

Application: A.25-02-XXX
Exhibit No.: SDG&E-01
Witness: T. Sera

Application of San Diego Gas & Electric Company
(U 902 G) to Recover Costs Recorded in the
Transmission Integrity Management Program
Balancing Account from January 1, 2019 to
December 31, 2023.

A.25-02-XXX

CHAPTER I
PREPARED DIRECT TESTIMONY OF
TRAVIS T. SERA
(TIMP DEVELOPMENT AND IMPLEMENTATION)
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

February 27, 2025

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CHAPTER I
PREPARED DIRECT TESTIMONY OF TRAVIS SERA
(TIMP Development and Implementation)

I. PURPOSE AND OVERVIEW OF TESTIMONY

The purpose of my prepared direct testimony is to provide an overview of San Diego Gas and Electric Company's (SDG&E) program development and implementation activities undertaken to execute the Transmission Integrity Management Program (TIMP), and to demonstrate that changes in the regulatory requirements for execution of the TIMP program that became effective between January 1, 2019 and December 31, 2023 required SDG&E to perform more work in the TIMP program than originally forecasted in the Test Year (TY) 2019 General Rate Case (GRC). The total TIMP costs for the five-year TY 2019 GRC cycle is \$128.7 million. This application seeks to recover the under-collected revenue requirement in the TIMP Balancing Account (TIMPBA) of \$7.4 million, which is the under-collected balance in the TIMPBA for the period of August 1, 2023 through December 31, 2023.¹

My testimony describes the activities associated with the TIMP from January 1, 2019 through December 31, 2023, with an emphasis on how the changes to the TIMP regulatory requirements resulted in more expenditures by SDG&E. The changes to the TIMP regulatory requirements include but are not limited to:

- An increase in the number of pipe segments that required assessment for Manufacturing (M) and Construction (C) threats² due to an amendment of the Code of Federal Regulations (CFR) § 192.917(e)(3).

¹ See Decision (D.) 19-09-051 at 694-695 and 700, which allows SDG&E to recover under-collections when actual expenditures exceed authorized O&M and capital expenditures by up to 35 percent via advice letter; and under-collections above 35 percent of authorized O&M and capital expenditures could be recovered through a separate proceeding. SDG&E submitted Advice Letter 3257-G-A requesting authority to recover its TIMPBA under-collected balance of \$21.7 million as of July 31, 2023. This balance represents the cumulative incremental revenue requirement associated with reasonably incurred TIMP expenditures, which exceeded the authorized TY 2019 GRC cycle O&M and capital expenditures by 24% as of July 31, 2023.

² As described in ASME B31.8S, Section 2.2 and Appendix A.

- An advisory bulletin from the Pipeline Hazardous Materials Safety Administration (PHMSA) stating that the threat of Stress Corrosion Cracking (SCC) must be considered active³.
- An acceleration of assessment due dates for newly identified threats, such as the M, C, and SCC threats prompted by a PHMSA interpretation of 49 CFR § 192.939⁴ and confirmed by the California Public Utilities Commission (CPUC or Commission).
- An expansion of the pipeline assessment requirements to include pipe segments located within Moderate Consequence Areas (MCAs) and additionally within Class 3 and 4 pipelines that are not within identified High Consequence Areas (HCAs), as mandated by the addition of 49 CFR § 192.710.

II. OVERVIEW OF TESTIMONY

My testimony will discuss the Commission regulatory history and oversight mechanisms applied to the TIMP, and will explain the TIMP program cost components and how the new regulatory compliance activities impacted these cost components. These cost components provide the basis for determining the revenue requirements recorded in SDG&E's TIMPBA. The technical project execution and management level detail is addressed in the Prepared Direct Testimony of Elaine Weim and Travis Sera, Technical Project Execution and Management, Chapter II, and the supporting workpapers.⁵

The testimonies and workpapers in this Application will show that SDG&E demonstrated a responsible and forward looking commitment to transmission pipeline safety and system integrity; activities were accelerated to meet or exceed emerging regulatory requirements; the TIMP was implemented with a prospective, long-term objective to improve the overall safety,

³ PHMSA Advisory Bulletin Federal Register 2017-05262, *available at*: <https://www.phmsa.dot.gov/regulations/federal-register-documents/2017-05262>.

⁴ Pipeline and Hazardous Materials Safety Administration, *Gale, John A. Letter to Ms. Christine Cowser VP, Gas Asset Mgmt. & System Operations Pacific Gas and Electric Company* (June 23, 2021) *available at*: <https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/docs/standards-rulemaking/pipeline/interpretations/75361/pacific-gas-and-electric-company-pi-21-0004-06-24-2021-part-192939.pdf>.

⁵ Workpapers were only prepared for ILI projects costing at least \$1 million and Direct Assessment projects that primarily incurred costs from January 1, 2019, to December 31, 2023 (Ex. SDG&E-02-WP).

1 integrity, and reliability of the gas system; and costs were reasonably incurred and should be
2 approved for recovery.

3 **III. TIMP IMPLEMENTATION**

4 **A. TIMP Objective**

5 SDG&E is committed to providing safe and reliable service at reasonable rates through a
6 process of continual safety enhancement by proactively identifying, evaluating, and reducing
7 pipeline integrity risks for transmission pipelines. This commitment requires SDG&E to execute
8 the TIMP to continually reduce the overall system risk through prescriptive assessments on
9 transmission pipelines as required by 49 CFR Part 192, Subpart O⁶ and later 49 CFR § 192.710.
10 Specifically, these activities include:

- 11 • maintaining and enhancing safety;
- 12 • maintaining consistency with local, state, and federal regulatory and legislative
13 requirements;
- 14 • maintaining overall system integrity; and
- 15 • supporting SDG&E's commitment to mitigate risks associated with threats to
16 customer/public safety, infrastructure integrity, and system reliability.⁷

17 Under Subpart O, and later 49 CFR § 192.710, SDG&E is required to continually identify
18 threats to its pipelines in HCAs, MCAs, and Class 3 and 4 pipelines not in HCAs, determine the
19 risk posed by these threats, schedule and track assessments to address threats, conduct an
20 appropriate assessment in a prescribed timeline, collect information about the condition of the
21 pipelines, take actions to minimize applicable threats and integrity concerns to reduce the risk of
22 a pipeline failure, and report findings to regulators.

⁶ Other subparts are incorporated, referenced or cited in Subpart O. On October 1, 2019, Pipeline and Hazardous Materials Safety Administration (PHMSA) issued the Pipeline Safety: Safety of Gas Transmission Pipelines: Maximum Allowable Operating Pressure (MAOP) Reconfirmation, Expansion of Assessment Requirements, and Other Related Amendments final rule as codified, in relevant part, in 49 CFR 192.710.

⁷ See A.17-10-007, Ex. SDG&E-11 at MTM-1 to MTM-2 (Direct Testimony of Maria T. Martinez dated Oct. 6, 2017); available at: <https://www.sdge.com/sites/default/files/SDG%2526E-11%2520Direct%2520Testimony%2520of%2520Maria%2520Martinez%2520-%2520TIMP-DIMP.pdf>.

SDG&E operates approximately 182 HCA miles out of 218 miles of transmission pipelines as defined by the United States Department of Transportation (DOT).⁸ SDG&E's unique system and location of operations has a direct and significant bearing on overall costs to comply with federal TIMP requirements.

B. TIMP Background

SDG&E's TIMP implements the federal regulatory requirements set forth in 49 CFR Part 192, Subpart O, and later 49 CFR § 192.710.⁹ These federal pipeline regulations were first adopted effective February 14, 2004, following the passage of the Pipeline Safety Improvement Act of 2002, to promote the continued safe and reliable operation of the country's natural gas infrastructure.

In 2011, the California Legislature passed Senate Bill (SB) 879, codified as Public Utilities Code (PUC) Section 969, which expressly requires that gas corporations "establish and maintain a balancing account" to recover TIMP expenses and related capital expenditures for the maintenance and repair of transmission pipelines. To comply with PUC § 969, the adoption of additional TIMP-related regulations, the high variability in the costs of integrity assessments (baseline assessment and reassessments) and related repairs, and calls for heightened transmission integrity efforts, SDG&E revised its then-pending TY 2012 GRC request to establish a two-way balancing account for TIMP-related costs which was approved in Decision (D.) 13-05-010. The TIMPBA was established to record actual O&M and capital-related costs associated with SDG&E's TIMP and to track the difference between authorized and actual revenue requirement.¹⁰ The TIMPBA has since been reauthorized in connection with SDG&E's TY 2016 and TY 2019 GRC decisions.¹¹

Pursuant to D.19-09-051, SDG&E is authorized to submit a Tier 3 advice letter to seek recovery of any TIMP under-collections of revenue requirement when actual expenditures

⁸ 49 CFR § 192.3.

⁹ Subpart O is incorporated into the Commission's General Order (GO) 112-F.

¹⁰ SDG&E's TIMPBA effective for the TY 2019 GRC cycle, *available at*: <https://tariffsprd.sdge.com/view/historical/?utilId=SDGE&bookId=GAS&tarfKey=757&tarfYear=2019>.

¹¹ D.16-06-054 at 325; D.19-09-051 at 777-778. In D.24-12-074, the Commission authorized a TIMPBA for SDG&E's TY 2024 GRC four year cycle.

1 exceed the total authorized O&M and capital expenditures for the entire cycle.¹² For any under-
2 collections of revenue requirement as a result of actual expenditures greater than or equal to 35%
3 of the total authorized O&M and capital expenditures, SDG&E is authorized to seek recovery
4 through a separate application.¹³

5 On December 15, 2023, SDG&E submitted advice letter (AL) 3257-G requesting
6 authority to recover its Timpba under-collected balance of \$23.3 million as of July 31, 2023.
7 The requested balance represents the cumulative incremental revenue requirement associated
8 with reasonably incurred Timp expenditures, which exceeded the authorized TY 2019 GRC
9 cycle O&M and capital expenditures by 24% as of July 31, 2023. On September 30, 2024,
10 SDG&E submitted supplemental AL 3257-G-A which updated the Timpba under-collected
11 balance, as of July 31, 2023, to \$21.7 million to account for certain Timp expenditure
12 corrections, and to true up on-going capital-related revenue requirements, interest, and revenue
13 recorded to the Timpba.¹⁴

14 Since August 1, 2023, SDG&E has continued to record under-collections in its Timpba
15 due to on-going O&M and capital expenditures for the TY 2019 GRC cycle. As of
16 December 31, 2023, SDG&E's Timpba in total exceeded the authorized TY 2019 GRC cycle
17 O&M and capital expenditures by 52%, as shown in Table TS-1. This application seeks to
18 recover \$7.4 million of revenue requirement, which is the under-collected balance in the
19 Timpba for the period of August 1, 2023 through December 31, 2023.

¹² D.19-09-051 at 694-695, 700. *See also* A.17-10-007, Ex. SDG&E-41 at NGJ-11 to NGJ-12 (Direct
Testimony of Norma G. Jasso dated Oct. 6, 2017), *available at*:
<https://www.sdge.com/sites/default/files/SDG%2526E-41%2520Direct%2520Testimony%2520of%2520Norma%2520Jasso%2520-%2520Regulatory%2520Accounts.pdf>.

¹³ *Id.*

¹⁴ *See* SDG&E AL 3257-G-A at 1. AL 3257-G-A is currently pending Commission approval. Additional details regarding SDG&E AL 3257-G-A are discussed in the Prepared Direct Testimony of Eric Dalton (Chapter III) at 3-5.

Table TS-1
TIMP Expenditures (Authorized v. Actual, \$000)

Authorized	O&M	Capital	Total
2019	8,812	4,526	13,338
2020	9,045	8,236	17,281
2021	9,269	8,366	17,635
2022	9,454	8,464	17,918
2023	9,667	8,645	18,312
Subtotal	46,247	38,237	84,484

Actual	O&M	Capital	Total
2019	9,558	5,375	14,933
2020	10,723	3,816	14,538
2021	11,622	2,284	13,906
2022	12,137	12,448	24,586
2023	34,144	27,008	61,152
2024*	626	(\$1,090)	(\$464)
Subtotal	78,810	49,840	128,650

Over/ (Under) Authorized			
\$	32,563	11,603	44,166
%	170%	130%	152%

C. TIMP Cost Categories

SDG&E has generally separated TIMP O&M and TIMP capital expenditures into the following four categories for presenting and describing TIMP activities: (1) Assessments and Remediation; (2) Preventative and Mitigative (P&M) Measures; (3) Data and Geographic Information Systems (GIS); and (4) Program Management and Support/Risk and Threat. While assessments and remediations have represented the majority of SDG&E's TIMP-related work during this GRC cycle as anticipated, actual expenditures for each of these cost categories have been higher than forecasted for reasons explained below. The total TIMP costs are summarized in Table TS-2.

TABLE TS-2
TIMP O&M and Capital Expenditures by Category (2019-2023)

Labor + Non-labor Recorded (\$000)	2019	2020	2021	2022	2023	2024*	Total
O&M							
Assessments and Remediation	\$6,806	\$8,201	\$9,294	\$9,686	\$31,770	-	\$65,757
Preventative and Mitigative (P&M) Measures	143	405	474	297	111	-	1,430
Data and Geographic Information Systems (GIS) Program	1,139	1,108	672	481	355	-	3,754
Management and Support/Risk and Threat Adjustment	1,471	1,009	1,182	1,673	1,908	-	7,243
	-	-	-	-	-	626	626
O&M - Subtotal	\$9,558	\$10,723	\$11,622	\$12,137	\$34,144	\$626	\$78,810
Capital Expenditures							
Capital Expenditures	\$5,375	\$3,816	\$2,284	\$12,448	\$27,008	-	\$50,931
Adjustment	-	-	-	-	-	(1,090)	(1,090)
Capital Expenditures – Subtotal	\$5,375	\$3,816	\$2,284	\$12,448	\$27,008	(\$1,090)	\$49,840
Total O&M and Capital	\$14,933	\$14,538	\$13,906	\$24,586	\$61,152	(\$464)	\$128,650

Note: Subtotals may include rounding differences.

*2024 only includes adjustments for TIMP expenditures through December 31, 2023, as described in SDG&E AL 3257-G-A.

1. Assessments and Remediations

TIMP is built upon meeting federal and state requirements that go above and beyond routine maintenance activities by monitoring and remediating risk on the pipeline system with the goal of reducing overall risk. TIMP manages this risk reduction through the execution of assessments (In-Line Inspection (ILI), Direct Assessment, Guided Wave Ultrasonic Testing or Pressure Test (PT)), mitigation activities, and remediation of anomalies discovered on transmission pipelines (which vary from project to project based on assessment findings).

SDG&E applies ILI, External Corrosion Direct Assessments (ECDA), and Stress Corrosion Cracking Direct Assessment (SCCDA) for the majority of the pipeline integrity assessments. SDG&E continues to expand ILI assessments into pipeline segments that previously could not be inspected by ILI tools when feasible¹⁵. During this GRC cycle, pipeline segments with newly identified threats prompted SDG&E to retrofit these segments to make them inspectable by ILI. These efforts represent both best practice and a response to new federal regulations that included several new or updated sections within 49 CFR Part 192 as part of the Gas Transmission Safety Rule (GTSR)¹⁶, updated interpretations of existing regulations, and PHMSA advisory bulletins that expanded the scope of the TIMP. Every change to the federal regulations required evaluation to determine its potential impact on TIMP and overall SDG&E activities. New and updated sections that impacted TIMP cost include:

- New requirements that an operator must satisfy to consider the M and C threats stable. SDG&E had to review the records for the pipeline segments in its system to determine if any M and C threats that were considered stable under previous requirements would now require assessment under the new requirements in 49 CFR § 192.917(e)(3).
- Expansion of SCC threat to be considered ‘active’ by default for all pipeline segments. SDG&E had to develop a process to determine the susceptibility of its pipeline segments to the SCC threat to satisfy the requirements provided in a PHMSA advisory bulletin.
- Acceleration of assessment due dates for newly identified threats. PHMSA interpretation of 49 CFR § 192.939 “What are the required reassessment intervals” declared that when a new threat is identified on a pipeline segment it must be assessed by the deadline associated with the segment’s existing assessment interval. For instance, if during the process of identifying potential M, C, or SCC threats in SDG&E’s system, SDG&E

¹⁵ A.17-10-007, Ex. SDG&E-11 (Martinez) at MTM-11 to MTM-12.

¹⁶ On October 1, 2019, PHMSA issued the Pipeline Safety: Safety of Gas Transmission Pipelines: Maximum Allowable Operating Pressure (MAOP) Reconfirmation, Expansion of Assessment Requirements, and Other Related Amendments final rule, which took effect July 1, 2020. On April 8, 2022, PHMSA issued the Pipeline Safety: Requirement of Valve Installation and Minimum Rupture Detection Standards final rule, which took effect October 5, 2022. On August 24, 2022, PHMSA issued the Pipeline Safety: Safety of Gas Transmission Pipelines: Repair Criteria, Integrity Management Improvements, Cathodic Protection, Management of Change, and Other Related Amendments final rule, which took effect May 24, 2023. The TIMPBA includes costs associated with the expansion of the TIMP requirements.

identifies a M, C, or SCC threat on a segment that is in the process of being assessed for other threats, the newly identified threat must be assessed during the current assessment cycle.

- A new assessment requirement for MCAs was added to 49 CFR § 192.710. SDG&E's pipeline system had to be evaluated to determine where new MCAs were present, and assessment scopes had to be expanded to include the new MCAs accordingly.

a) Assessments and Remediations – Cost Drivers

In order to comply with the changes to threat assessment and associated timelines, new and/or additional inspection technologies had to be employed for segments with newly identified threats that were not previously anticipated prior to 2019-2023. SCC, M, and C threats cannot be assessed using the ECDA assessment method. The M and C threats can be assessed using ILI or PT. SCC can be assessed by either ILI, PT, or SCCDA. ILI tools utilized in the SDG&E system to evaluate the SCC, M, and C threats on their pipelines include Axially oriented Magnetic Flux Leakage (MFL-A), Circumferentially oriented Magnetic Flux Leakage (MFL-C), and Electromagnetic Acoustic Transducer (EMAT). Deployment of ILI tools in pipelines that have not been previously inspected using ILI require the installation of launchers and receivers necessary to enable ILI tool ingress and egress. There may also be a need for pipeline retrofits to remove ILI restrictions such as unbarred tees, valves that do not allow ILI tool passage, and abrupt changes in pipeline diameter and/or wall thickness.

In addition to retrofitting the pipeline, new inspection tools necessitate development of engineering processes to evaluate the inspection results provided by ILI vendor and determine the appropriate response. New inspection tools also require dedicated excavations to check how well the measurements made by the inspection tool match the actual pipe condition. The results from multiple inspections require integration for potentially interacting anomalies, which necessitates additional training of integrity engineers reviewing the results of the inspection.

The identification of new active threats on SDG&E pipeline segments and associated timelines required SDG&E to assess 59 miles of SDG&E pipeline using crack or long seam defect detection ILI tools during the TY 2019 GRC cycle compared to 0 miles that were assessed using crack or long seam defect detection ILI tools during the previous TY 2016 GRC cycle. In the TY 2019 GRC, SDG&E forecasted conducting one ILI assessment and nine ECDA

assessments in 2019 for its TIMP. Transmission pipeline assessments in HCAs are completed at a maximum of every seven years, so each year the number and type of assessments that need to be completed changes. The actual activity level for ILI, ECDA and SCCDA assessments through December 2023 is presented in Table TS-3.

Table TS-3
TIMP Assessments - Forecast vs. Actuals

	GRC Forecast	Actuals				
	2019	2019	2020	2021	2022	2023
ILI	1	5	4	3	1	5
ECDA	9	7	3	1	2	5
SCCDA	N/A	0	0	0	0	4

Further, to assess a pipe segment for SCC using SCCDA, SDG&E uses the results from ECDA and/or ILI as well as additional inspection methods that are required to complete an SCCDA. Moreover, dedicated validation digs must be selected to validate both the ECDA, ILI and SCCDA inspection results, sometimes doubling or more the number of excavations required to complete the assessment of the pipeline segment.

2. Preventive and Mitigative Measures

P&M measures are a fundamental aspect of the TIMP and of the safe and reliable operation of the natural gas system in general. Preventive actions are those that can be taken to reduce or eliminate an integrity threat. Mitigative actions address the consequences of failure. P&M activities include but are not limited to damage prevention, corrosion control, and leak survey. These P&M activities provide a proactive approach to pipeline safety and have been routinely implemented in the natural gas industry for many years. SDG&E continually evaluates opportunities to implement additional P&M activities to further reduce risk.

TIMP uses data obtained during assessments to evaluate when and where various P&M measures, referenced throughout 49 CFR Part 192 and American Society of Mechanical Engineers (ASME) B31.8S, can be implemented or enhanced to reduce system risk by integrating the assessment data with existing operational data. When opportunities for additional P&M activities to reduce risk are identified, TIMP coordinates with operational groups

1 responsible for implementing and maintaining the P&M program to determine the appropriate
2 scope and extent of the proposed P&M activities.

3 **3. Data and Geographic Information Systems**

4 The High-Pressure Pipeline Database (HPPD) houses and maintains the data collected for
5 transmission pipelines during the pre-assessment process, various assessments, and remediation
6 efforts completed as part of TIMP. Updates to the HPPD are required to continuously reflect
7 changes in the pipeline system based on new construction, replacements, abandonments, or re-
8 conditioning of pipelines for not only TIMP-related projects, but also for all company-wide
9 projects to holistically analyze the entire transmission pipeline system. Various tool sets
10 (applications) used within the HPPD allow for the analysis and determination of HCAs, relative
11 risk evaluation of the transmission system, and the creation of Assessment Plans. Ongoing best
12 practices of digitizing records, updating databases, and improving the GIS system contributed to
13 the expenses in this Application. New and updated sections of 49 CFR Part 192 that took effect
14 July 1, 2020 prompted the commencement of preparation work to satisfy additional new
15 compliance obligations beginning on July 1, 2021, thereby necessitating significantly more
16 record reviews and follow-on GIS and HPPD updates than originally planned for in the TY 2019
17 GRC cycle.

18 **4. Program Management and Support/Risk and Threat**

19 Program Management and Support expenses include the salaries and expenses associated
20 with developing and supporting the integrity management program, data management, and risk
21 management of the transmission pipelines. The activities prescribed by Subpart O, and later 49
22 CFR § 192.710, are primarily implemented and managed by the TIMP team, which is comprised
23 of engineers, project managers, technical advisors, project specialists, and other employees with
24 varying degrees of responsibility.

25 Also included in this cost category are efforts to support TIMP management activities
26 through the development and implementation of standard operating procedures to promote
27 consistent and safe processes and comply with current and expanded regulatory obligations
28 under new federal regulations that began taking effect July 1, 2020.¹⁷ Company personnel and

¹⁷ *Id.*

1 contracted consultants collaborated to provide direction, guidance, and to recommend and
2 implement process improvements for assessment projects and enhance data management tools.
3 For these activities, the expenses incurred above the initial forecast levels are a result of the
4 increased number of assessments, repairs, and mitigation activities, as well as creating new or
5 enhancing existing standard operating procedures.

6 The Risk and Threat team performs threat identification and risk assessment of its
7 transmission pipelines per Subpart O, and 49 CFR § 192.710. As described in the TY 2019
8 GRC, threat identification and risk assessment are considered the starting point in SDG&E's
9 TIMP implementation process. SDG&E uses a prescriptive approach for threat identification,
10 which includes the nine categories of threats described in ASME Standard B31.8S: External
11 Corrosion; Internal Corrosion; Stress Corrosion Cracking; Manufacturing; Construction;
12 Equipment; Mechanical; Incorrect Operations; and Weather Related and Outside Force. All
13 pipelines operated in HCAs and segments defined in 49 CFR § 192.710 are evaluated for each
14 threat category and risk assessment is utilized to prioritize HCA pipeline segments for integrity
15 management actions including baseline assessments, integrity reassessment, P&M activities and
16 enable more effective resource allocation.¹⁸

17 As an additional step of this threat identification and risk assessment process, SDG&E
18 has expanded the research involving both construction and weather-related and outside force
19 threats. For example, to better understand the dynamics of certain construction threats, the
20 Company has initiated a centralized effort to oversee the performance of destructive testing on
21 wrinkle bends – an incremental activity starting in 2020 not accounted for in the TY 2019 GRC
22 cycle. This additional information will provide valuable understanding and help guide strategies
23 to manage and mitigate this threat moving forward.

24 **IV. TIMP COST MANAGEMENT AND OVERSIGHT MEASURES**

25 SDG&E's TIMP cost management and oversight measures are overseen by a dedicated
26 financial planning team that evaluates capital and O&M costs, communicating and reporting to
27 management and teams responsible for project costs. The TIMP activities are tracked following

¹⁸ A.17-10-007, Ex. SDG&E-11 (Martinez) at MTM-10 to MTM-11.

1 internal accounting guidelines. The following describes the TIMP financial oversight process
2 that SDG&E developed throughout the course of the TY 2019 GRC cycle:

- 3 • A financial planning team supports TIMP for accurate cost accounting.
- 4 • Dedicated internal orders for each activity are developed and implemented to track and
5 allocate costs and to allow for prudent review of charges.
- 6 • Management personnel review each invoice on an ongoing basis, and cost reports are
7 established and reviewed monthly to determine which cost center to charge.
- 8 • A separate manager routinely reviews all charges to confirm expenditures were
9 appropriately incurred and recorded.
- 10 • The project team assists with the coding and accounting for costs as incurred, as well as
11 reviewing posted transactions for validity and proper inclusion in the balancing account.
- 12 • Quarterly confirmations are provided to the Company's Regulatory Accounting group
13 attesting to the material accuracy of the balancing account transactions.

14 **V. CONCLUSION**

15 SDG&E's TIMP has continued to evolve and adapt to new regulatory changes, identify
16 and assess risks, remediate conditions that present a potential threat to pipeline integrity, monitor
17 program effectiveness, and promote safety and reliability to its customers. The under-collection
18 requested in this application for TIMP is reasonable to support the activities that are intended to
19 meet federal and state requirements as described within our testimony and should be adopted by
20 the Commission.

21 This concludes my prepared direct testimony.

1 **VI. WITNESS QUALIFICATIONS**

2 My name is Travis Sera. I am employed by SoCalGas as the current Director of Integrity
3 Management for SoCalGas and SDG&E. My business address is 555 West Fifth Street, Los
4 Angeles, California, 90013-1011.

5 I joined SoCalGas in 1995 and have held various positions of increasing responsibility
6 within the Gas Engineering and System Integrity department. I left SoCalGas briefly, from 2003
7 to 2005, and during this time held the title of Senior Consulting Engineer for Structural Integrity
8 Associates, an engineering consulting firm to the nuclear, petro-chemical, and pipeline
9 industries.

10 I have been in my current position at SoCalGas since 2019. My responsibilities include
11 oversight of the Transmission Integrity Management Program and the Distribution Integrity
12 Management Program, in addition to the broad application of Integrity Management principles
13 across various departments within SoCalGas and SDG&E. I have a Bachelor of Science degree
14 in Materials Engineering from California Polytechnic State University - San Luis Obispo, I am a
15 registered Professional Metallurgical Engineer in the State of California, and I hold a CP4 -
16 Cathodic Protection Specialist certification from the Association for Materials Protection and
17 Performance (AMPP).

18 I have previously testified before the Commission.