

**SOUTHERN CALIFORNIA GAS COMPANY  
SAN DIEGO GAS & ELECTRIC COMPANY**

**APPLICATION FOR APPROVAL OF THE FORECASTED REVENUE REQUIREMENT  
ASSOCIATED WITH CERTAIN PIPELINE SAFETY ENHANCEMENT PLAN PROJECTS,  
ASSOCIATED RATE RECOVERY AND AUTHORITY TO MODIFY AND CREATE  
CERTAIN BALANCING ACCOUNTS**

**(A.17-03-021)**

**ORA DATA REQUEST – 01 (A.17-03-021)**

**Date Requested: June 21, 2017**

**Date Responded: July 6, 2017**

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**QUESTION 1:**

Please provide the version(s) of Sempra's PSEP estimator tools that were used for the projects included in A.17-03-021 in native format, e.g. MS Excel. If this is not practicable, please contact the originator to explain why and to discuss alternatives.

**RESPONSE 1:**

See Question 1 Attachment for SoCalGas and SDG&E's estimate tool.

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**QUESTION 2:**

In SoCalGas testimony Chapter 2 page 5, a "cost estimating tool" is referenced in the following passage. "

The estimating process used to develop cost estimates for PSEP projects has evolved over time. The first version of a cost estimating tool was produced in 2011 with assistance from outside contractor resources because of the need to develop the tool expeditiously. In 2013, enhancements were made to the tool to increase the number of factors that were considered in deriving the estimate, resulting in a more comprehensive estimate. Since 2013 there have been ongoing efforts to enhance estimate accuracy by incorporating actual costs as they are incurred in the field and through increased focus on estimating through the creation of a dedicated and more experienced estimating department. These continuous improvement enhancements have resulted in a more robust tool that incorporates the input of subject matter experts in the functional areas listed below. These subject matter experts use their respective expertise and professional experience to provide estimate assumptions for their areas that form the basis of each estimate. That said, estimates are just that, and each PSEP project is unique with foreseeable and unforeseeable occurrences.

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With this passage in mind:

A. Has SoCalGas/SDG&E used a version of the estimating tool **for all** of its PSEP projects, including:

-PSRMA

-The 2016 Reasonableness Review Application

-Line 1600/3602 Application

-The present forecast application?

For each of the items please list the version of the tool used. If the tool was not used, please explain why.

B. If the cost estimating tool in the present forecast application differs from the cost estimating tool in these other proceedings, please explain the differences with each comparison.

C. Please state which of these proceedings had the same cost estimator tool as that identified in Chapter 2 of testimony in this proceeding.

D. Please explain the reasons for each difference between the cost estimating tool in this proceeding and that in each of the other proceedings.

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**RESPONSE 2A:**

The phrase “a version of the estimating tool for all of its PSEP projects, including:

-PSRMA

-The 2016 Reasonableness Review Application

-Line 1600/3602 Application

-The present forecast application?” is unclear, because it conflates PSEP projects and PSEP filings, which are not the same thing. In order to attempt to respond to this request, SoCalGas and SGD&E offer responsive information pertaining to the projects contained within the listed filings. Note, a single version of an estimating tool was not used for each filing, as evidenced in the table below. Moreover, the same project may have been estimated at various points in time using the most up-to-date tool at the time of estimation. With few exceptions, SoCalGas and SDG&E used the most up-to-date version of the tool available at the time a project was estimated.

Estimate Tool	PSRMA Application	2016 Reasonableness Review Application	Line 1600/3602 Application	2017 Forecast Application
NTSB Summary and Reference <sup>1</sup>	x	x	x	x
SCG Distribution CMS	x	x		
SCG Transmission Estimate File	x			
Stage 3 SCG Pipeline Estimate Template Rev 0		x		
Stage 3 San Diego Pipeline Estimate Template Rev 0		x		
Stage 3 SCG Pipeline Estimate Template Rev 1.0		x		
Stage 3 SCG Valve Estimate Template Rev Beta		x		
No estimate <sup>2</sup>	x	x		
Stage 3 SCG Valve Estimate Template Rev 0		x		
Stage 3 SCG Pipeline Estimate Template Rev 2.0			x	
Did not use PSEP Tool <sup>3</sup>			x	
Stage 3 SCG Pipeline Estimate Template Rev 4.0				x

<sup>1</sup>PSEP Projects that were included in the initial PSEP Application in 2011 included an estimate based on the 2011 tool (NTSB Summary and Reference) as indicated in Chapter 2 of the testimony in the 2017 Forecast Application.

<sup>2</sup>The following projects did not have an estimate for the PSEP portion of the project:

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**Playa Del Rey Storage** – This project was executed before the development of the PSEP estimate tool. Due to the accelerated test schedule and scope of the project, no cost estimate tool was used for this project.

**Line 2001 West A (15, 16)** – This project did not use the PSEP estimate tool because it was discovered that a non-PSEP replacement project was adjacent to the PSEP Category 4 pipe. The section of pipe that needed to be remediated by PSEP easily could be included while addressing the pipe with the service outage since a construction crew already was mobilized in the area. The decision was made to have PSEP fund the extension of the existing construction project to include the PSEP pipe rather than execute a separate PSEP project for the short segment of pipe at issue. Based on operator knowledge and experience, this decision was expected to facilitate construction and drive cost efficiencies.

**Valve Brea Station (1013)** – The scope of the PSEP pipeline team’s project was the valve installation. The valve enhancement plan (VEP) scope was to automate that valve following installation. Construction work related to automation was by nature only electrical. The 2013 TIC tool had not yet been developed for “add-on” projects; at that time the tool was built for use with stand-alone valve enhancement projects. Thus, the Line 1013 Brea valve estimate utilized prior electrical contractor quotations of other valve projects with similar scope rather than the PSEP estimate tool.

**Valve Puente Station** – PSEP was notified of an ongoing district operation project at Puente Station. PSEP identified two check valves that needed to be replaced as part of PSEP work. The installation of the check valves was added to the scope of the district operation project to rebuild the station. This decision was made for efficiency purposes and to prevent a new PSEP project to replace two existing valves at that station. The PSEP estimating tool was not used as the check valve installation would be an “add-on” to the district operation project. PSEP gathered quotations for the materials and contractor costs. The company labor to install the valve was determined based on input from the district manager and the valve project manager.

<sup>3</sup> The following project did not use a PSEP estimating tool:

**Line 1600/3602 Application** – A ruling regarding Line 1600/3602 directed SoCalGas and SDG&E to file an Application that included, among other things, a cost analysis that compared the relative costs and benefits of the Proposed Project and various project alternatives. Due to the differing characteristics of these alternatives, multiple estimating tools were used in developing the data that went into the Application. The Proposed Project and alternatives C1-C7 (alternative diameter pipelines in 3602 alignment) utilized estimating tools developed for the project, due to the length of time required to execute the project and complexities in scope. Alternative D (Replace Line 1600 with 16” in L1600 ROW) and Alternative K (Second Pipeline along Line 3010) estimates were initially produced by a third-party contractor and were not imported into a PSEP estimating tool. Alternative E/F (North Baja Mexico and Otay Mesa Non-Physical Solutions), Alternative G (LNG Storage), Alternative H1/H2 (Energy-Batteries), Alternative I (Offshore Pipeline), and Alternative J1-J3 (pipelines across the desert to San Diego) did not meet the estimate class to support using PSEP estimating tools.

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**RESPONSE 2B:**

In general, the most significant difference between the project estimates included in this Application and project estimates submitted in prior applications is the process by which they were prepared. Estimates pertaining to this Application were prepared by a single team of estimators, which facilitated greater consistency throughout the estimating process. In prior applications, individual project managers exercised judgment in producing estimates using the estimating tool.

The project estimates in this Application were prepared using a bottom-up estimating methodology to achieve a refined cost estimate. When using bottom-up estimating, planned work is broken down into smaller tasks. After developing the work breakdown structure, estimates are developed by each functional team working with the estimator. The individual estimates are then aggregated to compile an overall project estimate. This method enables functional teams to assess factors that may impact costs associated with their respective components or subset of project activities.

Prior to starting the estimating process, the project team is required to provide estimators with the following:

- (1) a detailed project scope
- (2) a project execution plan
- (3) a 30%-or-better engineering drawing package

The bottom-up estimates were based on these documents. The estimates include the cost of materials, contract labor, and projected labor costs. The estimates for projects included in the Application are based on construction durations developed to support the bottom-up methodology. The construction durations were developed by experienced construction management personnel with input from the functional subject matter experts. The projects had team job-site visits to assist in the development of the estimates and construction schedule.

The estimating process for each project facilitated stakeholder collaboration. Each project had an initial kick off meeting, job site visits, a construction schedule review, a risk-assessment meeting, and a final basis-of-estimate meeting. The estimates were finalized by the estimator upon validation that the estimating process described above was followed.

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Application	Different Estimate Tool from Application?	Basis for Estimate Tool Utilized	vs	Basis for 2017 Forecast Application Estimate Tool (Stage 3 SCG Pipeline Estimate Template Rev 4.0)
PSRMA	Yes	<p>The projects in this application used the tool for estimating SoCalGas region projects.</p> <p>The Distribution estimate used the Cost Management System (CMS) database to determine unit costs and activities.</p> <p>The Transmission Organization used a spreadsheet maintained by an experienced project manager with unit costs and activities based on prior Transmission projects.</p>		<p>1. A kick-off meeting discussing the execution strategy, scope, and proposed construction schedule is held at the beginning of the estimating process to ensure all stakeholders have the same bases for assumptions.</p> <p>2. The estimate tool eliminated default values for purchased services. In lieu of default values, respective stakeholders prepared unique cost estimates.</p> <p>3. A Monte Carlo Risk Assessment is provided with input from the stakeholders.</p> <p>4. Added "Engr" tab to capture a detailed labor breakdown associated with the planning, execution, and closeout phases of the project. This replaces the SoCalGas Labor adders, which were based on percentage of contractor costs and purchased material.</p>
2016 Reasonableness Review	Yes	<p>This tool was developed by a group of contractors.</p> <p>Instead of having a pre-determined cost per foot, as in the prior version of the PSEP estimate tool, this tool provides options to:</p> <ol style="list-style-type: none"> <li>1. Add specific construction tasks;</li> <li>2. Include costs for Overhead Allocation Pools (OHAP); and</li> <li>3. Add SoCalGas labor to different project tasks.</li> </ol>	vs	
Line 1600/3602	Yes	<p>The Proposed Project's estimating tool was developed by the Major Projects and Project Construction Major-Projects groups. The project is a new pipeline installation, not a hydrotest/replacement project, thus use of a PSEP estimating tool would not have been appropriate. Company labor was estimated using full-time equivalents.</p>		

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**RESPONSE 2C:**

See responses to 2A and 2B.

**RESPONSE 2D:**

A single version of the cost estimate tool was not used for each filing, as described further in the table below. With few exceptions (see Response 2A above), SoCalGas and SDG&E used the most up-to-date version of the tool available at the time the estimate for the project was prepared.

Application	Different Estimate Tool than 2017 Application?	Reason for Difference in Cost Estimate Tool used in the 2017 Forecast Application
PSRMA (A.14-12-016)	Yes	These projects were among the earliest in PSEP; a Stage 3 Estimate Tool had not yet been developed at the time the estimates were prepared.
2016 Reasonableness Review (A.16-09-005)	Yes	The projects included in the 2016 Reasonableness Review were estimated before the Stage 3 Estimate Tool (Rev 4.0), which was used in the 2017 Forecast Application.
Line 1600/3602 (A.15-09-013)	Yes	The project estimates were created before the Stage 3 Estimate Tool (Rev 4.0), which was used in the 2017 Forecast Application. Different estimating tools were used due to the level of complexity required to estimate CEQA costs, the scope of de-rating L1600, and the estimated spend per year. See footnote #2 in response to question 2A for Line 1600/3602.



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**QUESTION 3:**

Please provide the unredacted version of all workpapers for SoCalGas/SDG&E PSEP 2017 Forecast Application.

**RESPONSE 3:**

The attached supporting documents include Confidential and Protected Materials Pursuant to PUC Section 583, GO 66-C, and D.16-08-024. Unredacted versions of the workpapers are attached.

**BEFORE THE PUBLIC UTILITIES  
COMMISSION OF THE STATE OF CALIFORNIA**

**DECLARATION OF JENNIFER WALKER  
REGARDING CONFIDENTIALITY OF CERTAIN DATA/DOCUMENTS  
PURSUANT TO D.16-08-024**

I, Jennifer Walker, do declare as follows:

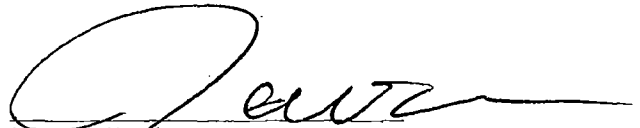
1. I am a Director of Pipeline Safety and Compliance for San Diego Gas & Electric Company ("SDG&E") and Southern California Gas Company ("SoCalGas") designated by Jimmie Cho, Senior Vice President, Gas Operations and System Integrity for SDG&E and SoCalGas. I have been delegated authority to sign this declaration by Mr. Cho. I have reviewed the Response of SoCalGas and SDG&E to the Data Request One of the Office of Ratepayer Advocates of the California Public Utilities Commission (CPUC) in the Application of Southern California Gas Company and San Diego Gas & Electric Company for (A) Approval of the Forecasted Revenue Requirement Associated with Certain Pipeline Safety Enhancement Plan Projects and Associated Rate Recovery, and (B) Authority To Modify and Create Certain Balancing Accounts proceeding, A-17-03-02), submitted concurrently herewith (Response to ORA's Data Request One). I personally am familiar with the facts and representations in this Declaration, except where stated as based upon my information and belief. If called upon to testify, I could and would testify to the following based upon my personal knowledge and/or information and belief.

2. I hereby provide this Declaration in accordance with Decision (D.) 16-08-024 to demonstrate that the confidential information (Protected Information) provided in the Response to ORA's Data Request One is within the scope of data protected as confidential under applicable law and pursuant to Public Utilities Code ("PUC") § 583 and General Order ("GO") 66-C, as further described in Attachment A.

3. In accordance with the legal authority described herein, the Protected Information should be protected from public disclosure.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed this 6<sup>th</sup> day of July, 2017, at Los Angeles, California.

A handwritten signature in black ink, appearing to read "Jennifer Walker", with a long horizontal flourish extending to the right.

Jennifer Walker  
Director, Pipeline Safety & Compliance

## ATTACHMENT A

### **SoCalGas and SDG&E Request Confidential Treatment of the Following Information in Their Response to ORA's Data Request One in A.17-03-021, Application of Southern California Gas Company and San Diego Gas & Electric Company for (A) Approval of the Forecasted Revenue Requirement Associated with Certain Pipeline Safety Enhancement Plan Projects and Associated Rate Recovery, and (B) Authority To Modify and Create Certain Balancing Accounts**

SDG&E and SoCalGas designated the combination of the pipeline diameter attribute and location data as confidential in their response to ORA's Data Request One in A.17-03-021, Application of Southern California Gas Company and San Diego Gas & Electric Company for (A) Approval of the Forecasted Revenue Requirement Associated with Certain Pipeline Safety Enhancement Plan Projects and Associated Rate Recovery, and (B) Authority To Modify and Create Certain Balancing Accounts because:

- (1) This data is sensitive critical energy infrastructure information that is not currently published by PHMSA and, if made publicly available, could present a risk to the security of California's critical energy infrastructure. SoCalGas' and SDG&E's assessment of the risks associated with critical energy infrastructure data will continue to evolve as the sophistication, frequency and volume of security threats increase. In light of certain events, such as the attack on Pacific Gas & Electric Company's Metcalf Substation in 2013, SoCalGas and SDG&E believe pipeline diameter data must be treated as confidential. SoCalGas and SDG&E designate this pipeline diameter data as confidential pursuant to several laws, regulations, and guides that seek to protect critical infrastructure information and sensitive security information from public disclosure for national security reasons. These include, but are not limited to: (i) the Protected Critical Infrastructure Information (PCII) Program; (ii) FERC Order 630 - Critical Energy Infrastructure Information (CEII); (iii) Sensitive Security Information Regulations; and (iv) the Transportation Security Administration's (TSA) Pipeline Security Guidelines. *See also* the Federal Register Notice on August 27, 2015 (Volume 80, Number 166) concerning PHMSA/OPS' proposed changes to the National Pipeline Mapping System (NPMS) data collection and the protection of pipeline information such as MAOP and pipe diameter. The yellow highlighted portions on the pages identified in the table below fall within the category of sensitive critical energy infrastructure.

DATA / INFORMATION	JUSTIFICATION FOR CONFIDENTIALITY	ATTACHMENTS
<p>Pipeline attribute (i.e. diameter, pressure, and location)</p>	<p>This information has been identified as confidential protected information as this data constitutes sensitive critical energy infrastructure information that is not currently published by the PHMSA and, if made publicly available, could present a risk to the security of the SoCalGas and SDG&amp;E pipeline system and California’s critical energy infrastructure.</p> <p><u>CEII</u>: 18 CFR §388.113(c); FERC Orders 630, 643, 649, 662, 683, and 702 (defining CEII).</p> <p><u>Critical Infrastructure Information</u>: 6 U.S.C. §§131(3), 133(a)(1)(E); 6 CFR §§ 29.2(b), 29.8 (defining CII and restricting its disclosure).</p> <p>Gov’t Code § 6254(e) (“Geological and geophysical data, plant production data, and similar information relating to utility systems development, or market or crop reports, that are obtained in confidence from any person.”)</p> <p>Gov’t Code § 6254 (ab) (“Critical infrastructure information, as defined in Section 131(3) of Title 6 of the United States Code, that is voluntarily submitted to the Office of Emergency Services for use by that office”)</p>	<p>CONFIDENTIAL Stage 3 SCG Pipeline Estimate Template Rev 4.0 at pp. All Pages</p>

**BEFORE THE PUBLIC UTILITIES  
COMMISSION OF THE STATE OF CALIFORNIA**

**DECLARATION OF JEFFERY SALAZAR  
REGARDING CONFIDENTIALITY OF CERTAIN DATA/DOCUMENTS  
PURSUANT TO D.16-08-024**

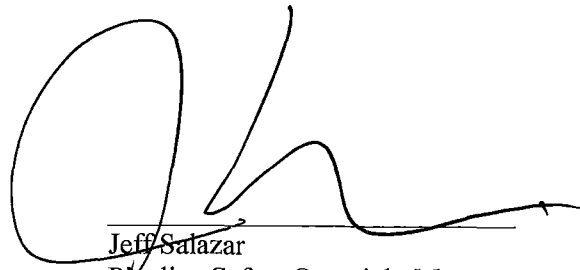
I, Jeffery Salazar, do declare as follows:

1. I am a Pipeline Safety Oversight Manager in the Pipeline Safety & Compliance Department for San Diego Gas & Electric Company (“SDG&E”) and Southern California Gas Company (“SoCalGas”) designated by Jimmie Cho, Senior Vice President, Gas Operations and System Integrity for SDG&E and SoCalGas. I have been delegated authority to sign this declaration by Mr. Cho. I have reviewed the Application (A.17-03-021) for Approval of the Forecasted Revenue Requirement for Pipeline Safety Enhancement Plan Projects and Associated Rate Recovery- Workpapers, submitted concurrently herewith (the “2017 Forecast Application Workpapers”). I personally am familiar with the facts and representations in this Declaration, except where stated as based upon my information and belief. If called upon to testify, I could and would testify to the following based upon my personal knowledge and/or information and belief.
2. I hereby provide this Declaration in accordance with Decision (D.) 16-08-024 to demonstrate that the confidential information (Protected Information) provided in the 2017 Forecast Application Workpapers is within the scope of data protected as confidential under applicable law and pursuant to Public Utilities Code (“PUC”) § 583 and General Order (“GO”) 66-C, as further described in Attachment A.
3. The Protected Information is provided in a redacted form to protect the confidential information.

4. I am aware that portions of the Protected Information have been disclosed in the CPUC proceeding A.11-11-002 in the Amended Work papers of SoCalGas and SDG&E in support of the Proposed Natural Gas Pipeline Safety Enhancement Plan.
5. In accordance with the legal authority described herein, the Protected Information should be protected from public disclosure.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed this 20th day of June, 2017, at Los Angeles, California.



Jeff Salazar  
Pipeline Safety Oversight Manager

## ATTACHMENT A

### **SoCalGas and SDG&E Request Confidential Treatment of the following Information in the Application (A.17-03-021) for Approval of the Forecasted Revenue Requirement for Pipeline Safety Enhancement Plan Projects and Associated Rate Recovery- Workpapers**

SDG&E and SoCalGas designated the combination of the pipeline diameter attribute and location data as confidential in document A.17-03-021, Application for Approval of the Forecasted Revenue Requirement for Pipeline Safety Enhancement Plan Projects and Associated Rate Recovery – Workpapers, because:

- (1) This data is sensitive critical energy infrastructure information that is not currently published by PHMSA and, if made publicly available, could present a risk to the security of California's critical energy infrastructure. SoCalGas' and SDG&E's assessment of the risks associated with critical energy infrastructure data will continue to evolve as the sophistication, frequency and volume of security threats increase. In light of certain events, such as the attack on Pacific Gas & Electric Company's Metcalf Substation in 2013, SoCalGas and SDG&E believe pipeline diameter data must be treated as confidential. SoCalGas and SDG&E designate this pipeline diameter data as confidential pursuant to several laws, regulations, and guides that seek to protect critical infrastructure information and sensitive security information from public disclosure for national security reasons. These include, but are not limited to: (i) the Protected Critical Infrastructure Information (PCII) Program; (ii) FERC Order 630 - Critical Energy Infrastructure Information (CEII); (iii) Sensitive Security Information Regulations; and (iv) the Transportation Security Administration's (TSA) Pipeline Security Guidelines. *See also* the Federal Register Notice on August 27, 2015 (Volume 80, Number 166) concerning PHMSA/OPS' proposed changes to the National Pipeline Mapping System (NPMS) data collection and the protection of pipeline information such as MAOP and pipe diameter. The yellow highlighted portions on the pages identified in the table below fall within the category of sensitive critical energy infrastructure.



DATA / INFORMATION	JUSTIFICATION FOR CONFIDENTIALITY	ATTACHMENTS
<p>Pipeline attribute (i.e. diameter, pressure, and location)</p>	<p>This information has been identified as confidential protected information as this data constitutes sensitive critical energy infrastructure information that is not currently published by the PHMSA and, if made publicly available, could present a risk to the security of the SoCalGas and SDG&amp;E pipeline system and California’s critical energy infrastructure.</p> <p><u>CEII</u>: 18 CFR §388.113(c); FERC Orders 630, 643, 649, 662, 683, and 702 (defining CEII).</p> <p><u>Critical Infrastructure Information</u>: 6 U.S.C. §§131(3), 133(a)(1)(E); 6 CFR §§ 29.2(b), 29.8 (defining CII and restricting its disclosure).</p> <p>Gov’t Code § 6254(e) (“Geological and geophysical data, plant production data, and similar information relating to utility systems development, or market or crop reports, that are obtained in confidence from any person.”)</p> <p>Gov’t Code § 6254 (ab) (“Critical infrastructure information, as defined in Section 131(3) of Title 6 of the United States Code, that is voluntarily submitted to the Office of Emergency Services for use by that office”)</p>	<p>Pipeline Project Workpaper Summary Table, WP-II-A1, WP-II-A6, WP-II-A9, WP-II-A17, WP-II-A18, WP-II-A27, WP-II-A32, WP-II-A-37, WP-II-A47, WP-II-A57, WP-II-A62, WP-II-A66, WP-II-A77, WP-II-A83, WP-II-A88, WP-II-A97, WP-II-A108, WP-II-A109, WP-II-A119, WP-II-A123</p>

**BEFORE THE PUBLIC UTILITIES  
COMMISSION OF THE STATE OF CALIFORNIA**

**DECLARATION OF JAWAAD A. MALIK  
REGARDING CONFIDENTIALITY OF CERTAIN DATA/DOCUMENTS  
PURSUANT TO D.16-08-024**

I, Jawaad A. Malik, do declare as follows:

1. I am Vice President in the Accounting and Finance department for Southern California Gas Company ("SoCalGas"). I have reviewed the Overhead Factor Application Work Paper, submitted concurrently herewith (the "Overhead Work Paper"). Referenced work paper filed as part of the Application of Southern California Gas Company (U 904 G) and San Diego Gas & Electric Company (U 902 G) for (A) Approval of the Forecasted Revenue Requirement Associated with Certain Pipeline Safety Enhancement Plan Projects and Associated Rate Recovery, and (B) Authority to Modify and Create Certain Balancing Accounts.

I am personally familiar with the facts in this Declaration and, if called upon to testify, I could and would testify to the following based upon my personal knowledge and/or information and belief.

2. I hereby provide this Declaration in accordance with Decision ("D.") 16-08-024 to demonstrate that the confidential information ("Protected Information") provided in the Overhead Work Paper is within the scope of data protected as confidential under applicable law.

3. In accordance with the legal citations and narrative justification described in Attachment A, the Protected Information should be protected from public disclosure.

*Attorney-Client Privileged & Confidential; Attorney Work Product*

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed this 29th day of March, 2017, at Los Angeles.



Jawaad A. Malik  
Vice President Accounting and Finance

## ATTACHMENT A

**SoCalGas Request for Confidentiality  
on the following information in its response to Application of Southern California Gas  
Company (U 904 G) and San Diego Gas & Electric Company (U 902 G) for (A)  
Approval of the Forecasted Revenue Requirement Associated with Certain Pipeline  
Safety Enhancement Plan Projects and Associated Rate Recovery, and (B) Authority to  
Modify and Create Certain Balancing Accounts (Overhead Work Paper)**

<b>Location of Protected Information</b>	<b>Legal Citations</b>	<b>Narrative Justification</b>
Gray shaded portions in WP 1-1	Gov't Code §§6254(k), 6254.7(d); Evid. Code §1060; Civil Code §3426 <i>et seq.</i>  GO 66-C, Section 2.2(b)	The gray highlighted portions on page 1-1 in the document entitled Overhead Factor Application Work Paper contain Protected Information. The disclosure of such information would trigger the protection of section 2.2(b) of G.O. 66-C, which protects "[r]eports, records and information requested or required by the Commission which, if revealed, would place the regulated company at an unfair business disadvantage." The Protected Information contains Non-Public Company Financial Information that are market-sensitive, which if disclosed, could provide parties with whom SoCalGas negotiates service agreements with insight into SoCalGas's cost structure which would unfairly undermine SoCalGas's negotiation position and could ultimately result in negative impacts to ratepayers. For example, if the overhead rate related Protected Information were disclosed, third-parties would have an unfair advantage when negotiating service contracts with SoCalGas. Also, if the overhead rate information were disclosed, third-parties would have an unfair advantage when bidding for service contracts against SoCalGas.

<b>WORKPAPER TITLE</b> Overhead Factor Application
<b>WITNESS</b> Karen C. Chan

		Capital Non-Union Labor	Capital Union Labor	Capital Non-Labor	O&M Non-Union Labor	O&M Union Labor	O&M Non-Labor
<b>Overhead Category</b>	<b>Dec 2016 Planning Rate</b>						
Vacation & Sick		x	x		x	x	
Payroll Tax		x	x		x	x	
Benefits (non-balanced)		x	x		x	x	
Workers' Compensation		x	x		x	x	
Public Liability/Property Damage		x	x		x	x	
ICP - management only		x			x		
Purchased Services and Materials				x			x
Administrative & General - Capital		x	x	x			
<b>Factor %</b>							