

Application: A.25-08-008
Exhibit No.: SCG-05
Witnesses: T. Sera, M. Forster, S. Walker

Application of Southern California Gas
Company (U 904 G) to Recover Costs
Recorded in the Distribution Integrity
Management Program Balancing Account from
January 1, 2019, to December 31, 2023.

A.25-08-008
(Filed August 15, 2025)

CHAPTER V

PREPARED REBUTTAL TESTIMONY OF

TRAVIS T. SERA, MARK FORSTER, AND SHAENA WALKER

ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

March 16, 2026

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ATTACHMENTS

- ATTACHMENT A – SoCalGas’s Response to Cal Advocates Data Request PubAdv-SCG-001-EIC, Questions 2, 3, and 8, dated September 22, 2025 (includes a sample of the data and the relevant table of information in “SoCalGas Response_PubAdv-SCG-001-EIC-Q2-Q6 Attachment.xlsx”)
- ATTACHMENT B – SoCalGas’s Response to Cal Advocates Data Request PubAdv-SCG-009-EIC, Questions 4, 8, and 9, dated November 6, 2025
- ATTACHMENT C – SoCalGas’s Response to Cal Advocates Data Request PubAdv-SCG-008-EIC, Question 10, dated October 31, 2025
- ATTACHMENT D – SoCalGas’s Response to Cal Advocates Data Request PubAdv-SCG-011-EIC, Question 6, dated November 21, 2025

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**PREPARED REBUTTAL TESTIMONY OF
TRAVIS T. SERA, MARK FORSTER, AND SHAENA WALKER
ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY**

I. PURPOSE AND OVERVIEW OF TESTIMONY

The purpose of this prepared rebuttal testimony on behalf of Southern California Gas Company (SoCalGas) is to address intervenor testimony from the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) as submitted by witness Emily Chow, dated February 13, 2026, regarding the Application to Recover Costs Recorded in the Distribution Integrity Management Program (DIMP) Balancing Account (DIMPBA) from January 1, 2019, to December 31, 2023 (Application).

This rebuttal testimony responds to Cal Advocates' proposed disallowance recommendations, which are not justified. The disallowance recommendations consist of the following:

- \$17.186 million in capital and \$13.567 million in operations and maintenance (O&M) straight-time labor (STL) expenditures;¹
- \$3.088 million in capital and \$2.059 million in O&M vacation and sick (V&S) leave expenditures;²
- \$67.198 million in capital expenditures related to Vintage Integrity Plastic Plan (VIPP) Programs/Activities to Address Risk (PAAR);³ and
- \$0.479 million in capital and \$11.359 million in O&M expenditures related to Sewer Lateral Inspection Program (SLIP) PAAR.⁴

II. RESPONSE TO CAL ADVOCATES' TESTIMONY

A. Summary of Cal Advocates' Testimony

In its testimony, Cal Advocates contends that based upon its analysis, SoCalGas has not justified the reasonableness of costs associated with: (1) STL incurred for SoCalGas employees

¹ Report on the Results of Operations for SoCalGas Distribution Integrity Management Program Balancing Account of witness Emily Chow on behalf of Cal Advocates (February 13, 2026) (Exhibit (Ex.) CA-01) at 15.

² *Id.* at 20.

³ *Id.* at 27.

⁴ *Id.* at 27.

1 who were newly hired for scopes of work that were not limited to the DIMP;⁵ (2) V&S leave of
2 those employees;⁶ (3) the VIPP PAAR;⁷ and (4) the SLIP PAAR.⁸ Cal Advocates argues that
3 SoCalGas has not proven incrementality of its STL costs due to the lack of supporting
4 documentation to show that new positions were created specifically for the activities in this
5 Application⁹ and that SoCalGas had redirected employees whose labor costs and related V&S
6 leave costs were already included in rates.¹⁰ Additionally, Cal Advocates argues that the costs
7 related to the VIPP PAAR should be denied on the basis that SoCalGas has not demonstrated
8 that replacements of post-1972 Aldyl-A pipelines are incremental or reasonable.¹¹ Lastly, Cal
9 Advocates argues that the costs for the SLIP PAAR should be denied on the basis that the
10 activities are neither incremental nor reasonable, asserting that: (1) cross bores are a longstanding
11 and preventable construction hazard; (2) SoCalGas failed to demonstrate procurement of
12 additional resources; (3) SLIP work merely remediates past installation practices rather than
13 performing new risk mitigation activities; and (4) certain SLIP costs include repairs to privately
14 owned sewer laterals, which Cal Advocates contends ratepayers should not fund.¹²

15 **B. Expenditures Associated with SoCalGas’s DIMPBA Under-Collection**
16 **Requested in this Application**

17 Tables TTS-1 and TTS-3 of Prepared Direct Testimony of Travis T. Sera (Ex. SCG-01)
18 presented balanced capital and O&M expenditures for the Test Year (TY) 2019 General Rate
19 Case (GRC) cycle of January 1, 2019, to December 31, 2023, in order to support the calculation
20 of the percentage by which actual expenditures exceeded authorized expenditures.¹³ The
21 expenditures that contribute to the revenue requirement requested in this Application are a
22 subtotal of the expenditures presented in Tables TTS-1 and TTS-3, limited to capital (excluding

⁵ Ex. CA-01 (Chow) at 15-20.

⁶ *Id.* at 20-22.

⁷ *Id.* at 22-27.

⁸ *Id.* at 27-31.

⁹ *Id.* at 16.

¹⁰ *Id.* at 16, 21-22.

¹¹ *Id.* at 26-27.

¹² *Id.* at 29-31.

¹³ Prepared Direct Testimony of Travis T. Sera (DIMP Policy, Regulations, and Implementation) on behalf of SoCalGas, Chapter 1 (Ex. SCG-01) at TTS-9-11.

1 capital work in progress (CWIP)) and O&M expenditures recorded during the Application time
2 period of February 1, 2023, through December 31, 2023.¹⁴ In addition, SoCalGas’s Workpapers
3 Supporting the Prepared Direct Testimony of Mark Forster and Shaena Walker (Ex. SCG-02-
4 WP) presented fully loaded costs for projects to provide transparency of total project costs for
5 the TY 2019 GRC cycle. Not all of those costs were balanced in the DIMPBA and/or included
6 for cost recovery in this Application.

7 Table SFW-1 below presents the balanced capital and O&M expenditures incurred and
8 presented for review in this Application,¹⁵ which SoCalGas provided detailed information on in
9 its response to data requests issued by Cal Advocates. Table 2-3 of Cal Advocates’ testimony
10 attempts to present this total as \$159,702 but incorrectly uses understated capital additions.¹⁶

Table SFW-1
Expenditures Incurred February 1, 2023 – December 31, 2023 (in \$000s)

Capital	O&M	Total
\$172,596	\$46,930	\$219,526

11 Costs that contribute to the DIMPBA revenue requirement consist of direct costs (*e.g.*, company
12 labor inclusive of V&S leave, contract costs, materials, etc.).¹⁷ Indirect costs including
13 SoCalGas’s overhead, allowance for funds used during construction (AFUDC), and property
14 taxes¹⁸ are part of base business or are subject to separate regulatory account mechanisms; as a
15 result, they are not included in the DIMPBA.

¹⁴ Application of SoCalGas to Recover Costs Recorded in the Distribution Integrity Management Program Balancing Account from January 1, 2019, to December 31, 2023 (August 15, 2025) (Application) at 1.

¹⁵ See Attachment A, SoCalGas’s Response to Cal Advocates Data Request PubAdv-SCG-001-EIC, Question 2, dated September 22, 2025. SoCalGas has included a sample of the data and the relevant table of information in “SoCalGas Response_PubAdv-SCG-001-EIC-Q2-Q6 Attachment.xlsx” in this attachment.

¹⁶ Ex. CA-01 (Chow) at 15. See also Ex. SCG-06, Attachment B, SoCalGas’s Response to Cal Advocates Data Request PubAdv-SCG-012-MPS, Question 2, dated January 9, 2026.

¹⁷ See Attachment A, SoCalGas’s response to Cal Advocates Data Request PubAdv-SCG-001-EIC, Question 8, dated September 22, 2025.

¹⁸ *Id.*

1 **C. SoCalGas’s DIMP Expenditures, Including Labor, Are Incremental and**
2 **Should Be Approved**

3 Cal Advocates’ contention that a portion of SoCalGas’s labor and related costs included
4 in this Application has already been funded through the GRC and is therefore not incremental is
5 not supported by the facts. In addition, Cal Advocates’ testimony omits critical facts when
6 arguing why SoCalGas’s request is not incremental, including but not limited to:

- 7 • SoCalGas’s DIMP expenditures are authorized, recorded, and recovered through a
8 separate DIMPBA,¹⁹ which isolates activities and costs from non-DIMP GRC
9 funding; and
- 10 • Resolution G-3610 reviewing SoCalGas’s DIMP expenditures from January 1,
11 2019, through January 1, 2023, explicitly found SoCalGas’s DIMP expenditures
12 to be “appropriately recorded” and “reasonably incurred.”²⁰

13 **1. SoCalGas is Authorized Revenue Requirement for the DIMPBA**
14 **Separately from SoCalGas Base Funding**

15 In Decision (D.) 19-09-051, the Commission authorized revenue requirement for
16 SoCalGas’s DIMPBA that is separate and apart from non-DIMP GRC revenue requirement.
17 D.19-09-051 authorized SoCalGas to establish a two-way balancing account for DIMP-related
18 costs. The purpose of the DIMPBA two-way balancing account is to record the difference
19 between actual and authorized O&M and capital-related costs associated with SoCalGas’s
20 DIMP.²¹ This Commission-approved structure of the DIMPBA was designed so that only costs
21 that exceed the GRC-authorized amounts can be sought for recovery in a retrospective cost
22 recovery. If total actual DIMPBA revenue requirement exceeds the total authorized DIMPBA
23 revenue requirement for the period when the two-way DIMPBA is approved, the excess costs are
24 incremental and are not embedded in (nor have been recovered through) existing rates.²²

¹⁹ D.19-09-051 at 187 and 191.

²⁰ Resolution G-3610 at 4-6, 8 (Finding 7).

²¹ SoCalGas’s DIMPBA effective for the TY 2019 GRC, *available at*:
<https://tariffsprd.socalgas.com/view/historical/?utilId=SCG&bookId=GAS&tarfKey=485&tarfYear=2020>.

²² *Id.* SoCalGas is authorized to submit a Tier 3 advice letter to seek recovery of any DIMP under-
collections of revenue requirement when actual expenditures exceed the total authorized O&M and
capital expenditures for the entire cycle. For any under-collections of revenue requirement as a result

1 Conversely, if the actual DIMPBA revenue requirement is less than the authorized amount, that
2 difference is returned in rates to customers.²³ In other words, DIMP authorized amounts are, by
3 design, not embedded in non-DIMP GRC rates.

4 In compliance with D.19-09-051, SoCalGas recorded actual expenditures in the DIMPBA
5 on a sequential, chronological basis. In order to manage the separation of the DIMPBA from
6 other company funding, SoCalGas records costs to dedicated DIMP work orders which are
7 tagged with accounting codes that enable the identification and separation of costs (*e.g.*, budget
8 codes, cost centers).

9 **2. Incrementality Should Compare Costs Incurred to Those Previously** 10 **Authorized for Recovery for Similar Expenditures**

11 Both the DIMP authorized and recorded expenditures include STL and V&S leave
12 necessary to execute SoCalGas's DIMP. Cal Advocates contends that SoCalGas must show that
13 recorded costs for STL and V&S "are incremental beyond what was previously authorized in the
14 GRC"²⁴ asserting that new positions need to be created for the DIMP projects included in
15 SoCalGas's Application for these expenditures to be considered incremental. That is
16 inconsistent with Commission precedent: D.23-02-017 (citing D.21-08-024) confirms
17 incrementality can be assessed by comparing costs incurred to amounts previously "authorized
18 for recovery for similar expenditures," and [that] it is not necessary to compare costs recorded in
19 memorandum accounts against companywide authorized expenses."²⁵ Moreover, it would be
20 inappropriate to use "costs recorded in a memorandum or balancing account to offset forecast
21 variances for unrelated budget categories" as it "would be inconsistent with the prospective
22 ratemaking principles [...] and undermine the purpose of allowing utilities to establish
23 memorandum and balancing accounts."²⁶ This has been more recently reinforced in D.26-01-
24 021 where the Commission states "incrementality is determined on an activity-by-activity basis,

of actual expenditures greater than or equal to 35% of the total authorized O&M and capital expenditures, SoCalGas is authorized to seek recovery through a separate application.

²³ SoCalGas's DIMPBA effective for the TY 2019 GRC. For any unspent DIMP funds at the end of the current GRC cycle, SoCalGas will propose in its next GRC proceeding to return the unspent funds in rates to customers.

²⁴ Ex. CA-01 (Chow) at 18.

²⁵ D.23-02-017 at 26 (citing D.21-08-024 at 19-20).

²⁶ D.22-06-032 at 10.

1 not utility-wide expenses, consistent with established prospective ratemaking principles and
2 Commission-approved guidelines for determining incrementality.”²⁷ Here, D.19-09-051
3 authorized an imputed revenue requirement of \$312.1 million for DIMP for the TY 2019 GRC
4 cycle.²⁸ Therefore, any DIMP revenue requirement above the authorized amount is incremental
5 to that approved in D.19-09-051. This Application only seeks recovery of revenue requirement
6 for DIMP that exceeded those authorized in D.19-09-051; therefore, the cost requested in the
7 Application is incremental.

8 Notwithstanding the separation of the DIMPBA and base business expenditures, even if
9 the Commission were to look at SoCalGas’s gas distribution expenditures for the TY 2019 GRC,
10 SoCalGas’s 2023 Risk Spending Accountability Report (RSAR) demonstrates that the increased
11 DIMP activities are entirely incremental to the costs that were authorized in SoCalGas’s TY
12 2019 GRC for their broader gas distribution safety, reliability, and maintenance activities. The
13 2023 RSAR summarizes the total reportable expenditures for the period of 2019-2023.
14 Excluding balanced programs and activities, such as the DIMP, SoCalGas exceeded total
15 authorized costs by approximately \$129.8 million to complete gas distribution safety, reliability,
16 and maintenance scopes of work as shown in Figure SFW-1 below.²⁹ While SoCalGas
17 redirected resources to support its various gas distribution activities, including DIMP activities
18 included in this Application, Cal Advocates erroneously assumes that the redirected resources
19 were not then covered by other resources (e.g., overtime, contract support). This is discussed in
20 more detail in Section II.C.3. below.

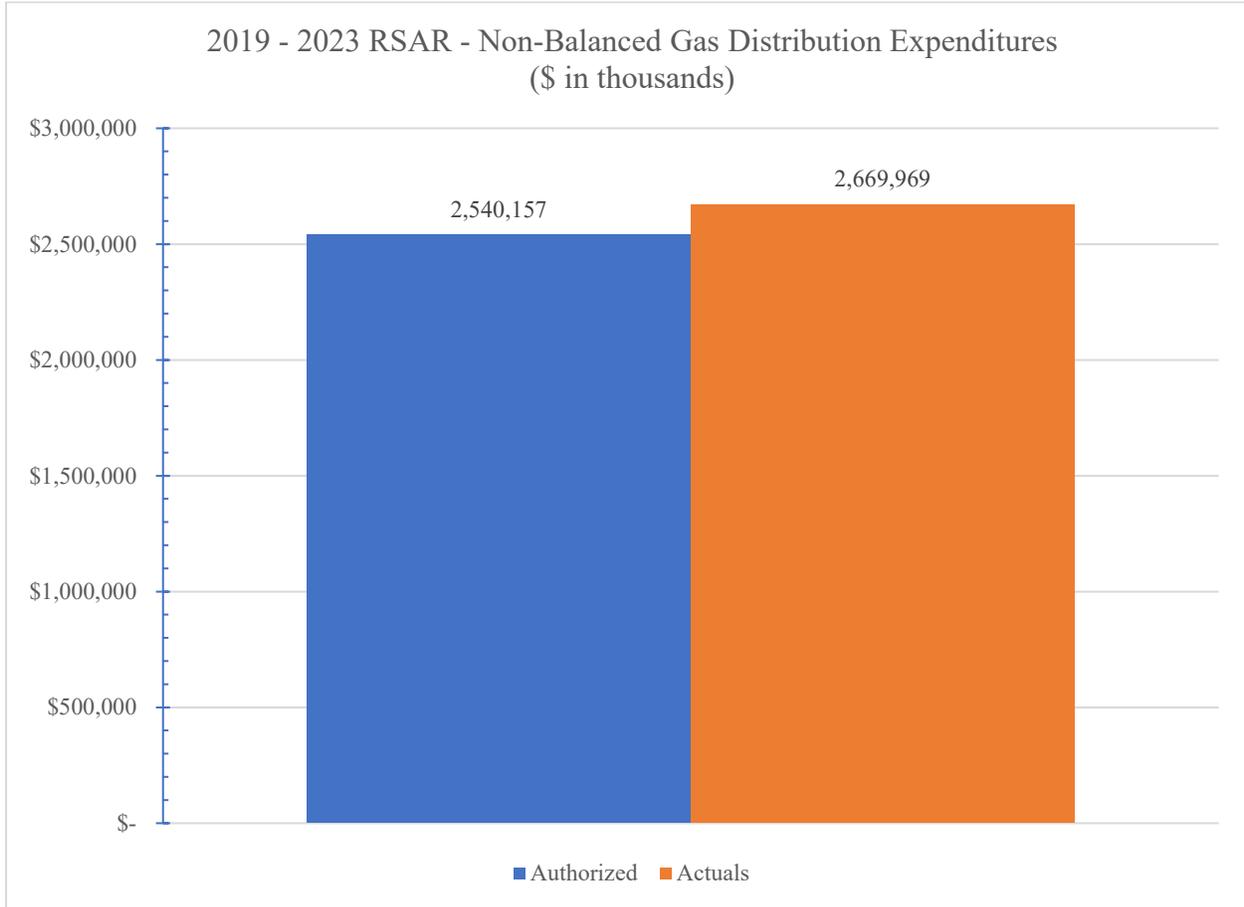
²⁷ D.26-01-021 at 43.

²⁸ Prepared Direct Testimony of Rae Marie Yu (Balancing Account and Revenue Requirement) on behalf of SoCalGas, Chapter 3 (Ex. SCG-03) at RMY-4.

²⁹ A.17-10-008 (cons.)/A.21-05-011 (cons.)/A.22-05-015 (cons.), Risk Spending Accountability Report of San Diego Gas & Electric Company (SDG&E) and SoCalGas for 2023 (April 30, 2024), available at: https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/risk-spending-accountability-reports/sdge_socalgas-2023-rsar-report.pdf. Derived from information in Attachment B at B-13-35.

1

Figure SFW-1



2

3 **3. Incrementality Can be Measured on an Activity-by-Activity Basis**
 4 **Consistent with Established Ratemaking Principles**

5 The Commission has held that incrementality can be demonstrated on an activity-by-
 6 activity basis: “Determining incrementality on an activity-by-activity basis is consistent with
 7 established prospective ratemaking principles and Commission-approved guidelines for
 8 determining incrementality.”³⁰

9 SoCalGas’s TY 2019 GRC DIMP forecast was based on the number of risk mitigation
 10 activities conducted each year³¹ and did not specify whether the activities would be completed by
 11 specific internal SoCalGas employees or external contractors. This activity-based approach to

³⁰ D.22-06-032 at 108 (Conclusion of Law (COL) 5).

³¹ A.17-10-008, Prepared Direct Testimony of Maria T. Martinez on behalf of SoCalGas (Ex. SCG-14) at MTM-31, available at: <https://www.socalgas.com/regulatory/documents/a-17-10-008/SCG-14%20Martinez%20Prepared%20Direct%20Testimony.pdf>

1 forecasting provides SoCalGas with the necessary flexibility to allocate internal and external
2 resources to efficiently analyze the risks to its distribution systems and implement programs and
3 activities to address those risks.

4 SoCalGas manages its portfolios of work comprehensively, allocating and deploying
5 resources to prioritize safety, compliance, reliability, and other immediate needs. In response to
6 Pipeline and Hazardous Materials Safety Administration (PHMSA) regulations, manufacturer
7 warnings, guidance from regulatory agencies, and actual Aldyl-A failures nationwide, SoCalGas
8 necessarily redirected some of its workforce to the DIMP to accelerate risk mitigation activities
9 to enhance the overall safety and integrity of its gas distribution system while meeting regulatory
10 requirements.³² This enables SoCalGas to leverage existing experience and expertise and to
11 optimize its workforce. Cal Advocates asserts that “redirecting existing sources does not support
12 the utilities’ incrementality claim and the reasonableness of [SoCalGas] recovering straight-time
13 labor costs from ratepayers. [SoCalGas] did not provide adequate supporting documentation to
14 show it created new positions and hired new staff beyond what was previously authorized in the
15 GRC to complete DIMP activities.”³³ Cal Advocates makes the flawed assumption that
16 SoCalGas’s redirection of employee labor to the DIMP meant SoCalGas did not then offset this
17 reallocation by either hiring additional employees in other areas of the company or leveraging
18 external contractors or other non-labor means to complete other scopes of work. Cal Advocates
19 incorrectly argues that new positions or new staff must be hired for the DIMP specifically for
20 costs to be considered incremental. This is not how SoCalGas manages its work across the
21 company and perhaps more concerning, appears to encourage the less cost-effective practice of
22 hiring new employees for incremental balanced scopes rather than leveraging and redirecting the
23 experienced workforce and external contractors, where appropriate, to efficiently execute
24 incremental work.

25 **4. The Commission Previously Reviewed and Approved 2019-2022** 26 **Incremental DIMPBA Costs**

27 On November 17, 2023, SoCalGas filed Advice Letter (AL) 6224-G requesting recovery
28 of the under-collection totaling \$81.4 million associated with reasonably incurred DIMP

³² Ex. SCG-01 (Sera) at TTS-13-15.

³³ Ex. CA-01 (Chow) at 19.

1 expenditures as of January 31, 2023.³⁴ On July 24, 2025, the Commission issued Resolution G-
2 3610 approving SoCalGas’s request to recover the under-collection recorded in its DIMPBA for
3 the period of January 1, 2019, to January 31, 2023, trued up for collected revenue requirement
4 and interest through December 31, 2023, authorizing SoCalGas to incorporate \$107.8 million in
5 rates over a 12-month period following the Resolution.³⁵ Resolution G-3610 specifically found
6 that:

- 7 • DIMPBA costs are incurred in response to mandated federal pipeline safety
8 regulations including, but not limited to requirements associated with 49 CFR
9 §192, Subpart P.³⁶
- 10 • SoCalGas began increasing replacement activity for the VIPP and BSRP using
11 its DREAMS risk prioritization tool, which followed risk reduction and safety
12 enhancement guidelines pursuant to 49 CFR §192, Subpart P. This resulted in
13 higher levels of replacement mileage and program activities than originally
14 forecasted for the TY 2019 GRC cycle.³⁷
- 15 • Project scope changes that arose during the planning and construction process to
16 address unforeseen circumstances (e.g., local permitting delays, work hour
17 restrictions, and undocumented substructures beneath street surfaces) was another
18 factor that drove higher costs.³⁸
- 19 • Commission staff reviewed DIMP operations & management and capital
20 expenditures included in the DIMPBA requested in AL 6224-G and found that the
21 examined expenses and expenditures were appropriately recorded and reasonably
22 incurred.³⁹

23 In Resolution G-3610, the Commission approved recovery of DIMPBA costs associated
24 with DIMP O&M and capital expenditures after determining that the “expenses and expenditures

³⁴ SoCalGas filed AL 6224-G on November 17, 2023.

³⁵ Res. G-3610 at 9 (OP 1-3).

³⁶ *Id.* at 8 (OP 4).

³⁷ *Id.* at 5.

³⁸ *Id.* at 6.

³⁹ *Id.* at 8 (Finding 7).

1 were appropriately recorded and reasonably incurred” (*i.e.*, in excess of TY 2019 GRC
2 authorized expenditures and associated revenue requirement – in other words, incremental).⁴⁰

3 Additionally, the Utility Audits Branch (UAB) of the CPUC conducted a performance
4 audit of SoCalGas’s balancing accounts, including the DIMPBA, for the audit period of
5 January 1, 2023, through December 31, 2023.⁴¹ The objective of the audit was to determine
6 whether, “1) transactions recorded in SoCalGas’s balancing accounts from January 1, 2023,
7 through December 31, 2023, were for allowable purposes and supported by appropriate
8 documentation; and 2) the balancing accounts were established and maintained as required by
9 the applicable Public Utilities (PU) Code sections, CPUC directives, orders, rules, and
10 regulations, and SoCalGas’s policies and procedures.”⁴² SoCalGas received the audit report on
11 February 19, 2025, which verified that all DIMPBA expense amounts tested were allowable,
12 properly documented, and were in accordance with CPUC directives, orders, rules, regulations,
13 and SoCalGas policies and procedures.⁴³

14 **D. The Commission Should Reject Cal Advocates’ Recommended Disallowances**

15 **1. Straight Time Labor**

16 Cal Advocates recommends disallowing \$30.753 million in STL costs on the grounds
17 that, “[SoCalGas] did not provide adequate and verifiable support to demonstrate that it created
18 any new positions specifically for the activities in this Application.”⁴⁴ As a result, Cal Advocates
19 argues that SoCalGas failed to demonstrate these costs were incremental and not already
20 included in rates authorized in SoCalGas’s TY 2019 GRC.⁴⁵ There is no requirement that a new
21 position must be created in order to show incrementality. As discussed above, Cal Advocates’
22 position conflates incrementality with headcount and would penalize efficient staffing choices,
23 including redeploying experienced employees and using contractors where appropriate.

⁴⁰ Res. G-3610 at 8 (Finding 7).

⁴¹ CPUC – Utility Audits, Risk and Compliance Division, *Balancing Accounts Performance Audit, Southern California Gas Company* (February 19, 2025), available at: https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/utility-audits--risk--and-compliance-division/reports/energy/2025/energy_2025-02-19_scg_ba.pdf.

⁴² *Id.* at 1.

⁴³ *Id.* at 5-6.

⁴⁴ Ex. CA-01 (Chow) at 16.

⁴⁵ *Id.* at 16-19.

1 As SoCalGas explained in testimony, it intentionally organizes its Integrity Management
2 and Gas Distribution teams to maximize efficiency. Integrity Management defines program
3 scope, while Gas Distribution executes PAARs using personnel who are already knowledgeable
4 about permitting, infrastructure location, installation practices, construction coordination, and the
5 operational landscape of the specific communities where work occurs. This shared institutional
6 knowledge enables SoCalGas to efficiently and effectively manage integrity management
7 initiatives and address system risks.⁴⁶ These costs are recorded to dedicated DIMP work orders
8 which are categorized through accounting mechanisms that enable the identification and
9 separation of costs (*e.g.*, cost centers, budget codes) and are not authorized elsewhere in
10 SoCalGas's TY 2019 GRC or in any other proceeding.⁴⁷

11 In Cal Advocates' discovery to verify and determine the reasonableness of SoCalGas's
12 incremental DIMPBA costs, Cal Advocates requested the number of employees working on
13 DIMP projects and whether they were existing or newly recruited employees.⁴⁸ For any newly
14 recruited employees, Cal Advocates requested the number of new employees, the date of hire for
15 new employees, whether the new employee was permanent or temporary, and documentation
16 that the employees were hired for DIMP projects.⁴⁹ In response, SoCalGas provided a list of 386
17 employees hired between January 1, 2019, through December 31, 2023, and billed time to
18 DIMP, including 44 employees which SoCalGas identified were hired specifically for the
19 DIMP.⁵⁰ SoCalGas provided the employees' date of hire and whether they were hired as
20 permanent or temporary employees, as requested by Cal Advocates.⁵¹ SoCalGas also provided
21 Cal Advocates with the average pay rates and total labor expenditures for the respective 386

⁴⁶ Prepared Direct Testimony of Mark Forster and Shaena Walker (Execution of Programs/Projects and Activities to Address Risk) on behalf of SoCalGas, Chapter 2 (Ex. SCG-02) at FW-2.

⁴⁷ See Attachment A, SoCalGas's response to Cal Advocates Data Request PubAdv-SCG-001-EIC, Question 3e, dated September 26, 2025.

⁴⁸ See Attachment A, SoCalGas's response to Cal Advocates Data Request PubAdv-SCG-001-EIC, Question 3, dated September 26, 2025.

⁴⁹ *Id.*

⁵⁰ *Id.*

⁵¹ *Id.*

1 employees.⁵² Without explanation, Cal Advocates seemingly dismisses this information as
2 insufficient, contending that SoCalGas has not demonstrated its labor costs are incremental and
3 reasonable.⁵³

4 Consistent with the evidence and accounting controls described above, recent
5 Commission precedent confirms that incrementality does not turn on whether a utility creates
6 new positions. In its recent decision (D.26-01-021) on San Diego Gas & Electric’s (SDG&E)
7 TY 2024 GRC Track 2 proceeding, the Commission found that SDG&E had “provided
8 sufficient evidence of its capital and O&M labor cost by WMP work categories, including
9 evidence of the new FTEs and accounting procedures discussed above unaddressed by Cal
10 Advocates” and found the costs to be reasonable and incremental.⁵⁴ SoCalGas shares the same
11 accounting procedures as those described by SDG&E for their Wildfire Mitigation Program
12 Memorandum Account (WMPMA).⁵⁵ As described in Section II.C.1 of this testimony,
13 SoCalGas tracks its DIMP costs in the DIMPBA through DIMP-specific work orders and other
14 accounting mechanisms (e.g., budget codes, work types, cost centers). SoCalGas also reviewed
15 its DIMPBA costs against the activities and costs authorized in the TY 2019 GRC to identify the
16 costs that have exceeded the authorized amounts. SDG&E pointed out that authorization for
17 funding is awarded by the Commission at the workpaper (project) level and the Commission
18 authorizes total dollars without consideration of labor versus non-labor components.⁵⁶ SDG&E
19 further explained that “if a project scope is expanded beyond what was adopted in the GRC, the
20 labor dollars associated with that expanded scope are...not included in the previously authorized
21 funding for the project.”⁵⁷ This same process applies to SoCalGas’s methodology for
22 determining costs that have exceeded the DIMP authorized amounts from the TY 2019 GRC.

⁵² See Attachment B, SoCalGas’s response to Cal Advocates Data Request PubAdv-SCG-009-EIC, Question 4, dated November 6, 2025.

⁵³ Ex. CA-01 (Chow) at 18.

⁵⁴ D.26-01-021 at 143.

⁵⁵ A.22-05-016, Prepared Rebuttal Testimony of R. Craig Gentes (Track 2 – Accounting) on behalf of San Diego Gas & Electric Company (Ex. SDG&E-T2-07) at CG-8, available at: <https://www.sdge.com/sites/default/files/regulatory/A.22-05-016%20R.C.%20Gentes%20Rebuttal%20Testimony%20%28Track%20%20Accounting%29%207%2026%202024.pdf>.

⁵⁶ *Id.* at CG-7.

⁵⁷ *Id.* at CG-7.

1 Additionally, while SoCalGas reallocated employees to perform DIMP-related activities, it
2 provided evidence that 386 employees were newly hired across the company during the TY 2019
3 GRC period and billed time to the DIMP; this does not account for other new employees hired
4 by SoCalGas during this period to maintain SoCalGas's other ongoing operations.

5 In any event, even if the Commission were to consider SoCalGas's broader spending
6 levels during the TY 2019 GRC cycle, the record shows there was no offsetting underspend that
7 would negate incrementality. SoCalGas has provided an analysis of authorized vs. actual gas
8 distribution safety, reliability, and maintenance expenditures for the TY 2019 GRC cycle in
9 Section II.C.2., based on SoCalGas's 2023 RSAR. This analysis is consistent with Ernst &
10 Young's independent cost analysis process and findings for SDG&E's WMPMA, which SDG&E
11 provided in A.22-05-016 as further evidence that costs were incremental and reasonable.⁵⁸ Even
12 at the whole-company level, excluding balanced programs and activities that are subject to
13 separate accounts, SoCalGas spent \$880.9 million above the authorized level for safety,
14 reliability, and maintenance activities. Reallocation of employees did not result in SoCalGas
15 underspending in other areas of its operations. The DIMP labor costs in question were
16 incrementally and reasonably incurred to execute additional risk mitigation activities to manage
17 the overall safety and integrity of its gas system as further described in Section II.D.3., and Cal
18 Advocates' contrary contention is not supported by the record.

19 **2. Vacation & Sick**

20 Cal Advocates recommends disallowing \$5.147 million in V&S leave, \$3.088 million in
21 capital, and \$2.059 million in O&M expenditures.⁵⁹ Cal Advocates' justification for the
22 disallowance is that "[i]f the underlying labor is not incremental, then the related V&S costs also
23 must not be incremental."⁶⁰ V&S leave costs are applied as a factor to direct labor costs and are
24 included in balancing account recovery mechanisms. These costs are proportionally tied to the
25 incremental STL. Because V&S leave is applied as a factor to STL, Cal Advocates' proposed
26 V&S leave disallowance rises or falls with its STL argument; for the reasons explained in

⁵⁸ Ex. SDG&E-T2-07 (Gentes) at 5.

⁵⁹ Ex. CA-01 (Chow) at 20-22.

⁶⁰ Ex. CA-01 (Chow) at 21.

1 Section II.D.1, the underlying STL costs are incremental and reasonable, and the related V&S
2 leave costs are as well.

3 **3. Vintage Integrity Plastic Plan**

4 Cal Advocates recommends disallowing \$67.198 million in capital expenditures for VIPP
5 on the basis that replacements of post-1972 Aldyl-A pipe segments are not incremental or
6 reasonable.⁶¹ Cal Advocates' recommendation is centered on two incorrect points: (1) that
7 manufacturer and industry evidence limits cracking risk to pre-1973 Aldyl-A pipes, and (2) that
8 D.19-09-051 precludes post-1972 pipe replacements.

9 Throughout its analysis of SoCalGas's VIPP, Cal Advocates mischaracterizes the
10 materials that they reference. Cal Advocates' claims that "manufacturer warnings and industry
11 evidence apply to only pre-1973 pipe"⁶² based on their observation that DuPont only issued
12 warning letters regarding its pre-1973 pipe⁶³ and an unexplained reference to the timeline of
13 documents/communications regarding Aldyl-A that SoCalGas listed in its application.⁶⁴
14 However, Cal Advocates' conclusions are not supported by the referenced materials.

15 Cal Advocates cites Avista Utilities Asset Management's (Avista) "Protocol for
16 Managing Select Aldyl A Pipe in Avista Utilities' Natural Gas System" several times throughout
17 its analysis of SoCalGas's VIPP.⁶⁵ Using this protocol, Cal Advocates claims that post-1972
18 Aldyl-A pipe has improved resistance to cracking and does not present the same failure risk or
19 urgency as pre-1973 Aldyl-A pipe, and contends that post-1972 replacements should not have
20 been performed.⁶⁶ Cal Advocates' contention seemingly relies primarily on the Avista's
21 protocol's description of the different DuPont Aldyl-A resins and DuPont's 1982 and 1986
22 letters to discount the risk of post-1972 pipe, describing DuPont's manufacturing warnings as
23 reporting only cracking in pre-1973 pipe and no leaks due to cracking post-1972 pipe.⁶⁷ Cal
24 Advocates relies on those manufacturer letters that were written over a decade prior to the

⁶¹ Ex. CA-01 (Chow) at 22-27.

⁶² *Id.* at 25.

⁶³ *Id.*

⁶⁴ Ex. SCG-01 (Sera) at TTS-13-14.

⁶⁵ Ex. CA-01 (Chow) at 22-25.

⁶⁶ *Id.* at 26.

⁶⁷ *Id.* at 23-25.

1 National Transportation Safety Board’s (NTSB) 1998 special investigation report on “Brittle-
2 Like Cracking in Plastic Pipe for Gas Service,”⁶⁸ which explained that the federal government
3 had not previously provided information on the issue to operators “perhaps because the
4 possibility of premature failure of plastic piping due to brittle-like cracking **has not been fully**
5 **appreciated within the industry and the scope of the potential problem has not been fully**
6 **measured.**”⁶⁹ DuPont’s 1982 and 1986 letters were based on data the company had at the time
7 and would not have captured the full extent of risks and issues associated with its post-1972
8 Aldyl-A pipe. Avista describes NTSB’s report as a “seminal work on the vulnerability of early
9 plastic pipe brittle-like cracking because it analyzed and integrated – for the first time – reports
10 from the technical literature, manufacturers’ communications, industry expert opinions, the
11 experience of pipeline operators and regulators’ accident reports.”⁷⁰ Whereas DuPont’s letters
12 represented their own perspective, data, and recommendations related to Aldyl-A pipe, the
13 NTSB’s report integrates a much more comprehensive collection of materials, data, and feedback
14 to assess the risks associated with Aldyl-A pipe and other materials with brittle-like cracking
15 risks. This same report is summarized by Avista as concluding “that...much of the polyethylene
16 pipe produced for gas service from the 1960s **through the early 1980s** may be susceptible to
17 brittle cracking and premature failure, further noting that vulnerability of this material to
18 premature failure could represent a serious potential hazard to public safety.”⁷¹ This finding was
19 also echoed in PHMSA’s 1999 advisory bulletin, which further recommended that owners and
20 operators identify all **pre-1982** pipe installations and develop appropriate remedial actions,
21 including pipe replacement.⁷²

⁶⁸ National Transportation Safety Board, *Special Investigation Report on Brittle-like Cracking in Plastic Pipe for Gas Service* (April 23, 1998), available at: <https://www.nts.gov/safety/safety-studies/Documents/SIR9801.pdf>.

⁶⁹ National Transportation Safety Board, *Special Investigation Report on Brittle-like Cracking in Plastic Pipe for Gas Service* (April 23, 1998) at 32 (emphasis added).

⁷⁰ Avista Utilities Asset Management, *Protocol for Managing Select Aldyl A Pipe in Avista Utilities’ Natural Gas System* (May 2013) at 8, available at: <https://apiproxy.utc.wa.gov/cases/GetDocument?docID=1724&year=2020&docketNumber=200900>

⁷¹ *Id.* at 8 (emphasis added).

⁷² PHMSA, *Potential Failures Due to Brittle-Like Cracking of Older Plastic Pipe in Natural Gas Distribution Systems* (March 11, 1999), available at: <https://www.govinfo.gov/content/pkg/FR-1999-03-11/pdf/99-6051.pdf>.

1 Cal Advocates also wrongly claims that post-1972 Aldyl-A pipe is a reformulated, higher
2 density resin with improved resistance to cracking⁷³ and that SoCalGas simultaneously claimed
3 both Alathon 5040 and 5043 resin used to manufacturer Aldyl-A pipe exhibit low resistance to
4 slow crack growth.⁷⁴ DuPont’s Alathon 5043 was the resin in use during the 1970–72 period in
5 which the Low Ductile Inner Wall (LDIW) condition occurred, and it continued to be used
6 through 1983.⁷⁵ The LDIW issue was caused by a short-term manufacturing process defect, not
7 by the resin formulation itself, and post-1972 Aldyl-A pipe was produced using the same
8 Alathon 5043 resin after DuPont corrected the manufacturing process.⁷⁶ Alathon 5043 itself has
9 inherently low resistance to slow crack growth, and both LDIW and non-LDIW Aldyl-A made
10 from this resin are susceptible to crack initiation and failure when exposed to external stress
11 intensifiers such as rock impingement, tree root pressure, soil movement, bending stresses,
12 squeeze-offs, etc.— each of which can produce the same brittle-like slow-crack-growth failures
13 observed across early-vintage Aldyl-A pipelines.⁷⁷ The Commission’s own 2014 Aldyl-A
14 pipelines hazard analysis and mitigation report clearly states, “Compounding the problem of
15 LDIW is the fact that *Alathon 5043 resin has moderately low resistance to slow crack growth*
16 compared to later generation, improved Alathon resins.”⁷⁸ This same report recognized that
17 failure rates on non-LDIW pre-1983 Aldyl-A pipe will increase as the material continues to age
18 and recommended that operators reevaluate their risk assessment and mitigation strategies to
19 ensure at-risk pipe is replaced at a pace sufficient to mitigate the identified risk.⁷⁹

⁷³ Ex. CA-01 (Chow) at 25.

⁷⁴ *Id.* at 26, citing SoCalGas’s response to Cal Advocates Data Request PubAdv-SCG-008-EIC, Question 10, dated October 31, 2025 (Attachment C).

⁷⁵ CPUC, *Hazard Analysis and Mitigation Report: Aldyl A Polyethylene Gas Pipelines* (June 11, 2014) at 6, available at: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/safety-policy-division/reports/ra-doc-10-aldyla.pdf>.

⁷⁶ Pipeline & Gas Journal’s, *Managing Aldyl A Polyethylene Pipe in Avista’s Distribution System* (December 2015), Section: Physical Properties, at 49 available at: https://pgj-wp-media.s3.amazonaws.com/wp-content/uploads/sites/2/2015/12/12PGJ_15PlasticPipeRpt.pdf.

⁷⁷ Ex. SCG-01 (Sera) at TTS-14.

⁷⁸ CPUC, *Hazard Analysis and Mitigation Report: Aldyl A Polyethylene Gas Pipelines* (June 11, 2014) at 7 (emphasis added).

⁷⁹ *Id.* at 33.

1 Yet Cal Advocates proposes a categorical disallowance of SoCalGas’s post-1972 Aldyl-
2 A pipe replacements, stating that “[SoCalGas] failed to demonstrate that post-1972 Aldyl A
3 pipelines exhibit risk characteristics or failure rates comparable to pre-1973 pipe, which is
4 inconsistent with D.19-09-051’s requirement that [SoCalGas] prioritize VIPP costs based on risk
5 and balanced with affordability.”⁸⁰ Cal Advocates further claims that “[SoCalGas] expanded
6 replacement to post-1972 without evidence or adequate justification, contrary to the
7 Commission’s requirement in D.19-09-051 to prioritize VIPP costs based on risk and balanced
8 with affordability.”⁸¹ Cal Advocates’ invocation of D.19-09-051 is centered on Findings of Fact
9 82, wherein the Commission states “Costs for programs such as VIPP and DREAMS must be
10 balanced with addressing other key safety risks and also with keeping rates affordable.”⁸²
11 However, Cal Advocates does not include the context of this finding, which is the Coalition of
12 California Utility Employees’ (CUE) recommendation that SoCalGas increase its VIPP
13 replacement rate from 78 miles to 223 miles in 2019. In D.19-09-051, the Commission rejects
14 this recommendation, stating:

15 While we agree with CUE that the VIPP, BSRP, and DRIP are important programs
16 that address safety risks from pipes that are composed of materials that present a
17 greater amount of risk, the RAMP Report shows that there are other key pressing
18 safety risks that must be addressed. In addition, the various safety mitigation
19 activities, plans, and programs must also be prioritized and balanced with keeping
20 rates affordable. We must also consider SoCalGas’ labor and non-labor resources
21 and ability to comply with the replacement rate that CUE is recommending even if
22 we were to increase the authorized amount being requested.⁸³

23 The Commission’s Findings of Fact 82 describes SoCalGas’s need to balance different
24 safety mitigation activities, in reference to its RAMP report, determining the level of investment
25 for a program such as the VIPP; it does not describe a restriction on VIPP replacements.
26 Consistent with the Commission’s recommendation in its 2014 Aldyl-A pipelines hazard
27 analysis and mitigation report that operators “re-examine their risk assessment and mitigation
28 strategies to ensure they will be replacing the at-risk pipes at a sufficient rate to mitigate the risk

⁸⁰ Ex. CA-01 (Chow) at 24.

⁸¹ Ex. CA-01 (Chow) at 25.

⁸² D.19-09-051 at 734.

⁸³ *Id.* at 192.

1 associated with LDIW Aldyl A pipes dues to squeeze-offs and to pre-1983 non-LDIW pipes due
2 to rock impingement,”⁸⁴ when SoCalGas’s TY 2019 GRC was filed in October 2017, SoCalGas
3 identified its use of a relative risk model and dynamic segmentation to prioritize VIPP
4 replacements.⁸⁵ This relative risk model and dynamic segmentation described by SoCalGas was
5 used to prioritize “poor performing segments” in both its second and third tier of the VIPP.⁸⁶ Cal
6 Advocates misunderstands SoCalGas’s second and third tier as two distinctly separate tiers. The
7 second tier focused on wholesale replacement of pre-1973 Aldyl-A pipe, where prioritization of
8 segments replaced would come from the relative risk model.⁸⁷ The third tier focused on targeted
9 replacement of all pre-1986 (post-1972) Aldyl-A pipe, using the same relative risk model.⁸⁸ By
10 leveraging the same relative risk model, this enabled SoCalGas to prioritize the replacement of
11 all of its higher risk Aldyl-A pipe as a whole, since, as described in this section of our rebuttal
12 testimony, both pre-1973 and post-1972 Aldyl-A pipe is at risk for premature failure.
13 Furthermore, categorically omitting post-1972 Aldyl-A pipelines from threat evaluation under
14 DIMP is inconsistent with federal integrity management regulations and guidance. 49 C.F.R.
15 §192.1007 requires pipeline operators to evaluate system-specific risk factors, including leak
16 history, environmental conditions, installation practices, and proximity to people.⁸⁹ A cutoff
17 based on manufacturing year alone is not consistent with these requirements. SoCalGas
18 evaluates the risk of all Aldyl-A pipe segments and targets VIPP replacements accordingly.
19 SoCalGas has steadily increased the rate of Aldyl-A pipe replacements in response to incidents
20 across the industry and on its own systems, including a catastrophic incident that took place in
21 2018.⁹⁰ As was noted in opening testimony, more recent post-1972 Aldyl-A pipe related

⁸⁴ CPUC, *Hazard Analysis and Mitigation Report: Aldyl A Polyethylene Gas Pipelines* (June 11, 2014) at 33.

⁸⁵ A.17-10-008, Ex. SCG-14 (Martinez) at MTM-25.

⁸⁶ *Id.*

⁸⁷ *Id.*

⁸⁸ *Id.*

⁸⁹ 49 CFR §192.1007 (b-c).

⁹⁰ Ex. SCG-01 (Sera) at TTS-17.

1 incidents highlight the risks associated with the pipe, which include fatality, injuries, and
2 extensive damage.⁹¹

3 Additionally, Cal Advocates states that SoCalGas’s VIPP activities are not incremental
4 because “incremental costs typically refer to new work and activities, not replacing pipe that
5 should not have been replaced.”⁹² That contention addresses reasonableness—not
6 incrementality. With regards to incrementality, SoCalGas replaced more pipe mileage than was
7 forecasted and funded in the TY 2019 GRC. As a result, SoCalGas incurred more labor and non-
8 labor costs, which were compared to authorized TY 2019 GRC funding to identify incremental
9 costs that would be included in this application. This process of identifying incremental costs
10 was described in more detail in Section II.C. However, whether SoCalGas should have replaced
11 such pipe is a question of reasonableness and not incrementality. As described above, federal
12 and state authorities have formally recognized the risks associated with Aldyl-A pipe extends
13 beyond pre-1973 vintages. SoCalGas used its relative risk model to evaluate the Aldyl-A pipe
14 on its system and inform its pipe replacement strategy, implementing cost efficiency measures
15 while executing that strategy.⁹³ When the Commission authorized the DIMPBA in the TY 2019
16 GRC, the Commission stated that under the cost recovery process it was authorizing, “SoCalGas
17 will be provided with the appropriate safety spending and should be able to appropriately explain
18 and provide information regarding the spending.”⁹⁴ The Commission recognized that SoCalGas
19 could find itself in a position of needing to perform more risk mitigation work than forecasted.⁹⁵
20 Consistent with industry evidence, SoCalGas’s VIPP targets higher-risk segments including
21 post-1972 Aldyl-A pipe where warranted, and the record supports recovery of the associated
22 \$67.198 million in capital expenditures.

23 Cal Advocates concludes this section of its testimony by raising the topic of “whether
24 ratepayers are effectively paying twice for the same utility infrastructure for a substantively
25 identical incrementality question for another PAAR requested in this Application: first for the
26 original pipeline installation, and again for the PAAR activities addressing the original pipeline

⁹¹ Ex. SCG-01 (Sera) at TTS-16-18.

⁹² Ex. CA-01 (Chow) at 26.

⁹³ Ex. SCG-02 (Forster and Walker) at FW-5-7.

⁹⁴ D.19-09-051 at 191.

⁹⁵ *Id.* at 187 and 191.

1 installation.”⁹⁶ Cal Advocates states that, “SCG refused to answer and objected, claiming Cal
2 Advocates’ question “is compound, argumentative and is vague and ambiguous as to
3 ‘incrementality.’”⁹⁷ But Cal Advocates’ characterization is inaccurate and misleading.
4 SoCalGas objected to the discovery request because the question, as posed, was compound and
5 argumentative and did not define the terms “incrementality” or “paying twice” with sufficient
6 specificity to permit a meaningful response. In addition, the question appears to conflate (1)
7 recovery of original capital installation costs for an asset with (2) subsequent costs to address
8 manufacturing and service-related risk conditions over time through the DIMP and its associated
9 PAARs. PAARs consist of integrity-related assessment and risk-mitigation work performed
10 during the service life of an asset after installation—often in response to updated risk
11 information, changed conditions, or compliance-driven program requirements. Those are
12 distinct categories of work and costs, and as a result are subject to different ratemaking
13 treatment. To the extent Cal Advocates is asserting a “double recovery” concern, that concern is
14 not supported on this record. Rather, the issue concerns recovery of the incremental integrity
15 work performed and recorded, not a second recovery of the underlying capital investment.

16 **4. Sewer Lateral Inspection Program (SLIP)**

17 SoCalGas’s SLIP was implemented to address the risk posed by cross bores. A cross
18 bore occurs when a gas pipeline installed using trenchless construction methods inadvertently
19 “crosses” or intersects and penetrates or “bores” a sewer lateral. Cross bores present a latent but
20 potentially severe hazard.⁹⁸ When a sewer lateral is subsequently cleaned or repaired, plumbing
21 equipment can strike the intersecting gas pipeline, potentially resulting in a gas release and
22 ignition. These events, while infrequent, can have high consequences, including explosion,
23 serious injury or fatality, property damage, and service disruption.⁹⁹ This risk is further
24 compounded because sewer laterals are frequently not mapped because they are typically

⁹⁶ Ex. CA-01 (Chow) at 26-27.

⁹⁷ *Id.* at Footnote 136 citing SoCalGas’s Response to Cal Advocates Data Request PubAdv-SCG-011-
EIC Question 6, dated November 21, 2025 (Attachment D).

⁹⁸ Ex. SCG-02 (Forster and Walker) at FW-8.

⁹⁹ *Id.* at FW-9-10.

1 privately-owned, not included in locate-and-mark and one-call programs (so they do not get
2 marked by municipalities), and often not locatable using conventional methods.¹⁰⁰

3 Cal Advocates recommends disallowing \$0.479 million in capital expenditures and
4 \$11.838 million in O&M contract costs associated with SLIP on the basis that SLIP remediates
5 work SoCalGas should have prevented by implementing best practices during original
6 installation and includes repairs to non-utility property. Cal Advocates' position relies on the
7 PHMSA and National Association of Pipeline Safety Representatives (NAPSR) analysis on cross
8 bore practices. Cal Advocates contends that, based on the analysis and SoCalGas's
9 acknowledgement of its content, cross bore intrusions were a known and longstanding issue that
10 SoCalGas should have avoided.¹⁰¹ This is a misrepresentation of SoCalGas's responses to Cal
11 Advocates, as well as the PHMSA and NAPSR analysis.

12 Cal Advocates presents assumptions as facts when describing the PHMSA and NAPSR
13 analysis and SoCalGas's related actions. Cal Advocates asserts that cross bore intrusions were
14 avoidable because "cross-bore risks were known for over fifty years."¹⁰² The PHMSA and
15 NAPSR report referenced by Cal Advocates was published in 2014.¹⁰³ Although the study
16 claims that cross bore intrusions were "identified as early as 1972" and are "not a new problem,"
17 these statements are unsubstantiated.¹⁰⁴ The report does not explain how these issues were
18 identified, to what extent, or whether they were publicly shared or known within the industry.¹⁰⁵

19 Further, the Cross Bore Safety Association (CBSA) has stated that "since 1999 and more
20 broadly since 2006 utility companies have become aware of the cross bores safety issues."¹⁰⁶ In
21 2007, SoCalGas updated its installation practices to require the identification of sewer laterals.
22 However, as technologies and practices evolved and became more widely available and adopted,
23 SoCalGas adopted notifications, potholing, and eventually camera use in the mid- to late-

¹⁰⁰ See PHMSA/NAPSR, *Meta-Analysis: Cross Bore Practices* (July 10, 2014) at 2, available at:
<https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/docs/technical-resources/pipeline/gas-distribution-integrity-management/66016/metaanalysiscrossborepractices07102014-final-r3.pdf>.

¹⁰¹ Ex. CA-01 (Chow) at 29.

¹⁰² *Id.* at 30.

¹⁰³ See PHMSA/NAPSR, *Meta-Analysis: Cross Bore Practices* (July 10, 2014) at 2.

¹⁰⁴ *Id.*

¹⁰⁵ *Id.*

¹⁰⁶ Cross Bore Safety Association. (n.d.). *History*. Retrieved from <http://crossboresafety.org/history.htm>.

1 2010s.¹⁰⁷ Over time, SoCalGas has implemented and enhanced cross bore prevention and
2 detection practices as awareness, technology, and industry practices evolved, and SLIP addresses
3 residual cross bore risk on prior installations to protect public safety.

4 Referencing SoCalGas’s response to PubAdv-SCG-009-EIC, Question 9(b-d), Cal
5 Advocates states in its testimony that “SCG provided no evidence that implementing these best
6 practices at the time of installation would have been unfeasible, unknown, or unreasonable.”¹⁰⁸
7 However, the cited discovery exchange did not request that showing. In the questions
8 referenced, Cal Advocates sought an explanation regarding “directives” on cross bore
9 installations that were “followed and instituted.”¹⁰⁹ SoCalGas objected because the question
10 assumed the PHMSA and NAPSRS analysis constituted applicable directives SoCalGas was
11 required to follow, and then described the practices SoCalGas has adopted to mitigate cross-
12 bores on new installations. The question did not ask about the feasibility of implementing
13 particular practices at the time trenchless installation was first implemented. Had Cal Advocates
14 sought that information, SoCalGas would have explained that not all practices or technologies
15 were universally available or existed in earlier periods (e.g., cameras) and that awareness of
16 cross bore risks evolved over time.

17 Cal Advocates also suggests that SoCalGas’s later adoption of “improved practices” (e.g.,
18 marking sewer mains and laterals and camera inspection)¹¹⁰ demonstrates that SoCalGas could
19 have implemented those practices earlier and prevented cross bores, claiming that SLIP
20 addresses avoidable incidents caused by SoCalGas’s failure to follow best practices.¹¹¹ The
21 PHMSA and NAPSRS survey results do not support that assumption: in Tables 1 and 2 of the
22 PHMSA and NAPSRS analysis, survey responses from 24 unnamed states indicate that, as of
23 2013, a majority of respondents had not adopted most of the listed practices—even as “best

¹⁰⁷ See Attachment D, SoCalGas’s response to Cal Advocates Data Request PubAdv-SCG-011-EIC, response to Question 6(a), dated November 21, 2025.

¹⁰⁸ Ex. CA-01 (Chow) at 29 citing SoCalGas’s response to PubAdv-SCG-009-EIC, Question 9(b-d), dated November 6, 2025 (Attachment B).

¹⁰⁹ See Attachment B, SoCalGas’s response to PubAdv-SCG-009-EIC, Question 8(b-d), dated November 6, 2025.

¹¹⁰ Cal Advocates appears to quote SoCalGas when stating “improved practices,” but SoCalGas did not use these words in its response to PubAdv-SCG-009-EIC, Question 9(b) dated November 6, 2025 (Attachment B).

¹¹¹ Ex. CA-01 (Chow) at 30.

1 practices.”¹¹² Cal Advocates’ position applies present-day knowledge and expectations
2 retroactively, rather than evaluating reasonableness based on the information, practices, and
3 technologies available at the time.

4 Cal Advocates further contends that some SLIP activities should not be recovered in rates
5 because they involve work associated with privately owned sewer laterals.¹¹³ SLIP remediations
6 address conditions at the point where a SoCalGas gas pipeline intersects with a sewer lateral and
7 where a cross bore or related conflict presents a direct risk to the gas distribution system.¹¹⁴
8 These risks also extend to SoCalGas’s customers if the gas line is damaged during sewer lateral
9 maintenance (e.g., mechanical clearing of a blockage), because natural gas can migrate through
10 the sewer lateral into the building and reach an ignition source. Any work performed at or
11 around a sewer lateral is incidental to removing a hazard involving SoCalGas’s own facilities.
12 This is analogous to street restoration costs incurred when SoCalGas excavates to repair its
13 pipelines: SoCalGas must restore the affected area even though it does not own the street.

14 As with the VIPP, Cal Advocates also appears to conflate incrementality and
15 reasonableness when claiming that SoCalGas’s SLIP expenditures are not incremental.¹¹⁵ Cal
16 Advocates asserts that “incremental costs typically refer to new work and activities, not repairing
17 and remediating [SoCalGas’s] past construction errors during installation.”¹¹⁶ That contention
18 addresses reasonableness and does not change the incrementality showing. SoCalGas forecasted
19 SLIP activities and costs in the TY 2019 GRC based on planned inspections, but actual
20 inspections and remediations of discovered cross bores exceeded the levels forecasted and
21 authorized in the TY 2019 GRC. Costs associated with these activities above authorized levels
22 are incremental for the reasons described in Section II.C. of this testimony. As for the
23 reasonableness of the SLIP, SoCalGas adopted and enhanced installation and other mitigation
24 measures as awareness of cross bore risks, technology, and industry practices evolved over time,
25 and SLIP was developed to address cross bore risks on existing installations made prior to
26 implementation of current practices, not construction errors. SoCalGas’s remediation of cross

¹¹² See PHMSA/NAPSR, *Meta-Analysis: Cross Bore Practices* (July 10, 2014) at 3-4.

¹¹³ Ex. CA-01 (Chow) at 30.

¹¹⁴ Ex. SCG-02 (Forster and Walker) at FW-9.

¹¹⁵ Ex. CA-01 (Chow) at 31.

¹¹⁶ *Id.*

1 bores is consistent with federal pipeline safety regulations codified in 49 C.F.R. §192, Subpart P,
2 which require distribution operators to identify threats to their system and take appropriate
3 actions to address them.¹¹⁷ PHMSA guidance likewise explains that operators are expected to
4 evaluate and mitigate the excavation damage threat posed by potential or existing cross bores,
5 particularly where trenchless construction may have intersected sewer laterals, whenever that
6 threat applies to their system.¹¹⁸ The SLIP was developed to comply with federal regulations and
7 the Commission has continually authorized funding for sewer lateral risk mitigation under the
8 DIMP since SoCalGas's TY 2012 GRC cycle, most recently authorizing SLIP funding in the TY
9 2024 GRC cycle.¹¹⁹

10 This concludes our prepared rebuttal testimony.

¹¹⁷ 49 C.F.R. § 192.1007; PHMSA, *Gas Distribution Pipeline Integrity Management Enforcement Guidance – 49 CFR Part 192 –Subpart P* (December 2015) at 19, available at: https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/docs/DIMP_Enforcement_Guidance_12_7_2015.pdf.

¹¹⁸ Gas Distribution Integrity Management Program Frequently Asked Questions – Revised 10/26/2015, available at: <https://www.phmsa.dot.gov/pipeline/gas-distribution-integrity-management/gas-distribution-integrity-management-faqs>.

¹¹⁹ D.13-05-010 and D.24-12-074.

Attachment A

SoCalGas's Response to Cal Advocates Data Request

PubAdv-SCG-001-EIC, Questions 2, 3, and 8, dated September 22, 2025

**(includes a sample of the data and the relevant table of information in "SoCalGas
Response_PubAdv-SCG-001-EIC-Q2-Q6 Attachment.xlsx")**

SOUTHERN CALIFORNIA GAS COMPANY

A.25-08-008

PUBLIC ADVOCATES OFFICE DATA REQUEST

PUBADV-SCG-001-EIC

DATA REQUEST RECEIVED: SEPTEMBER 5, 2025

PARTIAL RESPONSE SUBMITTED: SEPTEMBER 19, 2025 (Q11)

SECOND PARTIAL RESPONSE SUBMITTED: SEPTEMBER 22, 2025 (Q1-3a-e, Q4-Q8, Q10, Q12, Q14)

FINAL RESPONSE SUBMITTED: SEPTEMBER 26, 2025 (Q3f, Q9, Q13)

QUESTION 2:

Referring to SoCalGas Ex. SCG-01 testimony, please complete the table below for SoCalGas's expenditure cost recovery request covering February 1, 2023, to December 31, 2023. Provide the completed table and a live Microsoft Excel workbook with formulas showing how each entry was calculated and the source of every value (e.g., citations to SoCalGas exhibits or workpapers).

Cost Category	DIMP Expenditures (\$ in thousands)
Year 2023 (February to December) Capital	
Year 2023 (February to December) O&M	
Capital Interest Applicable to This Application	
O&M Interest Applicable to This Application	
2024 Capital Adjustments Applicable to This Application	
2024 O&M Adjustments Applicable to This Application	
Total	

RESPONSE 2:

The table below groups expenditures based on when they contributed to the revenue requirement in this Application during the specified time periods.

Cost Category	DIMP Expenditures (\$ in thousands)
Year 2023 (February to December) Capital	\$172,596
Year 2023 (February to December) O&M	\$46,930
Interest Applicable to This Application	\$5,497*
2024 Capital Adjustments Applicable to This Application	N/A
2024 O&M Adjustments Applicable to This Application	N/A
Total	\$225,023

SOUTHERN CALIFORNIA GAS COMPANY
A.25-08-008
PUBLIC ADVOCATES OFFICE DATA REQUEST
PUBADV-SCG-001-EIC

DATA REQUEST RECEIVED: SEPTEMBER 5, 2025
PARTIAL RESPONSE SUBMITTED: SEPTEMBER 19, 2025 (Q11)
SECOND PARTIAL RESPONSE SUBMITTED: SEPTEMBER 22, 2025 (Q1-3a-e, Q4-Q8, Q10, Q12, Q14)
FINAL RESPONSE SUBMITTED: SEPTEMBER 26, 2025 (Q3f, Q9, Q13)

*Interest is calculated on the cumulative DIMPBA balance and is not segregated between O&M and capital. DIMPBA interest for this cost recovery application is calculated on the cumulative balance through June 30, 2025, excluding the interest that was authorized through Commission Resolution G-3610. See "SoCalGas Response_PubAdv-SCG 001-EIC-Q2 Attachment (1).xlsx" for the calculation of interest.

See "SoCalGas Response_PubAdv-SCG-001-EIC-Q2-Q6 Attachment.xlsx" showing how the year 2023 capital and O&M entries was calculated. The source of the expenditures is SoCalGas's accounting records.

SOUTHERN CALIFORNIA GAS COMPANY

A.25-08-008

PUBLIC ADVOCATES OFFICE DATA REQUEST

PUBADV-SCG-001-EIC

DATA REQUEST RECEIVED: SEPTEMBER 5, 2025

PARTIAL RESPONSE SUBMITTED: SEPTEMBER 19, 2025 (Q11)

SECOND PARTIAL RESPONSE SUBMITTED: SEPTEMBER 22, 2025 (Q1-3a-e, Q4-Q8, Q10, Q12, Q14)

FINAL RESPONSE SUBMITTED: SEPTEMBER 26, 2025 (Q3f, Q9, Q13)

QUESTION 3:

Referring to SoCalGas Ex. SCG-01 testimony, please indicate if all employees working on projects in this Application were existing SoCalGas employees or if SoCalGas hired new employees. If SoCalGas hired new employees for the projects:

- a) Identify the number of new employees.
- b) Specify the date of hire for each employee.
- c) Specify whether the new employees were hired as permanent employees or temporary employees.
- d) Provide supporting documentation that the employees were hired for the projects.
- e) Provide supporting documentation that all positions were not previously approved for funding in the General Rate Case (GRC).
- f) If contractors or third-party vendors were used for any DIMP activities during the period, provide the number of contractors, details on the bidding or selection process, contract terms (including duration and costs), and justification for why these costs are incremental and not covered by GRC authorizations.

RESPONSE 3:

a-d) Employees who worked on DIMP activities as described in Exhibits SCG-01 include both existing and new SoCalGas employees. SoCalGas understands newly hired employees to mean employees of SoCalGas who were hired externally during the Test Year (TY) 2019 GRC cycle period of January 1, 2019 to December 31, 2023 and billed time to DIMP. Please see "SoCalGas Response_PUBADV-SCG-001-EIC Q3 Attachment.xlsx" for all SoCalGas employees who were hired externally from January 1, 2019 through December 31, 2023 and billed time to DIMP, their date of hire, and whether they were hired as permanent or temporary employees.

During this period, a majority of the externally hired employees provided support to different programs and projects that among other things included DIMP, while certain employees were hired specifically to support DIMP projects. Employees hired into the Distribution Integrity Management department and certain embedded project teams within SoCalGas's Gas Distribution organization are dedicated to DIMP work. Some of these employees also supported DIMP projects for San Diego Gas & Electric Company (SDG&E). Column D of

SOUTHERN CALIFORNIA GAS COMPANY

A.25-08-008

**PUBLIC ADVOCATES OFFICE DATA REQUEST
PUBADV-SCG-001-EIC**

DATA REQUEST RECEIVED: SEPTEMBER 5, 2025

PARTIAL RESPONSE SUBMITTED: SEPTEMBER 19, 2025 (Q11)

SECOND PARTIAL RESPONSE SUBMITTED: SEPTEMBER 22, 2025 (Q1-3a-e, Q4-Q8, Q10, Q12, Q14)

FINAL RESPONSE SUBMITTED: SEPTEMBER 26, 2025 (Q3f, Q9, Q13)

“SoCalGas Response_PubAdv-SCG-001-EIC-Q3 Attachment.xlsx” identifies the 44 SoCalGas employees that were hired specifically for DIMP during this period.

- e) The list of employees includes all SoCalGas employees who were hired externally from January 1, 2019 through December 31, 2023 and billed time to DIMP. This list included employees who filled new open positions as well as backfilled existing vacant positions that may have previously billed time to DIMP. As SoCalGas explains in the response above, a majority of the externally hired employees provided support to different programs and projects that among other things included DIMP. SoCalGas identified 44 SoCalGas employees that were hired specifically for DIMP from January 1, 2019 through December 31, 2023. Note, Decision (D.) 19-09-051 approved SoCalGas’s DIMP O&M and capital cost forecasts,¹ where costs to implement DIMP are balanced and recorded in the DIMPBA.² The time and associated costs billed to DIMP from these employees for DIMP-related activities are not authorized elsewhere in SoCalGas’s test year (TY) 2019 GRC or in any other proceeding.
- f) The attachment contains confidential and protected materials pursuant to PUC Section 583, D.21-09-020, GO 66-D, and/or non-disclosure agreements.

See attached: “SoCalGas Response_PubAdv-SCG-001-EIC-Q3f Attachment.xlsx” for the information for the labor contractors/vendors.

For this data request, SoCalGas is providing the attached file which contains a list of 56 labor contractors/vendors that contributed to the revenue requested in this application, the selection process, the effective date and expiration date of the contract, and the total amount of the contract. Note that the total amount of the contract is not necessarily the total cost charged to SoCalGas.

SoCalGas used an activity-based forecasting approach in its TY 2019 GRC and did not forecast specific vendor contracts or scopes for its Distribution Integrity Management Program (DIMP). Pursuant to D.19-09-051, SoCalGas established a two-way balancing account to record the difference between actual and authorized costs. The Commission authorized revenue requirement for SoCalGas’ DIMPBA to execute its DIMP, separate and apart from non-DIMP GRC rates. The actual costs for DIMP’s vendors were recorded in the two-way

¹ D.19-09-051 at 189-193

² *Id.* at 187.

SOUTHERN CALIFORNIA GAS COMPANY

A.25-08-008

PUBLIC ADVOCATES OFFICE DATA REQUEST

PUBADV-SCG-001-EIC

DATA REQUEST RECEIVED: SEPTEMBER 5, 2025

PARTIAL RESPONSE SUBMITTED: SEPTEMBER 19, 2025 (Q11)

SECOND PARTIAL RESPONSE SUBMITTED: SEPTEMBER 22, 2025 (Q1-3a-e, Q4-Q8, Q10, Q12, Q14)

FINAL RESPONSE SUBMITTED: SEPTEMBER 26, 2025 (Q3f, Q9, Q13)

balancing account and are requested for recovery as part of this application. Any DIMP-related costs recorded in the DIMPBA that exceeds the DIMPBA amounts authorized for SoCalGas through Decision (D.) 19-09-051 and Resolution G-3610 are incremental. This aligns with the Commission's guidance D.19-09-051, which authorized a two-way balancing account structure for DIMP-related costs.

SOUTHERN CALIFORNIA GAS COMPANY

A.25-08-008

PUBLIC ADVOCATES OFFICE DATA REQUEST

PUBADV-SCG-001-EIC

DATA REQUEST RECEIVED: SEPTEMBER 5, 2025

PARTIAL RESPONSE SUBMITTED: SEPTEMBER 19, 2025 (Q11)

SECOND PARTIAL RESPONSE SUBMITTED: SEPTEMBER 22, 2025 (Q1-3a-e, Q4-Q8, Q10, Q12, Q14)

FINAL RESPONSE SUBMITTED: SEPTEMBER 26, 2025 (Q3f, Q9, Q13)

QUESTION 8:

Referring to SoCalGas SCG-02 Workpapers, p. 16, Footnote 2, SoCalGas stated, "Certain indirect costs and CWIP do not contribute to the DIMPBA revenue requirement." Please list the indirect costs and any other costs that do not contribute to the DIMPBA revenue requirement and explain why those costs were noncontributory to the requirement.

RESPONSE 8:

SoCalGas tracks total expenses for the DIMP, inclusive of all direct and indirect costs charged to DIMP internal orders. Costs that contribute to the DIMPBA revenue requirement consist of direct costs (i.e. company labor inclusive of vacation & sick, contract costs, materials, other direct charges). Indirect costs including SoCalGas's overheads, allowance for funds used during construction (AFUDC), and property taxes are contemplated in the General Rate Case (GRC) and are part of base business or are subject to separate regulatory account mechanisms; as a result, they are not included in the DIMPBA. Additionally, capital expenditures that are categorized as Capital Work in Progress (CWIP) are also excluded from this DIMPBA cost recovery application. Projects in the development or construction phase are classified as CWIP until such time that the DIMP project(s) is completed and placed into rate base.

	2023	2024	2025	Total
Total	5,793	8,245	3,550	17,588
Tier 3 Advice Letter	4,528	5,280	2,282	12,090
Application	1,265	2,965	1,267	5,497

ATTACHMENT A5
SOUTHERN CALIFORNIA GAS COMPANY
POST-2011 DISTRIBUTION INTEGRITY MANAGEMENT PROGRAM BALANCING ACCOUNT (POST 2011 DIMPBA)
2019-2023 PROGRAM CYCLE
(Over) / Under Collection

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Beginning Balance	77,556,825	81,420,012	87,201,962	94,030,925	98,778,852	106,067,703	113,310,504	119,697,930	125,704,680	133,889,811	141,272,451	148,134,551	77,556,825
Prior Period Adjustment	(998)	-	19,173										18,175
Adjusted Beginning Balance	77,555,827	81,420,012	87,221,135	94,030,925	98,778,852	106,067,703	113,310,504	119,697,930	125,704,680	133,889,811	141,272,451	148,134,551	77,575,000
Costs:													
O&M Costs	2,345,646	4,193,570	5,119,968	2,944,090	5,372,744	5,094,128	3,951,348	3,472,448	5,381,408	4,416,061	3,718,478	3,265,736	49,275,625
Capital-related Costs													
Depreciation	1,750,595	1,776,293	1,792,942	1,814,621	1,837,699	1,875,080	1,898,577	1,919,257	1,968,858	2,009,004	2,051,599	2,104,966	22,799,491
Income Taxes	995,662	1,039,591	1,048,642	1,061,517	1,075,089	1,101,285	1,109,447	1,117,377	1,144,622	1,155,703	1,158,146	1,130,018	13,137,099
Return	3,850,089	3,824,752	3,860,328	3,905,149	3,954,744	4,059,363	4,085,721	4,121,412	4,275,354	4,352,422	4,448,001	4,580,728	49,318,063
Property Taxes	551,160	551,160	551,160	551,160	551,160	551,160	756,001	756,001	756,001	756,001	756,001	756,001	7,842,966
Software Tax Benefit	(70,190)	(70,190)	(65,261)	(65,261)	(65,261)	(50,405)	(64,428)	(64,428)	(64,428)	(64,428)	(64,428)	(24,345)	(733,053)
Total Costs:	9,422,962	11,315,176	12,307,779	10,211,276	12,726,175	12,630,611	11,736,666	11,322,067	13,461,815	12,624,763	12,067,797	11,813,104	141,640,191
Revenues:													
Authorized Cost Amortization	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	70,236,000
Total Revenues	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	70,236,000
Net Cost / (Revenue)	3,569,962	5,462,176	6,454,779	4,358,276	6,873,175	6,777,611	5,883,666	5,469,067	7,608,815	6,771,763	6,214,797	5,960,104	71,404,191
Current Month Interest**:	294,223	319,774	355,011	389,651	415,676	465,190	503,760	537,683	576,316	610,877	647,303	677,497	5,792,961
Current Month Activity	3,864,185	5,781,950	6,809,790	4,747,927	7,288,851	7,242,801	6,387,426	6,006,750	8,185,131	7,382,640	6,862,100	6,637,601	77,197,152
Ending Balance	81,420,012	87,201,962	94,030,925	98,778,852	106,067,703	113,310,504	119,697,930	125,704,680	133,889,811	141,272,451	148,134,551	154,772,152	154,772,152

** Interest applied to average monthly balance as follows: $[(\text{Beginning Balance} + (\text{Net Cost}/(\text{Revenue}/2)) * (\text{Interest Rate}/12)]$

Interest rate:	4.45%	4.56%	4.71%	4.86%	4.88%	5.10%	5.20%	5.27%	5.34%	5.34%	5.38%	5.38%
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ATTACHMENT A6
SOUTHERN CALIFORNIA GAS COMPANY
POST-2011 DISTRIBUTION INTEGRITY MANAGEMENT PROGRAM BALANCING ACCOUNT (POST 2011 DIMPBA)
2019-2023 PROGRAM CYCLE
(Over) / Under Collection

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Total
Beginning Balance	154,772,152	155,463,467	156,151,392	156,843,012	157,538,350	158,239,396	158,942,242	159,646,886	160,346,672	161,030,817	161,681,650	162,302,777	154,772,152
Prior Period Adjustment												513,893	513,893
Adjusted Beginning Balance	154,772,152	155,463,467	156,151,392	156,843,012	157,538,350	158,239,396	158,942,242	159,646,886	160,346,672	161,030,817	161,681,650	162,816,670	155,286,045
Costs:													
O&M Costs													-
Capital-related Costs													-
Depreciation													-
Income Taxes													-
Return													-
Property Taxes													-
Software Tax Benefit													-
Total Costs:	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenues:													
Authorized Cost													-
Amortization													-
Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cost / (Revenue)	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Month Interest**:	691,315	687,925	691,620	695,338	701,046	702,846	704,644	699,786	684,145	650,833	621,127	620,060	8,150,685
Current Month Activity	691,315	687,925	691,620	695,338	701,046	702,846	704,644	699,786	684,145	650,833	621,127	620,060	8,150,685
Ending Balance	155,463,467	156,151,392	156,843,012	157,538,350	158,239,396	158,942,242	159,646,886	160,346,672	161,030,817	161,681,650	162,302,777	163,436,730	163,436,730

** Interest applied to average monthly balance as follows: [(Beginning Balance + (Net Cost/(Revenue)/2))*(Interest Rate/12)]
Interest rate: 5.36% 5.31% 5.32% 5.32% 5.34% 5.33% 5.32% 5.26% 5.12% 4.85% 4.61% 4.57%

1/ PPA of \$513,893 in December 2024 includes \$94,407 of interest.

PPA Interest	94,407
Jan - Dec 2024 Interest	<u>8,150,685</u>
Total Interest	8,245,092

ATTACHMENT A7
SOUTHERN CALIFORNIA GAS COMPANY
POST-2011 DISTRIBUTION INTEGRITY MANAGEMENT PROGRAM BALANCING ACCOUNT (POST 2011 DIMPBA)
2019-2023 PROGRAM CYCLE
(Over) / Under Collection

	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Total	
Beginning Balance	163,436,730	164,040,084	164,618,325	165,204,092	165,793,320	166,390,176	166,986,407	166,986,407	166,986,407	166,986,407	166,986,407	166,986,407	163,436,730	
Prior Period Adjustment													-	
Adjusted Beginning Balance	163,436,730	164,040,084	164,618,325	165,204,092	165,793,320	166,390,176	166,986,407	166,986,407	166,986,407	166,986,407	166,986,407	166,986,407	163,436,730	
<u>Costs:</u>														
O&M Costs														-
Capital-related Costs														-
Depreciation														-
Income Taxes														-
Return														-
Property Taxes														-
Software Tax Benefit														-
Total Costs:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Revenues:</u>														
Authorized Cost														-
Amortization														-
Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cost / (Revenue)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Month Interest**:	603,354	578,241	585,767	589,228	596,856	596,231	-	-	-	-	-	-	3,549,677	
Current Month Activity	603,354	578,241	585,767	589,228	596,856	596,231	-	-	-	-	-	-	3,549,677	
Ending Balance	164,040,084	164,618,325	165,204,092	165,793,320	166,390,176	166,986,407	166,986,407	166,986,407	166,986,407	166,986,407	166,986,407	166,986,407	166,986,407	

** Interest applied to average monthly balance as follows: [(Beginning Balance + (Net Cost/(Revenue)/2))*(Interest Rate/12)]

Interest rate: 4.43% 4.23% 4.27% 4.28% 4.32% 4.30%

17,493,323

ATTACHMENT A5
SOUTHERN CALIFORNIA GAS COMPANY
POST-2011 DISTRIBUTION INTEGRITY MANAGEMENT PROGRAM BALANCING ACCOUNT (POST 2011 DIMPBA)
2019-2023 PROGRAM CYCLE
(Over) / Under Collection

SAP Account Number 1150594

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Beginning Balance	77,556,825	81,420,012	83,036,257	84,651,675	86,266,815	87,872,625	89,483,869	91,297,434	93,106,904	94,912,468	96,708,744	98,498,933	77,556,825
Prior Period Adjustment	(998)	-	-	-	-	-	-	-	-	-	-	-	(998)
Adjusted Beginning Balance	77,555,827	81,420,012	83,036,257	84,651,675	86,266,815	87,872,625	89,483,869	91,297,434	93,106,904	94,912,468	96,708,744	98,498,933	77,555,827
Costs:													
O&M Costs	2,345,646												2,345,646
Capital-related Costs													
Depreciation	1,750,595	1,776,293	1,776,216	1,776,244	1,776,244	1,776,245	1,776,246	1,776,248	1,776,248	1,776,248	1,776,247	1,776,247	21,289,321
Income Taxes	995,662	1,033,815	1,029,652	1,025,535	1,021,406	1,017,277	1,013,148	1,009,019	1,004,889	1,000,760	996,629	992,500	12,140,292
Return	3,850,089	3,796,103	3,782,947	3,769,791	3,756,635	3,743,479	3,730,324	3,717,168	3,704,012	3,690,856	3,677,700	3,664,544	44,883,648
Property Taxes	551,160	551,160	551,160	551,160	551,160	551,160	551,160	551,160	551,160	551,160	551,160	551,160	7,842,966
Software Tax Benefit	(70,190)												(70,190)
Total Costs:	9,422,962	7,157,371	7,139,975	7,122,730	7,105,445	7,088,161	7,275,719	7,258,436	7,241,150	7,223,865	7,206,577	7,189,292	88,431,683
Revenues:													
Authorized Cost Amortization	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	70,236,000
Total Revenues	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	70,236,000
Net Cost / (Revenue)	3,569,962	1,304,371	1,286,975	1,269,730	1,252,445	1,235,161	1,422,719	1,405,436	1,388,150	1,370,865	1,353,577	1,336,292	18,195,683
Current Month Interest**:	294,223	311,874	328,443	345,410	353,365	376,083	390,846	404,034	417,414	425,411	436,612	444,599	4,528,314
Current Month Activity	3,864,185	1,616,245	1,615,418	1,615,140	1,605,810	1,611,244	1,813,565	1,809,470	1,805,564	1,796,276	1,790,189	1,780,891	22,723,997
Ending Balance	81,420,012	83,036,257	84,651,675	86,266,815	87,872,625	89,483,869	91,297,434	93,106,904	94,912,468	96,708,744	98,498,933	100,279,824	100,279,824

** Interest applied to average monthly balance as follows: [(Beginning Balance + (Net Cost/(Revenue)/2))*(Interest Rate/12)]

Interest rate:	4.45%	4.56%	4.71%	4.86%	4.88%	5.10%	5.20%	5.27%	5.34%	5.34%	5.38%	5.38%
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ATTACHMENT A6
 SOUTHERN CALIFORNIA GAS COMPANY
 POST-2011 DISTRIBUTION INTEGRITY MANAGEMENT PROGRAM BALANCING ACCOUNT (POST 2011 DIMPBA)
 2019-2023 PROGRAM CYCLE
 (Over) / Under Collection

SAP Account Number 1150594

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Total	
Beginning Balance	100,279,824	100,727,741	101,173,461	101,621,574	102,072,097	102,526,318	102,981,706	103,438,258	103,891,663	104,334,934	104,756,621	105,159,061	100,279,824	
Prior Period Adjustment													-	
Adjusted Beginning Balance	100,279,824	100,727,741	101,173,461	101,621,574	102,072,097	102,526,318	102,981,706	103,438,258	103,891,663	104,334,934	104,756,621	105,159,061	100,279,824	
Costs:														
O&M Costs														-
Capital-related Costs														-
Depreciation														-
Income Taxes														-
Return														-
Property Taxes														-
Software Tax Benefit														-
Total Costs:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenues:														
Authorized Cost														-
Amortization														-
Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cost / (Revenue)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Month Interest**:	447,917	445,720	448,113	450,523	454,221	455,388	456,552	453,405	443,271	421,687	402,440	400,481	5,279,718	
Current Month Activity	447,917	445,720	448,113	450,523	454,221	455,388	456,552	453,405	443,271	421,687	402,440	400,481	5,279,718	
Ending Balance	100,727,741	101,173,461	101,621,574	102,072,097	102,526,318	102,981,706	103,438,258	103,891,663	104,334,934	104,756,621	105,159,061	105,559,542	105,559,542	

** Interest applied to average monthly balance as follows: $[(\text{Beginning Balance} + (\text{Net Cost}/(\text{Revenue}/2)))/12] \times (\text{Interest Rate}/12)$

Interest rate:	5.36%	5.31%	5.32%	5.32%	5.34%	5.33%	5.32%	5.26%	5.12%	4.85%	4.61%	4.57%
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ATTACHMENT A7
 SOUTHERN CALIFORNIA GAS COMPANY
 POST-2011 DISTRIBUTION INTEGRITY MANAGEMENT PROGRAM BALANCING ACCOUNT (POST 2011 DIMPBA)
 2019-2023 PROGRAM CYCLE
 (Over) / Under Collection

SAP Account Number 1150594

	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Total
Beginning Balance	105,559,542	105,949,232	106,322,703	106,701,035	107,081,602	107,467,096	107,841,960	107,841,960	107,841,960	107,841,960	107,841,960	107,841,960	105,559,542
Prior Period Adjustment						(10,190)							(10,190)
Adjusted Beginning Balance	105,559,542	105,949,232	106,322,703	106,701,035	107,081,602	107,456,906	107,841,960	107,841,960	107,841,960	107,841,960	107,841,960	107,841,960	105,549,352
Costs:													
O&M Costs													-
Capital-related Costs													-
Depreciation													-
Income Taxes													-
Return													-
Property Taxes													-
Software Tax Benefit													-
Total Costs:	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenues:													
Authorized Cost													-
Amortization													-
Total Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cost / (Revenue)	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Month Interest**:	389,690	373,471	378,332	380,567	385,494	385,054	-	-	-	-	-	-	2,292,608
Current Month Activity	389,690	373,471	378,332	380,567	385,494	385,054	-	-	-	-	-	-	2,292,608
Ending Balance	105,949,232	106,322,703	106,701,035	107,081,602	107,467,096	107,841,960	107,841,960	107,841,960	107,841,960	107,841,960	107,841,960	107,841,960	107,841,960

** Interest applied to average monthly balance as follows: $[(\text{Beginning Balance} + (\text{Net Cost}/(\text{Revenue}/2)))(\text{Interest Rate}/12)]$

Interest rate:	4.43%	4.23%	4.27%	4.28%	4.32%	4.30%
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Residual over-collected balance of \$10,190 from 2016-2019 cycle	(10,190)
Jan - Dec 2025 Interest	2,292,608
Total	2,282,418

PubAdv-SCG-001-EIC Q2 Q6 Attachment

PCAT	Order	Amount	Cost Category
Capital	5054375	(39,754)	PAAR
Capital	5084611	(32,304)	PAAR
Capital	5087576	(112,330)	PAAR
Capital	5088774	68,464	PAAR
Capital	5106486	(1,624)	PAAR
Capital	5126071	(314)	PAAR
Capital	5126392	(251)	PAAR
Capital	5126437	(1,277)	PAAR
Capital	5126448	(1,085)	PAAR
Capital	5128393	(323)	PAAR
Capital	5134162	(656)	PAAR
Capital	5134596	(1,494)	PAAR
Capital	5134625	93,296	PAAR
Capital	5135011	(84)	PAAR
Capital	5135038	20,393	PAAR
Capital	5135287	4,044	PAAR
Capital	5135315	8,901	PAAR
Capital	5135356	9,808	PAAR
Capital	5135465	11,133	PAAR
Capital	5136925	(314)	PAAR
Capital	5139734	11,609	PAAR
Capital	5140044	3,325	PAAR
Capital	5140059	(659)	PAAR
Capital	5142028	-	PAAR
Capital	5143798	7,634	PAAR
Capital	5143822	7,364	PAAR
Capital	5143825	8,075	PAAR
Capital	5149164	(20)	PAAR
Capital	5149885	12,257	PAAR
Capital	5149927	(199)	PAAR

Row Labels	Cost Category	Sum of Amount
Capital	Data Mgt/GIS	4,205,923
	PAAR	168,390,300
Capital Sum		172,596,223
O&M	Data Mgt/GIS	4,924,727
	PAAR	35,800,462
	Prog MGt, R&T, CAR	6,204,788
O&M Sum		46,929,977
Grand Total		219,526,200

Attachment B

SoCalGas's Response to Cal Advocates Data Request

PubAdv-SCG-009-EIC, Questions 4, 8, and 9, dated November 6, 2025

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QUESTION 4:

Referring to SCG’s response to Cal Advocates DR PubAdv-SCG-001-EIC, Q.003, attachment SoCalGas Response_PubAdv-SCG 002-EIC-Q1 Attachment.xlsx, Cal Advocates created Table 4 below to summarize data from SCG’s attachment.

For each entry in the table, please provide the corresponding average pay rate and total cost. For example, for “Other Permanent Employees” in Year 2019, a response might be: “\$25 per hour, Total Cost \$20,000”. Please provide this information for all entries in the table.

Table 4
SoCalGas Number of Employees
Years 2019 – 2023

SCG Number of Employees	Years (Hiring Dates)					Total
	2019	2020	2021	2022	2023	
Permanent	56	90	112	99	22	379
DIMP	7	8	11	13	3	42
Other	49	82	101	86	19	337
Temporary	1	0	3	2	1	7
DIMP	1	0	1	0	0	2
Other	0	0	2	2	1	5
Total	57	90	115	101	23	386

RESPONSE 4:

The table below groups labor costs by the categories of employees as provided in SoCalGas Response_PubAdv-SCG-003-EIC-Q3, i.e. “Permanent/Temporary” and “Other/DIMP”, with the years corresponding with when the labor cost transactions were posted. The average hourly rate was calculated by taking the total direct labor expenditures for the given set of employees and dividing by the total labor hours for that same set. For example, in the “2019” column, only the direct labor expenditure for employees hired in 2019 are included; the “2020” column includes the direct labor expenditures for employees hired in 2019 and 2020. The underlying information is limited to SoCalGas employees who were hired externally from January 1, 2019 through December 31, 2023 and billed time to DIMP.

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	Average Hourly Rates & Total Costs					
	2019	2020	2021	2022	2023	Total
Permanent	\$35.8/hr for \$352,334 total	\$37.2/hr for \$1,619,273 total	\$38.9/hr for \$4,113,023 total	\$40.9/hr for \$8,108,406 total	\$42.5/hr for \$13,795,040 total	\$41.1/hr for \$27,988,077 total
Other ³	\$36.6/hr for \$241,577 total	\$36.7/hr for \$759,815 total	\$38.7/hr for \$2,054,448 total	\$40.7/hr for \$4,180,902 total	\$42.5/hr for \$7,264,507 total	\$40.9/hr for \$14,501,249 total
DIMP	\$34.2/hr for \$110,757 total	\$37.7/hr for \$859,458 total	\$39.2/hr for \$2,058,575 total	\$41.1/hr for \$3,927,504 total	\$42.6/hr for \$6,530,553 total	\$41.2/hr for \$13,486,827 total
Temporary	\$43.3/hr for \$45,692 total	\$43.9/hr for \$126,025 total	\$42.9/hr for \$226,628 total	\$43.1/hr for \$327,266 total	\$42.8/hr for \$366,891 total	\$43.1/hr for \$1,092,502 total
Other ⁴	-	-	\$31.9/hr for \$4,533 total	\$31.0/hr for \$17,828 total	\$30.8/hr for \$27,476 total	\$31.0/hr for \$49,838 total
DIMP	\$43.3/hr for \$45,692 total	\$43.9/hr for \$126,025 total	\$43.2/hr for \$222,095 total	\$44.1/hr for \$309,438 total	\$44.2/hr for \$339,415 total	\$43.9/hr for \$1,042,665 total

³ Employees not specifically hired for DIMP but supported DIMP activities.

⁴ Employees not specifically hired for DIMP but supported DIMP activities.

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QUESTION 8:

Referring to the PHMSA and NAPSRS Analysis on Cross Bore Practices, pages (pp.) 2 – 4, (URL in Question 7(c) above), please provide the following information:

- a) The PHMSA/NAPSRS analysis states, “Issues with cross boring were identified as early as 1972, thus this is not a problem.” Please explain why SoCalGas requested cross bore costs for this cycle.
- b) Identify which directives/regulations located in Table 1: “States’ Responses to Directives or Regulations Compared to Best Practices Across Methods During Construction” SoCalGas followed to prevent cross-bores. Explain where and when these directives were followed and instituted.
- c) Identify how many of the best practices located in Table 1: “States’ Responses to Directives or Regulations Compared to Best Practices Across Methods During Construction” SoCalGas followed to prevent cross-bores. Explain where and when these directives were followed and instituted.
- d) Identify how many of the best practices located in Table 2: “Techniques to Identify Areas of Potential Conflict Between Sanitary Sewer and Gas Pipe Installed by Trenchless Excavation During Planning/Site Selection.” SoCalGas followed to prevent cross-bores. Explain where and when these directives were followed and instituted.

RESPONSE 8:

- a) SoCalGas objects to this question on the grounds that the question misquotes the analysis. The PHMSA/NAPSRS report states: “Issues with cross boring were identified as early as 1972, thus this is not **a new** problem.” The report acknowledges that cross bores are a longstanding issue, not that they are “not a problem.” SoCalGas requested cross bore mitigation costs in this cycle because cross bores remain an ongoing threat to safety. SoCalGas’s Sewer Lateral Inspection Program (SLIP) is designed to proactively identify and remediate cross bores, consistent with PHMSA’s recommendation to include cross bore risk in Distribution Integrity Management Programs (DIMP).
- b-d) SoCalGas objects to this request on the grounds that it assumes the items in Tables 1 and 2 are federal requirements that operators are required to comply with and institute. Tables 1 and 2 represent data collected from various state regulatory representatives participating in the study and do not indicate the responses from each state, nor is there more granular data to support their responses (e.g. references to local or state regulations in SoCalGas’s service

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territory). Further, the report acknowledges these are “topics encountered and addressed in individual States by State regulators or operators through best practices that are not often incorporated in the Federal code.” Without further context SoCalGas is unable to respond to the specificity of the question.

Subject to its objections, SoCalGas responds as follows: SoCalGas follows applicable state and federal requirements and has adopted practices that mitigate cross-bores on new installations, some of which are described in response 9b) below. In addition to the processes identified in 9b), as stated in the Workpapers Supporting the Prepared Direct Testimony of Mark Forster and Shaena Walker Ex. SCG-02-WP at WP-32, SoCalGas conducts public outreach to proactively educate plumbing contractors, equipment rental companies, and municipalities of the potential issue of a cross bore.

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QUESTION 9:

Referring to the SLIP PAAR, please provide the following information:

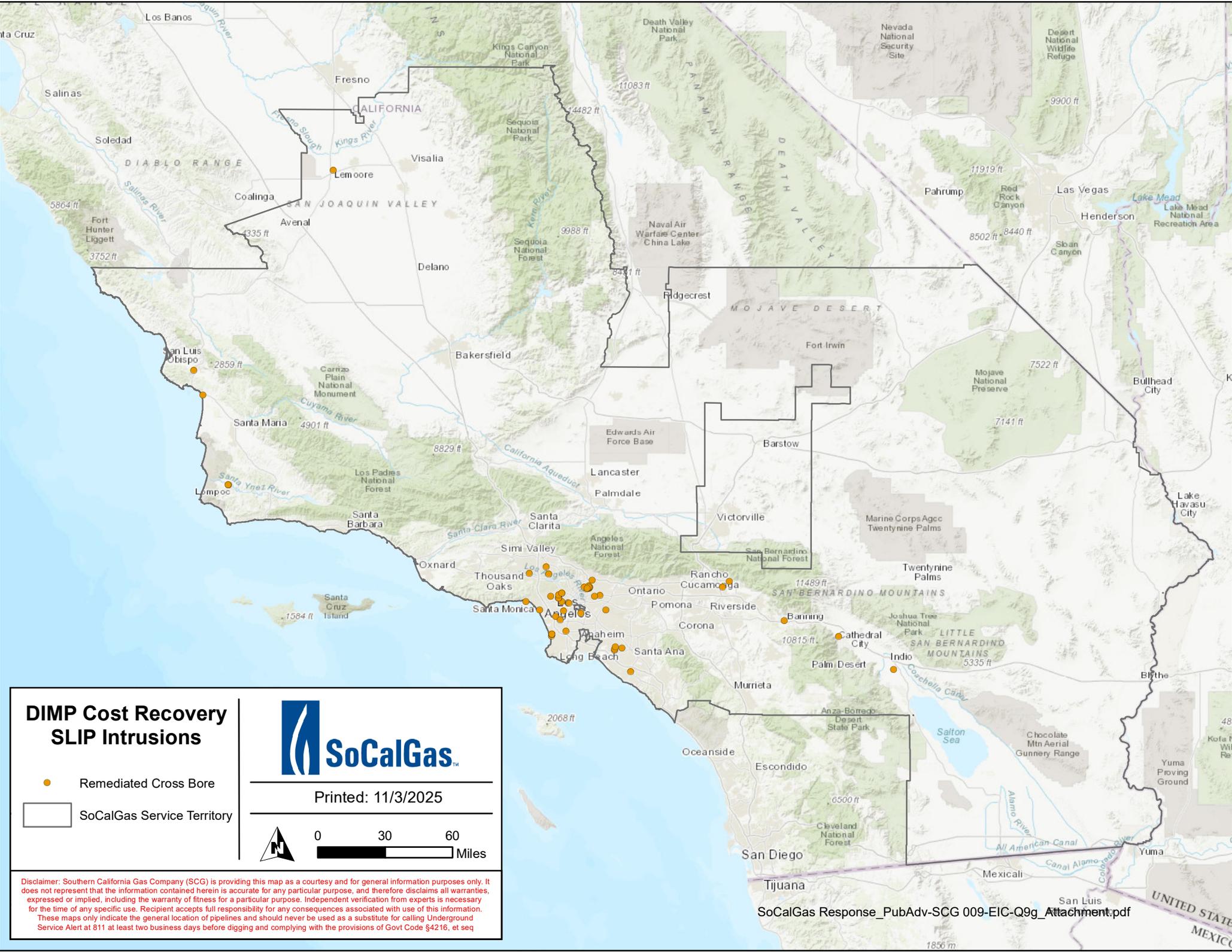
- a) Define “trenchless gas pipeline installation” as discussed in Ex. SCG-02-WP, p. 32, and explain how this installation method can result in cross-bores.
- b) Describe any locating, mapping, or inspection activities SoCalGas conducted prior to gas pipeline **installation** to identify and prevent potential cross-bores.
- c) Describe any locating, mapping, or inspection activities SoCalGas conducted prior to gas pipeline **maintenance** to identify and prevent potential cross-bores.
- d) State whether the cross bores identified in this Application could have been reasonably avoided through improved planning or execution. Explain why or why not.
- e) Specify the time period during which the cross-bores were created.
- f) Provide a map of cross-bores located but not yet fixed.
- g) Provide a map of cross-bores located and fixed.

RESPONSE 9:

- a) As stated in the Prepared Direct Testimony of Mark Forster and Shaena Walker Ex. SCG-02 at FW-9, “Trenchless installation are methods where pipelines are installed underground with minimal required excavation, such as horizontal directional drilling or pneumatic ground piercing”. Prior to SoCalGas implementing preventative measures described in b), trenchless installations may inadvertently cross a sewer lateral and bore through it, creating what is referred to as a “cross bore.”
- b) Generally, prior to installing gas pipelines using trenchless installations SoCalGas takes steps to prevent cross bores. 811 is called to have underground utilities located and marked and SoCalGas provides at least three working days’ notice to nearby schools, hospitals, or licensed daycare facilities before non-emergency excavation within 500 feet. SoCalGas also arranges for a plumber to mark all sewer mains and laterals in the work area because they are not within the scope of 811 requests. These markings help crews plan safe bore paths and avoid sewer infrastructure, reducing the risk of cross bores and ensuring public safety. Additionally, sewer laterals and mains near the bore path will be potholed. Exposed lines remain open until visual confirmation that the gas pipe has been installed, and sewer lateral is not damaged. After installation, all sewer lines are camera inspected within 45 days.

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- c) Cross bores can only occur with trenchless pipeline installation and do not occur with pipeline maintenance.
- d) Sewer mains and laterals are not marked as part of 811 requests and sewer laterals are typically not mapped, nor are required to, because they belong to the property owner. Cross bores are undetected unless they are encountered or discovered through sewer work or the pipe is otherwise exposed. Due to these circumstances, cross bores had not been a prevalently known issue. Currently, this risk is mitigated through improved processes described above in b). This enhanced planning and execution significantly reduces the likelihood of cross bores.
- e) Cross bores may have been created by trenchless pipeline installation occurring prior to 2016.
- f) Not available. All cross bores are repaired upon identification.
- g) See attachment SoCalGas Response_PubAdv-SCG 009-EIC-Q9g Attachment.pdf for the cross bores that were remediated between February 1 and December 31, 2023.

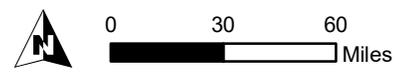


DIMP Cost Recovery SLIP Intrusions

- Remediated Cross Bore
- SoCalGas Service Territory



Printed: 11/3/2025



Disclaimer: Southern California Gas Company (SCG) is providing this map as a courtesy and for general information purposes only. It does not represent that the information contained herein is accurate for any particular purpose, and therefore disclaims all warranties, expressed or implied, including the warranty of fitness for a particular purpose. Independent verification from experts is necessary for the time of any specific use. Recipient accepts full responsibility for any consequences associated with use of this information. These maps only indicate the general location of pipelines and should never be used as a substitute for calling Underground Service Alert at 811 at least two business days before digging and complying with the provisions of Govt Code §4216, et seq

Attachment C

SoCalGas's Response to Cal Advocates Data Request

PubAdv-SCG-008-EIC, Question 10, dated October 31, 2025

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QUESTION 10:

Referring to the VIPP PAAR, please provide the following information and **report all data separately for each pipe vintage listed below in Table 1:**

Years of Manufacture	Alathon Resin
1965 to 1970	5040
1970 to 1972	5043
1973 to 1983	5043
1983 to 1988	5046-C
1988 to 1992	5046-U
1992 to 1999	5046-O
2000 and Later	-

Source: Hazard Analysis and Mitigation Report on Aldyl A Polyethylene Gas Pipelines in California, p. 8, Table 1: “Different Vintages and Resins of Aldyl A”, URL: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/safety-policy-division/reports/ra-doc-10-aldyla.pdf>

- a) For each vintage, state the number of miles of Aldyl A pipe contributing to this Application’s revenue requirement request that SoCalGas is addressing through the VIPP PAAR.
- b) For each vintage, provide the cost per mile to repair, identify, remediate, or other related work performed under the VIPP PAAR.
- c) For each vintage, identify the total amount of expenditures contributing to the revenue requirement request in this Application. Separate the totals into O&M and capital.
- d) For each vintage, explain how each number in subparts (a) to (c) was calculated and provide live Excel calculations with formulas.
- e) For each vintage, indicate which transactions in SoCalGas’s response to Cal Advocates Data Request PubAdv-SCG-001-EIC, Question 009, attachment SoCalGas Response_PubAdv-SCG 001-EIC-Q9 Attachment.xlsx, correspond to each vintage. Be sure to include Column H: “Activities”, e.g., SLIP, DRIP, BSRP/VIPP, BSRP, GIPP, VIPP. Provide results in a live Excel spreadsheet clearly mapping each transaction to pipe vintages in Table 1.
- f) If any transactions are coded as VIPP/BSRP or appear under both the VIPP and BSRP PAARs (as shown in attachment SoCalGas Response_PubAdv-SCG 001-EIC-Q9 Attachment.xlsx, Column H: “Activities”), clearly explain:
 - i. How SoCalGas determined the portion attributable to VIPP versus BSRP.
 - ii. The allocation method used to separate VIPP and BSRP.

SOUTHERN CALIFORNIA GAS COMPANY

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**DATA REQUEST RECEIVED: OCTOBER 17, 2025
RESPONSE SUBMITTED: OCTOBER 31, 2025**

-
- iii. Provide supporting Excel calculations showing how VIPP/BSRP costs were distributed between the two programs.

RESPONSE 10:

As noted in the Hazard Analysis & Mitigation Report on Aldyl A Polyethylene Gas Pipelines in California, Table 2 (“Current Miles of Aldyl A Mains by Installation Year”), a manufacturer cutoff year of 1985 was used for Alathon 5043. This accounts for the time delay between manufacturing and installation, such as inventory lag. SoCalGas records do not capture the date of material manufacture nor resin type, only the installation date. Additionally, SoCalGas does not make an actionable distinction between Alathon 5040 and 5043. These resins share overlapping manufacturing years and, as identified in Table 1 of the same report (“Different Vintages and Resins of Aldyl A”), both exhibit low resistance to slow crack growth. Therefore, they are effectively grouped into a single category of pipe with low resistance to slow crack growth. Additionally, pipelines that may have the Low Ductile Inner Wall (LDIW) manufacturing condition are identified by installation years of 1972 or earlier. SoCalGas categorizes these pipes as Pre-1973. SoCalGas categorizes the remaining Aldyl A pipe with Alathon 5043 resin as Post-1972.

Aldyl A pipes manufactured subsequent to the use of Alathon 5043 are composed of materials similar to modern resins, which demonstrate improved resistance to slow crack growth. As such, pipe installed after 1985 are not included in the VIPP.

- a) The number of miles of Pre-1973 and Post-1972 vintage Aldyl A are 16 and 75 miles, respectively.
- b) The cost of replacement for Aldyl A in the VIPP PAAR that are included in this Application were not recorded by vintage. Therefore, SoCalGas cannot provide a cost per mile by vintage as requested. Individual VIPP projects may consist of both of Pre-1973 and Post-1972 vintage pipe to support project constructability and efficiencies but SoCalGas did not separately track the costs included in this Application by vintage.
- c) The cost of replacement for Aldyl A in the VIPP PAAR that are included in this Application were not recorded by vintage. Therefore, SoCalGas cannot provide the total O&M and capital costs by vintage as requested. Individual VIPP projects may consist of both of Pre-1973 and Post-1972 vintage pipe to support project constructability and efficiencies but SoCalGas did not separately track the costs included in this Application by vintage.
- d) For a., the number of miles of Pre-1973 and Post-1972 vintage Aldyl A addressed through the VIPP PAAR are from records and are not based on calculations. See

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response for b. and c.

- e) See SoCalGas Response PubAdv-SCG 008-EIC-Q10 Attachment.xlsx.

- f) See Table TTS-3 in the Prepared Direct Testimony of Travis T. Sera Ex. SCG-01 for the O&M costs that are coded as VIPP/BSRP in the referenced attachment. SoCalGas did not delineate these costs between VIPP and BSRP when they were recorded to the DIMPBA.

Attachment D

**SoCalGas's Response to Cal Advocates Data Request
PubAdv-SCG-011-EIC, Question 6, dated November 21, 2025**

SOUTHERN CALIFORNIA GAS COMPANY

A.25-08-008

**PUBLIC ADVOCATES OFFICE DATA REQUEST
PUBADV-SCG-011-EIC**

**DATA REQUEST RECEIVED: NOVEMBER 7, 2025
RESPONSE SUBMITTED: NOVEMBER 21, 2025**

QUESTION 6:

Referring to SoCalGas's response to Cal Advocates DR009, Q.9b, SoCalGas stated:
Generally, prior to installing gas pipelines using trenchless installations SoCalGas takes steps to prevent cross bores. 811 is called to have underground utilities located and marked and SoCalGas provides at least three working days' notice to nearby schools, hospitals, or licensed daycare facilities before non-emergency excavation within 500 feet. SoCalGas also arranges for a plumber to mark all sewer mains and laterals in the work area because they are not within the scope of 811 requests. These markings help crews plan safe bore paths and avoid sewer infrastructure, reducing the risk of cross bores and ensuring public safety. Additionally, sewer laterals and mains near the bore path will be potholed. Exposed lines remain open until visual confirmation that the gas pipe has been installed, and sewer lateral is not damaged. After installation, all sewer lines are camera inspected within 45 days.

Referring to SoCalGas's response to Cal Advocates DR009, Q.9e, SoCalGas stated:
Cross bores may have been created by trenchless pipeline installation occurring prior to 2016.

Please provide the following information:

- a) Referring to the Q.9b response: Identify the month and year when SoCalGas began implementing each of the preventive measures described and whether these preventative measures have been consistently applied each time during trenchless installation.
- b) Referring to the Q.9b response: Specify the proportion of activities included in the SLIP PAAR in SoCalGas's cost recovery request in this Application can be attributed to installations completed before or after the implementation of these preventive measures described in Q.9b.
- c) Referring to the Q.9e response: Confirm whether or whether not ratepayers are effectively paying twice for the same utility infrastructure: first for the original pipeline installation and second for the SLIP PAAR activities related to such pipeline installations. If ratepayers are paying twice, please explain why and justify the reasonableness and incrementality of SoCalGas's SLIP PAAR cost recovery request.
- d) Referring to the Q.9e response: Identify the first year in which SoCalGas began using trenchless pipeline installation methods for its distribution pipelines.
- e) Referring to the Q.9e response: Explain whether the creation of new cross bores stopped after 2016 and if so, why. For example, was this change due to new procedures or steps, as described in SoCalGas's Q.9b response?

SOUTHERN CALIFORNIA GAS COMPANY

A.25-08-008

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**DATA REQUEST RECEIVED: NOVEMBER 7, 2025
RESPONSE SUBMITTED: NOVEMBER 21, 2025**

RESPONSE 6:

- a) SoCalGas began notifying nearby schools, hospitals, and licensed daycare facilities prior to non-emergency excavations within 500 feet in or about July 2015. The practice of potholing sewers near the bore path and performing camera inspections following trenchless construction was introduced in or about January 2015. The implementation of these measures were transitioned into processes through 2015 and were regularly applied by January 2016.
- b) The cost recovery request in this Application is attributed to cross-bores that occurred prior to the implementation of these preventative measures.
- c) SoCalGas objects to this question on the grounds it is compound, argumentative and is vague and ambiguous as to “incrementality” as used in this question.
- d) As stated in the Workpapers Supporting the Prepared Direct Testimony of Mark Forster and Shaena Walker, Ex. SCG-02-WP at WP-32, the first step in the SLIP process is to review pipeline installation records to determine whether trenchless installation methods were used. Based on this review, 1969.
- e) Sewer laterals are often unmapped or difficult to locate, making it challenging to prevent all cross-bores. As a result, a cross-bore may still occur even with the preventative measure in place. However, with the preventative measures outlined in SoCalGas’s response to Cal Advocates DR009, Q.9b, a post-installation camera inspection is performed to identify such occurrences. If a cross-bore is detected during a new installation, it is promptly remediated as part of the installation project.