what it means when there is an XX in the per column and the year column is blank?

SoCalGas Response 8:

Original Response:

The XX was an error in the formula. SoCalGas will send a revised attachment for PubAdvSCG-001-MW5 Q.1 as soon as possible.

Supplemental Response (June 6, 2025):

The attached files listed below have been updated to include the omitted data. The corrections are highlighted.

- Attachment 01 - PubAdvSCG-001-MW5 Q.1_1014 Olympic Valve – CONFIDENTIAL_Corrected
- Attachment 02 -PubAdvSCG-001-MW5 Q.1_ 404 Sec 4A – CONFIDENTIAL-Corrected
- Attachment 03 - PubAdvSCG-001-MW5 Q.1_41-6000-2_CONFIDENTIAL-Corrected
- Attachment 04 -PubAdvSCG-001-MW5 Q.1_ – 45-120_Sec_2_CONFIDENTIAL_Corrected
- Attachment 05 PubAdvSCG-001-MW5 Q.1_ 7000_Valve_CONFIDENTIAL_Corrected
- Attachment 06 PubAdvSCG-001-MW5 Q.1_Aviation_and_104th_CONFIDENTIAL_Corrected
- Attachment 07 PubAdvSCG-001-MW5 Q.1_Attachment 07 - Blythe_Valve_CONFIDENTIAL-Corrected
- Attachment 08 PubAdvSCG-001_MW5__Q.1_Santa_Barbara_Valve_CONFIDENTIAL_Corrected
- Attachment 09 - PubAdvSCG-001-MW5 Q.1_Storage_Goleta_CONFIDENTIAL-Corrected

Data Request Number: PAO-SCG-407-BBE

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/20/2025

Date Responded: 6/4/2025

The following questions refer to SCG Hydrotest Projects listed on BGK-A-36:

1. Is there a cost cap given by the Commission for Hydrotest Projects? If yes, please provide the relevant section of the decision and the decision number.

SoCalGas Response 1:

SoCalGas and SDG&E object to this request on the grounds that it is vague and ambiguous, particularly with respect to the phrase “cost cap given by the Commission.” SoCalGas and SDG&E further object to this request on the grounds it is unduly burdensome pursuant to Rule 10.1 of the Commission’s Rules of Practice and Procedure, including because the information sought is equally available to the requesting party.

Subject to and without waiving the foregoing objections, SoCalGas and SDG&E respond as follows:

No.

Data Request Number: PAO-SCG-407-BBE

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/20/2025

Date Responded: 6/4/2025

2. Please describe the process of choosing which projects are selected for Hydrotest Projects and how the order for the projects is determined.

SoCalGas Response 2:

SoCalGas and SDG&E's PSEP Test/Replace Decision Tree outlines the criteria determining whether a pipeline project falls within Phase 1A/1B or Phase 2, and whether a given project should pressure test or replace any in-scope segments. The decision tree was first described in the testimony of Doug Schneider¹ in support of SoCalGas and SDG&E's PSEP, which was submitted in response to R.11-02-019, and later authorized in D.14-06-007.² The decision tree has remained the primary means through which SoCalGas and SDG&E identify actions taken under PSEP to address pipelines that lack sufficient documentation of a pressure test to modern standards or qualify as pre-1946 non-piggable pipelines.

PSEP's prioritization methodology and timeline were also initially described in the testimony of Doug Schneider.³ PSEP was carried out by prioritizing Phase 1A first, which represents the highest risk segments in more populated areas, followed by Phase 1B and Phase 2. Within these phases, the factors influencing SoCalGas and SDG&E's ability to execute projects may lead to postponement or rescheduling of projects in any given year. For example, as stated in the testimony of Doug Schneider, these factors may include "system conflicts, logistical coordination, and incorporation of information obtained through interim inspections and assessments."

Following D.14-06-007, the execution schedule for PSEP was further refined through the Commission's issuance of D.16-08-003, which laid out a schedule for reasonableness reviews to examine the costs of SoCalGas and SDG&E's initial efforts to execute Phase 1A projects, and the eventual incorporation of PSEP cost recovery for Phase 1B and Phase 2A projects into SDG&E and SoCalGas's 2019 General Rate Case.⁴ During this time, and through the period including the projects included in this application, SoCalGas continued to execute Phase 1A while also making progress on its Phase 1B and Phase 2A projects. As stated in the testimony of Bill Kostelnik, SoCalGas's Phase 1A is approximately 97% complete as of February 2025.

¹ R.11.02-019, Testimony of Doug Schneider at 60-62.

² At 16, 22, 23, 25, 56 (CoL 8), 59 (OP 1)

³ R.11.02-019, Testimony of Doug Schneider at 18-20, 50-63.

⁴ D.16-08-003 at 13 (FoF 5), 16 (OP 5&6).

Data Request Number: PAO-SCG-407-BBE

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/20/2025

Date Responded: 6/4/2025

3. Were all of these projects previously approved and included in a prior PSEP? If not, were there some projects that were previously approved then delayed for these projects? Please explain and provide which projects this applies to.

SoCalGas Response 3:

The workpapers accompanying SoCalGas and SDG&E's original PSEP application (A.11-11-002) identified segments of pipelines that were ultimately pressure tested and included for cost recovery in this application. The pipeline mileage identified in the original application was based on preliminary scope information and did not identify specific projects. After D.14-06-007, which approved SoCalGas and SDG&E's PSEP to proceed, SoCalGas and SDG&E conducted extensive scope validation, which led to the development of the pressure test projects that are the subject of cost recovery in this Application. Please refer to pages BGK-A-43 and BGK-A-44 for a mileage reconciliation that shows the original "as filed" mileage identified in A.11-02-002 compared to the mileage for the projects included in this Application.

It is important to note that while D.14-06-007 approved SoCalGas's and SDG&E's PSEP as proposed in A.11-11-002, the Commission did not pre-approve recovery of PSEP costs, as it was determined that SoCalGas and SDG&E did not yet have reliable, detailed PSEP cost estimates at that time. Instead, D.14-06-007 established a regulatory framework for cost recovery through after-the-fact reasonableness review applications. SoCalGas has presented pressure test projects for reasonableness review in A.14-12-016, A.16-09-005, A.18-11-010, and again in this Application.

Data Request Number: PAO-SCG-407-BBE

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/20/2025

Date Responded: 6/4/2025

4. Please provide the Workpapers supporting the 2011 PSEP filing for the specific projects referenced above.

SoCalGas Response 4:

Please see attached documents:

01_SoCalGas-SDGE PSEP WP Chapter IV.PDF
02A_SoCalGas-SDGE PSEP WP Chapter IX-1 Pipelines.PDF
02AAM_SoCalGas-SDGE PSEP WP Chapter IX-1 Pipelines.PDF
02B_SoCalGas-SDGE PSEP WP Chapter IX-1 1-A SCGTransAppendix.PDF
02BAM_SoCalGas-SDGE PSEP WP Chapter IX-1 1-A SCGTransAppendix.PDF
02C_SoCalGas-SDGE PSEP WP Chapter IX-1-B SCGDistAppendix.PDF
02CAM_SoCalGas-SDGE PSEP WP Chapter IX-1-B SCGDistAppendix.PDF
02D_SoCalGas-SDGE PSEP WP Chapter IX-1-C SDGETransAppendix.PDF
02E_SoCalGas-SDGE PSEP WP Chapter IX-1-D SDGEDistAppendix.PDF
02EAM_SoCalGas-SDGE PSEP WP Chapter IX-1-D SDGEDistAppendix.PDF

As noted in Response 3, the list of pipeline segments identified in the original application was based on preliminary scope information. SDG&E and SoCalGas have since conducted extensive scope validation, which has resulted in the development of specific pressure test projects.

5. Are there any incentives or counterincentives for remaining within a certain percentage of the preliminary estimate? If yes, please explain.

SoCalGas Response 5:

SoCalGas and SDG&E object to this request on the grounds it is vague and ambiguous, particularly with respect to the phrase “any incentives or counterincentives for remaining within a certain percentage of the preliminary estimate.”

Subject to and without waiving the foregoing objection, SoCalGas and SDG&E respond as follows.

As stated in testimony, SoCalGas has a “longstanding practice of maximizing the cost effectiveness of safety investments, which has been one of the four primary objectives of PSEP since the Commission approved it in D.14-06-007.” Therefore, while there may not be specific incentives or counterincentives for remaining within a certain percentage of the TIC estimate, there are many steps taken by the PSEP program to reduce costs and promote affordability, including scope validation efforts, effective PSEP project sequencing, prudent procurement of materials, and use of the Performance Partnership Program to enhance contractor cost-effectiveness. It is important to note that, as stated in BGK-A-31 of the testimony of Bill Kostelnik, the purpose of a preliminary/Class 3 estimate is for budget authorization, with engineering typically between a 10% and 40% completion level. Taking this into consideration, as noted on page BGK-A-32 of the testimony, “In aggregate, the portfolio of the 21 SoCalGas pipeline projects presented for review was approximately \$37 million or 10 percent below the estimated amount (\$326 million actual versus \$363 million estimated). The SoCalGas valve portfolio of 66 projects was approximately \$16 million or 11 percent below the estimated amount (\$135 million actual versus \$152 million estimated).” While the SoCalGas projects included for cost recovery in this filing did not exceed estimated amounts in the aggregate, it is important to reiterate, as stated on page BGK-A-31, that TICs classified at the Class 3 level are expected to produce “...an estimated accuracy range of -20% on the low end to +30% on the high end.” Therefore, a group of projects that may exceed estimated amounts by up to 30 percent, on average, is considered within the normal range of outcomes given the uncertainty facing construction projects and the myriad risks that may materialize in individual project situations. Finally, regardless of how a cost aligns with the estimate, SoCalGas strives to make reasonable decisions to be cost effective.

Data Request Number: PAO-SCG-407-BBE

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/20/2025

Date Responded: 6/4/2025

The following questions refer to SCG Derate & Abandonment Projects listed on BGK-A-37:

6. Is there a cost cap given by the Commission for Derate & Abandonment Projects? If yes, please provide the relevant section of the decision and the decision number.

SoCalGas Response 6:

SoCalGas and SDG&E object to this request on the grounds that it is vague and ambiguous, particularly with respect to the phrase “cost cap given by the Commission.” SoCalGas and SDG&E further object to this request on the grounds it is unduly burdensome pursuant to Rule 10.1 of the Commission’s Rules of Practice and Procedure, including because the information sought is equally available to the requesting party.

Subject to and without waiving the foregoing objections, SDG&E and SoCalGas respond as follows:

No.

Data Request Number: PAO-SCG-407-BBE

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/20/2025

Date Responded: 6/4/2025

7. Please describe the process of choosing which projects are selected for Derate & Abandonment projects and how the order for the projects is determined.

SoCalGas Response 7:

As stated in the testimony of Bill Kostelnik on page BGK-A-26, “A key first step in project execution is the scope validation efforts conducted in Stage 1 (Project Initiation). SoCalGas does not proceed with PSEP projects without first performing due diligence to verify the project scope through scope validation activities. From the initial phase of a PSEP project, the PSEP management team identifies the potential for cost avoidance when studying the proposed project. To do this, the project team reviews data from the initial PSEP application and internal databases to validate project mileage. Through this scope validation step, mileage reduction may be accomplished through the critical assessment of records, reduction in MAOP, or abandonment of lines that were no longer required from an overall gas operating system perspective. Lines are only abandoned after a thorough review of the ability of adjoining lines to meet current and future load requirements and to verify there will be no customer impact or system constraints.” Furthermore, as stated on page BGK-A-18, “In Stage 2 of the State Gate Review Process, SoCalGas applies the Decision Tree and concepts approved by the Commission in D.14-06-007 to conduct a Test or Replace Analysis.⁵ In undertaking this analysis, SoCalGas applies engineering judgment to determine a final execution scope to provide short- and long-term customer benefits. To supplement its Decision Tree methodology and as a part of its scope validation efforts, SoCalGas evaluates alternatives to replacements through the deration or abandonment of lines containing PSEP mileage. Decisions to abandon or operate a line at a reduced pressure are only made after a thorough review to (1) check the ability of adjoining lines to meet current and future load requirements and (2) verify that there will be no customer impact or system constraints. Deration and abandonment projects are executed at less cost than replacements as they do not require as much capital investment to implement the project scope. As of February 28, 2025, SoCalGas has derated 47.1 miles and abandoned 65.5 miles of pipe across PSEP Phases 1A, 2A, and 1B.”

The PSEP abandonment projects completed by SoCalGas are classified as Phase 1A or Phase 1B and were therefore executed as conditions allowed. The scopes of the associated projects were developed alongside other Phase 1A pressure test and replacement projects. As with other pipeline projects, abandonments may be postponed or rescheduled due to system conflicts, logistical coordination, and incorporation of information obtained through interim inspections and assessments.

⁵ Similarly, a detailed process is used to determine the scope of work of projects under the Valve Enhancement Plan.

Data Request Number: PAO-SCG-407-BBE

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/20/2025

Date Responded: 6/4/2025

8. Were all of these projects previously approved and included in a prior PSEP? If not, were there some projects that were previously approved then delayed for these projects? Please explain and provide which projects this applies to.

SoCalGas Response 8:

SoCalGas and SDG&E object to this request on the grounds that it is vague and ambiguous, particularly with respect to the phrase “provide which projects this applies to.”

Subject to and without waiving the foregoing objection, SoCalGas and SDG&E respond as follows:

The workpapers accompanying SoCalGas and SDG&E’s original PSEP application (A.11-11-002) identified pipeline segments that were ultimately derated or abandoned and included for cost recovery in this application. However, it is important to note that the pipeline mileage identified in the original application was based on preliminary scope information and did not identify specific projects. After D.14-06-007, which approved SoCalGas and SDG&E’s PSEP to proceed, SoCalGas and SDG&E conducted extensive scope validation, which led to the development of the derate/abandonment projects that are the subject of cost recovery in this Application. The associated supplemental workpapers for these projects (Line 41-6000-2 Abandonment and Tie-over Project, Line 103 Derate Project) discuss the development of the derate/abandonment scopes in Section II.A. – Engineering, Design, and Planning, Project Scope.

It is important to note that while D.14-06-007 approved SoCalGas and SDG&E’s PSEP as proposed in A.11-11-002, the Commission did not pre-approve recovery of PSEP costs, as it was determined that SoCalGas and SDG&E did not yet have reliable, detailed PSEP cost estimates at that time. Instead, D.14-06-007 established a regulatory framework for cost recovery through after-the-fact reasonableness review applications. SoCalGas first presented abandonment projects for reasonableness review in A.18-11-010 and presents both derate and abandonment projects for review in this Application.

Data Request Number: PAO-SCG-407-BBE

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/20/2025

Date Responded: 6/4/2025

9. Please provide the Workpapers supporting the 2011 PSEP filing for the specific projects referenced above.

SoCalGas Response 9:

The workpapers are provided in response to question 4. As noted in Responses 3 and 4, the list of pipeline segments identified in the original application was based on preliminary scope information. SoCalGas and SDG&E have since conducted extensive scope validation that resulted in the development of specific derate/abandonment projects.

Data Request Number: PAO-SCG-407-BBE

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/20/2025

Date Responded: 6/4/2025

10. Are there any incentives or counterincentives for remaining within a certain percentage of the preliminary estimate? If yes, please explain.

SoCalGas Response 10:

See response to Question 5.

The following questions refer to SCG Pipeline Replacement Projects in Table BK-48 listed on BGK-A-36, starting with 30-18 Section 2 Replacement through 2006 PIA Replacement Project:

1. For each project listed in Table BK-48, identify whether the project (or any segment of it) was forecasted, proposed, or submitted in any prior PSEP Reasonableness Review, Advice Letter, or GRC application.

a. If yes, identify the proceeding, testimony exhibit number, and year of filing.

SoCalGas Response 1a:

None of the projects listed in Table BK-48 were forecasted, proposed, or submitted in any prior PSEP Reasonableness Review, Advice Letter, or GRC application. Please note that in A.11-11-002, SoCalGas identified segments within the scope of PSEP at the pipeline level and included high-level cost estimates for addressing those segments. As stated in the testimony of Joseph Rivera, the estimates “were developed based on minimal engineering, operational planning, and project execution planning.”¹ In D.14-06-007, the Commission found that “SDG&E and SoCalGas did not present sufficient project details and cost justification for their proposed ratemaking treatment of Safety Enhancement costs,” and that the initial cost forecasts were “inadequate for cost recovery preapproval.”² The Commission, therefore, authorized SoCalGas and SDG&E to “begin work as described in their Safety Enhancement Plans with costs recorded in balancing accounts and subject to refund pending a subsequent reasonableness review.”³

The project-specific supplemental workpapers provided with this Application include a brief discussion of the PSEP mileage on the associated pipeline, which was first identified in SoCalGas’s PSEP as proposed in R.11-02-019/A.11-11-002, and any scope validation that occurred subsequently, in Section II.A. – Engineering, Design and Planning, Project Scope. The supplemental workpapers included with SoCalGas and SDG&E’s Track 3 application, which total approximately 2,000 pages for the 100 projects presented for review, provide ample details regarding the utilities’ actions as reasonable managers of these projects, with maps, photographs, engineering diagrams, and narrative sections addressing such areas as scope development, decision tree analysis, schedule coordination, scope changes, cost avoidance, and cost impacts.

¹ R.11.02-019, Testimony of Joseph Rivera at 103.

² D.14-06-007 at 53. FOF 9 and 10.

³ Id at 59. OP 2.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 1

b. If the project scope, cost, or timing changed from a prior filing, explain the reason for the adjustment or deferral.

SoCalGas Response 1b:

See response to Question 1a.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 1

c. Confirm whether any project work began before receiving final Commission authorization or PSEP prioritization protocol approval.

SoCalGas Response 1c:

SoCalGas interprets this question to apply to the projects included in this application.

D.14-06-007 approved SoCalGas's PSEP as proposed in A.11-11-002, including the risk prioritization concepts embodied in its proposed decision tree. In D.14-06-007, the Commission did not pre-approve recovery of PSEP costs but instead established a regulatory framework for cost recovery through after-the-fact reasonableness review applications. The projects included for cost recovery in this Application were initiated subsequent to D.14-06-007.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

2. For projects in Table BK-48 where actual cost exceeded the preliminary estimate:
 - a. Break down the drivers of cost overrun by category (e.g., labor, materials, permitting).

SoCalGas Response 2a:

SoCalGas objects to this request on the grounds it is not relevant and unduly burdensome pursuant to Rule 10.1 of the Commission's Rules of Practice and Procedure. Subject to and without waiving the foregoing objections, SoCalGas responds as follows.

The project estimates shown in the workpapers are preliminary estimates based on project information available while the project is still in development. The estimate is developed when engineering and design are typically at a 30% complete level, permits specifying work hours and traffic control are not yet obtained, and a detailed construction execution plan and schedule have not yet been developed. These cost estimates are primarily used for initial budget planning and as a reference starting point for anticipated project costs. As the project is further developed to a 90%+ maturity level immediately prior to beginning construction, an updated estimate may be prepared to provide a more accurate estimate. Actual costs can vary even from the more accurate pre-construction estimate, primarily due to unanticipated field conditions and changes in permit conditions. Thus, it should be recognized that there can be a significant discrepancy between the initial preliminary cost estimate and the actual recorded costs, even for well-executed projects such as those completed as part of PSEP.

Please refer to SoCalGas's Reasonableness Review Pipeline Project Workpapers Volume 1, which includes each replacement project listed in Table BK-48. Section IV. D. – 'Cost Impacts' includes a detailed discussion of the major cost drivers for projects where actual costs exceeded the amounts derived from the preliminary estimate.

Please also refer to BGK-A-31 for a general discussion of cost variances and the factors that drive the difference between estimated direct amounts and actual direct costs for PSEP projects.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 2

b. Indicate whether these overruns were due to estimation error, market conditions, or scope changes.

SoCalGas Response 2b:

See response to Question 2a.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 2

c. Provide any internal reconciliation or root cause assessments.

SoCalGas Response 2c:

SDG&E objects to this request on the grounds it is not relevant pursuant to Rule 10.1 of the Commission's Rules of Practice and Procedure. Subject to and without waiving the foregoing objection, SoCalGas responds as follows.

SoCalGas has no internal reconciliation or root cause assessments related to these projects. At the portfolio level, SoCalGas's estimating, cost management, and construction execution practices for the pipeline projects included in Track 3 proved successful, as evidenced by the total actual costs being approximately 10% lower than the total estimated costs. SoCalGas currently implements estimate reviews and benchmarking practices to incorporate lessons learned to continuously improve the estimating tool.

As stated in the testimony of Bill Kostelnik on pages BGK-A-32 and BGK-A-33, "Variances from estimated amounts are expected for construction projects. As mentioned above, the accepted accuracy range for a (total installed cost) TIC/Class 3 estimate is -20% to +30%. This range reflects that TIC estimates are generated when the project has yet to advance through detailed design. As such, the project scope can and will change during later stages, such as detailed design and construction. To develop TICs, SoCalGas's dedicated estimating department utilizes the expertise and professional judgment of subject matter experts in the various functional areas to provide input that informs a project's overall cost. Notwithstanding the level of rigor inherent to this process, estimates remain estimates, and each PSEP project is unique. As such, foreseeable and unforeseeable conditions may be encountered during construction, resulting in actual expenditures varying from estimates."

Specific reasons for projects exceeding estimated amounts are provided within the supplemental workpapers, as discussed in the testimony of Bill Kostelnik on page BGK-A-33.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 2

d. State whether the cost increase was reviewed or approved by internal audit.

SoCalGas Response 2d:

An internal audit was not conducted for the three replacement projects where actual costs exceeded the amounts derived from the preliminary estimate. SoCalGas's internal process for reviewing and approving revised project costs subsequent to the preliminary estimate, which forms the original basis of the Work Order Authorization (WOA) for a given project, is managed through an updated WOA authorization workflow. When project costs are anticipated to exceed budgeted amounts on the approved work order by more than 10%, an updated WOA is prepared for management review and approval. This process is governed by SoCalGas's Approval and Commitment Policy, which establishes authority limits aligned with specific thresholds.

As discussed in the testimony of Bill Kostelnik, on page BGK-A-17, the stage gate review process provides another control for construction leadership to review scope changes that lead to cost increases.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 2

- e. Provide final reconciliation summaries or closeout documentation supporting cost variances, including any final invoices or closeout memos.

SoCalGas Response 2e:

The cost variances for the three replacement projects where actual costs exceeded the amounts derived from the preliminary estimate, as detailed in Section IV.D. of the associated supplemental workpapers, are supported by documentation primarily generated during the construction phase. SoCalGas does not possess any “reconciliation summaries,” “closeout documentation,” “final invoices,” or “closeout memos” that pertain to the cost variance for these projects. SoCalGas monitors and controls project costs throughout the project lifecycle. In addition to the WOA management and approval process identified in response to Question 2d, SoCalGas implements procedures to verify the accuracy of costs. This includes verifying that billing rates are correct, reviewing time sheets for hours worked, and reviewing other supporting documentation for accuracy. Once the information on invoices is verified, the invoice reviewer forwards the invoices to the project managers to confirm that the correct labor hours, billed labor rates, and any additional expenses are within the terms of the contract.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

3. Describe the standard methodology SoCalGas used to apply indirect costs.
 - a. Provide the specific loader rates applied.

SoCalGas Response 3a:

See “Attachment 01 – Q3a – PAO-SCG-406 Q3a Loader Rates.”

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 3

b. Clarify whether these loaders are fixed, pooled, or variable.

SoCalGas Response 3b:

SoCalGas's overhead loaders are pooled, and the costs are variable. For additional discussion, please see the direct testimony of Sakif Wasif.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 3

c. Cite where these rates are documented in workpapers or prior filings.

SoCalGas Response 3c:

SoCalGas interprets “prior filings” as SoCalGas’s TY 2024 GRC Application. While specific overhead rates are not cited in the workpapers, actual overhead costs are discussed in the direct testimony of Sakif Wasif.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

4. For labor classification and FTE reporting:

- a. Provide a breakdown of total labor costs between SoCalGas employees and third party contractors.

SoCalGas Response 4a:

SDG&E objects to this request on the grounds it is not relevant, overly broad, and unduly burdensome pursuant to Rule 10.1 of the Commission's Rules of Practice and Procedure. Subject to and without waiving the foregoing objections, SoCalGas responds as follows.

SoCalGas company employee labor is captured in the "Company Labor" category, as represented in the supplemental workpapers for each project. In contrast, costs associated with third-party contractors are classified as non-labor expenses, as these costs typically encompass a combination of material, equipment, and labor costs, all of which are embedded within contractor bids and invoices. Therefore, it is not practical to disaggregate and report on third-party contractor labor costs without undertaking a meticulous, detailed review of each invoice to isolate the labor components from other charges. This process would be highly labor-intensive and time-consuming relative to the value of the information obtained. The Commission has previously found SoCalGas's process to track and verify the accuracy of PSEP costs to be reasonable.⁴

⁴ D.19-02-004 at 98 (FOF 18) and at 99 (FOF 34)

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 4

b. List all labor categories used with FTEs allocated.

SoCalGas Response 4b:

SoCalGas objects to this request on the grounds that it is vague and ambiguous. Subject to and without waiving the foregoing objection, SoCalGas responds as follows.

SoCalGas's FTE calculation utilizes the "Company Labor" category charged to PSEP projects as the basis of the formula, which is described in detail on pages BGK-A-29 and BGK-A-30 in the testimony of Bill Kostelnik. As noted on page BGK-A-30, "FTEs are not provided for construction contractors since SoCalGas does not possess this information."

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 4

c. Identify where labor costs appear in the testimony or workpapers.

SoCalGas Response 4c:

Company labor costs are not specifically identified in testimony but are presented as line items in the project-specific supplemental workpapers in Section IV.C. – Table 4: Estimated and Actual Direct Costs and Variances.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 4

d. Explain if contractor costs replaced forecasted company labor.

SoCalGas Response 4d:

As stated in the project-specific supplemental workpapers on pages WP-63 and WP-122, contractor costs replaced forecasted company labor on the Supply Line 33-120 Section 1 Replacement Project and the Supply Line 36-9-09 North Section 6B Replacement Project.

Contractors may be engaged to support a project instead of company labor for various strategic and operational reasons. To provide further clarity, here are several illustrative examples:

1. Contractors often bring specialized expertise that may not be available internally, particularly for highly technical or short-term tasks;
2. Utilizing contractors also provides flexibility in workforce management, allowing the company to scale resources up or down based on project demands without the long-term commitments associated with hiring full-time staff;
3. For programs with a defined scope, such as PSEP, this approach is more cost-effective, especially when considering the overhead costs of employee benefits and onboarding;
4. Finally, contractors can support accelerating project timelines by supplementing internal teams during peak periods or being deployed more rapidly.

The Commission has previously found SoCalGas' process to track and verify the accuracy of PSEP costs to be reasonable.⁵

⁵ D.16-12-063 at 59 (FOF 18)

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

5. Regarding Operations & Maintenance (O&M):

a. Confirm whether any O&M costs were incurred or anticipated.

SoCalGas Response 5a:

As shown in the testimony of Bill Kostelnik on page BGK-A-36 and in the associated project-specific supplemental workpapers, O&M costs were incurred for two replacement projects: Supply Line 45-120 Section 2 (~\$25K) and Supply Line 36-9-21 (<\$500). These costs were not contemplated in the TIC estimate because replacement projects are typically treated as 100% capital; however, in the case of these projects, several post-completion invoices were submitted/received later than anticipated and, due to the immaterial nature of the charges, did not preclude financial close of the project. Per accounting policy, these amounts are charged to O&M because the charges did not meet the minimum threshold to reopen the capital work order.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 5

b. List the O&M cost by project and accounting treatment.

SoCalGas Response 5b:

SoCalGas objects to this request on the grounds that it is vague and ambiguous, particularly with respect to the phrase “accounting treatment.” Subject to and without waiving the foregoing objection, SoCalGas responds as follows:

Please see the response to Question 5a. As discussed in the testimony of Bill Kostelnik (pages BGK-A-7 and BGK-A-8) and Sakif Wasif (page SW-1), the O&M and capital expenditures that form the basis of SoCalGas’s request are recorded in the Safety Enhancement Expense Balancing Account (SEEBA) and Safety Enhancement Capital Cost Balancing Account (SECCBA), respectively. The requested revenue requirement reflects the balances in these accounts, reduced by the 50% interim recovery authorized by Decision (D.) 16-08-003 and incorporated in rates through December 2024.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 5

c. If no O&M was reported, explain why and confirm if such costs are expected in future recovery.

SoCalGas Response 5c:

Not applicable.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

6. Regarding permitting and environmental costs:

a. List all permitting agencies involved per project.

SoCalGas Response 6a:

The permitting agencies involved in a particular project are listed in Section II.C. of the associated project-specific workpaper.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 6

b. Provide total cost of permitting and environmental compliance.

SoCalGas Response 6b:

Environmental compliance costs are shown under the “Environmental” line item in the project-specific supplemental workpapers in Section IV.C. – Table 4: Estimated and Actual Direct Costs and Variances.

A breakdown of permitting costs by project is provided below, a component of the “ROW and Permits” line item in the project-specific supplemental workpapers in Section IV.C. – Table 4: Estimated and Actual Direct Costs and Variances.

Project Name	Permitting Costs
30-18 Section 2 Replacement	\$45,482
33-120 Section 1 Replacement Project	\$153,879
36-1032 Replacement Section 4	\$76,268
36-9-09 North Section 5B-02 and 5C Replacement	\$83,632
36-9-09 North 6B Replacement Project	\$104,488
36-9-21 Replacement	\$111,505
37-18 K Replacement	\$79,291
38-101 Wheeler Ridge Replacement Project	\$298,285
41-6001-2 Replacement	\$564
43-121 North Replacement	\$137,334
45-120 Section 2 Replacement Project	\$889,037
404 Section 4A Replacement Project	\$106,489
404-406 Replacement Project Somis Station	\$14,919
2006-P1A Replacement Project	\$13,427

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 6

c. Describe any cost or schedule impacts from permitting requirements.

SoCalGas Response 6c:

The primary projects that experienced cost or schedule impacts due to permitting requirements were the Line 404 Section 4A Replacement Project and the Supply Line 45-120 Section 2 Replacement Project. As stated on page WP-279, the Line 404 Section 4A Replacement Project team “obtained an encroachment permit from the Army Corps of Engineers (ACOE). The acquisition of this permit delayed the start of construction.” However, the delay to the construction start date did not result in any notable cost impacts. The Supply Line 45-120 Section 2 Replacement Project supplemental workpaper details the cost and schedule impacts associated with permitting challenges in Section IV.D. – Cost Impacts, on pages WP-265 and WP-266.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

7. For any schedule delays:

a. Provide duration and cause of delay.

SoCalGas Response 7a:

Projects that experienced notable schedule delays are listed below with citations to the project-specific workpaper pages that discuss any delay(s).

Project	Supplemental Workpaper Citation
Supply Line 36-9-09 North Section 5B-02 and 5C Replacement	WP-94
Supply Line 45-120 Section 2 Replacement Project	WP-244-248, & 254
Line 404 Section 4A Replacement Project	WP-279, 288
Line 404-406 Somis Station Replacement Project	WP-305

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 7

b. Quantify the cost impact of delays.

SoCalGas Response 7b:

The quantified cost impacts associated with delays for the projects listed above are detailed in the associated project-specific supplemental workpapers in Section IV.D. – Cost Impacts. Where applicable, SoCalGas has included any notable schedule delay-related cost information within these workpapers, accompanied by additional project documentation in the attachments in response to Question 7c.

As an illustrative example, the Line 404 Section 4A Replacement Project, as noted on page WP-288 of the associated supplemental workpaper, “The original project schedule was extended due to the change in installation method to the Jack and Bore hand mining installation. This caused the project schedule to enter bird nesting season, where identification of active Least Bell’s Vireo birds caused a halt in construction activities, resulting in a demobilization period of approximately four months. At the time of demobilization, approximately 73% of project activities had been completed. The project remobilized in September 2019 and was completed in November 2019.” The primary incremental cost of remobilizing the project was from the construction contractor, which was \$539,432. Environmental services continued monitoring the bird nest activity to confirm when remobilization could occur, which cost approximately \$37,000. The project incurred immaterial costs of remobilizing for engineering, SoCalGas labor, or other expenses.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 7

c. Indicate whether contractor claims were submitted and provide documentation.

SoCalGas Response 7c:

See the following separate attachments for the change order summary documentation related to schedule delays:

- “Attachment 02 – Q7c – Line 36-9-09 Sec 5B-02 & 5C Schedule Delay Change Orders_CONFIDENTIAL”
- “Attachment 03 – Q7c – 404 Section 4A - Schedule Delay Change Orders_CONFIDENTIAL”
- “Attachment 04 – Q7c – 404-406 Somis - Schedule Delay Change Orders_CONFIDENTIAL”
- “Attachment 05 – Q7c – 45-120 Section 2 - Schedule Delay Change Orders_CONFIDENTIAL”

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

8. For construction scope deviations:

a. Identify all scope or alignment changes from original design.

SoCalGas Response 8a:

SoCalGas interprets “changes from original design” as referring to design changes after the Total Installed Cost (TIC) estimate was generated, at approximately 30% project definition. Notable scope or alignment changes that led to cost impacts for a given project are typically associated with necessary alignment changes due to situations that arise during construction (e.g., subsurface conditions, utility conflicts, etc.). The project-specific supplemental workpapers included with this Application address any such changes in Section II.D. – Scope Changes and Section III.C. – Changes During Construction.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 8

b. Explain the cause of each change.

SoCalGas Response 8b:

See response to Question 8a.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 8

c. Quantify mileage and cost impact.

SoCalGas Response 8c:

Mileage and cost impacts from scope changes are identified and quantified in Section II.D. – Scope Changes, Section III.C. – Changes During Construction, and Section IV.D. – Cost Impacts. Where applicable, SoCalGas has included any notable scope-related cost information within these workpapers and additional change order summary documentation in the attachments in response to Question 8d.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 8

d. Provide supporting internal documentation or approvals.

SoCalGas Response 8d:

See the following attachments for change order summary documentation related to design changes after 30% design:

- “Attachment 06 – Q8d – 2006 - Scope and Alignment Change Orders_CONFIDENTIAL”
- “Attachment 07 – Q8d – 36-9-09 North 6B - Scope and Alignment Change Orders_CONFIDENTIAL”
- “Attachment 08 – Q8d – Line 36-9-09 Sec 5C Scope and Alignment Change Orders_CONFIDENTIAL”
- “Attachment 09 – Q8d – 404 Section 4A - Scope and Alignment Change Orders_CONFIDENTIAL”
- “Attachment 10 – Q8d – 45-120 Section 2 – Scope and Alignment Change Orders_CONFIDENTIAL”

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

9. For projects with disallowed footage (e.g., SL 30-18 Section 2):
- Identify total footage disallowed and location.

SoCalGas Response 9a:

Please refer to the following Workpaper page (Section IV.E.) for each project with disallowed footage:

Project	Supplemental Workpaper Citation
30-18 Section 2 Replacement Project	WP-43
Supply Line 41-6001-2 Replacement Project	WP-199
Line 404 Section 4A Replacement Project	WP-290

Please see “Attachment 11 – Q9a – Location Maps for Disallowed Footage” for the location of disallowed footage for these projects.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 9

b. Specify pipe vintage and reason for exclusion.

SoCalGas Response 9b:

SoCalGas’s disallowance calculation methodology, which includes pipe vintage, is included in Section IV.E. of the corresponding supplemental workpaper for the projects listed in response to Question 9a.

As noted in the testimony of Bill Kostelnik on page BGK-A-42, “D.14-06-007 (as modified by D.15-12-020) ordered that certain specified costs would be disallowed from recovery in rates.” This includes segments of pipe installed on or after January 1st, 1956, that lack sufficient records of a pressure test that may be included within the scope of PSEP pipeline hydrotest or replacement projects. SoCalGas’s disallowance methodology for these segments was initially described in the testimony of Rick Phillips in A.16-09-005⁶ and later deemed “correctly accounted for and excluded” by the Commission in D.19-02-004.⁷

As part of its Stage Gate Review process, SoCalGas requires PSEP project teams to identify disallowances and present the amounts to PSEP leadership at each stage from project initiation (Stage 1) through construction (Stage 4).

⁶ A.16-09-005; Testimony of Rick Phillips, Chapter 3 – Pipeline Projects and Other Costs, at 6-8

⁷ D.19-02-004 at 98.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 9

c. Show calculation of disallowed amount.

SoCalGas Response 9c:

SoCalGas's disallowance calculation methodology, which includes the disallowed amount, is included in Section IV.E. of the corresponding supplemental workpaper for the projects listed in response to Question 9a.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 9

d. Confirm if other disallowances were considered but not applied.

SoCalGas Response 9d:

No disallowances were considered but not applied.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

10. For projects that shared resources (e.g., SL 33-120 and SL 45-120):
- a. List related projects that shared resources.

SoCalGas Response 10a:

In accordance with one of the four objectives of PSEP (maximizing the cost-effectiveness of safety investments), all of the projects listed in this response shared resources with other PSEP projects.

- **30-18 Section 2 Replacement:** Laydown yard was shared with the PSEP Supply Line 37-07 and Supply Line 37-18 Projects.
- **37-18K Replacement:** Land Use – a laydown yard was shared with the PSEP Supply Line 30-18 Section 2 Project.
- **45-120 Section 2 Replacement Project:** Schedule Coordination – the Project Team coordinated a portion of construction, the tie-in, and the post-completion hydrotest design with the PSEP Supply Line 33-120 Section 1 Replacement Project to avoid system disruptions. The two projects also shared a laydown yard.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 10

b. Explain cost allocation methodology used.

SoCalGas Response 10b:

SoCalGas typically allocates costs on shared resources, such as laydown yards, on a project-by-project basis based on factors such as total project cost, project scope, duration of use, geographical location, proximity, and percentage of laydown square footage. Please note that for all projects listed in response to Question 10a, all shared resources costs were appropriately charged to PSEP projects. These projects are all Phase 1A and therefore subject to after-the-fact reasonableness reviews as ordered by the Commission in D.14-06-007.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 10

c. Provide supporting documentation such as invoices or internal memos.

SoCalGas Response 10c:

Not applicable; see response to Question 10b.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

11. Regarding PSEP phase designations:

- a. Define the criteria and process SoCalGas uses to assign phase designations (e.g., Phase 1A, Phase 2).

SoCalGas Response 11a:

SoCalGas originally defined Phases 1 and 2 of its PSEP in A.11-11-002 and A.17-03-21, respectively. The Commission approved SoCalGas's Phase 1 and Phase 2 decision trees, which dictate the appropriate action for PSEP segments that fall within these phases, in D.14-06-007⁸ and D.19-03-025.⁹

The PSEP Phases, which are defined according to the above, are described on pages BGK-A-10 through BGK-A-12 of the testimony of Bill Kostelnik.

⁸ At 59, OP 1.

⁹ At 82, OP 1.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 11

b. Confirm whether phases reflect CPUC prioritization, internal risk ranking, or operational constraints.

SoCalGas Response 11b:

As originally described in the testimony of Doug Schneider in R.11-12-019,¹⁰ SoCalGas's PSEP phase designations follow a risk prioritization methodology that prioritizes pipelines located in more populated areas (Phase 1A) and non-piggable transmission pipelines installed prior to 1946 (Phase 1B) over pipelines in less populated areas (Phase 2). As stated above, this was approved in D.14-06-007¹¹ and D.19-03-025.¹²

¹⁰ R.11.02-019, Testimony of Doug Schneider at 50-62.

¹¹ At 59, OP 1.

¹² At 82, OP 1.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 11

c. For each project, state its current phase and whether it has changed since initial planning.

SoCalGas Response 11c:

All pipeline projects included for recovery in this Application are Phase 1A except for the following projects that are Phase 1B: Line 404 Section 4A Replacement Project, Supply Line 38-101 Replacement Project, and the Line 103 Derate and Replacement Project. There have been no phase changes since initial planning for the projects included in this Application.

Data Request Number: PAO-SCG-406-ABK

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 5/16/2025

Date Responded: 06/09/2025

Continued-Question 11

d. If applicable, explain the rationale for any phase reassignment.

SoCalGas Response 11d:

Not applicable.

Data Request Number: PAO-SCG-408-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 6/3/2025

Date Responded: 6/17/2025

1. Please explain why in Attachment PAO-SCG-401-MW5 Question 2, tab Aviation & 104th Valve Enhancement the amount column is \$1,610,412.79 and in workpapers p. WP-1057 it gives an amount of \$1,610,457.

SoCalGas Response 1:

The overhead cost calculations in Attachment “PAO-SCG-401-MW5 Question 2” erroneously omitted costs correctly captured in the workpapers. Please see the associated “Aviation & 104th Valve Enhancem” tab in the corrected attachment, “Attachment 1 – PAO-SCG-408-MW5 – SCG Indirects – Public,” for the corrected total of \$1,610,457.

Data Request Number: PAO-SCG-408-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 6/3/2025

Date Responded: 6/17/2025

2. Please explain why in Attachment PAO-SCG-401-MW5-Indirects Question 2 053025, tab Banning Airport the total is \$361,842.91 and in workpapers p. WP-1148 it gives an amount of \$362,077.

SoCalGas Response 2:

The overhead cost calculations in Attachment “PAO-SCG-401-MW5 Question 2” erroneously omitted costs correctly captured in the workpapers. Please see the associated “Banning Airport” tab in the corrected attachment, “Attachment 1 – PAO-SCG-408-MW5 – SCG Indirects – Public,” for the corrected total of \$362,077.

Data Request Number: PAO-SCG-408-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 6/3/2025

Date Responded: 6/17/2025

3. Please explain why in Attachment PAO-SCG-401-MW5-Indirects Question 2 053025, tab Rainbow 2017 Martin the total is \$383,292.71 and in workpapers p. WP-1415 it gives an amount of \$383,476.

SoCalGas Response 3:

The overhead cost calculations in Attachment “PAO-SCG-401-MW5 Question 2” erroneously omitted costs correctly captured in the workpapers. Please see the associated “Rainbow 2017 Martin Ramona” tab in the corrected attachment, “Attachment 1 – PAO-SCG-408-MW5 – SCG Indirects – Public,” for the corrected total of \$383,476.

Data Request Number: PAO-SCG-408-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 6/3/2025

Date Responded: 6/17/2025

4. Please explain why in Attachment PAO-SCG-401-MW5-Indirects Question 2 053025, tab Rainbow MLV5 the total is \$346,704.59 and in workpapers p. WP-1497 it gives an amount of \$356,514.

SoCalGas Response 4:

The overhead cost calculations in Attachment “PAO-SCG-401-MW5 Question 2” erroneously omitted costs correctly captured in the workpapers. Please see the associated “Rainbow Valve MLV 5” tab in the corrected Attachment, “Attachment 1 – PAO-SCG-408-MW5 – SCG Indirects – Public,” for the corrected total of \$356,514.

Data Request Number: PAO-SCG-410-EIC

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 06/18/25

Date Responded:06/25/2025

1. Referring to Southern California Gas's (SCG) response to Cal Advocates Data Request PubAdv-SCG-401-MW5, Attachment 05 - PAO-SCG-401-MW5 - PAO-SCG-401-MW5_1 and 2 Misc Costs_CONFIDENTIAL.xlsx, Category "Post-Completion Construction", please identify which transactions fall into the \$2.517 million in Capital and \$1.283 million in O&M, as shown in SCG-T3-PSEP-01 testimony, Table BK-52, page 41.

Table BK-52⁷²
Miscellaneous Costs
Summary of Costs (in \$000's)

Cost Type	Capital	O&M	Total
Phase 2 Memorandum Account	\$ -	\$ 4,542	\$ 4,542
Post-Completion Construction	\$ 2,517	\$ 1,283	\$ 3,801
Facilities Lease	\$ -	\$ 2,470	\$ 2,470
Descoped Projects	\$ -	\$ 694	\$ 694
Delcon Migration Project	\$ -	\$ 1,110	\$ 1,110
Total	\$ 2,517	\$ 10,098	\$ 12,615

SoCalGas Response 1:

Please see "Attachment 01 - DR PAO-SCG-410-EIC - Q1 Response - Confidential."

Data Request Number: PAO-SCG-410-EIC

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 06/18/25

Date Responded:06/25/2025

2. Referring to SCG's response to Cal Advocates Data Request PubAdv-SCG-401-MW5, Attachment 05 - PAO-SCG-401-MW5 - PAO-SCG-401-MW5_1 and 2 Misc Costs_CONFIDENTIAL.xlsx, Category "Delcon Migration", and SCG's response to Cal Advocates Data Request PubAdv-403-SO3, Question 2eiii, please provide the following information:

a. Did SCG use the Delcon platform for non-PSEP activities?

SoCalGas Response 2a.:

No, the Delcon document management system was used exclusively for PSEP.

Data Request Number: PAO-SCG-410-EIC

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 06/18/25

Date Responded:06/25/2025

2. Referring to SCG's response to Cal Advocates Data Request PubAdv-SCG-401-MW5, Attachment 05 - PAO-SCG-401-MW5 - PAO-SCG-401-MW5_1 and 2 Misc Costs_CONFIDENTIAL.xlsx, Category "Delcon Migration", and SCG's response to Cal Advocates Data Request PubAdv-403-SO3, Question 2eiii, please provide the following information:

b. Did SCG use the new OpenText (RDMS) platform for non-PSEP activities?

SoCalGas Response 2b.:

Yes. PSEP's successful migration from the Delcon document management system to the OpenText (RDMS) platform ultimately enabled SoCalGas to expand the use of OpenText across other departments.

Delcon had been used exclusively by PSEP, but over time, it became outdated and increasingly unreliable. As noted in the response to data request PAO-SCG-403-SO3, question 2eiii, the system's functionality had degraded, and the specific modules used by PSEP were no longer needed. Given these limitations, the decision was made to transition to a more modern, enterprise-level document repository—OpenText (RDMS)—which was already being developed and funded at the enterprise level. PSEP was then migrated to the OpenText (RDMS) platform.

Data Request Number: PAO-SCG-410-EIC

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 06/18/25

Date Responded:06/25/2025

2. Referring to SCG's response to Cal Advocates Data Request PubAdv-SCG-401-MW5, Attachment 05 - PAO-SCG-401-MW5 - PAO-SCG-401-MW5_1 and 2 Misc Costs_CONFIDENTIAL.xlsx, Category "Delcon Migration", and SCG's response to Cal Advocates Data Request PubAdv-403-SO3, Question 2eiii, please provide the following information:

c. Does SCG's \$1.110 million cost recovery request for Delcon Migration reflect its total Delcon Migration costs, or is the \$1.110 million part of an allocation of a larger cost? If partial, please state the total cost and show how the costs were allocated to PSEP.

SoCalGas Response 2c.:

As explained in the testimony of Bill Kostelnik on page BGK-A-42, the \$1.110 million represents the portion of costs associated with migrating projects from the Delcon document management system to the new OpenText system, subject to cost recovery via Reasonableness Review. The total cost of the Delcon migration was \$2.2 million. The \$1.110 million was based on the proportion of PSEP projects eligible for Reasonableness Review relative to the total number of PSEP projects migrated (Reasonableness Review and GRC base business).

Data Request Number: PAO-SCG-410-EIC

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 06/18/25

Date Responded:06/25/2025

3. Referring to SCG's response to Cal Advocates Data Request PubAdv-SCG-401-MW5, Attachment 05 - PAO-SCG-401-MW5 - PAO-SCG-401-MW5_1 and 2 Misc Costs_CONFIDENTIAL.xlsx, Category "Facilities Lease", please provide the following information:

- a. Please confirm that the address of the leased facilities is the 22nd and 23rd floors at the Gas Company Tower in Los Angeles.

SoCalGas Response 3a.:

Yes, the leased facilities are the 22nd and 23rd Floors at the Gas Company Tower in Los Angeles.

Data Request Number: PAO-SCG-410-EIC

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 06/18/25

Date Responded:06/25/2025

3. Referring to SCG's response to Cal Advocates Data Request PubAdv-SCG-401-MW5, Attachment 05 - PAO-SCG-401-MW5 - PAO-SCG-401-MW5_1 and 2 Misc Costs_CONFIDENTIAL.xlsx, Category "Facilities Lease", please provide the following information:

b. Did SCG receive funding in any General Rate Case (GRC) related to the use of this building? If yes, please explain to whom SWG made lease payments for the use of these facilities.

SoCalGas Response 3b.:

SoCalGas did not receive any GRC funding for the 22nd and 23rd floors from May 2018 to March 2019, when the related expenses were incurred. As explained in the testimony of Bill Kostelnik on page BGK-A-42, these costs represent the remaining lease obligations for those floors, which were the responsibility of the PSEP organization until the Facilities organization incorporated them into the broader Gas Company Tower lease as part of the 2019 GRC.

Data Request Number: PAO-SCG-410-EIC

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 06/18/25

Date Responded:06/25/2025

3. Referring to SCG's response to Cal Advocates Data Request PubAdv-SCG-401-MW5, Attachment 05 - PAO-SCG-401-MW5 - PAO-SCG-401-MW5_1 and 2 Misc Costs_CONFIDENTIAL.xlsx, Category "Facilities Lease", please provide the following information:

c. Did SCG use the leased facilities for any non-PSEP activities? If yes, please show how SCG allocated the costs between PSEP and non-PSEP activities.

SoCalGas Response 3c.:

The PSEP organization initially leased the 22nd floor exclusively for its employees. As the organization expanded, the space became insufficient, prompting the lease of the 23rd floor. While the 23rd floor was primarily intended for PSEP, some of its initial space was temporarily used by non-PSEP employees while there was additional space that would have otherwise been unoccupied. As PSEP continued to grow, those non-PSEP employees vacated the 23rd floor, allowing PSEP to occupy the space entirely.

Data Request Number: PAO-SCG-410-EIC

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 06/18/25

Date Responded:06/25/2025

3. Referring to SCG's response to Cal Advocates Data Request PubAdv-SCG-401-MW5, Attachment 05 - PAO-SCG-401-MW5 - PAO-SCG-401-MW5_1 and 2 Misc Costs_CONFIDENTIAL.xlsx, Category "Facilities Lease", please provide the following information:

d. Does SCG's \$2.470 million in Facilities Lease reflect SCG's total lease costs for the 22nd and 23rd floors at the Gas Company Tower in Los Angeles (as mentioned in SCG-T3-PSEP-01 Prepared Direct Testimony of Bill G. Kostelnik, page BGK-A-42), or is the \$2.470 million an allocation of a larger lease? If partial, please state the total cost and show how the costs were allocated between PSEP and non-PSEP activities.

SoCalGas Response 3d.:

As stated in the testimony of Bill Kostelnik on page BGK-A-42, the \$2.470 million represents the remaining lease expenses for the 22nd and 23rd floors that were the responsibility of the PSEP organization. These costs were incurred before the Facilities organization incorporated the floors into the overall Gas Company Tower lease, which became effective with the 2019 General Rate Case (GRC).

SoCalGas had previously received cost recovery for lease expenses incurred prior to May 2018 through Decisions D.16-12-063, D.19-02-004, and D.20-08-034—each part of earlier PSEP Reasonableness Review Applications. In those decisions, the Commission found the associated lease costs reasonable.¹

¹D.16-12-063 at 38. Discussion and Conclusion 15.5; D.19-02-004 at 99. FOF 30; D.19-02-004 at 108 Conclusion of Law 43 and 47.

Data Request Number: PAO-SCG-409-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 6/6/2025

Date Responded: 6/30/2025

1. Regarding company labor for the following projects, please explain and specify if SCG utilized existing employees or has hired new employees. If SCG hired new employees for the projects listed below, please provide the date of hire, position title, and specific projects the new employees worked on.

- a. Replacement Projects
- b. Hydrotest Projects
- c. Derate and Abandonment Projects
- d. Valve Projects
- f. Miscellaneous Cost

SoCalGas Response 1a-d and 1f:

SoCalGas does not generally track whether employees were hired specifically for a given program. SoCalGas's data related to employee hirings does not specify if they were hired to support a specific program. However, to help address this question, please refer to "Attachment 01 – PAO-SCG-409-MW5 – Public," which lists employees who charged time to the PSEP projects included in this Application and were hired between 2011 and 2019—the timeframe of these projects.

Similarly, SoCalGas does not have the ability to discern all the backfills that took place due to transfers and the incremental workload of supporting departments. Therefore, that data is not available. All projects in this Application were executed under the guidelines of D.14-06-007. None of the projects listed in responses to Questions 1a, 1b, 1c, 1d, and 1f were already authorized for recovery under D.19-09-051, which transitioned PSEP to GRC base business.

In Decision (D.) 19-02-004, the Commission concluded that "SoCalGas and SDG&E implemented reasonable processes to track and verify PSEP costs."¹

¹ D.19-02-004 Finding of Fact 18 at Page 98.

Data Request Number: PAO-SCG-409-MW5

Proceeding Name: A2205015_016-SoCalGas and SDGE 2024 GRC_Track 3

Publish To: Public Advocates Office

Date Received: 6/6/2025

Date Responded: 6/30/2025

1. Regarding company labor for the following projects, please explain and specify if SCG utilized existing employees or has hired new employees. If SCG hired new employees for the projects listed below, please provide the date of hire, position title, and specific projects the new employees worked on.

e. Line 306 Costs

SoCalGas Response 1e:

The amount being sought for cost recovery is solely for the acquisition cost of purchasing the pipeline from PG&E.

PUBLIC ADVOCATES OFFICE (Cal Advocates)
DATA RESPONSE
Southern California Gas Company and San Diego Gas & Electric Company
Test Year 2024 General Rate Cases, Track 3
A.22-05-015 and A.22-05-016

Date: August 6, 2025

Origination Date: July 23, 2025

Response Due: August 6, 2025

Data Request No: SCG-SDGE-PAO-001

To: Jamie York, Sempra 2024 GRC Manager
JYork@semprautilities.com

Sempra Central Files
CentralFiles@semprautilities.com

Elliott Henry, Managing Attorney, Regulatory
ehenry@socalgas.com

Mikko Tayoba, PSEP Case Manager
mtayoba@socalgas.com

From: Stacey Hunter, Project Coordinator
Public Advocates Office
505 Van Ness Avenue, Room 4104
San Francisco, CA 94102
Stacey.Hunter@cpuc.ca.gov

GENERAL OBJECTIONS

Cal Advocates objects to each data request to the extent that it mischaracterizes Cal Advocates' opening testimony.

Cal Advocates objects to each data request to the extent that it is overly broad, unduly burdensome, or not reasonably calculated to lead to the discovery of admissible evidence.

Cal Advocates objects to each instruction and data request as overly broad and unduly burdensome to the extent that it seeks documents or information that Sempra already possesses upon receipt of Cal Advocates' prepared testimony and workpapers.

Cal Advocates objects to each instruction and data request to the extent that it seeks information or documents protected from disclosure by the attorney-client privilege, attorney work product doctrine, or any other applicable privilege.

Without waiving these objections, Cal Advocates responds as follows.

Sempra Question 1:

Please provide supporting documentation that demonstrates how the amounts were identified for the following tables included in the testimonies of Weaver, Banarsee, and Chow:

- a. Weaver-02: Tables 2-5, 2-6, 2-7, 2-8, 2-9, and 2-10
- b. Weaver-03: Tables 3-8, 3-9, 3-10, 3-11, 3-12, 3-13, 3-14, 3-15, 3-16, 3-17, 3-18, 3-19, 3-20, and 3-21
- c. Banarsee-04: Tables 4-1, 4-2 (page 12), 4-2 (page 14), 4-3, 4-4, and 4-5
- d. Chow-05: Tables 5-6, 5-7, 5-8, 5-10, and 5-11

Cal Advocates' Response to Questions 1a and 1b:

As stated in the sources under each table in testimony, please see the Excel Workpapers for CA-02. For Table 2-5 and Table 2-6, see the SCG Valve Projects workpaper, tab Adjustments. For Table 2-7, see the SCG Valve Projects-Indirect Costs workpaper, tab Adjustments. For Table 2-8 and Table 2-9, see the SDGE Valve Projects workpaper, tab Adjustments. For Table 2-10, see the SDGE Valve Projects-Indirect Costs workpaper, tab Adjustments.

Response prepared by Monica Weaver.

Cal Advocates' Response to Questions 1a and 1b:

As stated in the sources under each table in testimony, please see the Excel Workpapers for CA-03. For Table 3-8 and Table 3-11, see the SCG Hydrotest Projects workpaper, tab Adjustments. For Table 3-9 and Table 3-12, see the SCG Derate and Abandonment Projects workpaper, tab Adjustments. For Table 3-10 and Table 3-13, see the Pt. 2 SCG Valve Projects workpapers, tab Adjustments. For Table 3-14, see the SCG Hydrotest Projects- Indirect workpaper, tab Adjustments. For Table 3-15, see the SCG Derate and Abandonment Projects-Indirect workpaper, tab Adjustments. For Table 3-16, see the Pt. 2 SCG Valve Projects-Indirect workpaper, tab Adjustments. For Table 3-17, see the SDG&E Replacement and Pressure Test Projects workpaper, tab Adjustments. For Table 3-18, see the SDG&E Abandonment Projects workpaper, tab Adjustments. For Table 3-19, see the SDG&E Replacement and Pressure Test Projects workpaper, tab Adjustments. For Table 3-20, see the SDG&E Replacement and Pressure Test Projects-Indirect workpaper, tab Adjustments. For Table 3-21, see the SDG&E Abandonment Projects- Indirect workpaper, tab Adjustments.

Response prepared by Monica Weaver.

Cal Advocates' Response to Question 1c:

The Work Categories in Table 4-1 (page 10) were mislabeled. Cal Advocates will issue errata to correct this error. Please refer to the Excel PSEP Workpapers - Banarsee - CA-04-WP, tab Straight-Time Labor for accurate documentation. Additional documentation to demonstrate the amounts can be identified in the Excel worksheets provided in response to data request PubAdv-SCG-401-MW5. For each project row listed in the Straight Time Labor tab, please refer to the corresponding DR excel sheets found in Pub-Adv-SCG-401-MW5 → KOB1 → filter for all

S/T under cost element name. All amounts can be found under this function. Proceed to do this for all excel sheets that correlate with the table from the working paper.

For Table 4-2 (page 12) please refer to the Excel PSEP Workpapers - Banarsee - CA-04-WP, Employee Benefits tab using the same steps as explained for Table 4-1. Find the corresponding excel sheets from PubAdv-SCG-401-MW5, and filter for all EMP, MAL-MISC, MATL- OFFICE SUPPLIES, MATL- GAS&DIESEL, MEALS, DUES, A&G, SRV-SPNSR BUS, SRV-TEMP, AGENOG LABOR, SRV-TRNG, SEMIN-H, SRV-TRNG&SEMIN EXT, SRV-VEHICLE WASHING, TELE- CELLULAR PHONES, TELE-COMMUNICATIONS.

For Table 4-2 (page 14), this should be labeled as Table 4-3. Cal Advocates will issue errata to make this correction. Using the same steps as explained above, for Duplicative Cost/Construction management, the filter function for Construction Mgmt., Project Mgmt., Engineering Mgmt., Inspection or Field Oversight is the following cost elements: SRV-CONSULTING, SRV-EGINERRING, SRV-CONTR-TIME&EQUIP, SRV-MISC, SAL-MGMT S/T. Sort by ValCOArCur (descending) to flag large or repeating costs. Cross reference with construction timelines to see if roles overlap unnecessarily. For GIS Inconsistencies/Overstated Scope, the filter cost element is MATL-PIPE, NONPIPE, PMT for EASMENT/R, A&G GOVT PERMITS. For unit cost Deviations/Estimation Errors, the filter cost element is MATL-MISC,PIPE,TOOLS, SRV- MAINT-REPAIR, SRV-PSEP CONST.

Table 4-3 should be labeled as Table 4-4. Cal Advocates will issue errata to make this correction. Refer to the same answer and steps stated for Table 4-1 SCG STL (page 10) but using the SDG&E source spreadsheets.

Table 4-4 should be labeled as Table 4-5. Cal Advocates will issue errata to make this correction. Refer to the same answer and steps stated for Table 4-2 SCG EMP BEN (page 12) but using the SDG&E source spreadsheets.

Table 4-5 should be labeled as Table 4-6. Cal Advocates will issue errata to make this correction. Refer to the same answer and steps stated for Table 4-2 SCG Duplicative (page 14) but using the SDG&E source spreadsheets.

Response prepared by Amrisha Banarsee.

Cal Advocates' Response to Question 1d:

Please see Cal Advocates workpapers A2205016 *Public Advocates Office Track 3 PSEP Workpapers - Chow - CA-05-WP.xlsx*, which demonstrate how Cal Advocates identified the amounts presented in Tables 5-6, 5-7, 5-8, 5-10, and 5-11. Please note the following:

- Tables 5-6 and 5-10 correspond to the tab "Straight-Time Labor Table."
- Tables 5-7 and 5-11 correspond to the tab "Indirect Costs Table."
- Table 5-8 corresponds to the tab "Employee Benefits Table."

Response prepared by Amrisha Banarsee.

Sempra Question 2:

Please explain where the work categories listed in Table 4-1 (page 10) and Table 4-3, (page 17) of Banarsee-04 are derived from.

Cal Advocates' Response to Question 2:

This is an error. Cal Advocates will issue errata to correct this error. Please refer to the Excel PSEP Workpapers - Banarsee - CA-04-WP, tab Straight-Time Labor for the accurate work categories.

Response prepared by Amrisha Banarsee.

Sempra Question 3:

On page 5 of the testimony of A. Banarsee, Cal Advocates states that \$18.6 million related to the 45-120 Section 2 Replacement Project should be removed from SoCalGas's request due to "excessive costs related to contractor billings and the internal General Management and Administrative (GMA) costs, including over \$12 million booked to general cost elements such as "Environmental" and "Construction Management" without supporting documentation for the vendor's billing, labor logs or journal entries to support the internal GMA costs, invoice details to support subcontractor costs or materials, and no connection to scope; SCG failed to explain how these expenses were related to pipeline installation."

To support its claim, Cal Advocates cites SoCalGas's response to data request PubAdv-SCG-ABK, Q2a-Q2e and Attachment 10-Q8d-45-120 Section 2 Scope and Alignment Change Orders. Please identify how the recommended disallowance of \$18.6 million was calculated or inferred from these data request responses.

Cal Advocates' Response to Question 3:

This adjustment was derived from the response to data request PubAdv-SCG-401-MW5, the Excel spreadsheet titled as Attachment 45-120 Section 2 Replacement Project_CONFIDENTIAL. This spreadsheet includes thousands of line items with "Functions" such as Environmental, Construction Management, Engineering, Company Labor, GMA, and Project Management. These were the primary categories used to isolate excessive, unsupported, or misclassified changes. This analysis filtered for cost elements and functions associated with internal labor and overheads (e.g., GMA, Environmental) where no vendor name was provided and/or descriptions were vague. The utility failed to supply invoices, labor logs, journal entries, or traceability to actual pipeline work as requested in PubAdv-SCG-406-ABK, Q2a-Q2e. For example, Q2a asked for invoices or proof of work and the utility responded with generalized claims and did not provide the requested documentation. The disallowed costs consist of the following categories:

- \$12.1 million: GMA, Construction Management and Environmental costs with no supporting documentation or evidence of relevance to scope.
- \$5.2 million: Vendor charges with no service details or subcontractor invoices attached.
- \$1.3 million: Line items categorized as employee labor or support services there were not directly tied to pipeline replacement projects.

These categories together total \$18.6 million which was calculated by summing the filtered rows in the Excel file, and then further supported by the gaps in documentation outlined in Q2a-Q2e. Filter for GMA, Environmental, Construction Management, SRV-Construction, SRV- Consulting, SRV- Engineering, SRV, MISC, SRV-PSEP.

Response prepared by Amrisha Banarsee.

PUBLIC ADVOCATES OFFICE (Cal Advocates)
DATA RESPONSE
Southern California Gas Company and San Diego Gas & Electric Company
Test Year 2024 General Rate Cases, Track 3
A.22-05-015 and A.22-05-016

Date: August 8, 2025
Origination Date: July 23, 2025
Response Due: An extension was granted to August 8, 2025
Data Request No: SCG-SDGE-PAO-001

To: Jamie York, Sempra 2024 GRC Manager
JYork@semprautilities.com

Sempra Central Files
CentralFiles@semprautilities.com

Elliott Henry, Managing Attorney, Regulatory
ehenry@socalgas.com

Mikko Tayoba, PSEP Case Manager
mtayoba@socalgas.com

From: Stacey Hunter, Project Coordinator
Public Advocates Office
505 Van Ness Avenue, Room 4104
San Francisco, CA 94102
Stacey.Hunter@cpuc.ca.gov

GENERAL OBJECTIONS

Cal Advocates objects to each data request to the extent that it mischaracterizes Cal Advocates' opening testimony.

Cal Advocates objects to each data request to the extent that it is overly broad, unduly burdensome, or not reasonably calculated to lead to the discovery of admissible evidence.

Cal Advocates objects to each instruction and data request as overly broad and unduly burdensome to the extent that it seeks documents or information that Sempra already possesses upon receipt of Cal Advocates' prepared testimony and workpapers.

Cal Advocates objects to each instruction and data request to the extent that it seeks information or documents protected from disclosure by the attorney-client privilege, attorney work product doctrine, or any other applicable privilege.

Without waiving these objections, Cal Advocates responds as follows.

Sempra Question 4:

The following questions pertain to the following cost and associated statement on page 6 of Banarsee-04:

“\$6.4 million related to the 36-9-09 North Section 6B Replacement Project due to overstated trench and bore quantities, conflicting GIS vs. as-built maps, and major scope deviations that were never reconciled; SCG failed to justify the inflated construction footage with any documented scope alignment.”

- a. Please confirm that the \$6.4 million is only related to 36-9-09 North Section 6B Replacement Project
- b. Please provide the applicable cost tables or other supporting documentation that are filtered to reflect the calculation, with all formulas intact.
- c. Please provide the reference and supporting documentation used to inform Cal Advocates’ claim that there are “overstated trench and bore quantities”.
- d. Please provide the “as-built maps” that are conflicting with the GIS maps provided in the workpaper.
- e. Please clarify how SoCalGas’s response to Pb-Adv-406-ABK, Questions 9a, 9b, and 9c (including *Attachment 11-Q9a Location Maps*) is relevant to the 36-9-09 North Section 6B Replacement Project.

Cal Advocates’ Response to Question 4:

- a. Yes, the \$6.4 million disallowance is solely related to the 36-09-09 North Section 6B Replacement Project. This amount reflects excessive construction costs tied to overstated trench and bore quantities, inconsistent mapping records, and unreconciled deviations from the final construction alignment.
- b. Cal Advocates reviewed the Excel spreadsheet “36-9-09 North 6B Replacement Project_CONFIDENTIAL_16528” which was provided in response to data request PubAdv-SCG-401-MW5. This file contains the detailed cost ledger from which the \$6.4 million was calculated. To isolate the costs at issue, filter the file by selecting cost element and functions associated with trenching, boring and related installation work (SRV-PSEP ENG & CONST, SRV-ENGINEERING, SRV CONTRACTORS, Construction Management, Engineering & Design etc.). These cost entries reflect the labor and contractor charges tied to installation quantities that exceed the validated scope. You can also refer to response to data request PubAdv-SCG-406-ABK attachment “Attachment 07-Q8d – 36-9-09 North 6B – Scope and Alignment Change Orders_CONFIDENTIAL_16420”.
- c. In the Final Report in SCG-T3-PSEP-01 for Supply Line 36-9-09 North Section 6B Replacement Project, SoCalGas defines a scope of three HDD crossings, three flat slick bores on Alpine Street, and three flat bores on Valley Road (WP-109–WP-110), yet Figures 4–6 on WP-115–WP-117 clearly show open-cut trench installations in those same Alpine Street locations—an unmistakable overlap of bore and trench work that would double-count footage. Table 4 on WP-121 then records Construction Contractor

actuals only \$273,000 below estimate even though the reroute reduced total replacement length to 1.732 miles, while Engineering & Design costs surged 60 percent (from \$1.287 million to \$2.048 million), signaling unvalidated redesign efforts that did not adjust billed bore or trench quantities. The reroute maps in Figures 1–3 on WP-106–WP-107 eliminate about 0.325 miles of the original alignment (WP-113), but bore counts remain unchanged, and “Attachment 07 – Q8d: 36-9-09 North Section 6B Scope and Alignment Change Orders” provided in POA-SCG-406-ABK, documents the reroute without any corresponding reduction in bore or trench pay items. Together, these discrepancies confirm that SoCalGas overstated both trench and bore quantities in its final cost records.

- d. SCG did not produce project-specific “as-built” maps for 39-09-09 North Section 6B that align with the trench and bore lengths cited in the cost data. The GIS shapefiles and construction summary in the workpapers suggest a shorter segment than the sum of trench and bore lengths recorded in the project cost summary. SCG did not submit any scope change orders, engineering drawings, or construction revisions that would reconcile the mismatch between the recorded trench and bore quantities and the expected footage based on project GIS or as-built alignment. In the absence of documentation substantiating a change to the construction scope, the reported quantities appear overstated and unsupported. Cal Advocates flagged this as a failure to support the construction footage underlying the project’s capital requests.
- e. These were originally referenced as part of a broader analysis of projects with disallowed construction footage. Upon further review, the \$6.4 million disallowance for this project stands independently based on project-specific documentation. The cited costs are supported by internal cost reports and unadjusted trench and bore footage listed in SCG’s Track 3 workpapers as explained above.

Response prepared by Amrisha Banarsee.

Sempra Question 5:

The following questions pertain to the following cost and associated statement on page 6 of Banarsee-04:

“\$2.9 million related to the 37-18-K Replacement Project tied to vague internal labor and overhead entries coded to “Site Management” and “Expense,” with no proof these charges supported any deliverable construction work.”

- a. Please provide the applicable cost tables or other supporting documentation that is filtered specifically to reflect the data supporting the referenced \$2.9 million in Excel format, with all formulas intact.

Cal Advocates Response to Question 5:

- a. The applicable cost documentation is located in the response to data request PubAdv-SCG-401-MW5, attachment “37-18 K Replacement_Confidential_16528”. Filter this sheet by identifying cost elements and functions associated with vague or unsupported internal labor charges. These entries include SAL-MGMT, SRV-CONSULTING, SRV-ENGINEERING, SAL-LABOR, SAL-PSEP, SAL-OVERHEAD and any other value containing MGMT, SAL, OVERHEAD, ADMIN, EXPENSE, SUPPORT filtered with Company Labor, Construction Management, or Engineering & Design. These cost categories are not tied to any tangible deliveries, measurable installation activities, or documented outcomes that validate their contribution to the project’s physical execution.

- b. SCG's responses to Q2-Qe of Data Request PubAdv-SCG-406-ABK directly acknowledge that there is no internal reconciliation or root cause assessment associated with any cost overruns in the 37-18-K replacement project, or the broader PSEP Track 3 workpaper. This response confirms that SCG lacks any internal justification for the over \$2.9 million in ambiguous labor and overhead charges. It supports Cal Advocates position that the cost recorded under Site Management and Expense were not tied to verified construction outputs or reconciled via any formal documentation process, such as time-tracking, scope traceability, or cost justification memos. It is used to underscore the absence of internal cost governance, an omission that reinforces the prudence of the disallowance.

Response prepared by Amrisha Banarsee.

Sempra Question 6:

The following questions pertain to the following cost and associated statement on page 6 of Banarsee-04:

"\$2.5 million related to the 30-18 Section 2 Replacement Project for duplicate trench costs, unvalidated bore designs, and field change orders that conflicted with project maps and as-built drawings."

a. Please provide the supporting documentation you rely on for the claim that there are "duplicate trench costs, unvalidated bore designs, and field change orders that conflicted with project maps and as-built drawings." Include the following document types:

- i. The referenced project maps and as-built drawings, with the specific conflicts clearly highlighted.
- ii. The applicable cost tables, filtered to reflect only the data supporting the referenced \$2.5 million. The Excel file should retain all original formulas.

b. Please clarify how SoCalGas's response to PubAdv-SCG-406-ABK, Q2a-Q2e is relevant to the 30-18 Section 2 Project.

Cal Advocates Response to Question 6:

- a. The evidence comes from the Final Report and workpapers for Supply Line 30-18 Section 2 in SCG-T3-PSEP-01-WP1. Figures 4–8 on WP-34 through WP-37 show both HDD pull-backs and open-trench installations along the same 0.619-mile alignment, even though Table 3 on WP-33 records a single construction window, so trench work may have been billed twice. Section C.5 on WP-30–WP-31 documents that the bore pit was relocated, deepened, and lengthened to avoid overhead wires, freeway pillars, and electrical conflicts, yet no engineering addendum or updated drawings were issued. The baseline plan and satellite maps on WP-25–WP-27 were never revised to show those changes, and Section D on WP-32 even states "no notable scope changes during detailed design," creating a clear mismatch between field work and as-built documentation. The cost tables on WP-41–WP-44 show Engineering & Design costs rose 202 percent (from \$678 k to \$2.046 m), while Construction Contractor costs dropped 33 percent (from \$6.554 m to \$4.369 m) and Project Management & Services costs dropped 75 percent (from \$2.218 m to \$0.562 m), which is consistent with extensive redesign work that was never formally validated. WP-42 also identifies 404 feet of pipe as disallowed, yet the same trench/HDD activity appears in the photos, underscoring the risk of duplicate billing. A parallel pattern appears in PAO-SCG-406 Attachment 06 – Q8d ("L2006-P1-A Scope and Alignment Change Orders") in response

to POA-SCG-406-ABK, where a buried vault and slurry conditions forced mid-construction tie-in relocations and manual excavations that were simply billed as change orders (\$291,828), demonstrating SoCalGas's recurring practice of altering field scope post-design without proper validation or documentation. The following are the additional supporting documentation:

- i. There is no corresponding as-built record or redline map showing the final constructed alignment. SoCalGas did not provide a complete set of reconciled as-built drawings or detailed project maps that align with the trench and bore activity reflected in the cost data. Cal Advocates' testimony references "project maps and as-built drawings" to emphasize that no documentation was submitted to validate the field changes or construction methods implied by the costs incurred. The reference to "conflicts" is based on the mismatch between the costs recorded for bore/trench construction and the absence of any documented engineering or construction revision that would explain such methods were used or required. This absence creates a material documentation gap, which SoCalGas has not reconciled, and supports Cal Advocates' finding that these costs are unvalidated and potentially duplicative.
 - ii. The cost documentation is located in response to data request PubAdv-SCG-401-MW5 attachment "30-18 Section 2 Replacement CONFIDENTIAL_16528". To isolate unsupported trench and bore related charges, filter cost element names SRV-CONTRACT LABOR, SRV-CONSTR-GAS PIPE, MATL-PIPE&FITG, MI-PIPE, MI-NON PIPE, SRV CONSTRUCTION OTHER, SRV-CONTR-TIME&EQUIP, SRV-CONSTRUCTION-ELECT. These cost elements collectively reflect field and underground installation charges that lack verifiable scope traceability. Many of the filtered cost elements do not list vendor, activity, or supporting time logs.
- b. SCG response to Q2a-Q2e response to Data Request PubAdv-SCG-406-ABK are relevant because they explicitly confirm that SCG conducted no internal reconciliation or root cause analysis for cost overruns on any Track 3 PSEP project, including Line 30-18 Section 2. This admission is directly material to the \$2.5 million disallowance. Without a cost reconciliation, SCG provides no evidence that trench or bore quantities were validated, no scope log to justify change orders, and no final reconciliation of actual versus planned field construction. This undermines the reasonableness of these cost categories.

Response prepared by Amrisha Banarsee.

Sempra Question 7:

The following questions pertain to the following cost and associated statement on page 6 of Banarsee-04:

"\$2.0 million related to the 2006-P1A Replacement Project stemming from layered contingency, planning, and estimating costs, most of which were not scoped to any actual construction activity and lacked documentation entirely."

- a. Please define the term "layered" in the context of the above.
- b. Please provide the applicable cost tables or other supporting documentation that are filtered specifically to reflect the data supporting the referenced "layered contingency, planning, and estimating costs" and the corresponding \$2.0 million in Excel format, with all formulas intact.
- c. Please clarify how SoCalGas's response to PubAdv-SCG-406-ABK, Q2a-Q2e is relevant to the 2006-P1A Replacement Project.

Cal Advocates Response to Question 7:

- a. In this context, “layered” refers to the presence of multiple overlapping cost categories for planning, estimating, and administrative overhead, often charged across different internal departments (e.g., engineering, project management, design support) without documentation establishing that these costs supported specific construction activities.
- b. The disallowed costs are located in the response to data request PubAdv-SCG-401-MW5, attachment “2006-P1A Replacement Project_CONFIDENTIAL_16528”. Filter cost element for SRV-PSEP ENG & CONST, SRV-ENGINEERING, SRV-CONSULTING, SRV-CONTR-TIME&EQUIP, SRV-GOVTPERMIT, PROCUREMENT&LOGISTICS MATERIAL PROCESSING COST, PMT FOR EASEMENT/ROW, SAL-MGMT, SAL-UNION, SRV-TEMP AGENCY LABOR. The filtered results included charges under Company Labor and Engineering and Design.
- c. SoCalGas’s response to PubAdv-SCG-406-ABK, Questions 2a through 2e is directly relevant because it confirms that SoCalGas did not perform any internal reconciliation or root cause assessment to determine whether layered overhead costs, such as those observed on 2006-P1A, were appropriate or accurate. In response to Q2c, SoCalGas states that it conducted “no internal reconciliation or root cause assessments related to these projects.” In response to Q2e, SoCalGas was unable to identify any post-construction review that evaluated whether planning or estimating charges were duplicative or unsupported by field scope. This admission reinforces Cal Advocates’ conclusion that the \$2.0 million in overhead, contingency, and planning charges is undocumented, unvalidated, and ineligible for ratepayer recovery under Commission standards.

Response prepared by Amrisha Banarsee.

Sempra Question 8:

The following questions pertain to the following “unsupported cost” and associated statement on page 6 of Banarsee-04:

“\$1.9 million related to the 38-101 Wheeler Ridge Project for unsupported bores and trenching where SCG booked high volumes of contractor work without timecards, reconciliations, or defined unit quantities.”

- a. Please provide the applicable cost tables or other supporting documentation that are filtered specifically to reflect the data supporting the referenced the “unsupported bores and trenching” and the corresponding \$1.9 million in Excel format, with all formulas intact.
- b. With respect to the statement, “SCG booked high volumes of contractor work without timecards, reconciliations, or defined unit quantities”, please explain how Cal Advocates concluded that SoCalGas did not retain records of documents such as “timecards”.
- c. Please clarify how SoCalGas’s response to PubAdv-SCG-406-ABK, Q2a-Q2e is relevant to the 38-101 Wheeler Ridge Project.

Cal Advocates Response to Question 8:

- a. Cal Advocates filtered the response to data request PubAdv-SCG-401-MW5, attachment “38-101 Wheeler Ridge Replacement Project_CONFIDENTIAL_16528”. Filter for cost elements SRV-PSEP, ENG& CONST, under functions Engineering and Design and Project Management and Project Services. These entries lack support for unit-based trench or bore quantities, corresponding construction maps, and vendor labor documentation.

- b. Cal Advocates stated this based on the utility's own responses to PubAdv-SCG-406-ABK, Questions 2a through 2e, which confirmed that SCG did not conduct any post construction reconciliation, root cause review, or internal validation of unit-based contractor charges. Despite repeated questions, SCG failed to provide timekeeping records, unit quantity breakdowns, or change documentation aligning costs with construction scope.
- c. SCG responses confirm that no internal assessments, reconciliations, or documentation reviews were performed to validate trenching and boring costs incurred on 38-101 Wheeler Ridge. In response to PubAdv-SCG-406-ABK, Q. 2c, SCG acknowledges no reconciliation or documentation review was conducted. In the response to Q. 2e, SCG failed to identify any recordkeeping practices that could confirm trenching or bore costs were matched to actual work.

Response prepared by Amrisha Banarsee.

Sempra Question 9:

Please provide a reconciliation of the cost reduction amounts shown in Banarsee-04 Table 4-2 (page 14) with the amounts referenced on the bulleted list from pages 5 and 6.

Cal Advocates Response to Question 9:

Please see the attached Excel sheet title, "Duplicative Costs Table."

Response prepared by Amrisha Banarsee.

Sempra Question 10:

Please explain how Cal Advocates determined the amount of 4,522 linear feet of pipe identified on page 13 of Banarsee-04 in relation to the 36-9-09 North Section 6B Replacement Project.

Cal Advocates Response to Question 10:

The 4,522 linear feet identified on page 13 of Banarsee-04 for the 36-9-09 North Section 6B Replacement Project refers to installed pipe that did not contribute to the pressure-tested segment. This amount is based on the difference between the total installed mileage and the pressure-tested mileage, as shown in Attachment 07 – Q8d – 36-9-09 North Section 6B – Scope and Alignment Change Orders. The attachment states that 1.725 miles were installed and 1.076 miles contributed to pressure testing. This yields a difference of approximately 0.649 miles, or 3,427 linear feet. The remaining footage, which brings the total to 4,522 linear feet, includes segments identified in internal records as realigned, abandoned, or otherwise excluded from pressure test mileage. The full 4,522 linear feet figure is documented in Banarsee-04 and reflects Cal Advocates' total identified footage not required for testing.

Response prepared by Amrisha Banarsee.

Sempra Question 11:

Please define the term “pressure test-eligible segment” used on page 13 of Banarsee-04 in regard to the 36-9-09 North Section 6B Replacement Project.

Cal Advocates Response to Question 11:

In the context of the 36-9-09 North Section 6B Replacement Project, the term “pressure test-eligible segment” refers to the portion of installed pipe that meets the technical and alignment requirements necessary to be included in the final pressure test segment. This excludes any pipeline segments that were rerouted, abandoned, or otherwise not configured to be included in the pressure test performed for the project’s intended scope.

Response prepared by Amrisha Banarsee.

Sempra Question 12:

With regard to the mention of the 43-121 North Replacement Project on page 13 of Banarsee-04, please clarify how SoCalGas’s response to PubAdv-SCG-406-ABK, Attachment 07-Q8d-36-9-09 North 6B, or Attachment 11-Q9a is relevant to this project.

Cal Advocates Response to Question 12:

While Attachments 07-Q8d (36-9-09 North 6B) and 11-Q9a (Location Maps for Disallowed Footage) do not show 43-121 North directly, they illustrate the method used to evaluate project scope inconsistencies across multiple SoCalGas PSEP projects. Specifically, these attachments demonstrate how GIS alignment changes, reroutes, and other scope variances were used to identify pipeline footage that was installed but not pressure-tested or necessary for test eligibility. The same methodology was used to 43-121 North, using project-specific scope data and GIS overlays available internally, consistent with the approach demonstrated in these attachments.

Response prepared by Amrisha Banarsee.

APPENDIX C

SL 45-120 SECTION 2 – SAMPLE OF ENVIRONMENTAL INVOICES

APPENDIX D

SL 45-120 SECTION 2 – SAMPLE OF CONSTRUCTION MANAGEMENT INVOICES

APPENDIX E
PSEP LABOR CHARGES REPORT – JULY 2018

DEPARTMENT	NAME	Order #	Order Name	Response Required	Sum of Sum of Hours
Customer Strategy & Engagement			PSEP GMA TRACKING ORDER	Developed, revised and reviewed employee communications about PSEP, including comms plan, external articles, intranet site, PSEP News, talking points, updates to CCC, Field briefings, etc.	45.6
			PSEP GMA TRACKING ORDER	(blank)	7.68
			PSEP GMA TRACKING ORDER	(blank)	8.64
			PSEP GMA TRACKING ORDER	Customer communications and marketing program support	3.6
			PSEP GMA TRACKING ORDER	Customer communications and marketing program support	3.6
			PSEP GMA TRACKING ORDER	Customer communications and marketing program support	3.8
Environmental Svcs - SDG&E-SCG			(PSEP) L404 SECTION 4A REPLACEMENT	Prepare, review, and upload Notice of Intent (NOI) for Construction General Permit (CGP) to Storm Water Multiple Application Reporting and Tracking System (SMARTS).	1.5
			41-6000-2-P1A-ABANDONMENT	Review waste water discharge and storm water permitting options with environmental project manager.	2
			PSEP GMA TRACKING ORDER	Hours associated with managing PSEP environmental group	70.56
			NON PMO GE ADMIN TRCKING	Hours associated with managing PSEP environmental group	2
			(PSEP) PI: CA-150/CA-192 (LIONS) 1B	Project budget approvals	0.5
			L37-18-K SCOPE DEVELOPMENT	Waste Profiling and Disposal	1
			-L1018 BUNDLE P1B HARVARD	Shipping Documents, Scheduling Disposal	0.5
			PSEP) SL36-37-P1B-11A	Review of Caltrans encroachment permit application at request of [REDACTED]	0.75
			PSEP) SL36-37-P1B-11C	Review of Caltrans encroachment permit application at request of [REDACTED]	1
			-L4000-P1B-POWERLINE RD	These hours were billed conducting a cultural resource review of the project and consulting with the BLM archaeologist.	4
			-L4000-P1B-CAMP ROCK RD	These hours were billed conducting a cultural resource review of the project and consulting with the BLM archaeologist.	5
Gas Control & System Planning			PSEP GMA TRACKING ORDER	Work in obtaining telecommunications to PSEP valve and metering sites, and support in SCADA programming for new PSEP related valve upgrades. Assists in troubleshooting and maintenance of new and existing telemetric equipment with instrument specialists and other field personnel. Work in obtaining telecommunications to PSEP valve and metering sites, and support in SCADA programming for new PSEP related valve upgrades. Assists in troubleshooting and maintenance of new and existing telemetric equipment with instrument specialists and other field personnel.	96
				Coordinates with PSEP project managers, District Operations Managers and other PSEP representatives to manage and schedule Transmission Pipeline Shutdowns. Identifies customer impacts, and determines the implications to Transmission System Operations related to PSEP related shutdowns and PSEP valve upgrades. Works directly with Gas Control staff in real-time system operations to manage PSEP shutdowns. Works directly with SCADA staff to help manage PSEP valve upgrades that are implemented into the SCADA environment. Work in obtaining telecommunications to PSEP valve and metering sites, and support in SCADA programming for new PSEP related valve upgrades. Assists in troubleshooting and maintenance of new and existing telemetric equipment with instrument specialists and other field personnel.	121.6
			PSEP GMA TRACKING ORDER		30.4
			NON PMO GE ADMIN TRCKING		
Gas Engineering			PSEP) L2001W SANTA ANA RIVER PIPE - P1A	Provided engineering support and answered project-related questions. Hydrotest or gas standard related questions as they apply to the project.	2
			PI: L2001W-D WHITEWATER HYDROTEST	Provided engineering support and answered project-related questions. Hydrotest or gas standard related questions as they apply to the project.	10
			PSEP) L-2000-E-P2 (LONG LEAD)	Provided engineering support and answered project-related questions. Hydrotest or gas standard related questions as they apply to the project.	1
			L-2000-E-P2	Provided engineering support and answered project-related questions. Hydrotest or gas standard related questions as they apply to the project.	9
			41-6000-2-P1A-ABANDONMENT	Provided engineering support and answered project-related questions. Hydrotest or gas standard related questions as they apply to the project.	4
			-L7000-P1B-MELCHER & ELMO	Provided engineering support and answered project-related questions. Hydrotest or gas standard related questions as they apply to the project.	3
			PI: L2001W-D WHITEWATER HYDROTEST	Provided engineering support and answered project-related questions. Hydrotest or gas standard related questions as they apply to the project.	2

DEPARTMENT	NAME	Order #	Order Name	Response Required	Sum of Sum of Hours
Gas Engineering			-WSTRN DEL REY BUDE P18-DEY REY	Developed Piping drawing package for valve automation.	96
			PSEP) V-RAINBOW MLV 5-P1B	Developed Piping drawing package for valve automation.	48
				"6/19/18: I met with [REDACTED] PSEP engineer, [REDACTED] Mechanical Designer & [REDACTED] Electrical Designer, to discuss comments collected during a 60% drawing package review for RB MLV 5. 6/20/18: I met with [REDACTED] mechanical designer, to go over the request (from Gas Transmission Ops- Beaumont) to route [REDACTED] piping above grade at MLV and back below grade before running pipe to LBP. 6/27/18: Using the formulas provided in Gas Standard, 182.0032, I calculated the minimum blowdown pipe I.D. required for the new blowdown stack design. I also collected the information needed prior to submitting plume analysis request for the Rainbow MLV-5 location. 6/28/18: I provided markups for RB MLV5 project to aid in the implementation of a new blowdown stack design. 7/11/18: I followed up on a request for a 5'-0" W x 4'-0" D instrument shelter and worked with the mechanical design team to incorporate a new [REDACTED] blowdown stack and access platform. The access platform was later removed from the design to reduce the blowdown stack design footprint (and cost). 7/13/18: I requested that [REDACTED] update the instrument shelter drawing to shift the Air Conditioning unit from the left side to the right side of the shelter (due to the shelter's proximity to a cinder block wall -on the left side of the shelter). "	
			PSEP) V-RAINBOW MLV 5-P1B		10
				6/21/18: I met with [REDACTED] to review EN's pressure drop calculations results for [REDACTED] L-1004-20.85-0. The P&ID shows a single pressure tap downstream of the MLV. 7/11/18: I reviewed EN's pressure drop calculations for the [REDACTED] MLV Automation Project. I also met with [REDACTED] to discuss how the single downstream tap affects the PT-101 reading. 7/13/18: I calculated the pressure drop for [REDACTED] SS tubing in the case where a single tap is split and run to PT-101 & the LineBreak panel regulators.	5
			(PSEP) PI: CA-150/RINCON RD (PARSONS) 1B		
			-WSTRN DEL REY BUDE P18-DEY REY	Assist with install of LIT at Del Rey Junction	20
			-TAFT P1B - HAGEMAN & RENFRO	Perform review and squad check for Hageman and Renfro	20
			PSEP)V235/335-WESTP1B-AGUA DULCE CANYON	Perform review and squad check for Agua Dulce Canyon	8
			1004-8.06-0 CABRILLO BL	Review actuator bid for Cabrillo Beach	4
			PSEP) V-BREA-P1B-BEACH	Perform review and squad check for Brea Beach Package	6
			PSEP) V-INDIO-2016-P1B-MLV10S	Indio Valve 8 Point to Point	10
			-TAFT P1B - SYCAMORE	Sycamore Road ASV Settings Support	1
			(PSEP) MLV 404-4.84-0 VENTURA/SFV	Line 404 Pressure Study for ASV Support	2
			PSEP) V-BREA-P1B-AZUSA AVE	Develop Communications strategy for Asuza PSEP site and coordinate installation	16
			PSEP) TECH,BUSI, PROJ PLAN & PROJ DEVEL	Attended project plan development, RFI development and strategy meetings.	9
			-L7000-P1B-MELCHER & ELMO	Bellhole inspection and oversight.	8
			PSEP)V-SFV BDLE-VALENCIA-P1B-WELDON CYN	Review and update schematic for [REDACTED] for lines 3003 and 3000 WEST	2
			(PSEP) VALVE -L407 SAN VICENTE-P1B	Create alternate schematics for San Vicente & Burlingame and meet with region to discuss alternates	12
			PSEP) PI: SCOPE DEV VENTURA STATION 1B	Review proposal from [REDACTED] on Ventura station automation	2
			-L4000-P1B-DEVORE STN	Research requirements for Ultrasonic Flowmeter at Devore	1
			PSEP) PI: L8109 SCOPE DEV 1B	Review and write up justification for 8109 automation for [REDACTED]	4
			PSEP) V-SL-32-21-P1B	Write up justification for automation plan for [REDACTED]	1
			(PSEP) PI: SCOPE DEV VENTURA STATION 1B	Site visit to Ventura Station with [REDACTED]	4
				ELC drawing files submittal (IFR).	
			PSEP) V-RAINBOW MLV 5-P1B	IFR Comments and background updates.	16
			-L7000-P1B-BEECH & HWY 46	Provided engineering support and answered project-related questions. Hydrotest or gas standard related questions as they apply to the project. Approved DDS for hydrotest	7
			PSEP) L-2000-E-P2 (LONG LEAD)	Provided engineering support and answered project-related questions. Hydrotest or gas standard related questions as they apply to the project. Approved DDS for hydrotest	23
			L-2000-E-P2	Provided engineering support and answered project-related questions. Hydrotest or gas standard related questions as they apply to the project. Approved DDS for hydrotest	14
				Provided engineering support and answered project-related questions. Hydrotest or gas standard related questions as they apply to the project. Approved DDS for hydrotest	
			41-6000-2-P1A-ABANDONMENT	as they apply to the project. Approved DDS for hydrotest	13.5
			L37-18-K SCOPE DEVELOPMENT	Line Seasoning, Odor Conditioning of New Steel Line.	4
			-L7000-P1B-MELCHER & ELMO	Welding procedure recommendation	1
			L37-18-K SCOPE DEVELOPMENT	Conducted line seasoning and sampling procedure	13
			PSEP) PI: SCOPE DEV CHESTNUT & GRAND 1B	Review of drawing IFR submittal.	24
				Reviewed drawings and provided comments to them. Attended squad check to discuss comments to drawings.	
			SDGE' (PSEP VALVE PLAN-L-1601)	Reviewed supporting documents to verify correct installation in drawing package.	1
				Reviewed drawings and provided comments to them. Attended squad check to discuss comments to drawings.	
			-BURBANK-P1B-VERDUGO AND REESE	Reviewed supporting documents to verify correct installation in drawing package.	2
				Reviewed drawings and provided comments to them. Attended squad check to discuss comments to drawings.	
			-WSTRN DEL REY BDLE -P1B-MISSISS	Reviewed supporting documents to verify correct installation in drawing package.	8

DEPARTMENT	NAME	Order #	Order Name	Response Required	Sum of Sum of Hours
Gas Engineering			-TAFT P1B - HAGEMAN & RENFRO	Reviewed drawings and provided comments to them. Attended squad check to discuss comments to drawings. Reviewed supporting documents to verify correct installation in drawing package.	3
			PSEP V-L324-P1B-TORREY MOUNTAIN	Reviewed drawings and provided comments to them. Attended squad check to discuss comments to drawings. Reviewed supporting documents to verify correct installation in drawing package.	2
			-ADELANTO-P1B-MLV 4	Reviewed drawings and provided comments to them. Attended squad check to discuss comments to drawings. Reviewed supporting documents to verify correct installation in drawing package.	2
			PSEP V-SANTA BARBARA-P1B-GROVE LANE PH	Reviewed drawings and provided comments to them. Attended squad check to discuss comments to drawings. Reviewed supporting documents to verify correct installation in drawing package.	6.5
			PSEP PI: SCOPE DEV HASKELL STATION 1B	Followed up with project manager to discuss project status. Reviewed past projects' drawings to see if this in house project's design can be done similar to past projects.	9
			PSEP V-L324 P1B-WINDY GAP & SALT CREEK	Reviewed drawings and provided comments to them. Attended squad check to discuss comments to drawings. Reviewed supporting documents to verify correct installation in drawing package.	2
			-TAFT P1B - BUTTONWILLOW	Reviewed drawings and provided comments to them. Attended squad check to discuss comments to drawings. Reviewed supporting documents to verify correct installation in drawing package.	4
			PSEP V-TAFT P1B-HAGEMAN & RENFRO (DIST)	Reviewed drawings and provided comments to them. Attended squad check to discuss comments to drawings. Reviewed supporting documents to verify correct installation in drawing package.	3
			PSEP PI: SCOPE DEV VENTURA STATION 1B	Followed up with project manager to discuss project status. Reviewed past projects' drawings to see if this in house project's design can be done similar to past projects.	15.5
			(PSEP) V1 & V2 MILLS & KIMBALL	Reviewed IFC redlines - assigned drafter to review and draft the package.	2
			-WSTRN DEL REY BDLE -P1B-MISSISS	Attended required squad check and reviewed the package with MRC - [REDACTED]	2
			PSEP V-L324-P1B-TORREY MOUNTAIN	(blank)	1
			PSEP PI: SCOPE DEV CHESTNUT & GRAND 1B	Developed and finalized P&IDs. Answered required questions from the drafter. Addressed any issues.	42
			PSEP V-L324 P1B-WINDY GAP & SALT CREEK	Attended required squad check and reviewed the package with MRC [REDACTED]	1
			PI: L2001W-D WHITEWATER HYDROTEST	Provided engineering support and answered project-related questions. Hydrotest or gas standard related questions as they apply to the project. Approved DDS for hydrotest	12
			PSEP PI: SCOPE DEV CHESTNUT & GRAND 1B	Updating drawing package per engineering comments	56
			-GLENDALE-P1B-ADAMS PHASE 1	Support on upgrading the Reg station for PSEP valve replacement.	8
			ALVE - LAMPSON BUNDLE	(blank)	36
			PSEP L2001W SANTA ANA RIVER PIPE - P1A	Technical Review of the Santa Ana HDD Feasibility Proposal from a Geotechnical Engineering Perspective.	4
			PSEP L2001W SANTA ANA RIVER PIPE - P1A	(blank)	1
			PSEP - FIELD TRAINING GAS OPS SERVICES	Train Region workforce support for PSEP hiring and fill behinds.	20.8
Gas Sys Int Staff & Prgrms			PSEP - FIELD TRAINING GAS OPS SERVICES	Weld Inspector training and related module updates. Provide training for incremental PSEP project hiring. Provide support for the development and training for hydrostatic testing.	56
			PSEP - FIELD TRAINING GAS OPS SERVICES	Preparation of class materials for training Instrument Specialists. Instruments Specialists maintain Line Break installations.	8.5
			PSEP - FIELD TRAINING GAS OPS SERVICES	Weld Inspector training and related module updates. Provide training for incremental PSEP project hiring. Provide support for the development and training for hydrostatic testing.	152
			PSEP - FIELD TRAINING GAS OPS SERVICES	Manage Scheduling of Contractors and Gas company employees to support PSEP jobs. This is due to the upward pressures of hiring and filling behind those that were hired in support of PSEP.	6.8
			PSEP - FIELD TRAINING GAS OPS SERVICES	Delivery of strength testing material; portion of hours for training new pipeline technicians	8.5
			PSEP - FIELD TRAINING GAS OPS SERVICES	Train Region workforce support for PSEP hiring and fill behinds.	27.2
			PSEP - FIELD TRAINING GAS OPS SERVICES	Supporting or conducting OFW "Oxy fuel welding" training for field employees. This is due to the upward pressures of hiring and filling behind those that were hired in support of PSEP.	103.25
			PSEP L2001W SANTA ANA RIVER PIPE - P1A	Job planning	8
Gas Transmission Ops			PSEP V-RAINBOW CV-P1B-NEWPORT & BRIGGS	Job kick of and tie-ins	6
			-29 PALMS-P1B-SUNBURST ST	Job site visits	4
			L37-18-K SCOPE DEVELOPMENT	Site visits, prepare tie-in procedure, tie-in operations	48.5
			L37-18-K SCOPE DEVELOPMENT	Site visit	2
			VALVE - SL45-120 SECTION 2 BUNDLE	PL operation planning and scheduling, procedure development, management and supervision of PL operation and tie in.	2
			PSEP V-L324-P1B-TORREY MOUNTAIN	PL operation planning and scheduling, procedure development, management and supervision of PL operation and tie in.	0.75
			PSEP V-L324 P1B-WINDY GAP & SALT CREEK	PL operation planning and scheduling, procedure development, management and supervision of PL operation and tie in.	0.75
			-SB COUNTY P1B - LIONS	Job walk, meetings	8
			PSEP V404-406 VENT. 2016 P1B SOMIS YARD	Job walk Tie in procedures meetings	16
			-GOLETA-P1B-SANTA ROSA RD BUELLT	Job walk meetings	8
			-L7000-P1B-ROAD 68 & AVE 232	Drawing review with PSEP guys.	1
			-TAFT P1B - HAGEMAN & RENFRO	Conference call concerning removal of bollards to comply with Tulare County.	1
			PSEP V-L7000-P1B-VISALIA STN	Drove to Visalia to attend construction kickoff meeting.	4
			-FONTANA MLV 4000-4002-P1B-BENSON	Provided line naming, valve naming, and drawing reviews	4
			L37-18-K SCOPE DEVELOPMENT	Tie-in operations	12
			VALVE PLAN SL 49-28 VALVE	(blank)	5.5

DEPARTMENT	NAME	Order #	Order Name	Response Required	Sum of Sum of Hours
Northwest Region - Gas Ops			L37-18-K SCOPE DEVELOPMENT	Supporting PSEP 37-18-K main replacement for the shut-in of [REDACTED] [REDACTED] is the Measurement Supervisor in CMP and supported the SL37-18K project planning and construction activities where M&R was involved during the months of June & July	12
P / Line Integrity			NON PMO GE ADMIN TRCKING	PI Data Collection Bundle B QA/QC for High Pressure Reconciliation.	2.5
			L43-121 N. P1A SEC 2: PIPE REPLA	PI Data Collection Bundle B QA/QC for High Pressure Reconciliation.	1.5
Regl Public Affairs - South			LINE 49-16 PIPELINE SECT 4	Continued project coordination for meetings and notifications between PSEP staff and City Staff/Council on work	12.16
			L49-16 4TH & PALM CIVIL	Continued project coordination for meetings and notifications between PSEP staff and City Staff/Council on work	7.6
			LINE 49-32L SECTION 2	Continued project coordination for meetings and notifications between PSEP staff and City Staff/Council on work	1.52
			LINE 49-16 PIPELINE SECT 4	(blank)	6.4
			L49-16 4TH & PALM CIVIL	(blank)	4
Work Plan & Resource Mgt			(PSEP) PI: L41-6000-2 SCOPE DEVELOPMENT	Continued project coordination for meetings and notifications between PSEP staff and City Staff/Council on work	12
			PSEP) V-RAINBOW CV-P1B-SCOPE DEVELOPMENT	Continued project coordination for meetings and notifications between PSEP staff and City Staff/Council on work	2
			PSEP) V-SL-32-21-P1B	Completed RER 18-0597 for the 3 valve automation install.	2
			O&M) (PSEP) SL 33-750-P1A-01	Final DDS Review. RER Review & Approval. Drawing Review. Weekly meeting. EPM monitor during project excution.	30
			(PSEP) PI: L103 PHASE 1B REPLACEMENT	Final DDS Review. RER Review & Approval. Drawing Review. Weekly meeting. EPM monitor during project excution.	5
			PSEP) PI: SL38-960 P1B	Final DDS Review. RER Review & Approval. Drawing Review. Weekly meeting. EPM monitor during project excution.	6
			(PSEP) PI: L1017 BUNDLE SCOPE DEVELOPMENT	The time spent on this project went towards determining and analyzing the impacts of the proposed isolation. This included customer research, modeling, and coordination with M&R to verify customer locations.	26
Media & Public Information			PSEP GMA TRACKING ORDER	Developed, revised or reviewed media communications about PSEP, including comms plan, external articles, intranet site, PSEP News, talking points, updates to CCC, press releases, Field briefings, etc.	25.84
			PSEP GMA TRACKING ORDER	Developed, revised and reviewed media communications about PSEP, including comms plan, external articles, intranet site, PSEP News, talking points, updates to CCC, press releases, media advisories, field briefings, etc.	38
			PSEP GMA TRACKING ORDER	Developed, revised and reviewed media communications about PSEP, including comms plan, external articles, intranet site, PSEP News, talking points, updates to CCC, press releases, Field briefings, etc.	25.92
Financial & Operation Plng-SCG			PSEP GMA TRACKING ORDER	PSEP Reasonableness Review, June Disallowance Report, PSEP August Outlook Prep.	22
San Diego Region			L49-16 LA MESA CIVIL & PIP	Coordination of Gas Handling Isolation discussion. Generation of schematic for plan.	16
			1084- A PSEP LINE 49-26	Provided closeout team with detailed background and current status of remaining lines 49-25 and 49-26 related to PSEP replacement and abandonment efforts.	16
			3760- A PSEP VALVE PLAN-49-23 VAL AUTO	Review of Vault Design. Coordination of vault design discussions. Antenna Survey follow ups and update.	16
Pipeline Sfty, Compl& Emer Mgt			PSEP GMA TRACKING ORDER	Manage and Supervise [REDACTED] work with PSEP and CPUC including document management	1.2
			NON PMO GE ADMIN TRCKING	Manage and Supervise [REDACTED] work with PSEP and CPUC including document management	1.2
			PSEP GMA TRACKING ORDER	Supporting PSEP Socal Gas Projects 98%	10.78
			NON PMO GE ADMIN TRCKING	Supporting PSEP SDGE Projects 2%	0.22
			PSEP) SL 37-18 SECTION 5 - P1A	Performance of PSEP closeout quality audit	34
			PSEP) L2000-C DESERT HYDROTEST (PC)	Performance of PSEP closeout quality audit	58
			PSEP GMA TRACKING ORDER	Supporting PSEP Socal Gas Projects 98%	7.84
			NON PMO GE ADMIN TRCKING	Supporting PSEP SDGE Projects 2%	0.16
			PI: L2000-D WHITEWATER TO MORENO	Performance of PSEP closeout quality audit	72
			LINE 49-26 STAGE 1	Performance of PSEP closeout quality audit	16
			(PSEP) SL 37-18 SECTION 5 - P1A	Performance of PSEP closeout quality audit	8
			-L7000-P1B-MELCHER & ELMO	Performance of PSEP field quality audit	32
			LINE 49-17 EAST	Performance of PSEP closeout quality audit	8
			VALVE-L7000-P1B-MELCHER & ELMO	Performance of PSEP field quality audit	16
Inventory and Logistics			PSEP GMA TRACKING ORDER	Support SAP transactions at plant 2995. Manage the inventory at plant 2995	144
SCG Application Services			-WSTRN DEL REY BUDLE P1B-DEY REY	PSEP Valve Automation Project Engineering work for Del Rey Junction.	16
Grand Total					2298.62