

Company: San Diego Gas & Electric Company (U 902 M)  
Proceeding: 2024 General Rate Case – Track 3  
Application: A.22-05-015/-016 (cons.)  
Exhibit: SDG&E-T3-PSEP-04

**PREPARED REBUTTAL TESTIMONY OF**  
**MARCO TACHIQUIN**  
**(PIPELINE SAFETY ENHANCEMENT PLAN – PSEP)**

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



August 29, 2025

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**I. INTRODUCTION**

This rebuttal testimony regarding SDG&E’s request for recovery of capital and O&M expenditures associated with the Pipeline Safety Enhancement Plan (as sponsored by Witness Marco Tachiquin) addresses the following testimony from other parties:<sup>1</sup>

- The Public Advocates Office of the California Public Utilities Commission (Cal Advocates) as submitted by:
  - S. Hunter (Exhibit CA-01), dated July 2025.
  - M. Weaver (Exhibits CA-02 & CA-03), dated July 2025.
  - Banarsee (Exhibit CA-04), dated July 2025.
  - E. Chow (Exhibit CA-05), dated July 2025.
- Protect Our Communities Foundation (PCF) as submitted by:
  - B. Powers (Exhibit PCF-48), dated July 2025.

Cal Advocates proposes \$16.1 million in reductions associated with SDG&E’s request. The disallowances are primarily associated with certain costs that Cal Advocates contends are not incremental, because they are “already funded through existing rates” and included in “authorized GRC revenues.”<sup>2</sup> A smaller portion of the proposed cost reductions is associated with costs that Cal Advocates believes are not justified because of “duplicative contractor oversight, undocumented scope changes, and cost entries inconsistent with SDG&E’s own estimating methodology.”<sup>3</sup> Broadly speaking, these categories pertain to internal labor, labor-related overhead, employee benefits (\$14.6 million), and project execution costs related to the

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<sup>1</sup> The absence of a response to any particular issue in this rebuttal testimony does not imply or constitute agreement by SDG&E with the proposal or contention made by these or other parties.

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

<sup>3</sup> Report on the Results of Operations for Southern California Gas Company San Diego Gas & Electric Company General Rate Case Test Year 2024 (Errata) of Amrisha Banarsee on behalf of Cal Advocates (Ex. CA-04-E) at 20.

1 reasonableness of SDG&E's actions<sup>4</sup> (\$1.43 million), respectively. In addition to these general  
2 categories, Cal Advocates double-counts previously acknowledged and recorded disallowances  
3 that have already been removed from SDG&E's request in this proceeding. In this testimony, I  
4 also identify errors in Cal Advocates' calculation of proposed disallowances.

5 The Protect Our Communities Foundation proposes that SDG&E should not be entitled to  
6 any recovery. PCF argues that the Commission "should order a refund of an amount to be  
7 determined representing unreasonable costs incurred by SDG&E in its implementation of its  
8 PSEP program."<sup>5</sup> PCF's proposed disallowance and ratepayer refund is based on an apparent  
9 mis-interpretation of what is considered in-scope for PSEP and the Commission-approved Phase  
10 1 decision tree that dictates the decision of whether to test or replace a particular segment within  
11 PSEP.<sup>6</sup>

12 SDG&E fully complied with providing the additional information required in D.24-12-  
13 074 and agreed to by the parties (including Cal Advocates) in the Track 3 Joint Case  
14 Management Statement. SDG&E's labor, overhead, and employee benefit costs are reasonable  
15 and necessary to achieve the objectives of PSEP.<sup>7</sup> One of the four main objectives of PSEP since  
16 its inception is to "maximize the cost-effectiveness of safety investments,"<sup>8</sup> and this is in clear  
17 alignment with the Commission's affordability objectives. PSEP is an unprecedented  
18 incremental program focused on pipeline and infrastructure safety that the Commission  
19 mandated following the San Bruno pipeline explosion (and is also codified in Public Utilities  
20 Code §§ 957 and 958). Given the Commission's requirement that PSEP work be done "as soon  
21 as practicable,"<sup>9</sup> SDG&E rightfully employed a combination of existing resources, new hires,  
22 and contractors to meet the demands of PSEP's aggressive schedule in an efficient manner.  
23 Further, SDG&E's project management and execution actions were reasonable, as described in  
24 detail in SDG&E's 281 pages of supporting project-specific workpapers that were originally

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<sup>4</sup> This category includes \$136k of disputed costs related to a Line 1600 project records audit.

<sup>5</sup> Prepared Direct Track 3 Testimony of Bill Powers, P.E. on behalf of the Protect Our Communities Foundation – Recovery of Amounts in PSEP Memorandum Accounts (Ex. PCF-48) at 2.

<sup>6</sup> *Id.*

<sup>7</sup> D.24-12-074 at 40.

<sup>8</sup> *Id.* at 212.

<sup>9</sup> D.11-06-017 at 19.

1 included as part of the record in Track 1 of this proceeding, and supplemented with additional  
2 evidence in workpapers in Track 3.

3 SDG&E has a record of strong results in reasonableness reviews for its PSEP program  
4 and has provided extensive evidence showing the reasonableness of the costs requested in this  
5 GRC.<sup>10</sup> SDG&E's showing in Track 1 was found to be satisfactory to Cal Advocates, as its  
6 witness stated that "Cal Advocates does not oppose SDG&E's request for recovery for hydrotest  
7 projects."<sup>11</sup>

8 With respect to PCF, the underlying assumptions of their testimony are false, and the  
9 PSEP costs they advocate against were reasonably incurred. PCF bases their arguments on  
10 factual inaccuracies regarding transmission pipelines. I will demonstrate how PSEP has been  
11 implemented exclusively on transmission pipelines, and how the Commission ruled very early in  
12 the PSEP lifecycle which pipelines should be subject to the program.

## 13 **II. GENERAL REBUTTAL**

### 14 **A. Issue #1 – Cal Advocates double counts disallowances already acknowledged** 15 **by SDG&E.**

16 In the testimony of Marco Tachiquin SDG&E acknowledged \$3.472 million in  
17 disallowed costs, as ordered by the Commission in D.14-06-007 (modified by D.15-12-020).<sup>12</sup>  
18 These costs are primarily associated with projects addressing pipeline segments originally  
19 installed on or after January 1, 1956, that lack sufficient records of a post-construction pressure  
20 test. In Table 1-4 in Cal Advocates Witness Hunter's testimony, the total costs requested by  
21 SDG&E and recommended reductions from Cal Advocates are shown as the net of the  
22 disallowed costs acknowledged by SDG&E.<sup>13</sup> Witness Hunter states, "Cal Advocates  
23 recommends that SDG&E be authorized recovery of \$220.881 million in Direct capital

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<sup>10</sup> In Track 1, the assigned Cal Advocates witness met with SDG&E and was provided an overview of the PSEP showing. Had a similar meeting been held in Track 3, several of the mistaken assumptions/conclusions made by Cal Advocates may have been addressed earlier.

<sup>11</sup> Report on the Results of Operations for San Diego Gas & Electric Company Southern California Gas Company Test Year 2024 General Rate Case of Chauncey Quam on behalf of Cal Advocates (GRC Track 1 Ex. CA-04) at 27, 29-30.

<sup>12</sup> Prepared Direct Testimony of Marco Tachiquin on behalf of SDG&E (Ex. SDG&E-T3-PSEP-01) at MT-39.

<sup>13</sup> Ex. CA-01 (Hunter) at 4.

1 compared to SDG&E's request for recovery of \$239.197 million in Direct capital  
2 expenditures."<sup>14</sup> However, the capital figure is incorrect as it erroneously reduces the  
3 recommendation by the already excluded disallowances. Therefore, the capital figure should  
4 instead be \$224.353 million. The acknowledged disallowance has already been removed from  
5 the balances of the applicable regulatory accounts, which are shown in the Regulatory Accounts  
6 testimony of Jason Kupfersmid, Ex. SDG&E-43-R-E, in Track 1 of this proceeding.

7 To summarize, SDG&E's request for cost recovery has already been reduced to account  
8 for disallowed costs. Cal Advocates is inappropriately recommending a double reduction for  
9 these disallowed costs, and the Commission should recognize that SDG&E already accounted for  
10 these disallowed costs.

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

13 Cal Advocates has overstated their proposed disallowances related to straight-time labor,  
14 employee benefits, and indirect costs, leading to a recommended reduction of \$14.7 million that  
15 should be \$6.49 million, even if the CPUC were to adopt Cal Advocates' methodology. Based  
16 on the calculations provided in Cal Advocates' workpapers, SDG&E reproduced the calculations  
17 that Cal Advocates performed in recommending their disallowances.<sup>15</sup> These figures are  
18 presented below in Table 1. While some amounts calculated by SDG&E are higher, others are  
19 lower, leading to an overall variance of \$8.16 million. The largest contributors to this variance  
20 are the employee benefits and straight-time labor addressed by Witness Banarsee in Ex. CA-04-  
21 E. These areas have variances of \$5.21 million and \$2.59 million, respectively. The errors made  
22 by Witness Banarsee in calculating the aforementioned figures are further discussed in Section  
23 IV.A.3. below.

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<sup>14</sup> *Id.* at 2; The characterization of these costs as "Direct" is incorrect since the figures also include indirect costs and are presented in SDG&E's testimony as fully loaded figures. Cal Advocates also errs in saying "SDG&E did not have a request for direct O&M expenses." *Id.* SDG&E's O&M request is described in numerous locations within Ex. SDG&E-T3-PSEP-01 (Tachiquin).

<sup>15</sup> See supplemental workpapers provided by witnesses Banarsee (Ex. CA-04-WP), Weaver (Ex. CA-02-WP & Ex. CA-03-WP), and Chow (Ex. CA-05-WP).

**Table 1 - Cost reduction reconciliation summary (millions)**

Categories		Rep	Hydro Test	Derate/ Aband	Valve	Misc Costs	Total
Cal Advocates Testimony		CA-04 <sup>16</sup>	CA-03	CA-03	CA-02,03	CA-05	
<b>Labor</b>	SDG&E Costs	3.47	0.843	0.002	0.322	0.026	4.66
<b>Labor</b>	CalPA Proposed Adj	6.06	0.843	0.002	0.322	0.026	7.25
	Delta: over/ (under)	2.59	-	-	-	-	2.59
<b>Benefits</b>	SDG&E Costs	0.092	0.004	-	0.003	0.0001	0.099
<b>Benefits</b>	CalPA Proposed Adj	5.30	0.004	-	0.003	0.0001	5.31
	Delta: over/(under)	5.21	-	-	-	-	5.21
<b>Indirects</b>	SDG&E Costs	-	1.00	0.221	0.471	0.031	1.73
<b>Indirects</b>	CalPA Proposed Adj	-	0.970	0.607	0.471	0.043	2.09
	Delta: over/(under)	-	(0.035)	0.385	-	0.013	0.363
<b>Total</b>	<b>SDG&amp;E Costs</b>	<b>3.56</b>	<b>1.85</b>	<b>0.223</b>	<b>0.796</b>	<b>0.057</b>	<b>6.49</b>
<b>Total</b>	<b>CalPA Proposed Adj</b>	<b>11.4</b>	<b>1.82</b>	<b>0.608</b>	<b>0.796</b>	<b>0.070</b>	<b>14.7</b>
	<b>Delta: over/(under)</b>	<b>7.80</b>	<b>(0.035)</b>	<b>0.386</b>	<b>-</b>	<b>0.013</b>	<b>8.16</b>

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

Cal Advocates' witnesses claim that SDG&E has not included enough, or the right kind, of information to allow them to properly assess whether SDG&E has incurred costs reasonably. Witness Hunter states:<sup>17</sup>

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

As mentioned above, Witness Banarsee similarly states:<sup>18</sup>

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

SDG&E's testimony and workpapers, provided in both Track 1 and Track 3, follow an evidentiary showing that has been used and found to warrant recovery in prior proceedings. The

<sup>16</sup> Witness Banarsee did not recommend any indirect cost disallowances in Ex. CA-04-E.

<sup>17</sup> Ex. CA-01 (Hunter) at 3.

<sup>18</sup> Ex. CA-04-E (Banarsee) at 15.

1 first Commission decision that approved the PSEP Phase 1 analytical approach laid out the  
2 minimum filing requirements that became the basis for the first PSEP reasonableness review:<sup>19</sup>

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

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

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

18      There’s a range of outcomes that define reasonableness, and it’s based on what the  
19      manager knew or should have known at the time that the decision was made.<sup>20</sup>

20      In preparing its Track 3 testimony and workpapers, SDG&E sought to satisfy the reasonable  
21      manager standard while also addressing the Commission’s request in D.24-12-074 (and agreed  
22      upon by parties in the Joint Case Management Statement).<sup>21</sup> The information provided includes,  
23      most importantly, a focus on variance explanations. SoCalGas and SDG&E have provided a  
24      robust level of detail – higher than what was deemed satisfactory for the Commission to make  
25      determinations of reasonableness in previous reasonableness reviews.<sup>22</sup>

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<sup>19</sup> D.14-06-007 at 36-37.

<sup>20</sup> Ex. SDG&E-T3-PSEP-01 (Tachiquin) at MT-15–MT-16; *see also* D.90-09-088 at 171 (Finding of Fact (FOF) 14); D.05-01-054 at 14.

<sup>21</sup> 2024 GRC Track 3 Joint Case Management Statement (January 25, 2025) at 4.

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



1 In focusing on cost variances, SDG&E thoroughly researched its project costs,  
2 particularly where project costs exceeded estimated amounts, to identify project cost impacts  
3 (including cost savings). This process required the reassessment of each project file, going back  
4 to 2014 in some instances, to analyze project scope, construction activities, schedule, and  
5 specific factors that influence cost fluctuations. In addition, the team sought additional insight  
6 by consulting with original project personnel, construction contractors, and other relevant  
7 stakeholders. Once cost impacts were identified, additional resources were engaged to assist  
8 with quantifying the cost impact amount. As stated in my testimony, these cost impacts were  
9 included in a new section added to the supplemental workpapers, Section IV.D.

10 Despite this significant showing beyond previous reasonableness reviews, Cal Advocates  
11 argues that there is an insufficient evidentiary showing here, and the evidence is insufficient to  
12 show costs are just and reasonable. Cal Advocates states that “detailed cost records, contractor  
13 invoices, internal labor logs, or journal entries” are “necessary to evaluate reasonableness.”<sup>23</sup> In  
14 response to seven different data requests propounded by Cal Advocates requesting “line item  
15 detail,” SDG&E submitted 25 attachments comprising detailed cost reports for the thirteen  
16 projects and various miscellaneous activities included in my testimony. In some cases, the  
17 number of lines of data included in these files numbered in the tens of thousands. Each line-item  
18 charge typically has a corresponding file, such as an invoice, journal entry, timesheet, or other  
19 data supporting the charge.

20 Additionally, Cal Advocates asserts that, in order to demonstrate costs incurred are  
21 “aligned with approved project scope,”<sup>24</sup> project execution-related documents would have to be  
22 compiled and submitted with the testimony. SDG&E retains in its OpenText and Project  
23 Delivery Management System (PDMS) platforms approximately 300 different categories of  
24 document types, including Coating Inspection Forms, Completion Drawings/Sketch Sets, Design  
25 Data Sheets, Form 2112s, Bundle B Package, Material/Heat Test Reports, Material Records,  
26 Material Transfer Orders, Notice of Operation (NOP) records, Odor Conditioning, Purchase  
27 Orders, Redlines, Strength Test Assemblies, Survey Data Files, Valve Traceability Documents,  
28 Weld Inspection Reports, Welding Procedures, and Work Orders. As one example of the

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<sup>23</sup> Ex. CA-04-E (Banarsee) at 15.

<sup>24</sup> *Id.* at 16.

1 exhaustive recordkeeping that SDG&E undertakes for a construction project that can span  
2 several years, OpenText currently contains 3,020 documents just for the 49-17 East Replacement  
3 Project alone. Across the overall PSEP portfolio, which includes projects outside the scope of  
4 Track 3, there are 952 Project workspaces that include a total of 670,947 documents loaded.

5 The burden that such an excessive, voluminous showing would create would be a  
6 detriment both to the Commission, SDG&E, intervenors, and ratepayers, because of the  
7 resources that would be necessary to both compile and review such an enormous dataset, and  
8 could ultimately increase costs. In pursuing such an extreme level of detail in this proceeding,  
9 Cal Advocates' expectation and analysis are more akin to an audit of SDG&E's project costs.  
10 Cal Advocates did not request to audit SDG&E's records, which SDG&E would have obliged.  
11 In fact, Cal Advocates has audited PSEP records in the past, supporting A.14-12-016 (which  
12 resulted in no cost adjustments being proposed). SDG&E extends the invitation to Cal  
13 Advocates to have access to our records to assuage any concerns or doubts about the  
14 reasonableness of the costs included here. Notwithstanding that such documentation is  
15 unnecessary, SDG&E refers to the representative supporting documentation for the SL45-120  
16 Section 2 Replacement Project that SoCalGas is providing with the rebuttal testimony of Bill  
17 Kostelnik (Appendices C and D), and the narrative discussing that documentation. Preparing  
18 and submitting such documentation with all PSEP project reasonableness reviews would be  
19 unnecessary, burdensome, and ultimately costly to ratepayers.

### 20 **III. REBUTTAL TO PARTIES' PROPOSALS**

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

##### 22 **1. Issue #4 – SDG&E's PSEP hiring practices were reasonable, and** 23 **evidence of incrementality supports SDG&E's request here.**

24 Across the categories of straight time labor, employee benefits, and indirect costs, Cal  
25 Advocates proposes a disallowance of \$14.6 million for capital and O&M.<sup>25</sup> Cal Advocates  
26 contends that SDG&E is not able to demonstrate that these costs were not already accounted for  
27 in base rates from the GRCs that were in place at the time Track 3 PSEP projects were  
28 implemented. Cal Advocates' witnesses' claim on this issue should be disregarded because:

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<sup>25</sup> It is worth noting that the cost reductions proposed for this category (straight time labor, employee benefits, and indirect costs) are unrelated to the supplemental information provided by SDG&E.

1 (1) the witness relies on inapt Data Request responses; (2) evidence shows that the PSEP  
2 program resulted in an increase in incremental resources; and (3) SDG&E's PSEP expenditures  
3 were tracked using business controls and were authorized, recorded, and recovered through  
4 separate balancing accounts (Safety Enhancement Expense Balancing Account [SEEBBA] and  
5 Safety Enhancement Capital Cost Balancing Account [SECCBA]), which isolate activities and  
6 costs from base GRC funding.<sup>26</sup> As previously stated, SDG&E has a record of Commission  
7 approval in PSEP reasonableness reviews for its strong showings.

8 **a. SDG&E's Data Request responses concern new PSEP hires,**  
9 **not the incrementality of all work.**

10 To support its claim that SDG&E's costs were not incremental, Cal Advocates' witnesses  
11 rely on SDG&E's response to data request PubAdv-SDGE-415-MW5 question 1a-e,<sup>27</sup> which  
12 states: "SDG&E does not generally track whether employees were hired specifically for a given  
13 program and SDG&E's data related to employee hirings does not specify if they were hired to  
14 support a specific program." SDG&E's response to this data request provided a list of  
15 employees who charged time to the PSEP projects included in this Application and who were  
16 hired between 2011 and 2019. This list, which totaled 52 employees who were all hired  
17 externally, demonstrates the unprecedented incremental demands of the PSEP program and the  
18 need to obtain support from myriad employees across the company's various business units.  
19 SDG&E's Human Resources data, lacking the specificity needed to ascertain whether an  
20 employee was hired specifically for PSEP, is not a reason to disallow cost recovery for labor  
21 costs, benefits, and indirect costs for these employees. Whether an employee was specifically  
22 hired to work only on PSEP is not determinative whether the work requested in this  
23 reasonableness review is incremental. And, as I discuss further in section III.A.1.c. below, the  
24 PSEP program utilizes project-specific charging instructions where employees only charge time  
25 to PSEP if they are working on a PSEP project.

26 For all PSEP employees to be new hires solely for one program, SDG&E and its  
27 ratepayers would have to bear the burden of incurring significant costs to bring on new

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<sup>26</sup> D.14-06-007 at 60 (OP 4).

<sup>27</sup> Witness Weaver, in Ex. CA-02 and Ex. CA-03, cites to data request PubAdv-SCG-409-MW5, which is an error because the statement in question is referring to SDG&E. SDG&E has provided the correct data request label in this rebuttal.

resources, provide benefits to them, slowing down the PSEP program and the Commission’s mandate to complete the work “as soon as practicable,”<sup>28</sup> and then finding other work for these individuals to perform once the PSEP program concludes or changes. Such an approach would be unreasonable, and the Commission has already ruled on this in other PSEP proceedings.<sup>29</sup> In reaching this conclusion, the Commission previously considered arguments raised by intervenors that SDG&E should have hired fewer contractors and more full-time employees. The Commission specifically responded, “SoCalGas and SDG&E argue that workforce limitations were and remained a concern and that they attempted to recruit personnel in all project work activities with limited success. Even if hundreds of qualified personnel were available for hire, SCGC’s argument [that the program should be staffed with new hires] does not consider the long-term implications of hiring hundreds of employees without sufficient work to do.”<sup>30</sup>

**b. Ample evidence supports the incrementality of SDG&E’s request in this reasonableness review.**

Decision 23-02-017, which concerns the incrementality of PG&E’s reasonableness review of wildfire costs, states that “Generally, costs are incremental if, in addition to completing the planned work that underlies the authorized costs, the utility had to procure additional resources, be they in labor or materials, to complete the new activity.”<sup>31</sup> SDG&E is able to demonstrate that “additional resources” were in fact procured that, regardless of the business unit they were hired into, supported the PSEP program, and this is borne out by the data SDG&E provided in response to data request PubAdv-SDG&E-415-MW5. In addition, the need for rapid

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<sup>28</sup> D.24-12-074 at 224.

<sup>29</sup> D.16-12-063 at 48 (“SoCalGas and SDG&E acted prudently and reasonably in their hiring efforts for the PSEP. There is no dispute that PSEP was created as a result of a catastrophic event (i.e. the 2009 San Bruno Pipeline explosion), and the Commission directed that the PSEP be completed ‘as soon as practicable’. SoCalGas and SDG&E engaged contractors and managed the cost of hiring them through competitive bidding services. Since the staffing for the PSEP was not meant to be permanent, it was reasonable for SoCalGas and SDG&E to seek to fill employment positions through the use of contractors. [...] Taken together, we conclude that SoCalGas and SDG&E acted reasonably when they engaged in their hiring efforts.” (citations omitted)).

<sup>30</sup> *Id.* at 47 (citation omitted).

<sup>31</sup> D.23-02-017 at 27. This Decision is also cited by Cal Advocates’ Witness Chow, *see* Report on the Results of Operations for Southern California Gas Company San Diego Gas & Electric Company General Rate Case Test Year 2024 of Emily Chow on behalf of Cal Advocates (Ex. CA-05) at 12.

1 work required SDG&E to quickly use existing and new resources to meet PSEP's needs (and  
2 backfill positions left open).

3 PSEP was set up as an incremental program that was not part of base GRC funding. The  
4 projects included in this proceeding were not included in any base GRC filings, and their  
5 execution represented incremental work and costs beyond the base level workload and costs  
6 funded through the GRC. The incrementality of PSEP is further supported by the sheer volume  
7 of project work underway during the 2011-2019 period referenced in SDG&E's response to data  
8 request PubAdv-SDG&E-415-MW5. The four PSEP reasonableness reviews (including  
9 Track 3) with active projects during this period comprise 227 projects across SoCalGas and  
10 SDG&E.

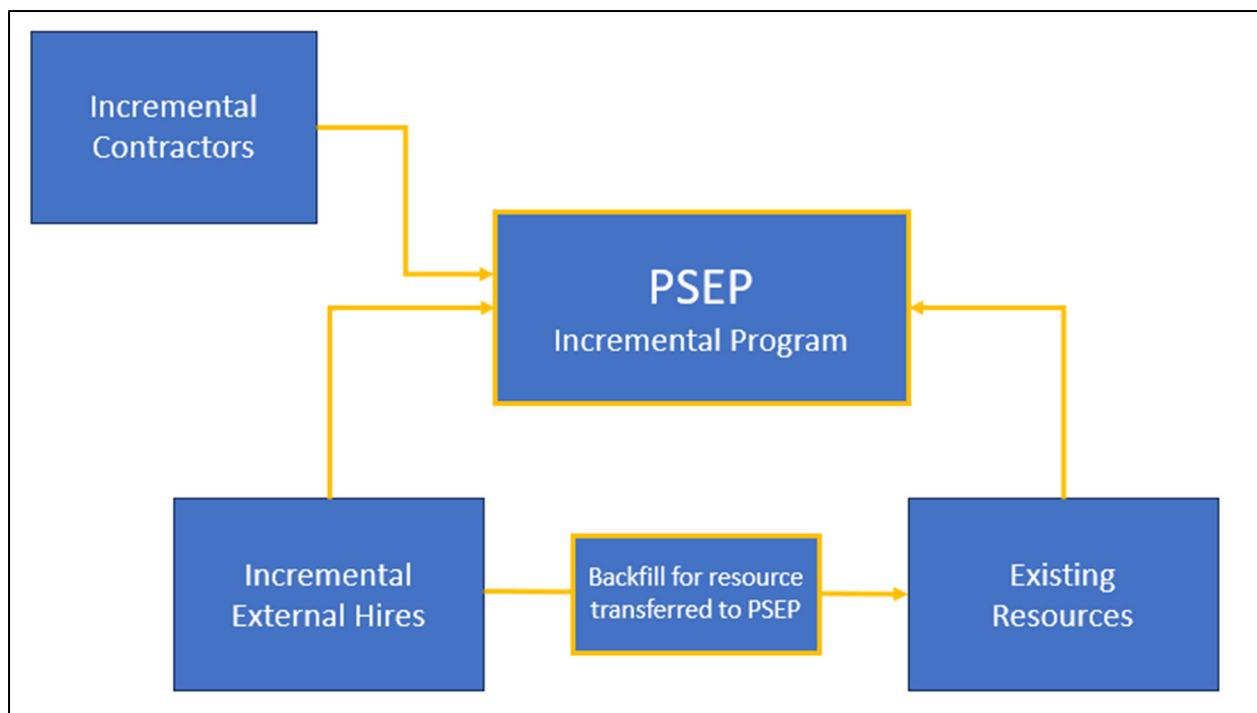
11 In 2011, the Commission issued D.11-06-017, ordering SoCalGas and SDG&E to  
12 complete PSEP work "as soon as practicable."<sup>32</sup> The requirements of D.11-06-017 were codified  
13 in Public Utilities Code §§ 957 and 958, which were established in 2012. In order to meet this  
14 Commission directive, SoCalGas and SDG&E commenced work even prior to the approval of  
15 their PSEP. D.14-06-007 did not preapprove recovery of costs and directed the utilities to  
16 complete projects and seek final cost recovery through an after-the-fact reasonableness review.  
17 For both SDG&E and SoCalGas, the work required to implement PSEP was extensive, given that  
18 PSEP was a new compliance program unprecedented in size and scope. To meet this  
19 incremental workload, new Company employees were hired, and existing resources were utilized  
20 to support executing PSEP. A PSEP labor force was created through a combination of hiring  
21 new employees from outside the company, transferring existing employees over to work on  
22 PSEP, and then backfilling the vacancies as needed (or adding PSEP work to the existing  
23 responsibilities of operating support teams). These incremental resources at both SoCalGas and  
24 SDG&E included not only the dedicated PSEP department described in the testimony of Marco  
25 Tachiquin, but support resources in various departments, including Gas Operations, Gas  
26 Engineering, and Environmental Services, among others (See Figure 1 below). Utilization of  
27 existing resources was reasonable due to the magnitude of PSEP, and backfilling of existing  
28 employees who transferred to PSEP was necessary in order to maintain company operations.

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<sup>32</sup> D.11-06-017 at 19.

Hiring was done broadly to support the overall PSEP effort, given that PSEP projects encompassed every corner of the approximately 28,000 square mile combined service territory from Paso Robles and the San Joaquin Valley to the Colorado River and Mexico border. Therefore, resources shown as supporting a specific PSEP project in this application, in most cases, also spent part of their time supporting GRC base business as well. Further, resources that worked on PSEP projects when the program was not part of the GRC are now supporting PSEP GRC base business and Gas Transmission Safety Rule (GTSR) projects, among others. However, as I discuss below, only the cost of their time charged to PSEP projects is included in this reasonableness review.

**Figure 1 – PSEP required incremental resources from internal and external sources**



**c. SDG&E has rigorous business controls in place to isolate activities and costs from base GRC funding**

SDG&E has project management, governance, and business controls in place to ensure that employees charge their time accurately based on the work they are performing for incremental PSEP work. Adhering to SDG&E accounting practices, specific work orders and internal orders (IOs) were set up to track time for projects such as PSEP. Employees charge their time using these specific PSEP IOs and track labor hours in the SDG&E timesheet system

1 (MyTime). Each month, the PSEP Project Management Office (PMO) team and/or department  
2 financial analysts review the labor charged to PSEP IOs and flag any potentially questionable  
3 entries for detailed review and/or correction. To complete this step, a monthly labor file is  
4 compiled by the PSEP PMO with the names and hours of employees charging PSEP IOs. The  
5 labor file is then issued to the project managers, charging employees, and their respective  
6 directors for review and confirmation. Appendix C represents an illustrative example of this  
7 report from July 2018. This process was in place as a project and business control during the  
8 execution period for the projects included in Track 3. In addition to the monthly labor review,  
9 PSEP reviewed and validated costs tracked in the regulatory balancing accounts. This provides a  
10 reasonable level of assurance that the Regulatory Accounts comply with the CPUC decisions  
11 authorizing such activities for refundable (balanced) versus non-refundable dollars. In D.19-02-  
12 004, the Commission found that “SoCalGas and SDG&E implemented reasonable processes to  
13 track and verify PSEP costs.”<sup>33</sup>

14 Finally, the need to staff a program quickly under new regulatory obligations has been  
15 recognized as a consideration in similar reasonableness reviews. In D.23-02-017, the  
16 Commission states:<sup>34</sup>

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

24 The Commission’s language in describing the need to address wildfire-related safety work  
25 “quickly” and with “urgency”, with cost recovery tracked through memorandum accounts for  
26 later recovery due to “new and costly regulations,” is akin to the Commission’s decisions  
27 concerning the utilities’ PSEP programs.<sup>35</sup>

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<sup>33</sup> D.19-02-004 at 98 (FOF 18).

<sup>34</sup> D.23-02-017 at 22-23 (emphasis added).

<sup>35</sup> D.11-06-017 at 17, 19 (“Attempts at legal exculpation have no place in our proceedings to address these **urgent** issues,” and plans should provide for testing or replacing certain pipelines “**as soon as**

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

3                   Witness Banarsee identifies \$5.30 million in employee benefit costs recommended for  
4 removal by the Commission.<sup>36</sup> As an initial matter, Witness Banarsee incorrectly characterizes  
5 employee benefits as: “excessive construction management and vendor charges, including meals  
6 and lodging unsupported by documentation.”<sup>37</sup> The witness conflates employee benefits with  
7 “construction management or vendor charges.”<sup>38</sup> Meals and lodging cost elements are company  
8 employee expenses not associated with contractors. As shown in Table 1 above, the three other  
9 Cal Advocates witnesses propose total cost reductions in this category of only \$0.007 million  
10 across the hydrotest, derate, abandonment, valve project, and miscellaneous cost categories. In  
11 addition, in Cal Advocates’ SoCalGas testimony, a disallowance of \$4.20 million was  
12 recommended for this category versus the \$5.3 million proposed for SDG&E, despite the fact  
13 that SoCalGas’s request includes nine more replacement projects than SDG&E, amounting to  
14 \$246 million compared to SDG&E’s \$188 million request.

15                  Witness Banarsee errs in including the “Miscellaneous Materials” category as part of  
16 employee benefits, totaling \$3.06 million. As stated in SoCalGas’s response to data request  
17 PubAdv-SCG-405-MW5 (supplemental) question 7a-u, which is applicable to both SoCalGas  
18 and SDG&E, this cost category is defined as “project materials.” This category includes the  
19 physical pipe and other appurtenances purchased for replacement projects and, therefore, should  
20 not be characterized as “employee benefits.” Cal Advocates’ data request response to SCG-  
21 SDGE-PAO-001, question 1c, also indicates that the cost elements “SRV-TEMP” and  
22 “AGENO LABOR” were included in Witness Banarsee’s calculation; however, these  
23 categories (which are actually one single cost element: SRV- temporary agency labor) do not  
24 appear on Table 4-9 as shown in the errata for Witness Banarsee’s testimony. It is unclear  
25 whether Witness Banarsee truly utilized these cost elements as part of their cost reduction  
26 methodology for employee benefits. Nevertheless, these cost elements should not be included,

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**practicable.”** (emphasis added)); D.14-06-007 at 2 (authorized the creation of balancing accounts because “we want the applicants to implement Safety Enhancement now.”).

<sup>36</sup> Ex. CA-04-E (Banarsee) at 17-16.

<sup>37</sup> *Id.* at 15.

<sup>38</sup> *Id.* at 3.



1 as these categories apply to labor associated with temporary employees who supported PSEP  
2 projects and cannot be recognized as employee benefits or expenses. SDG&E recommends that,  
3 should the Commission decide to remove any employee benefit costs tied to replacement  
4 projects from SDG&E's request, it adopt the \$0.092 million figure that was correctly calculated  
5 by SDG&E, not \$5.30 million identified by Witness Banarsee, which is based on flawed  
6 calculations.

7 **3. Issue #6 – Cal Advocates Witness Banarsee's calculation of straight-**  
8 **time labor for replacement projects is erroneous.**

9 Witness Banarsee identifies \$6.06 million in straight-time labor costs that Cal Advocates  
10 recommends for removal by the Commission. As an initial matter, Witness Banarsee incorrectly  
11 characterizes straight-time labor, recommending: "Removal of \$6.06 million for unsupported  
12 contingency spending, contractor labor costs embedded in non-labor line items, and costs  
13 untraceable to project scope."<sup>39</sup> There are multiple issues with this statement. First, SDG&E  
14 does not recognize contingency in actual costs. Therefore, it is unclear how Witness Banarsee  
15 determined that contingency spending could be "unsupported"<sup>40</sup> from the data SDG&E provided  
16 in its testimony, workpapers, and data request responses. Second, contractor labor costs are  
17 recognized under the respective function that the contractor falls under, not in any company  
18 labor cost elements that are synonymous with straight time labor; so, the statement that  
19 contractor costs are considered nonlabor is correct, but this has no bearing on how or why  
20 company labor should be reduced.

21 Breaking from the more detailed template offered by the other witnesses, Witness  
22 Banarsee provides the straight time labor amount as a 3.22% allocation to each project for the  
23 overall \$188 million pipeline replacement request. This methodology is given no basis or  
24 explanation in testimony for this methodology. SDG&E has no means of analyzing Witness  
25 Banarsee's methodology compared with the other witnesses. The other witnesses who proposed  
26 disallowances for straight-time labor utilized cost elements that comprise straight-time labor and  
27 applied these filters to derive reductions for each specific project. Adding to the confusion is the  
28 fact that, in response to data request SCG-SDGE-PAO-001 question 1c, Witness Banarsee states:

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<sup>39</sup> Ex. CA-04-E (Banarsee) at 15.

<sup>40</sup> *Id.* at 17.

1 “For each project row listed in the Straight Time Labor tab, please refer to the corresponding DR  
2 excel sheets found in Pub-Adv-SCG-401-MW5 > KOB1 > filter for all S/T under cost element  
3 name. All amounts can be found under this function. Proceed to do this for all Excel sheets that  
4 correlate with the table from the working paper.” The instructions provided by Witness  
5 Banarsee differ from those in her workpaper. This proposed reduction is based on an unfounded,  
6 unsupported percent allocation methodology undertaken by Witness Banarsee. SDG&E therefore  
7 recommends that, if the Commission decides to remove any straight time labor costs tied to  
8 replacement projects from SDG&E’s request (which it should not), the Commission should  
9 adopt the \$3.47 million figure that was calculated by SDG&E, not \$6.06 million incorrectly  
10 calculated by Witness Banarsee.

11 **B. Cal Advocates – Project Execution-Related Costs**

12 **1. Issue #7 – SDG&E’s Line 1600 records audit costs were reasonably**  
13 **incurred.**

14 Witness Chow’s recommended removal of SDG&E’s Line 1600 records audit costs is  
15 based on flawed, circular logic. Witness Chow arrives at the determination to entirely disallow  
16 the \$0.136 million associated with SDG&E’s request because “SDG&E’s poor availability of its  
17 Line 1600 data [...] contributed to the Commission’s ordering an audit.”<sup>41</sup> Witness Chow  
18 attempts to support this claim with statements made by the Commission in D.18-06-028, but  
19 recognizes that the decision “also ordered SDG&E to establish a memorandum account to track  
20 the audit costs for potential future rate recovery.”<sup>42</sup>

21 The audit was completed at the direction of the Commission, with the Commission’s  
22 Safety and Enforcement Division (SED) selecting the independent auditor, overseeing the audit,  
23 and having the final audit delivered to the Commission. The audit primarily served to inform the  
24 Commission and settle a dispute between the utilities and intervenors over Line 1600 pipeline  
25 attributes and the pipeline’s Maximum Allowable Operating Pressure.<sup>43</sup> SDG&E’s role in the  
26 Commission’s audit was to facilitate the process on behalf of the Commission by making records  
27 available to the auditor and administering the contract and payments to the auditor. In this

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<sup>41</sup> Ex. CA-05 (Chow) at 18.

<sup>42</sup> *Id.*

<sup>43</sup> D.18-06-028 at 97-102.

1 Track 3 proceeding, SDG&E is doing exactly what the Commission ordered SDG&E to do. The  
2 Commission stated in D.18-06-028, “Memorandum accounts are appropriate to track audit  
3 expenses because they should be subject to after-the-fact reasonableness review.”<sup>44</sup> If the  
4 Commission intended SDG&E shareholders to bear these costs, then the Commission would not  
5 have ordered the memorandum account treatment, allowing SDG&E to seek recovery of these  
6 costs later. Despite the Commission’s clear direction, witness Chow has not conducted a review  
7 of the reasonableness of these costs. The Commission should dispense with Witness Chow’s  
8 recommendation and approve recovery of the \$0.136 million in O&M costs.

9 The records audit, which was completed as directed by the Commission in D.18-06-028,  
10 supported SDG&E’s position in the prior dispute and did not identify any issues with SDG&E’s  
11 recordkeeping regarding Line 1600. The final document, “Line 1600 MAOP Audit Final  
12 Report,” dated October 17, 2019, settled the issue over SDG&E’s Line 1600 pipeline records by  
13 confirming SDG&E’s established Maximum Allowable Operating Pressure through a detailed  
14 review of pipeline records and corresponding calculations. The audit demonstrated that  
15 SDG&E’s Line 1600 records were, in fact, in order and fully available. In fact, in the findings  
16 and results section of the report (section 7, item iv), the auditor stated, “When compared to other  
17 companies in the industry, SDG&E has an advantage due to their well-organized records library.  
18 All historical work orders and affiliated documentation were collected to create and in-house  
19 hard copy Data Book and were scanned into an electronic library. This was very helpful and  
20 reduced the time and effort usually involved with MAOP record collection and data gathering.  
21 This is highly recommended as a standard record keeping practice for future MAOP analysis  
22 projects.”<sup>45</sup> The reasonableness of the costs requested by SDG&E is emphasized by the  
23 auditor’s findings that SDG&E’s processes were appropriate.

24 **2. Issue #8 – SDG&E replacement project costs are reasonable; Witness**  
25 **Banarsee’s disallowance methodology is unfounded.**

26 Cal Advocates proposes \$1.3 million to be disallowed from SDG&E’s replacement  
27 projects due to “duplicative charges, scope inconsistencies, and cost estimation errors”; however,  
28 Witness Banarsee’s testimony on this matter contains flawed analysis and cost reductions that

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<sup>44</sup> *Id.* at 123 (FOF 78).

<sup>45</sup> RCP, *Line 1600 MAOP Audit, Final Report* (Oct. 17, 2019) at 10, available at  
<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M323/K170/323170376.pdf>.

1 cannot be relied on by the Commission. Witness Banarsee identifies issues for specific projects  
2 in her testimony that contain citations to SDG&E's supplemental workpapers. For example, for  
3 the La Mesa Gate Station replacement project, "Stage gate materials and pipeline drawings  
4 showed significant changes to valve layout and facility footprint between the 30%, 60%, and  
5 final design stages. However, SDG&E did not submit cost reconciliation logs or documentation  
6 tying the revised design to final capital charges."<sup>46</sup> A statement such as this implies that Cal  
7 Advocates would identify certain charges associated with this project and then recommend a  
8 disallowance based on the unique circumstances of the project in question. This was not the  
9 case. Based on SDG&E's analysis, it is apparent that the amounts Cal Advocates references in  
10 testimony and the supporting workpaper provided in discovery were identified by applying a flat  
11 0.69% reduction to the amounts requested by SDG&E for its Track 3 replacement projects. The  
12 0.69% figure represents the percentage of the total disallowed amount for this cost category, \$1.3  
13 million, divided by the total amount of the replacement projects SDG&E included in its request  
14 (totaling \$188 million). Cal Advocates offers no discussion or support for this calculation  
15 methodology in CA-04.

16 The recurring theme in this section of Witness Banarsee's testimony is that SDG&E did  
17 not provide adequate supporting documentation that Cal Advocates believes is necessary to  
18 determine the reasonableness of the requested replacement project costs. However, SDG&E  
19 provided substantial supporting documentation in response to data request PubAdv-SDGE-409-  
20 ABK. Question 1a of this data request states: "For each cost category where actual costs  
21 exceeded the estimate, provide a detailed justification. Include supporting documentation such as  
22 internal emails, revised scope documents, engineering memos, or contractor change orders."  
23 Given the thousands of documents that would have to be provided to be fully responsive,  
24 SDG&E objected to this request and pointed Cal Advocates to the detailed cost impacts section  
25 that was added to the revised supplemental workpapers for Track 3. Objection notwithstanding,  
26 SDG&E still provided change order summaries from the construction phase, which typically  
27 constitute the highest impact cost drivers for pipeline projects, especially those in urban areas  
28 like the ones at issue here. SDG&E also provided Cal Trans permitting documentation in  
29 response to question 2b, which demonstrated how Cal Trans delays impacted construction work;

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<sup>46</sup> Ex. CA-04-E (Banarsee) at 20.

1 contractor schedules (question 4c); stage gate presentations that explain project design evolution  
2 (question 6a); and project-specific bottom-up estimates that provided the basis for cost tracking  
3 and management (question 7a). Taken as a whole, the attachments submitted in response to this  
4 data request are adequate to support a thorough understanding of cost variances.

5 Furthermore, as mentioned above, to highlight the magnitude of the documentation that  
6 exists for PSEP projects, SDG&E and SoCalGas are providing certain supporting files associated  
7 with the SL45-120 Section 2 Replacement project in the appendices of the rebuttal testimony of  
8 Bill Kostelnik.

9 **C. PCF**

10 **1. Issue #1 –PSEP was completed on pipelines that meet the PHMSA**  
11 **definition of transmission lines and required by the Commission.**

12 PCF proposes that SDG&E should not be entitled to any recovery because SDG&E “does  
13 not identify the replacement pipeline sections as transmission pipelines,” but as distribution  
14 pipelines.<sup>47</sup> PCF’s proposed disallowance and ratepayer refund is based on an apparent  
15 misinterpretation of what is considered in-scope for PSEP and the Commission-approved Phase  
16 1 decision tree that dictates the decision to test or replace a particular segment. PCF concluded  
17 that such work should be disallowed because a map of the “transmission system” did not include  
18 the pipelines worked on under PSEP.<sup>48</sup> However, “transmission line” is a federally defined term  
19 encompassing the pipelines worked on in SDG&E’s PSEP, and all PSEP projects were on  
20 transmission lines at the time they were performed, even if they were later classified as  
21 distribution pipelines.

22 The United States Federal Government has established governing natural gas pipeline  
23 safety codes, administered through the California Public Utilities Commission, which apply to  
24 and must be adhered to by California utilities, including SDG&E and SoCalGas. Specifically,  
25 Title 49, subchapter B, Chapter 1, Subchapter D, Part 192, Transportation of Natural and Other  
26 Gas by Pipeline: Minimum Federal Safety Standards, includes Section 192.3 Definitions, which  
27 defines terms used in Part 192. Section 192.3 provides the following definitions:

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<sup>47</sup> Ex. PCF-48 (Powers) at 5.

<sup>48</sup> *Id.*

1       *Distribution line* means a pipeline other than a gathering or transmission  
2       line.

3       *Transmission line* means a pipeline or connected series of pipelines, other  
4       than a gathering line, that: (1) Transports gas from a gathering pipeline or  
5       storage facility to a distribution center, storage facility, or large volume  
6       customer that is not down-stream from a distribution center; (2) Has an  
7       MAOP of 20 percent or more of SMYS; (3) Transports gas within a storage  
8       field; or (4) Is voluntarily designated by the operator as a transmission  
9       pipeline. Note 1 to transmission line. A large volume customer may receive  
10      similar volumes of gas as a distribution center, and includes factories, power  
11      plants, and institutional users of gas.

12       As specified above, a pipeline with a Maximum Allowable Operating Pressure (MAOP)  
13      of 20 percent or more of Specified Minimum Yield Strength (SMYS) is defined as a  
14      transmission line. As shown in the workpapers of SDG&E witness Marco Tachiquin in Table 1  
15      General Project Information, the original SMYS of each project prior to completing the PSEP  
16      work was greater than 20% of SMYS. Therefore, each pipeline met the code definition of a  
17      transmission pipeline and is subject to PSEP requirements.

18       Because each of the SDG&E pipeline projects included in this filing meets the code  
19      definition of a transmission line, they are appropriately within PSEP. Therefore, PCF witness  
20      Powers' claim that none of the PSEP pipeline projects involve SDG&E natural gas transmission  
21      pipeline is incorrect.

22       PCF witness Powers notes in his testimony on page 5, lines 15-20, that SDG&E redacted  
23      this confidential information related to pipeline diameter and Specified Minimum Yield Strength  
24      without justification. In Table 1 of each pipeline's unredacted confidential workpapers, which  
25      are available to parties, SDG&E included confidential technical information about each pipeline,  
26      showing that each pipeline operated at over 20% SMYS at MAOP (and were therefore  
27      transmission lines).<sup>49</sup>

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<sup>49</sup> As for justification as to why SDG&E has redacted certain pipeline information, the U.S federal government has established a framework for protecting sensitive information related to critical energy infrastructure through the Critical Infrastructure Information Act of 2002 and the Transportation Security Administration's (TSA) Pipeline Security Guidelines originally issued in March of 2018. The framework is designed to help safeguard pipelines from physical and cyber threats that could disrupt energy delivery, compromise national security, or public safety. In conformance with this framework, SDG&E limits the release to the public domain of certain pipeline attributes and detailed locational information of pipelines. This includes the information redacted in this proceeding, including pipeline diameter, SMYS, and MAOP. PCF did not request from SDG&E the confidential versions of this information or submit any data requests about these pipelines.

1 PCF witness Powers also attempts to justify his claim that the subject pipelines are  
2 distribution lines, not transmission lines, by showing screenshots of a map (Powers attachment  
3 C) from SDG&E's website. As footnote 14 of Powers' Testimony stated, this map was accessed  
4 on July 12, 2025. The information on the map represents *current* pipeline information after the  
5 PSEP replacement work requested in this GRC was completed. It does not represent the state of  
6 the pipelines prior to PSEP work. Before the PSEP work was completed, the subject pipelines  
7 were operating at greater than 20% SMYS, and thus, were defined and shown as transmission  
8 lines (*see* Table 1 of each project workpaper for Original SMYS), and therefore would be  
9 reflected as such. The maps offer no supporting evidence as to the classification of the pipeline  
10 prior to PSEP, while SDG&E's workpapers and 2011 PSEP filing clearly provide supporting  
11 information that these lines were transmission lines and subject to PSEP.

12 Witness Powers error with respect to what qualifies as a transmission line is highlighted  
13 by his suggestion that the pipelines on the map associated with Powers' Attachment B are the  
14 entirety of SDG&E's gas transmission system. The pipelines on the referenced map are labeled  
15 as "Backbone Transmission Line" – a subset of all SDG&E's pipelines defined as transmission  
16 lines. Backbone Transmission Lines are SDG&E transmission lines primarily used for  
17 ratemaking purposes and backbone transmission system capacity planning. SDG&E has other  
18 pipelines not identified on the map that operate at greater than 20% SMYS and are thus defined  
19 as transmission lines. Prior to the PSEP work being completed, this included all the pipelines  
20 associated with the pipeline projects included in this proceeding, supported by the associated  
21 workpapers, and also identified in SDG&E's 2011 PSEP filing.<sup>50</sup>

22 **2. Issue #2 – SDG&E correctly applied its PSEP decision tree and**  
23 **reasonably chose to perform replacements where service to core**  
24 **customers could not be provided during a hydrotest.**

25 The SDG&E PSEP plan includes a CPUC-approved decision tree to determine whether  
26 specific pipeline segments should be pressure tested, replaced, or abandoned. The decision tree  
27 requires replacement of a pipeline if the pipeline cannot be taken out of service with manageable

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<sup>50</sup> Refer to R.11-02-019/A.11-11-002, Amended PSEP of SoCalGas and SDG&E Pursuant to D.11-06-017, Requiring all California Natural Gas Transmission Operators to File a Natural Gas Transmission Pipeline Comprehensive Pressure Testing Implementation Plan (December 2, 2011) and accompanying workpapers.

1 customer impacts. Discussion of the decision tree is included in SDG&E's direct testimony and  
2 supplemental workpapers of witness Tachiquin.<sup>51</sup>

3 PCF witness Powers indirectly claims that SDG&E misapplied the PSEP Decision Tree.  
4 On pages 7 through 9 of Powers' testimony, he makes a series of broad and disconnected  
5 statements implying that SDG&E did not consider temporary gas supply options for managing  
6 customer impacts as part of the decision tree hydrotest option. This is incorrect.

7 As stated on WP-5, SDG&E completes an extensive decision tree analysis specific to  
8 each project, which includes, among several items, a shut-in analysis to determine if the pipeline  
9 can be shut down and if alternate service is available, and an assessment of customer impacts.  
10 SDG&E's shut in analysis includes a technical review ("Request for Engineering Review") by  
11 the engineering department for each pipeline segment to determine the impacts of potentially  
12 shutting the line down including system reliability and capacity impacts, the number of  
13 customers served by the pipeline, the volumes and pressures of gas needed to serve them,  
14 whether they have alternative sources for supply, whether CNG or other temporary supplies are  
15 feasible and whether a bypass pipeline could be constructed to mitigate some of the impacts. As  
16 part of the decision tree analysis, the project team utilizes this information to determine whether  
17 customer impacts are manageable, whether the line is a potential candidate for hydrotesting,  
18 whether the impacts are not manageable, and whether pipeline replacement is the appropriate  
19 option.

20 SDG&E has submitted a detailed workpaper for each PSEP project in this proceeding.  
21 Each workpaper contains Section II.B. – Decision Tree Analysis that describes in detail the  
22 specifics of each project and the determination of whether the decision tree leads to hydrotesting  
23 or replacement. This includes considering temporary gas supplies. SDG&E's testimony and  
24 workpapers clearly describe the decision tree process and results for each project, demonstrating  
25 that SDG&E correctly applied the decision tree for the subject replacement projects.

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<sup>51</sup> Ex. SDG&E-T3-PSEP-01 (Tachiquin) at MT-10–MT-12; Ex. SDG&E-T3-PSEP-WP1 (Tachiquin) at WP-5–WP-6.



1                   **3. Issue #3 – SDG&E’s bottom-up estimating approach for transmission**  
2                   **projects is more accurate and reliable than PCF’s use of distribution**  
3                   **unit cost estimating.**

4                   PCF witness Powers’ testimony on pages 10 and 11 references average unit costs for  
5 replacing a mile of distribution pipe main and distribution regulator stations, and uses those  
6 rudimentary values in his calculations to develop unrealistically low project cost estimates that  
7 he uses to compare to the PSEP transmission pipeline replacement projects included in  
8 SDG&E’s testimony. PCF’s approach is akin to taking the average cost of constructing a mile of  
9 residential roadway (distribution) and using that unit cost to develop a cost estimate for building  
10 a freeway (transmission). PCF’s use of distribution unit costs to estimate much larger and more  
11 complicated transmission projects that must be constructed and tested to much more rigorous  
12 standards is inappropriate. It leads to inaccurate and unrealistically low-cost estimates. As  
13 discussed in witness Tachiquin’s direct testimony and supplemental workpapers, SDG&E uses  
14 industry standard estimating practices established by the Association for the Advancement of  
15 Cost Engineering International (AACEi) Recommended Practice 97R-18 for pipeline  
16 transportation infrastructure.<sup>52</sup> This is a detailed bottom-up approach that develops a custom  
17 estimate for each project based on the unique characteristics of the project. Rather than use  
18 generic, rudimentary values such as dollars per mile, SDG&E’s estimates are much more  
19 granular and based on the specific elements of the project and the conditions associated with  
20 construction. This includes the specific pipeline size, length, material type, location,  
21 geotechnical information such as soil type and rock, groundwater considerations, allowable work  
22 hours, available workspace and traffic control requirements, foreign utilities that must be safely  
23 worked around, freeway and stream crossings, environmental restrictions, inspection  
24 requirements, and street repair and site restoration requirements. This results in a much more  
25 accurate and reliable estimate than a generic cost per mile. This is in addition to the previously  
26 discussed fact that Powers used distribution costs to estimate transmission projects.

27                   In SoCalGas and SDG&E’s 2019 General Rate Case, the estimating process used by the  
28 utilities for PSEP—which is the same as that employed for the projects included in Track 3—was

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<sup>52</sup> Ex. SDG&E-T3-PSEP-01 (Tachiquin) at MT-32–MT-37; Ex. SDG&E-T3-PSEP-WP1 (Tachiquin) at WP-6–WP-12.

1 found reasonable by the Commission against more rudimentary methods proposed by Cal  
2 Advocates:<sup>53, 54</sup>

3 SoCalGas' method for developing its project estimates included planning,  
4 engineering design, input from subject matter experts regarding project cost  
5 estimates, analysis of environmental impacts, inputs regarding construction,  
6 determination of required permits, analysis regarding natural gas loads, and supply  
7 management. The above activities are more project-specific and take into account  
8 specific circumstances regarding each project. This level of detail allows us to  
9 better evaluate and review costs requested consistent with D.14-06-007, where the  
10 Commission stated that ratepayers should have the benefit of detailed plans for the  
11 Commission to consider before authorizing or pre-approving expenditures for  
12 PSEP projects. Cost estimates were developed using a zero-based method, which  
13 we find reasonable in this instance as specific needs for each project are better taken  
14 into account and incorporated into the forecast as opposed to basing costs on budget  
15 history. Based on all of the above, we find SoCalGas' method and cost estimates  
16 to be reasonable, appropriate for the proposed projects, and supported by the  
17 testimony submitted.

18 The simplistic cost-per-mile approach proposed by PCF fails to take into account the  
19 unique circumstances of the PSEP projects included for recovery in this proceeding. In D.19-09-  
20 051, the Commission dismissed Cal Advocates' model because it "relies on general project data  
21 such as pipeline length and diameter and project duration but does not apply factors surrounding  
22 a particular project that may be specific to certain types of projects or even a specific project  
23 only."<sup>55</sup> Other reasons why the model was found to be deficient include:<sup>56</sup>

- 24 • "the data uses early Phase 1A projects whereas the projects proposed in this  
25 application are Phase 2A and Phase 1B projects."
- 26 • "95 percent of the pressure test data are from PG&E PSEP projects and does not  
27 account for project differences between different utilities."
- 28 • "ORA's pressure test data also only applies O&M costs whereas the Pressure Test  
29 Projects include both an O&M component and a capital component."

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<sup>53</sup> SDG&E did not proposed any forecasted PSEP projects in the 2019 GRC; however, the methodology described and successfully defended by SoCalGas is applicable to both utilities since they both use AACEi estimating practices to produce estimates for PSEP projects.

<sup>54</sup> D.19-09-051 at 203-204.

<sup>55</sup> *Id.* at 202.

<sup>56</sup> *Id.* at 202-203 (citations omitted).

- “The model also does not specifically apply other factors such as elevation, terrain, and other geographic conditions, as well as the need to bypass private lands, the types of permits and environmental clearances that are necessary, the engineering design of a project, and other factors that may be relevant.”

PCF’s cost per mile approach is unreasonable as it lacks the specificity of the industry standard method used by SDG&E, and furthermore, by using distribution data as its basis, it is not applicable to the PSEP projects included in Track 3, which meet the definition of transmission lines as discussed in Section III.C.1. above. For these reasons, witness Powers’ cost estimates and cost comparisons presented in Table 1 should be disregarded.

#### **IV. CONCLUSION**

Cal Advocates’ proposed \$16.1 million reductions associated with SDG&E’s PSEP request are unfounded. PCF’s recommendation for the Commission to deny all costs and order a refund of certain unidentified PSEP costs that SDG&E has already collected ignores basic rules governing PSEP. My testimony and workpapers submitted in this Track 3 clearly demonstrate that SDG&E has acted as a reasonable manager while incurring the PSEP costs at issue, in furtherance of the Commission’s mandate to execute PSEP “as soon as practicable” as laid out in D.11-06-017. SDG&E’s execution and management of the PSEP program during this timeframe is consistent with the Commission’s statements on affordability in D.24-12-074 and the four over-arching objectives of PSEP: (1) enhance public safety, (2) comply with Commission directives, (3) minimize customer impacts, and (4) maximize the cost-effectiveness of safety investments while being cognizant of the Commission’s affordability objectives.

Cal Advocates’ testimony relies on a number of flawed arguments that render their proposed reductions invalid. These include: misrepresented or miscalculated disallowances; allegations that SDG&E has not demonstrated incrementality despite a lack of any evidence or reasonable alternatives; and a lack of understanding of how costs are correctly recorded to pipeline replacement projects by SDG&E. PCF’s arguments do not withstand close scrutiny because they are based on a misinterpretation of the definition of transmission pipelines and the PSEP decision tree that guides PSEP scope development, and are erroneous with regard to the industry standard cost estimating practices that SDG&E has utilized throughout the history of PSEP to forecast, track, and manage PSEP project costs for every project. Despite Cal

1 Advocates' and PCF's claims, SDG&E's testimony and workpapers, with additional support  
2 offered in this rebuttal, demonstrate the reasonableness of SDG&E's costs. The Commission  
3 should approve SDG&E's \$240 million request, as well as the associated \$50 million revenue  
4 requirement, in full.

5 This concludes my prepared rebuttal testimony.

**APPENDIX A**  
**GLOSSARY OF TERMS**

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

**APPENDIX B**  
**DATA REQUEST RESPONSES**

**Data Request Number:** PAO-SDGE-401-MW5

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/2/2025

**Date Responded:** 5/16/2025

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

- Replacement Projects
- Replacement and Pressure Test Projects
- Abandonment Projects
- Valve and Valve Bundle Projects
- Miscellaneous Costs

**SDG&E Response 1:**

Please see the attached project Excel files for:

- 49-1 Replacement Project
- 49-16 Replacement and Hydrotest Project
- 49-17 East Replacement Project
- 49-17 West Replacement Project
- 49-28 Abandonment Project
- 1601 Valve Enhancement Project
- 49-11 Valve Enhancement Project

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

**Data Request Number:** PAO-SDGE-401-MW5

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/2/2025

**Date Responded:** 5/16/2025

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

- Replacement Projects
- Replacement and Pressure Test Projects
- Abandonment Projects
- Valve and Valve Bundle Projects
- Miscellaneous Costs

**SDG&E Response 2:**

Please see the attached files: “PSEP Overhead DR” and “Data Request Property Tax and AFUDC.”



**Data Request Number:** PAO-SDGE-401-MW5

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

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**Date Received:** 5/2/2025

**Date Responded:** 5/16/2025

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

**SDG&E Response 3:**

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

**Data Request Number:** PAO-SDGE-401-MW5

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/2/2025

**Date Responded:** 5/16/2025

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

**SDG&E Response 4:**

As stated in the testimony of Marco Tachiquin, starting on Page MT-38, miscellaneous costs are necessary costs that were incurred to execute PSEP. As presented in MT-6, there are three types of miscellaneous costs presented for cost recovery:

- Facilities Lease Credit<sup>1</sup>
- Post-Completion Construction Costs
- Line 1600 Records Audit

Please see Page MT-38 for a detailed description of these miscellaneous cost categories.

If costs cannot be directly tied to the execution of a specific project, SDG&E categorizes them as miscellaneous in nature.<sup>2</sup> The Commission directed the Line 1600 Records Audit in D.18-06-028 and will not be included in the Line 1600 costs presented for recovery in the TY 2028 General Rate Case.

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<sup>1</sup> This amount is a facilities rental fee adjustment after the PSEP office closed in 2016.

<sup>2</sup> Post-Completion Construction costs adjustments are tied to projects that have already been presented for review in A.16-09-005 and A.18-11-010. As described on Page MT-38, these are cost adjustments that occur when invoices or accounting adjustments are processed after filing an application for after-the-fact reasonableness review and may result in increased or decreased costs.

**Data Request Number:** PAO-SDGE-401-MW5

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/2/2025

**Date Responded:** 5/16/2025

5. Regarding the \$3.472 million that was identified as “disallowed costs,” please explain how SDG&E treated these costs. Were these costs removed from SDG&E’s request? If so, from what cost categories or projects? If not, please explain.

**SDG&E Response 5:**

The disallowed costs identified have been removed from SDG&E’s request. As stated in the testimony of Marco Tachiquin on Page MT-39, D.14-06-007 (as modified by D.15-12-020) ordered that certain costs be disallowed from recovery in rates. The detailed project workpapers include the amount disallowed for specific projects, if applicable. For convenience, please see the table below for which projects had disallowed costs:

<b>Project</b>	<b>Disallowed Cost</b>	<b>Workpaper Page</b>
49-1 Replacement Project	\$1,040,938	WP-48
49-17 East Replacement Project	\$1,595,933	WP-77
49-17 West Replacement Project	\$550,381	WP-106
49-32-L Replacement Project	\$116,913	WP-125
49-16 Replacement and Hydrotest Project	\$167,507	WP-192

**Total Disallowed Cost:** \$3,471,672

**Data Request Number:** PAO-SDGE-401-MW5

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/2/2025

**Date Responded:** 05/23/2025

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

- Replacement Projects
- Replacement and Pressure Test Projects
- Abandonment Projects
- Valve and Valve Bundle Projects
- Miscellaneous Costs

**SDG&E Supplemental Response 1:**

Please see the attached project Excel files for:

- 49-1 Replacement Project
- 49-16 Replacement and Hydrotest Project
- 49-17 East Replacement Project
- 49-17 West Replacement Project
- 49-28 Abandonment Project
- 1601 Valve Enhancement Project
- 49-11 Valve Enhancement Project

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

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

**Data Request Number:** PAO-SDGE-401-MW5

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/2/2025

**Date Responded:** 05/23/2025

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

- Replacement Projects
- Replacement and Pressure Test Projects
- Abandonment Projects
- Valve and Valve Bundle Projects
- Miscellaneous Costs

**SDG&E Supplemental Response 2:**

Please see the attached files: “PSEP Overhead DR” and “Data Request Property Tax and AFUDC.”

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

**Data Request Number:** PAO-SDGE-401-MW5

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/2/2025

**Date Responded:** 5/30/2025

**Second Supplemental due 5/30/25**

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

- Replacement Projects
- Replacement and Pressure Test Projects
- Abandonment Projects
- Valve and Valve Bundle Projects
- Miscellaneous Costs

**SDG&E Response Supplemental 1:**

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

Please see the attached project Excel files for:

- 49-1 Replacement Project
- 49-16 Replacement and Hydrotest Project
- 49-17 East Replacement Project
- 49-17 West Replacement Project
- 49-28 Abandonment Project
- 1601 Valve Enhancement Project
- 49-11 Valve Enhancement Project

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

***First Supplemental Response (May 23, 2025):***

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

***Second Supplemental Response (May 30, 2025):***

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

**Data Request Number:** PAO-SDGE-401-MW5

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/2/2025

**Date Responded:** 5/30/2025

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

- Replacement Projects
- Replacement and Pressure Test Projects
- Abandonment Projects
- Valve and Valve Bundle Projects
- Miscellaneous Costs

**SDG&E Response Supplemental 2:**

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

Please see the attached files: “PSEP Overhead DR” and “Data Request Property Tax and AFUDC.”

***First Supplemental Response (May 23, 2025):***

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

***Second Supplemental Response (May 30, 2025):***

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

**Data Request Number:** PAO-SDGE-401-MW5

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/2/2025

**Date Responded:** 6/6/2025

**Third Supplemental Responses due 6/6/25**

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

- Replacement Projects
- Replacement and Pressure Test Projects
- Abandonment Projects
- Valve and Valve Bundle Projects
- Miscellaneous Costs

**SDG&E Response Supplemental 1:**

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

Please see the attached project Excel files for:

- 49-1 Replacement Project
- 49-16 Replacement and Hydrotest Project
- 49-17 East Replacement Project
- 49-17 West Replacement Project
- 49-28 Abandonment Project
- 1601 Valve Enhancement Project
- 49-11 Valve Enhancement Project

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

***First Supplemental Response (May 23, 2025):***

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

***Second Supplemental Response (May 30, 2025):***

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



**Data Request Number:** PAO-SDGE-401-MW5

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/2/2025

**Date Responded:** 6/6/2025

**SDG&E Response Supplemental 1: Continued**

***Third Supplemental Response (June 6, 2025):***

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

The following documents are attached:

1. ATT\_01\_Q1\_49-18 Mission Valley Valve Enhancement  
Project\_CONFIDENTIAL
2. ATT\_02\_Q1\_PSEP Overhead DR 4
3. CONFIDENTIAL DECLARATION\_PAO-SDGE-401-MW5 Q1 6-5-2025

**Data Request Number:** PAO-SDGE-401-MW5

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/2/2025

**Date Responded:** 6/6/2025

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

- Replacement Projects
- Replacement and Pressure Test Projects
- Abandonment Projects
- Valve and Valve Bundle Projects
- Miscellaneous Costs

**SDG&E Response Supplemental 2:**

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

Please see the attached files: “PSEP Overhead DR” and “Data Request Property Tax and AFUDC.”

***First Supplemental Response (May 23, 2025):***

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

***Second Supplemental Response (May 30, 2025):***

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

***Third Supplemental Response (June 6, 2025):***

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

The following document is attached:

1. ATT\_01\_Q2\_PSEP Overhead DR 4

**Data Request Number:** PAO-SDGE-401-MW5

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/2/2025

**Date Responded:** 6/13/2025

#### **Fourth Supplemental Responses due 6/13/25**

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

- Replacement Projects
- Replacement and Pressure Test Projects
- Abandonment Projects
- Valve and Valve Bundle Projects
- Miscellaneous Costs

#### **SDG&E Response Supplemental 1:**

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

Please see the attached project Excel files for:

- 49-1 Replacement Project
- 49-16 Replacement and Hydrotest Project
- 49-17 East Replacement Project
- 49-17 West Replacement Project
- 49-28 Abandonment Project
- 1601 Valve Enhancement Project
- 49-11 Valve Enhancement Project

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

#### ***First Supplemental Response (May 23, 2025):***

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

#### ***Second Supplemental Response (May 30, 2025):***

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

**Data Request Number:** PAO-SDGE-401-MW5

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/2/2025

**Date Responded:** 6/13/2025

***Third Supplemental Response (June 6, 2025):***

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

The following documents are attached:

1. ATT\_01\_Q1\_49-18 Mission Valley Valve Enhancement  
Project\_CONFIDENTIAL
1. ATT\_02\_Q1\_PSEP Overhead DR 4
2. CONFIDENTIAL DECLARATION\_PAO-SDGE-401-MW5 Q1 6-5-2025

***Fourth Supplemental Response (June 13, 2025):***

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

The following documents are attached:

1. Attachment 1 - PAO-SDGE-401-MW5\_1 and 2\_Misc Costs\_CONFIDENTIAL
2. CONFIDENTIAL DECLARATION\_PAO-SDGE-401-MW5 Q1 6-13-2025

**Data Request Number:** PAO-SDGE-401-MW5

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/2/2025

**Date Responded:** 6/13/2025

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

- Replacement Projects
- Replacement and Pressure Test Projects
- Abandonment Projects
- Valve and Valve Bundle Projects
- Miscellaneous Costs

**SDG&E Response Supplemental 2:**

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

Please see the attached files: “PSEP Overhead DR” and “Data Request Property Tax and AFUDC.”

***First Supplemental Response (May 23, 2025):***

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

***Second Supplemental Response (May 30, 2025):***

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

***Third Supplemental Response (June 6, 2025):***

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

The following document is attached:

1. ATT\_01\_Q2\_PSEP Overhead DR 4

***Fourth Supplemental Response (June 13, 2025):***

The third supplemental production for this data request, submitted on June 6, 2025, concluded SDG&E’s response for Question 2.

**Data Request Number:** PAO-SDGE-403-MW5

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/7/2025

**Date Responded:** 05/20/2025

The following questions refer to SDG&E Valve and Valve Bundle Projects listed on MT-38, starting with the 49-11 Valve Enhancement Project and ending with the 1601 Valve Enhancement Project:

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

**SDG&E Response 1:**

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

No.

**Data Request Number:** PAO-SDGE-403-MW5

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/7/2025

**Date Responded:** 05/20/2025

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

**SDG&E Response 2:**

SDG&E's Valve Enhancement Plan (VEP) includes an evaluation process and installation criteria that was first described in the testimony of Joseph Rivera<sup>1</sup> in support of SoCalGas and SDG&E's proposed PSEP, which was submitted in response to R.11-02-019, and later authorized in D.14-06-007<sup>2</sup>. Consistent with the Commission-approved VEP criteria, the VEP focuses on the installation of valves to isolate transmission pipelines routed in Class 3 and 4 and High Consequence Area (HCA) locations with the following characteristics:

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

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

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

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

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<sup>1</sup> R.11.02-019, Testimony of Joseph Rivera at 67-84.

<sup>2</sup> D.14-06-007, Ordering Paragraph 2 at 59.

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

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

**SDG&E Response 3:**

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

While D.14-06-007 approved SoCalGas and SDG&E's PSEP as proposed in A.11-11-002, including the Valve Enhancement Plan, the Commission did not pre-approve recovery of PSEP costs, as it was determined that SoCalGas and SDG&E did not yet have reliable, detailed PSEP cost estimates. Instead, D.14-06-007 established a regulatory framework for cost recovery through after-the-fact reasonableness review applications. SDG&E first presented valve enhancement projects for reasonableness review in A.18-11-010 and has included the remainder of SDG&E valve enhancement projects in the present application.

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<sup>4</sup> A.16-09-005; Testimony of Mike Bermel at 5.



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

**SDG&E Response 4:**

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

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

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5. Who reviews and approves the preliminary estimates that are mentioned in the various sections of Ex. SDGE-T3-PSEP-01-WP1-Marco Tachiquin?

**SDG&E Response 5:**

As stated on page MT-32 of the testimony of Marco Tachiquin: “The estimated amounts are derived from a Total Installed Cost (TIC) estimate... Once the TIC is finalized, SDG&E moves forward with budget authorization through the Work Order Authorization (WOA) process. The TIC, which includes direct costs only, is supplemented with indirect costs, which are calculated subject to the process described in the testimony of Eric Dalton (Ex. SDG&E-T3-PSEP-02); together, the direct and indirect costs are combined into the Phase 2 WOA. The approval of the Phase 2 WOA by PSEP leadership is required to proceed with the execution of a project.” Furthermore, SDG&E’s Approval and Commitment Policy governs the approval of projects and associated costs by Company leadership, establishing authority limits that are aligned to specific thresholds.

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

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<sup>5</sup> Depending on the date of a particular project, the execution of the TIC estimate and Phase 2 WOA may not have both occurred in Stage 3 since the stage gate process has evolved during the life of the PSEP program. As stated in footnote 41 of page MT-18 of the testimony: “The seven-stage Stage Gate Review Process was implemented by the PSEP organization beginning in the First Quarter of 2013. It has since been reduced to five stages that still encompass all the deliverables of the seven stages, by combining Stages 1 and 2 and Stages 6 and 7. All of the projects in this Application were completed following the seven-stage Stage Gate Review Process.”

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

**SDG&E Response 6:**

As stated in testimony, SDG&E has a “longstanding practice of maximizing the cost-effectiveness of safety investments, which has been one of the four primary objectives of PSEP since the Commission approved it in D.14-06-007.” Therefore, while there may not be specific incentives or counterincentives for remaining within a certain percentage of the TIC estimate, there are many steps taken by the PSEP program to reduce costs and promote affordability, including scope validation efforts, effective PSEP project sequencing, prudent procurement of materials, and use of the Performance Partnership Program to enhance contractor cost-effectiveness. It is important to note that, as stated in MT-32 of the testimony of Marco Tachiquin, the purpose of a preliminary/Class 3 estimate is for budget authorization, with engineering typically between a 10% and 40% completion level. Taking this into consideration, as noted on page MT-33 of testimony, “In aggregate, the portfolio of seven SDG&E pipeline projects presented for review was approximately \$47 million or 26 percent above the estimated amount (\$229 million actual versus \$182 million estimated). The SDG&E valve portfolio of six projects was approximately \$7 million or 37 percent below the estimated amount (\$11 million actual versus \$18 million estimated).” As stated on page MT-32, it is important to reiterate that TICs classified at the Class 3 level are expected to produce “...an estimate accuracy range of -20% on the low end to +30% on the high end”. Therefore, a group of projects that may exceed estimated amounts by up to 30 percent, on average, is considered to be within the normal range of outcomes given the uncertainty facing construction projects and the myriad risks that may materialize in individual project situations. Finally, regardless of how a cost aligns with the estimate, SDG&E must keep its costs reasonable for cost recovery purposes.

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

**SDG&E Response 7:**

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

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

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The following questions refer to Ex. SCG-T3-PSEP-01-WP1-Marco Tachiquin:

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

**SDG&E Response 8:**

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

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

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

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9. Under Engineering, Design, and Planning Factors in valve details, when it mentions that the valve was reused by the project team (for example on WP-261):

a. Does this mean that these valves were reused on the same project? If yes, please answer the questions below. If no, please skip to question g.

**SDG&E Response 9a:**

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

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9. Under Engineering, Design, and Planning Factors in valve details, when it mentions that the valve was reused by the project team (for example on WP-261):

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

**SDG&E Response 9b:**

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

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9. Under Engineering, Design, and Planning Factors in valve details, when it mentions that the valve was reused by the project team (for example on WP-261):

c. How does the project team determine whether to replace or reuse a valve?

**SDG&E Response 9c:**

The replacement of valves is based on the capabilities and quality of existing equipment. Existing ball valves have the capability of being automated, but SDG&E will review the operation history of the valve to determine if there are any operational issues (valve sticking, unable to fully close/seal, etc.) or integrity concerns with the equipment that would therefore warrant replacement. These issues are considered during the preliminary project design stage as a part of the scope validation for a given project.



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9. Under Engineering, Design, and Planning Factors in valve details, when it mentions that the valve was reused by the project team (for example on WP-261):

d. What is the service life of a manually actuated Class 300 ball valve?

**SDG&E Response 9d:**

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

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9. Under Engineering, Design, and Planning Factors in valve details, when it mentions that the valve was reused by the project team (for example on WP-261):

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

**SDG&E Response 9e:**

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

SDG&E interprets the term “easy” to refer to ease of access and availability. SDG&E would not characterize valve enhancement as “easy,” as various projects may require authorizations from various permitting agencies, pipeline outages, traffic control, and substantial construction activities.

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9. Under Engineering, Design, and Planning Factors in valve details, when it mentions that the valve was reused by the project team (for example on WP-261):

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

**SDG&E Response 9f:**

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

Manually actuated Class 300 ball valves were only purchased in the case of one project included in this filing: 49-16 Valve Enhancement Project. For the project referenced in this question, two 16” pipeline valves were purchased for approximately \$28K each; however, these valves were not installed as part of the 49-16 Valve Enhancement Project and were instead transferred to the companion 49-16 Replacement and Hydrotest Project. As stated on page WP-168 of the associated pipeline project workpaper: “The installation of the two valves identified for automation was included in the scope of the Supply Line 49-16 Replacement and Hydrotest – Section 1 work, and the automation activities were included in the scope of the Valve Enhancement Bundle.”

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9. Under Engineering, Design, and Planning Factors in valve details, when it mentions that the valve was reused by the project team (for example on WP-261):

g. If the response to Q. 9a is “no,” then how will SDG&E show the cost savings of reusing the valve in future projects?

**SDG&E Response 9g:**

Not applicable.

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

**SDG&E Response 10:**

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

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11. On p. WP-299 the Construction start Date is 10/17/2016 and Construction Completion Date is 12/01/2016. Please explain why the Commissioning Date is 2/27/2019, which is a little over 2 years after the completion date.

**SDG&E Response 11:**

As stated on p. WP-299, “Finalization of commissioning activities was dependent on electrical utility and communication connections, and system and/or resource availability. SDG&E upgraded the communication network while this project was being executed. This delayed final commissioning of the valves automated in this bundle”.

The communication network-related delay referenced in the workpaper was associated with an effort by SDG&E to upgrade to a County-wide private LTE network that would be more beneficial than relying on third-party service providers. Given the extended timeframe associated with this upgrade, it was determined that the valve automation for this specific project could be completed using an existing radio frequency network rather than waiting for the private LTE network to become established and available for this project.

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12. Regarding the Commissioning Date:

- a. What is the typical time frame from the Construction Finish Date to the Commissioning Date?
- b. Why do some projects have a short time frame between a Construction Finish Date to a Commissioning Date, while others have a longer time frame?
- c. What impacts (ie., increased costs and/ or delayed usage of the segment) does having a shorter or longer duration between Construction Finish Date and the Commissioning Date have?

**SDG&E Response 12:**

SDG&E objects to this request on the grounds that it is vague and ambiguous, particularly with respect to the phrase “typical time frame.” Subject to and without waiving the foregoing objection, SDG&E responds as follows:

- a. Due to the variations in scope of work for each project, site conditions, power source, communications requirements, and external permitting timelines, SDG&E has not found it appropriate to universally assign a “typical time frame” for the period between construction finish and commissioning date. For the nine valves that were addressed as part of the six bundled projects included in this application, the average number of calendar days passing between the construction finish date and the commissioning date is 324.
- b. The primary drivers for the length of the commissioning process are the availability of a power source and/or communications interconnection by which the electrical communications equipment installed as a part of the VEP scope of work can be operated. The commissioning process is typically shorter if an existing power and/or communications source is available onsite. The process and timeline may be more extensive if the scope requires obtaining new power and/or communication connections for the site.

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**SDG&E Response 12-Continued:**

c. The time between the construction finish date and the commissioning date generally does not cause increased costs to a project. As stated in the testimony of Eric Dalton on page ED-4: “Projects in the development or construction phase are classified as construction work in progress (CWIP) until such time that the project(s) is completed and placed into rate base. An AFUDC rate is applied to the ending (CWIP) balance in a given month to calculate the AFUDC cost, which is then added to CWIP.” Valves addressed through the VEP are generally placed into service when construction is completed, the pipeline and associated valve equipment are re-pressurized, and the equipment is considered used and useful by SDG&E.



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**Publish To:** Public Advocates Office

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**Date Responded:** 5/27/2025

1. Please provide a breakdown and supporting documentation for the \$529,000 in Miscellaneous Costs presented in Table MT-6. Specifically, please address the following:

a. Facilities Lease Credit (-\$8,000 O&M)

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

**SDG&E Response 1ai.:**

Please see attached: "PAO-SDGE-404-SO3\_1a-1c Responses\_CONFIDENTIAL" ("1a. Facilities Lease" tab).

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

**SDG&E Response 1aii.:**

This response will be provided in a separate response submitted on May 29, 2025. It will provide the five highest contractor/vendor line items, as agreed upon with the California Public Advocates Office on May 20, 2025, via email.

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1. Please provide a breakdown and supporting documentation for the \$529,000 in Miscellaneous Costs presented in Table MT-6. Specifically, please address the following

b. Post-Completion Construction Costs Adjustments (\$401,000 Capital)

i. List all projects associated with these costs.

**SDG&E Response 1bi.:**

Please see attached: “PAO-SDGE-404-SO3\_1a-1c Responses\_CONFIDENTIAL” (“1b.. Post Completion” tab).

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

**SDG&E Response 1bii.:**

This response will be provided in a separate response submitted on May 29, 2025. It will provide the five highest contractor/vendor line items, as agreed upon with the California Public Advocates Office on May 20, 2025, via email.

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1. Please provide a breakdown and supporting documentation for the \$529,000 in Miscellaneous Costs presented in Table MT-6. Specifically, please address the following

c. L1600 Records Audit (\$136,000 O&M)

i. List the costs included in the total, including date, description, and vendor (if any).

**SDG&E Response 1ci.:**

Please see attached: "PAO-SDGE-404-SO3\_1a-1c Responses\_CONFIDENTIAL" ("1c. 1600 Records Audit" tab).

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ii. Provide Documents that support these costs, such as invoices, time records, or journal entries.

**SDG&E Response 1cii.:**

This response will be provided in a separate response submitted on May 29, 2025. It will provide the five highest contractor/vendor line items, as agreed upon with the California Public Advocates Office on May 20, 2025, via email.

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iii. Identify the auditor selected by the Safety and Enforcement Division (SED) and when the audit took place.

**SDG&E Response 1ciii.:**

The CPUC Safety and Enforcement Division (SED) selected RCP, Incorporated from Houston, Texas, to complete the audit. The audit took place during 2019, with the final report having an issue date of October 17, 2019.

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iv. Confirm if SDG&E filed a Tier 1 Advice Letter for a memorandum account and provide the Advice Letter number.

**SDG&E Response 1civ.:**

SDG&E filed Tier 1 advice letter 2690-G for the establishment of the Line 1600 Records Audit Memorandum Account (L1600RAMA) pursuant to Decision 18-06-028.



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v. Name the memorandum account used to track these costs and confirm how they are being proposed for recovery in this GRC.

**SDG&E Response 1cv.:**

As stated above, the name of the memorandum account is the Line 1600 Records Audit Memorandum Account (L1600RAMA). At the time of creation of the L1600RAMA, SDG&E stated that the disposition of the memorandum account will be addressed in SDG&E's next GRC proceeding or other applicable proceeding. Upon approval, SDG&E will transfer the L1600RAMA balance to an applicable balancing account, as may be directed by the Commission, for amortization in rates. Once transferred, the L1600RAMA shall be eliminated. SDG&E seeks to complete these steps in this proceeding.

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1. Please provide a breakdown and supporting documentation for the \$529,000 in Miscellaneous Costs presented in Table MT-6. Specifically, please address the following

d. Additional Clarification

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

**SDG&E Response 1di.:**

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

The costs above are not included in a supplemental workpaper provided in this application but are supported in testimony.

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

**SDG&E Response 1dii.:**

These costs were not reclassified, disallowed, or transferred in a different proceeding. Please note that, as stated in the testimony of Marco Tachiquin on pages MT-38 and MT-39, post-completion cost adjustments “associated with lines presented for review (including descoped projects) in A.16-09-005 and A.18-11-010 are included for recovery in this section. Post-completion adjustments occur when invoices or accounting adjustments are processed after filing an application for an after-the-fact reasonableness review. Despite the best efforts of SDG&E to capture all items during the close-out process, post-completion adjustments may result in increased or decreased costs.”

**Data Request Number:** PAO-SDGE-404-SO3

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/7/2025

**Date Responded:** 5/27/2025

2. Please provide detailed documentation for the \$3.472 million in Disallowed Costs associated with Table MT-7.

a. Post-1955 PSEP Costs (\$3.472M)

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

**SDG&E Response 2ai.:**

<b>Project</b>	<b>Cap/O&amp;M</b>	<b>Disallowance</b>
49-1 Replacement Project	CAP	1,040,938
49-17 East Replacement Project	CAP	1,595,933
49-17 West Replacement Project	CAP	550,381
49-32-L Replacement Project	CAP	116,913
Supply Line 49-16 Replacement and Hydrotest Project	CAP	167,507
<b>Total</b>		<b>3,471,672</b>

**Data Request Number:** PAO-SDGE-404-SO3

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/7/2025

**Date Responded:** 5/27/2025

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

**SDG&E Response 2aii.:**

As noted in the testimony of Marco Tachiquin, D.14-06-007 (as modified by D.15-12-020), ordered that certain specified costs would be disallowed from recovery in rates. This includes segments of pipe installed on or after January 1st, 1956, that lack sufficient records of a pressure test that may be included within the scope of PSEP pipeline hydrotest or replacement projects. SoCalGas and SDG&E's disallowance methodology for these segments was initially described in the testimony of Rick Phillips<sup>1</sup> in A.16-09-005 and later deemed "correctly accounted for and excluded" by the Commission in D.19-02-004<sup>2</sup>. As part of its Stage Gate Review process, SDG&E requires PSEP project teams to identify disallowances and present the amounts to PSEP leadership at each stage from project initiation (Stage 1) through construction (Stage 4). The project-specific workpapers provided with this application also include, when applicable, a detailed description of the disallowance calculation in Section IV.E.

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

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<sup>1</sup> A.16-09-005; Testimony of Rick Phillips, Chapter 3 – Pipeline Projects and Other Costs, at 6-8.

<sup>2</sup> D.19-02-004 at 98.

**Data Request Number:** PAO-SDGE-404-SO3

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

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

**SDG&E Response 2aiii.:**

Please see attached: "PubAdv-SDGE-404-SO3 2ai 2aiii 2ei."

**Data Request Number:** PAO-SDGE-404-SO3

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/7/2025

**Date Responded:** 5/27/2025

2. Please provide detailed documentation for the \$3.472 million in Disallowed Costs associated with Table MT-7.

b. Undepreciated Book Balances (\$0)

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

**SDG&E Response 2bi.:**

Confirmed. SDG&E did not post any undepreciated book value disallowances for this cost recovery proceeding.

**Data Request Number:** PAO-SDGE-404-SO3

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

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

**SDG&E Response 2bii.:**

Consistent with D.14-06-007, which disallowed, among other things, the remaining undepreciated book value for post-1961 replacement or abandonment projects, SDG&E has previously taken a disallowance in A.18-11-010 (~\$1,000). No disallowances for undepreciated book balance are acknowledged in the present filing because no undepreciated book balance is associated with the post-1961 replacement or abandonment projects included in SDG&E's cost recovery request.



**Data Request Number:** PAO-SDGE-404-SO3

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/7/2025

**Date Responded:** 5/27/2025

2. Please provide detailed documentation for the \$3.472 million in Disallowed Costs associated with Table MT-7.

c. Executive Incentive Compensation (\$0)

i. Confirm that no executive compensation was disallowed in this proceeding.

**SDG&E Response 2ci.:**

Confirmed.

**Data Request Number:** PAO-SDGE-404-SO3

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/7/2025

**Date Responded:** 5/27/2025

- ii. Confirm whether any executive compensation was incurred but excluded from recovery due to prior CPUC disallowances decisions.

**SDG&E Response 2cii.:**

No executive compensation was incurred, but was excluded from recovery due to prior CPUC disallowance decisions.

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**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/7/2025

**Date Responded:** 5/27/2025

iii. If no such costs were incurred and excluded, provide a short explanation of the types of costs and the accounting treatment used to remove them from the revenue requirement.

**SDG&E Response 2ciii.:**

If executive incentive compensation costs were included for review and recovery with an associated disallowance, SDG&E would manually remove the executive compensation component associated with ICP from the revenue requirement. This process was approved by the Commission D.16-12-063.<sup>3</sup>

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<sup>3</sup> D.16-12-063 at 53.

**Data Request Number:** PAO-SDGE-404-SO3

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/7/2025

**Date Responded:** 5/27/2025

2. Please provide detailed documentation for the \$3.472 million in Disallowed Costs associated with Table MT-7.

d. Records Search (\$0)

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

**SDG&E Response 2di.:**

All record search-related costs incurred by SDG&E were disallowed in A.14-12-016 (\$1.307 million). SDG&E has not incurred records search-related costs since these costs were incurred and presented for review in A.14-12-016; thus, this Application does not include disallowances related to searching for pressure test records.

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**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

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

**SDG&E Response 2dii.:**

Not applicable.

**Data Request Number:** PAO-SDGE-404-SO3

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**Publish To:** Public Advocates Office

**Date Received:** 5/7/2025

**Date Responded:** 5/27/2025

2. Please provide detailed documentation for the \$3.472 million in Disallowed Costs associated with Table MT-7.

e. Total Disallowed (\$3.472M)

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

**SDG&E Response 2ei.:**

Please see attached: "PubAdv-SDGE-404-SO3 2ai 2aiii 2ei."

**Data Request Number:** PAO-SDGE-404-SO3

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/7/2025

**Date Responded:** 5/27/2025

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

**SDG&E Response 2eii.:**

Project	Workpaper Page Number
49-1 Replacement Project	WP-48
49-17 East Replacement Project	WP-77
49-17 West Replacement Project	WP-106
49-32-L Replacement Project	WP-125
Supply Line 49-16 Replacement and Hydrotest Project	WP-192

**Data Request Number:** PAO-SDGE-404-SO3

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/7/2025

**Date Responded:** 5/29/2025

1. Please provide a breakdown and supporting documentation for the \$529,000 in Miscellaneous Costs presented in Table MT-6. Specifically, please address the following:

- a. Facilities Lease Credit (-\$8,000 O&M)
  - ii. Identify the cost centers used and provide supporting documentation (e.g., invoices, lease agreements, internal allocation memos).

**SDG&E Response 1a.ii.:**

***Original PAO-SDGE-404-SO3 Response:***

This response will be provided in a separate response submitted on May 29, 2025. It will provide the five highest contractor/vendor line items, as agreed upon with the California Public Advocates Office on May 20, 2025, via email.

***Supplemental Response:***

Category	Project	Amt	Supporting Documentation Description/File Name
Facilities Lease Credit	N/A	-5,704	"Invoice 1 - Facilities Lease CONFIDENTIAL"
Facilities Lease	<b>Note:</b> The file below identifies the charges above within the corresponding invoice and includes credit information (SRV-MAIL-COURIER) supporting the approximate \$8,000 O&M.  "Invoice 1 – Facilities Lease Supporting Documentation CONFIDENTIAL"		



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**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/7/2025

**Date Responded:** 5/29/2025

1. Please provide a breakdown and supporting documentation for the \$529,000 in Miscellaneous Costs presented in Table MT-6. Specifically, please address the following:

b. Post-Completion Construction Costs Adjustments (\$401,000 Capital)

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

**SDG&E Response 1bii.:**

***Original PAO-SDGE-404-SO3 Response:***

This response will be provided in a separate response submitted on May 29, 2025. It will provide the five highest contractor/vendor line items, as agreed upon with the California Public Advocates Office on May 20, 2025, via email.

***Supplemental Response:***

Category	Project	Amt	Supporting Documentation Description/File Name
Post Completion	49-15 Transmission Section 1, Distribution Section 1, 2, 3 and 4	351,762	“Invoices 1-5 - Post Completion _CONFIDENTIAL”: <b>PDF pages 1-3</b>
Post Completion	Valve - 1600 Bundle	35,520	“Invoices 1-5 - Post Completion _CONFIDENTIAL”: <b>PDF pages 4-5</b>
Post Completion	49-15 Transmission Section 1, Distribution Section 1, 2, 3 and 4	34,840	“Invoices 1-5 - Post Completion _CONFIDENTIAL”: <b>PDF pages 6-7</b>
Post Completion	Valve - 1600 Bundle	25,359	“Invoices 1-5 - Post Completion _CONFIDENTIAL”: <b>PDF pages 8-9</b>
Post Completion	49-28	19,350	“Invoices 1-5 - Post Completion _CONFIDENTIAL”: <b>PDF pages 10-20</b>
Post Completion	<b>Note:</b> The file below identifies the charges above within the corresponding invoice. “Invoice 1-5 - Post Completion Documentation _CONFIDENTIAL”		

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**Publish To:** Public Advocates Office

**Date Received:** 5/7/2025

**Date Responded:** 5/29/2025

1. Please provide a breakdown and supporting documentation for the \$529,000 in Miscellaneous Costs presented in Table MT-6. Specifically, please address the following:

c. L1600 Records Audit (\$136,000 O&M)

ii. Provide Documents that support these costs, such as invoices, time records, or journal entries.

**SDG&E Response 1cii.:**

***Original PAO-SDGE-404-SO3 Response:***

This response will be provided in a separate response submitted on May 29, 2025. It will provide the five highest contractor/vendor line items, as agreed upon with the California Public Advocates Office on May 20, 2025, via email.

***Supplemental Response:***

Category	Project	Amt	Supporting Documentation Description/File Name
Line 1600 Records Audit	N/A	67,376.32	"Invoice 1 - Line 1600 Records Audit_CONFIDENTIAL"
Line 1600 Records Audit	N/A	43,457.95	"Invoice 2 - Line 1600 Records Audit_CONFIDENTIAL"
Line 1600 Records Audit	N/A	10,516.52	"Invoice 3 - Line 1600 Records Audit_CONFIDENTIAL"
Line 1600 Records Audit	N/A	6,414.79	"Invoice 4 - Line 1600 Records Audit_CONFIDENTIAL"
Line 1600 Records Audit	N/A	5,575.00	"Invoice 5 - Line 1600 Records Audit_CONFIDENTIAL"

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**Publish To:** Public Advocates Office

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**Date Responded:** 5/29/2025

2. Please provide detailed documentation for the \$3.472 million in Disallowed Costs associated with Table MT-7.

a. Post-1955 PSEP Costs (\$3.472M)

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

**SDG&E Response 2aiii.:**

***Original PAO-SDGE-404-SO3 Response:***

This response will be provided in a separate response submitted on May 29, 2025. It will provide the five highest contractor/vendor line items, as agreed upon with the California Public Advocates Office on May 20, 2025, via email.

***Supplemental Response:***

Please see attached: "PubAdv-SDGE-404-SO3 2ai 2aiii 2ei," previously submitted in the original PAO-SDGE-404-SO3 response.

**Data Request Number:** PAO-SDGE-410-BBE

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/20/2025

**Date Responded:** 6/2/2025

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

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

**SDG&E Response 1:**

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

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

No.

**Data Request Number:** PAO-SDGE-410-BBE

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/20/2025

**Date Responded:** 6/2/2025

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

**SDG&E Response 2:**

SDG&E and SoCalGas's PSEP Test/Replace Decision Tree outlines the criteria determining whether a pipeline project falls within Phase 1A/1B or Phase 2, and whether a given project should pressure test or replace any in-scope segments. The decision tree was first described in the testimony of Doug Schneider<sup>1</sup> in support of SDG&E and SoCalGas's PSEP, which was submitted in response to R.11-02-019, and later authorized in D.14-06-007<sup>2</sup>. The decision tree has remained the primary means through which SDG&E and SoCalGas identify actions taken under PSEP to address pipelines that lack sufficient documentation of a pressure test to modern standards or qualify as pre-1946 non-piggable pipelines.

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

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

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<sup>1</sup> R.11.02-019, Testimony of Doug Schneider at 60-62.

<sup>2</sup> At 16, 22, 23, 25, 56 (CoL 8), 59 (OP 1)

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

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

**Data Request Number:** PAO-SDGE-410-BBE

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

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**Date Responded:** 6/2/2025

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

**SDG&E Response 3:**

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

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

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**Date Responded:** 6/2/2025

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

**SDG&E Response 4:**

Please see separately attached documents:

*01\_SoCalGas-SDGE PSEP WP Chapter IV.PDF*  
*02A\_SoCalGas-SDGE PSEP WP Chapter IX-1 Pipelines.PDF*  
*02AAM\_SoCalGas-SDGE PSEP WP Chapter IX-1 Pipelines.PDF*  
*02B\_SoCalGas-SDGE PSEP WP Chapter IX-1 1-A SCGTransAppendix.PDF*  
*02BAM\_SoCalGas-SDGE PSEP WP Chapter IX-1 1-A SCGTransAppendix.PDF*  
*02C\_SoCalGas-SDGE PSEP WP Chapter IX-1-B SCGDistAppendix.PDF*  
*02CAM\_SoCalGas-SDGE PSEP WP Chapter IX-1-B SCGDistAppendix.PDF*  
*02D\_SoCalGas-SDGE PSEP WP Chapter IX-1-C SDGETransAppendix.PDF*  
*02E\_SoCalGas-SDGE PSEP WP Chapter IX-1-D SDGEDistAppendix.PDF*  
*02EAM\_SoCalGas-SDGE PSEP WP Chapter IX-1-D SDGEDistAppendix.PDF*

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

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

**SDG&E Response 5:**

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

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



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**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

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**Date Responded:** 6/2/2025

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

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

**SDG&E Response 6:**

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

No.

**Data Request Number:** PAO-SDGE-410-BBE

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

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**Date Responded:** 6/2/2025

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

**SDG&E Response 7:**

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

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

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<sup>5</sup> The Commission approved the PSEP Decision Tree in D.14-06-007.

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

**Data Request Number:** PAO-SDGE-410-BBE

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/20/2025

**Date Responded:** 6/2/2025

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

**SDG&E Response 8:**

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

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

**Data Request Number:** PAO-SDGE-410-BBE

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

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**Date Responded:** 6/2/2025

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

**SDG&E Response 9:**

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

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**Publish To:** Public Advocates Office

**Date Received:** 5/20/2025

**Date Responded:** 6/2/2025

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

**SDG&E Response 10:**

See Response 5.

**Data Request Number:** PAO-SDGE-409-ABK

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/16/2025

**Date Responded:** 6/9/2025

1. For each of the five MT-2 projects—SL 49-1, SL 49-17 East, SL 49-17 West, SL 49-32-L, and SL 49-16—please do the following:
  - a. For each cost category where actual costs exceeded the estimate, provide a detailed justification. Include supporting documentation such as internal emails, revised scope documents, engineering memos, or contractor change orders.

**SDG&E Response 1a:**

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

As explained in the response to Question 7 of this data request, the project estimates shown in the workpapers are preliminary estimates based on project information available while the project is still in development. The estimate is developed when engineering and design are typically at a 30% complete level, permits specifying work hours and traffic control are not yet obtained, and a detailed construction execution plan and schedule have not yet been developed. These cost estimates are primarily used for initial budget planning and as a reference starting point for anticipated project costs. As the project is further developed to a 90%+ maturity level immediately prior to beginning construction, an updated estimate may be prepared to provide a more accurate estimate. Actual costs can vary even from the more accurate pre-construction estimate, primarily due to unanticipated field conditions and changes in permit conditions. Thus, it should be recognized that there can be a significant discrepancy between the initial preliminary cost estimate and the actual recorded costs, even for well-executed projects such as those completed as part of PSEP.

For each project referenced in this question, a detailed discussion and justification of the primary causes of upward pressure on costs can be found in the cost impacts section of each supplemental workpaper.

SDG&E understands change order summary documentation to be responsive to this question – see attachments below.

**SL49-1 Representative Supporting Documentation**

- “Attachment 01 – Q1a – SL49-1 Contractor Change Order Bundle\_CONFIDENTIAL”

**SL49-17 East Representative Supporting Documentation**

- “Attachment 02 – Q1a – SL 49-17 East Work Order Authorization\_CONFIDENTIAL”
- “Attachment 03 – Q1a – SL 49-17 East Bundle 1\_CONFIDENTIAL”
- “Attachment 04 – Q1a – SL 49-17 East Bundle 2\_CONFIDENTIAL”

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### **Continued-Question 1**

#### **SL49-17 West Representative Supporting Documentation**

- “Attachment 05 – Q1a – SL49-17 West Bundle 1\_CONFIDENTIAL”
- “Attachment 06 – Q1a – SL49-17 West Bundle 2\_CONFIDENTIAL”

#### **SL49-32-L Supporting Documentation**

- Though SDG&E has a large volume of transactional data supporting all costs, no responsive historical summary document is available. As stated in the project workpaper on PageWP-118, “SDG&E successfully mitigated conditions during construction in a manner that minimized potential impacts on project scope, cost, and schedule. As a result, these conditions did not result in any notable change orders.” Furthermore, the final cost of this project was approximately \$300,000 (3.6%), which is under the estimated amount, on a fully loaded basis.

#### **SL49-16 Supporting Documentation**

- “Attachment 07 – Q1a – SL49-16 Bundle 1\_CONFIDENTIAL”
- “Attachment 08 – Q1a – SL49-16 Bundle 2\_CONFIDENTIAL”
- “Attachment 09 – Q1a – SL49-16 Bundle 3\_CONFIDENTIAL”

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**Continued-Question 1**

b. As described in SDG&E-T3-PSEP-01, WP-45 and WP-47, SDG&E disclosed that certain costs were estimated under Construction Management and Project Management but were recorded under Engineering & Design. For each MT-2 project, identify all such instances where costs were incurred under a different category than originally estimated. Specify the amount shifted, reason for the shift, and provide supporting documentation (e.g., internal approvals or vendor invoices).

**SDG&E Response 1b:**

SDG&E engages Engineering and Design firms that often possess expertise in other project-related disciplines. As a result, when these contractors submit invoices, their services are often initially categorized under Engineering and Design, reflecting the primary nature of their engagement with SDG&E. However, upon a detailed review of the submitted invoices, it was determined that certain services rendered would be more accurately classified under alternative categories, such as Project Management or Construction Management services. Please refer to “Attachment 10 – Q1b – PAO-SDGE-409-ABK 1b Recategorization\_CONFIDENTIAL,” which outlines the specific Engineering and Design firms that provided additional services and the corresponding categories that more accurately reflect the nature of those services.



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**Continued-Question 1**

c. Complete the attached Excel file titled, “PubAdv-SDG&E-409-ABK.xlsx”. For each cost category in each project, indicate whether the cost was specifically authorized by a CPUC decision, and provide the applicable decision number and citation (e.g., ordering paragraph or page number).

**SDG&E Response 1c:**

D.14-06-007 approved SoCalGas and SDG&E’s PSEP as proposed in A.11-11-002, including the risk prioritization concepts embodied in its proposed decision tree. In D.14-06-007, the Commission did not pre-approve recovery of PSEP costs but instead established a regulatory framework for cost recovery through after-the-fact reasonableness review applications.

SDG&E presents costs within the project-specific supplemental workpapers according to the cost categories referenced in “Attachment 11 – Q1c – PubAdv-SDG&E-409-ABK.” SDG&E has similarly presented costs in prior PSEP applications (A.16-09-005 and A.18-11-010), and the Commission generally adopted the associated costs as reasonable, with minimal exceptions. See D.19-02-004<sup>1</sup> and D.20-08-034.<sup>2</sup> As discussed in the testimony of Marco Tachiquin on page MT-9, SoCalGas and SDG&E obtained over 99% cost recovery in these two proceedings.

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<sup>1</sup> At 104-108 (OP 1-47).

<sup>2</sup> At 31 (OP 4).

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2. For the SL 49-1 Replacement Project (WP-29 to WP-33) please provide the following:
- The Caltrans permit application date, final approval date, and a timeline of all revisions or agency responses.

**SDG&E Response 2a:**

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

<b>Caltrans Permit Timeline</b>	<b>Dates</b>
Caltrans Permit Package Preparation	6/30/2014
Caltrans Permit Submittal	9/23/2014
Caltrans Permit Approval	8/15/2016

**Date Responded:** 6/9/2025

b. Documentation showing how Caltrans delays impacted construction tie-ins, sequencing, and final costs.

Please see “Attachment 12 – Q2b – 49-25 Caltrans Permit Supporting Documentation” and “Attachment 13 – Q2b – 49-26 Caltrans Supporting Documentation.”

ATTACHMENT B.1 - PERMITTING REQUIREMENTS TRACKING MAP														PAGE 2					
ADMINISTRATIVE PERMIT CONTACT EXECUTION PLAN														REV DATE: 4/20/2016					
PERMIT REQUIREMENTS TRACKING MAP														REVISED BY: 4/20/2016					
LINE 49-25																			
6/20/2016																			
NOTES																			
CONSTRUCTION DATA																			
PROJECT SEGMENT	RESPONSIBLE MUNICIPAL	DESCRIPTION OF CONSTRUCTION ACTIVITY SITE	PERMIT DRAWING: UNKNOWN	PERMIT DRAWING: COMPLETED	TRAFFIC DRAWING: UNKNOWN	TRAFFIC DRAWING: COMPLETED	AGENCY OWNER	PERMIT	REQUIREMENTS	RESPONSIBLE PERSON	ESTIMATED SUBMITTAL DATE	PLAN REVIEW	EST. COMPLETION DATE	PERMIT APPROVED	PERMIT EXPIRATION DATE	PRE-CONSTRUCTION PERMIT	AGENCY CONTACT	NOTES	
Partial Parcel 1, 2, & 4	GUNDO	1480 off-ramp off I-574 only (between Center Rd and Oaklawn Way)	Unknown	08/14/14 08/20/14 12/15/14	Unknown	08/14/14 08/20/14 12/15/14	Caltrans	Encroachment Permit, Top, Right-of-Way	Cover Letter, Application, IMPD, Encroachment Plan, TOP	Lyne Turrel 06/24/15 Chris Keller (Oak Land Services)	Unknown	08/13/14 9/2/15 12/29/15	3-6 months	1/23/2015	1/7/2015	06/30/15 12/22/15 3/24/2016	Coordinator with Caltrans, District 11, Office of Inspection, See Permit	Car Hoving, Caltrans, District 11, Office of Inspection, Permit	02/03: Caltrans to RCD the 3/22/16. No 1480 Caltrans 9/4 work. COMPLETE. 02/10: Caltrans 6/4 RCD flow. 12/22/15. 02/11: Permit required by Caltrans. 02/12: Review permit 4 weeks before expiration date. 02/14: Caltrans approved permit. 02/17: Caltrans received package. 02/19: Plans updated and package sent to permit. 03/01: Caltrans official approval 6/4

[illegible]

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**Continued-Question 2**

c. All supporting documentation, including Caltrans correspondence, internal delay assessments, and project impact logs.

**SDG&E Response 2c:**

Please see the responses to Questions 2a and 2b.

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3. For the SL 49-17 East Replacement Project (WP-74 to WP-75), Tables 4 and 5 show several cost categories (both direct and indirect) where actual costs exceeded the estimate. For each category with a positive variance, regardless of amount, please provide:

- a. A justification for the cost increase, including whether the overage was caused by design revisions, scope additions, field conditions, or permitting constraints.

**SDG&E Response 3a:**

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

As explained in the response to Question 7 of this data request, the project estimates shown in the workpapers are preliminary estimates based on project information available while the project is still in development. The estimate is developed when engineering and design are typically at a 30% complete level, permits specifying work hours and traffic control are not yet obtained, and a detailed construction execution plan and schedule have not yet been developed. These cost estimates are primarily used for initial budget planning and as a reference starting point for anticipated project costs. As the project is further developed to a 90%+ maturity level immediately prior to beginning construction, an updated estimate may be prepared to provide a more accurate estimate. Actual costs can vary even from the more accurate pre-construction estimate, primarily due to unanticipated field conditions and changes in permit conditions. Thus, it should be recognized that there can be a significant discrepancy between the initial preliminary cost estimate and the actual recorded costs, even for well-executed projects such as those completed as part of PSEP.

Please see the "Changes During Construction" section of each workpaper and the information provided in response to Question 1a of this data request. As for variances in indirect costs, they are primarily driven by variances in direct costs. For example, if direct costs are higher than estimated, the associated indirect costs related to those direct costs will also be higher.

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**Continued-Question 3**

b. Supporting documentation, including internal memos, scope changes, contractor communications, or permitting agency correspondence.

**SDG&E Response 3b:**

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

Please see the response to Question 1a.

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**Continued-Question 3**

c. A breakdown of each cost increase by driver (e.g., trenching complexity, traffic control requirements, extended construction support).

**SDG&E Response 3c:**

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

As a project works its way through the project life cycle, evolving project plans and project challenges can drive changes or scope revisions, be it engineering, construction, permit, or schedule-related. The changes caused by an individual driver have collateral impacts on other aspects of the project, affecting cost in a variety of cost categories. SDG&E does not have a way to carve out the cost impacts of an individual driver from all the cost categories it may affect. Thus, SDG&E is not able to provide a breakdown of each cost increase by driver. A general indication of the effect on the project cost can be found in the information supplied in response to Question 1a of this data request and the project work papers in the cost impacts section.

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**Continued-Question 3**

d. Any internal reviews or forecasts used to monitor these categories after the estimate was finalized.

**SDG&E Response 3d:**

In the ordinary course of business, SDG&E project teams review project costs on a monthly basis and update project cost forecasts when substantial changes are identified. When project costs are anticipated to exceed budgeted amounts on the approved work order by more than 10%, an updated WOA authorization is prepared for management review and approval. For SL 49-17 East, the original work order authorized prior to construction estimated the cost at approximately \$67 million. Actual project costs were approximately \$72 million, which was within 10% of the original authorized value, and thus no revision to the work order was required.



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4. SL 49-17 East experienced permitting delays of 10–12 months with MTS and the City of La Mesa (WP-65).

a. Please provide the original MTS and La Mesa permit submittal dates, approval dates, and documentation showing when and why delays occurred.

**SDG&E Response 4a:**

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

The initial permit application was submitted to the City of La Mesa on April 15, 2015. Based on the city’s standard review timeline and prior experience, the project team anticipated a review period of approximately 3 months. The time the city takes to review and process permit requests is beyond SDG&E’s control, and in this case, went significantly beyond what SDG&E anticipated. Factors that affected SDG&E’s work were that there was also a separate city project that needed to be coordinated with, and a city-mandated street work moratorium that required SDG&E to resurface the road from curb to curb, which directly impacted the timing and cost related to construction. Further scheduling and cost impacts arose from specific permit conditions limiting the use of only 200 linear feet of trench plates at a time, which slowed down the rate of construction progress on critical path activities.

The MTS permitting process required multiple reviews and resubmittals. This was further complicated in one area because the permitted work plan in the MTS corridor had to be compatible and coordinated with the permitted work plan in an adjacent Caltrans-controlled corridor.

***49-17 East City of La Mesa Submittal Dates:***

Permit	Initial submittal	Permit Issued
City of La Mesa	3/26.2015	4/15/2016

***49-17 East MTS Submittal Dates:***

Permit	Initial submittal	Permit Issued
MTS	3/12/2015	5/25/2016

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**Continued-Question 4:**

- b. Explain the timeline and approval process for bore design and trench plan revisions that required resubmission.

**SDG&E Response 4b:**

The basic process for permit approval of this type is for SDG&E to develop a proposed plan for constructing its facilities in city streets and/or across MTS rail tracks or a Caltrans freeway. This proposed plan is based on technical requirements such as soil conditions, land rights, existing utilities that need to be worked around, geography, environmental considerations, available workspace, adjacent homes and business that could be impacted, traffic impacts, safety, overall constructability, costs and the ability to perform maintenance and emergency response in the future. Considering all the aforementioned factors, SDG&E develops engineering plans and supporting documentation, often having initial discussions with the permitting agency, and completes the permit application forms. Once the permit application and supporting documentation are submitted, the permit goes into the review queue at the permitting agency, where it is circulated over time to various stakeholders. The permitting agency typically comes back with requests for changes or clarifications. SDG&E will then respond to those requests and submit an updated application. There is no mandated timeframe for the permitting agency to complete its review. Agency requests often come back at staggered times as different stakeholders complete their reviews as they have time. This can result in a repetitive cycle with multiple permit submittal updates and an extended timeline of many months or even beyond a year.

Even after permits have been obtained, unknown or unmarked utilities, or unanticipated geotechnical challenges such as rocks, water, or unstable soil encountered during construction, can result in project plans needing to be changed to overcome these challenges. In these cases, a revised design may be required, and information resubmitted to permitting agencies to reflect the updated design and work plan. This will start the permit review cycle again for the change, resulting in additional permitting time before work can resume at the site. SDG&E and its contractor typically pivot to continue working on other parts of the project while the updated permit is processed. Sometimes, due to these efforts, no delay is experienced in the overall project schedule, while in other cases, there may be no workaround, and a delay is incurred.

SDG&E has limited ability to influence the speed of agency review as their actions are outside of SDG&E's control; however, the team did maintain regular communication with the City, MTS, and Caltrans staff and responded to requests.

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**Continued-Question 4:**

c. Please provide internal or contractor schedules showing the cost and time impacts resulting from these delays.

**SDG&E Response 4c:**

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

As explained in the response to Question 3c of this data request, SDG&E is unable to carve out the specific cost impacts that were a direct result of the lengthy time it took to obtain City and MTS permits. SDG&E schedules show activities and durations, but are not cost-loaded type schedules where cost and schedule are linked. Therefore, SDG&E is not able to directly associate the cost impacts of a schedule change. Though SDG&E made progress where possible on aspects of the project not impacted by these specific permits, it is estimated that portions of the project were completed a year or later than initially contemplated.

***SL49-17 East MTS Schedule Durations:***

Activity ID	Activity Name	Original Duration	Remaining Duration	Start	Finish
<b>MTS Permits</b>		359.0d	0.0d	29-Dec-14 A	17-May-16 A
<b>MTS Submittal I-8 Encroachment</b>		333.0d	0.0d	29-Dec-14 A	08-Apr-16 A
A9510	Campos - Prepare & Submit MTS I-8 Bored Crossing Airoso Ave/Alvarado	52.0d	0.0d	29-Dec-14 A	11-Mar-15 A
A8150	MTS - Process I-8 Bore Crossing Airoso Ave/Alvarado (Section C)	281.0d	0.0d	12-Mar-15 A	08-Apr-16 A
A9520	SDG&E - Review MTS I-8 Bored Crossing Airoso Ave/Alvarado	2.0d	0.0d	12-Mar-15 A	13-Mar-15 A
A9510	SDG&E - Submit - MTS I-8 Bored Crossing Airoso Ave/Alvarado	4.0d	0.0d	16-Mar-15 A	19-Mar-15 A
P1060	I-8/MTS Bore Access	0.0d	0.0d	08-Apr-16 A	
<b>MTS Submittal 70th St Trolley Encroachment</b>		359.0d	0.0d	29-Dec-14 A	17-May-16 A
A9710	Campos - Prepare & Submit MTS 70th St Trolley Bored Crossing	66.0d	0.0d	29-Dec-14 A	31-Mar-15 A
A9720	SDG&E - Review MTS 70th St Trolley Bored Crossing	8.0d	0.0d	01-Apr-15 A	10-Apr-15 A
A9730	SDG&E - Submit - MTS 70th St Trolley Bored Crossing	1.0d	0.0d	13-Apr-15 A	13-Apr-15 A
A9700	MTS - Process 70th St Trolley Bore Crossing (Section C)	284.0d	0.0d	14-Apr-15 A	16-May-16 A
P1040	MTS Bore Access	0.0d	0.0d	17-May-16 A	
<b>Alvarado Cnyn/Grantville Undercrossing</b>		148.0d	0.0d	29-Dec-14 A	24-Jul-15 A
A10210	Campos - Prepare & Submit MTS Alvarado/Grant Undercrossing	76.0d	0.0d	29-Dec-14 A	14-Apr-15 A
A10220	SDG&E - Review MTS Alvarado/Grant Undercrossing	17.0d	0.0d	15-Apr-15 A	07-May-15 A
A10250	SDG&E - Submit - MTS Alvarado/Grant Undercrossing	1.0d	0.0d	08-May-15 A	08-May-15 A
A10190	MTS - Letter of Consideration Period - Alvarado/Grant Undercrossing	54.0d	0.0d	11-May-15 A	24-Jul-15 A
A11530	MTS - Letter of Consideration Period - Alvarado/Grant Undercrossing	21.0d	0.0d	26-Jun-15 A	24-Jul-15 A
<b>Comanche Undercrossing</b>		148.0d	0.0d	29-Dec-14 A	24-Jul-15 A
A10270	Campos - Prepare & Submit MTS Comanche Undercrossing	76.0d	0.0d	29-Dec-14 A	14-Apr-15 A
A10280	SDG&E - Review MTS Comanche Undercrossing	17.0d	0.0d	15-Apr-15 A	07-May-15 A
A10290	SDG&E - Submit - MTS Comanche Undercrossing	1.0d	0.0d	08-May-15 A	08-May-15 A
A10260	MTS - Letter of Consideration Period - Comanche Undercrossing	54.0d	0.0d	11-May-15 A	24-Jul-15 A
A11540	MTS - Letter of Consideration Period - Comanche Undercrossing	21.0d	0.0d	26-Jun-15 A	24-Jul-15 A

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**Continued-Question 4c**

***SL49-17 East City of La Mesa Schedule Durations:***

Activity ID	Activity Name	Original Duration	Remaining Duration	Start	Finish
	<b>La Mesa Encroachment &amp; TCP</b>	281.0d	0.0d	23-Mar-15 A	19-Apr-16 A
A11190	Campos - Pre-Submittal Package to City - Encroachment Permit - Alvarado Rd	4.0d	0.0d	23-Mar-15 A	26-Mar-15 A
A8250	City of La Mesa - Process Request for 60 Psi Encroachment Permit, Noise, TCP - (I	278.0d	0.0d	26-Mar-15 A	19-Apr-16 A
P1030	Traffic Control Plans at City of La Mesa	278.0d	0.0d	26-Mar-15 A	19-Apr-16 A
A9490	City of La Mesa - Pre-Submittal Review - Encroachment Permit - Alvarado Rd	14.0d	0.0d	27-Mar-15 A	15-Apr-15 A
A9500	Campos - Pre-Submittal Incorporate Comments - Encroachment Permit - Alvarado	10.0d	0.0d	16-Apr-15 A	29-Apr-15 A

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5. WP-41 (SL 49-1) and WP-65 (SL 49-17 East) cite schedule extensions of up to 94 weeks and 12 months respectively.

a. Please provide the original and actual construction start/end dates for both projects.

**SDG&E Response 5a:**

For SL49-1 (49-25), the originally contemplated construction start date for the first phase of work was April 25, 2014, and a construction end date for the last phase of work was November 4, 2016. As indicated on WP-33, the actual construction start date was August 11, 2014, and the construction end date was June 14, 2019.

For SL49-17 East, the originally contemplated construction start date for the first phase of work was June 29, 2015, and a construction end date for the last phase of work was August 1, 2016. As indicated on WP-66, the actual construction start date was June 29, 2015, and the construction end date was December 20, 2018.

**Data Request Number:** PAO-SDGE-409-ABK

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/16/2025

**Date Responded:** 6/9/2025

**Continued-Question 5:**

b. Identify the top drivers of delay (e.g., permitting, contractor availability, material lead times) and quantify their cost impact.

**SDG&E Response 5b:**

Please refer to the response to Question 1a of this data request and the cost impacts section of the workpapers for discussion of the drivers impacting project costs. Generally, the top drivers that delayed these projects were related to the length of time to obtain permits and permit restrictions that impacted construction productivity, such as limited workspace, limited permitted work hours, and limitations of the linear length of open trench (trench plates) at any one time on a given street. Additional drivers include challenging construction conditions, such as groundwater in open trenches under construction. The workpapers provide further description and quantify a cost impact for many of these drivers, with CCOs and other supporting documentation supplied in the response to Question 1a.

**Data Request Number:** PAO-SDGE-409-ABK

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/16/2025

**Date Responded:** 6/9/2025

**Continued-Question 5:**

c. Submit delay logs, construction progress updates, and contractor notices of delay.

**SDG&E Response 5c:**

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

Information related to delays that result in an RFI or contract change is memorialized in the contract change order and serves as the business record. Representative documents have been included in response to Question 1a of this data request, and the related drivers are discussed in the cost impact section of the workpapers.

**Data Request Number:** PAO-SDGE-409-ABK

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/16/2025

**Date Responded:** 6/9/2025

6. For the La Mesa Gate Station Replacement Project (WP-128 to WP-137), final costs came in \$1.5 million below estimate. WP-134 mentions the cancellation of pigging modifications and a reduction in scope. Please:

- a. Provide all documentation supporting the scope reductions, including internal approval emails, revised project maps, or contractor change orders.

**SDG&E Response 6a:**

During the project development process, as engineering, design, permitting, and construction planning work is completed, detailed elements of a project's scope will continue to be refined until the project scope is fully defined and the project is made construction-ready. This final step is completed through the stage gate review process, where the project, including its final scope and cost, is presented internally to key stakeholders for review and approval to move the project from the detailed engineering and design phase to the construction phase.

The attached stage gate presentation below shows the final approved piping layout for the scope of work being approved. It is consistent with the 60% engineering drawings reflecting the station piping layout without pigging equipment. See the following separate attachments:

- “Attachment 14 – Q6a – 49-16 La Mesa Gate Station Stage 1-2 Presentation\_CONFIDENTIAL”
- “Attachment 15 – Q6a – 49-16 La Mesa Gate Station Stage 4 Presentation\_CONFIDENTIAL”
- “Attachment 16 – Q6a – 49-16 La Mesa Gate Station 30 percent Drawing\_CONFIDENTIAL”
- “Attachment 17 – Q6a – 49-16 La Mesa Gate Station 60 percent Drawing\_CONFIDENTIAL”



**Data Request Number:** PAO-SDGE-409-ABK

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/16/2025

**Date Responded:** 6/9/2025

**Continued-Question 6:**

b. Confirm whether any originally estimated work (e.g., pigging components) was transferred to another project. If so, identify the receiving project(s) and provide the corresponding cost transfers and accounting entries.

**SDG&E Response 6b:**

Pigging features were removed from the project scope before associated equipment was purchased. Thus, there were no equipment transfers or accounting entries to other projects related to this reduction in scope.

**Data Request Number:** PAO-SDGE-409-ABK

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/16/2025

**Date Responded:** 6/9/2025

**Continued-Question 6:**

c. Explain how these changes were communicated internally and how cost forecasts were adjusted after the scope change.

**SDG&E Response 6c:**

Please see the response to Question 6a, which references the stage gate review process.

**Data Request Number:** PAO-SDGE-409-ABK

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/16/2025

**Date Responded:** 6/9/2025

7. For all MT-2 projects listed in Table MT-2:

- a. Please provide a copy of the estimating guide, rubric, or parametric model used to generate the Preliminary Direct Cost Estimates.

**SDG&E Response 7a:**

Please see the following attachments:

Estimate Template	Project
“Attachment 18 – Q7a – Stage 3 SCG Pipeline Estimate Template Rev 0”	49-1 Replacement Project and 49-17 East Replacement Project estimates
“Attachment 19 – Q7a – Stage 3 SCG Pipeline Estimate Template Rev 3”	49-32-L Replacement Project and 49-17 West Replacement Project estimates
“Attachment 20 – Q7a – Stage 3 San Diego Pipeline Estimate Template Rev 1”	La Mesa Gate Station Replacement Project

As stated in the testimony of Marco Tachiquin on pages MT-33 and MT-34: “The estimated amounts are derived from a Total Installed Cost (TIC) estimate.<sup>3</sup> Consistent with industry-standard estimating practices established by the Advancement of Advance of Cost Engineering International (AACEi<sup>4</sup>), the TIC is classified within the Class 3 level, which is characterized by a maturity level of 10-40% (more typically 30%) and an estimate accuracy range of -20% on the low end to +30% on the high end.” The methodology and requirements for generating a Class 3 estimate are found within AACEi Recommended Practice No. 97R-18 “Cost Estimate Classification System - As Applied in Engineering, Procurement, and Construction for the Pipeline Transportation Infrastructure Industries” (AACEi RP 97R-18, August 7, 2020). This document has undergone revisions since the projects included for recovery in this Application were executed; however, the methodology used to generate the estimates has remained the same.

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<sup>3</sup> TIC estimate is synonymous with “Estimate at Completion”, which is defined as: “an estimate of the total cost an activity or group of activities will accumulate upon final completion.” AACEi International Recommended Practice No. 10S-90, Cost Engineering Terminology, *available at*: <https://library.aacei.org/terminology/welcome.shtml#E>.

<sup>4</sup> AACEi is an industry-leading association of cost estimating professionals.

**Data Request Number:** PAO-SDGE-409-ABK

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/16/2025

**Date Responded:** 6/9/2025

**Continued-Question 7:**

b. Explain how contingency was applied, how unit rates were derived, and what review steps occurred prior to finalizing each estimate.

**SDG&E Response 7b:**

As recognized in AACE International Recommended Practice No. 97R-18, contingency is appropriately included in estimates “to quantify the uncertainty and risk associated with the specific project.” Contingency is needed to allocate funding for foreseen and unforeseen events, and is a recognized part of an estimate, similar to materials, construction costs, and other cost elements. SDG&E applies contingency through a risk assessment involving a collaborative effort between project managers, estimators, and subject matter experts to determine each project’s risk profile. This risk profile is based on a project’s specific scope definition, attributes, and project-level risks that were deliberated in detail during risk assessment meetings.

SDG&E’s estimating process follows the PSEP Stage Gate methodology described in the testimony of Marco Tachiquin (MT-17 and MT-18). Project estimates are developed based on key deliverables that are created and refined during the preliminary stages of a project, including but not limited to: work breakdown structure, construction contractor schedule, risk register, project execution plan, and preliminary engineering drawings (e.g., 30% engineering drawings). Unit rates for labor, equipment, and materials are derived through a comprehensive analysis of multiple data sources to ensure accuracy and competitiveness. These sources may include a blend of current contractor agreements, which provide real-time market rates; historical cost data, which offer insights into past expenditures and trends; and third-party quotes, which help validate pricing through external benchmarks. Additionally, industry databases, supplier catalogs, and regional cost indices may be utilized to refine these rates further. This multi-faceted approach ensures unit rates reflect current market conditions while maintaining consistency and reliability in project cost estimation. At least one job walk is performed to verify field conditions that inform the estimate. Numerous meetings are held, culminating in presenting the final estimate to the project team and PSEP leadership for approval. As stated in the testimony of Marco Tachiquin on pages MT-32 and MT-33, once the total installed cost (TIC) estimate is finalized, “SDG&E moves forward with budget authorization through the Work Order Authorization (WOA) process. The TIC, which includes direct costs only, is supplemented with indirect costs, which are calculated subject to the process described in the testimony of Eric Dalton (Ex. SDG&E-T3-PSEP-02); together the direct and indirect costs are combined into the Phase 2 WOA.

**Data Request Number:** PAO-SDGE-409-ABK

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

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**Date Received:** 5/16/2025

**Date Responded:** 6/9/2025

**Continued-Question 7b**

The approval of the Phase 2 WOA by PSEP leadership is required to proceed with the execution of the project.”<sup>5</sup>

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<sup>5</sup> Any significant project activities and costs subsequently added to the project scope after execution of the TIC, such as during detailed design or construction, would not be reflected in the estimated costs presented in the supplemental workpaper. These additional costs and activities are authorized and documented through the scope change process. If these additional costs exceed a certain threshold, a reviewed Work Order authorization must be obtained.

**Data Request Number:** PAO-SDGE-409-ABK

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 5/16/2025

**Date Responded:** 6/9/2025

**Continued-Question 7:**

c. Justify why actual costs diverged significantly from estimates across multiple projects, and provide any internal review documents addressing these variances.

**SDG&E Response 7c:**

As stated in the testimony of Marco Tachiquin on pages MT-33 and MT-34, “Variances from estimated amounts are expected for construction projects. As mentioned above, the accepted accuracy range for a TIC/Class 3 estimate is -20% to +30%. This range reflects that TIC estimates are generated when the project has yet to advance through detailed design. As such, the project scope can and will change during later stages, such as detailed design and construction. To develop TICs, the Companies’ dedicated estimating department utilizes the expertise and professional judgment of subject matter experts in the various functional areas to provide input that informs a project’s overall cost. These inputs have been refined over time due to the experience the Companies have gained, considering the many cost drivers realized during the detailed design and construction phases of myriad PSEP projects. Earlier iterations of the estimating tool did not benefit from this experience and associated lessons learned; therefore, some of the earlier projects completed by SDG&E, including some that are a part of Track 3, may have experienced greater variances than more recent projects.

Notwithstanding the rigor the Companies have built into the estimating process, estimates remain estimates, and each PSEP project is unique. As such, foreseeable and unforeseeable conditions may be encountered during construction, resulting in actual expenditures varying from estimates. Furthermore, several years may lapse between completing the detailed project cost estimates included in this filing and the start of construction. During this period, construction, contractor, and material costs may change, new environmental regulations may be enacted, and other external forces may come into play that may impact what is a reasonable project cost estimate today. The recent COVID-19 global pandemic exemplifies how costs can be driven upward by added health and safety protocols.”

Specific reasons for projects exceeding estimated amounts are provided within the supplemental workpapers, as discussed in the testimony of Marco Tachiquin on page MT-34.

**Data Request Number:** PAO-SDGE-414-MW5

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 6/3/2025

**Date Responded:** 06172025

1. Please explain why in Attachment PSEP Overhead DR, tab Line 49-11 Valve Enhance Project column D equals \$120,624.72 and in workpapers p. WP-226 the overhead is \$175,927.

**SDG&E Response 1:**

The overhead cost calculations in Attachment “PSEP Overhead DR,” tab “Line 49-11 Valve Enhance Project” in column D, erroneously omitted costs correctly captured in the workpapers. Please see the associated “Line 49-11 Valve Enhance Proj” tab in the corrected attachment, “Attachment 1 – PAO-SDGE-414-MW5 – SDGE Overheads – Public,” for the corrected total of \$175,927.

**Data Request Number:** PAO-SDGE-414-MW5

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 6/3/2025

**Date Responded:** 06172025

2. Please explain why in Attachment PSEP Overhead DR, tab Line 1601 Valve Enhance Proj the total in column D is \$98,591.12 and in workpapers p. WP-321 the overhead is \$130,303.

**SDG&E Response 2:**

The overhead cost calculations in Attachment “PSEP Overhead DR,” tab “Line 1601 Valve Enhance Proj” in column D, erroneously omitted costs correctly captured in the workpapers. Please see the associated “Line 1601 Valve Enhance” tab in the corrected Attachment, “Attachment 1 – PAO-SDGE-414-MW5 – SDGE Overheads – Public,” for the corrected total of \$130,303.



**Data Request Number:** PAO-SDGE-414-MW5

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 6/3/2025

**Date Responded:** 06172025

3. Please explain why in Attachment PSEP Overhead DR 3, tab Line 49-16 Valve Enhancement the total in column D is \$96,713.27 and in workpapers p. WP-252 the overhead is \$119,785.

**SDG&E Response 3:**

The overhead cost calculations in attachment “PSEP Overhead DR 3,” tab “Line 49-16 Valve Enhancement” in column D, erroneously omitted costs correctly captured in the workpapers. Please see the associated “Line 49-16 Valve Enhance” tab in the corrected Attachment, “Attachment 1 – PAO-SDGE-414-MW5 – SDGE Overheads – Public,” for the corrected total of \$119,785.

**Data Request Number:** PAO-SDGE-414-MW5

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 6/3/2025

**Date Responded:** 06172025

4. Please explain why in Attachment PSEP Overhead DR 3, tab Line 49-23 Valve Enhancement the total in column D is \$217,264.56 and in workpapers p. WP-287 the overhead is \$332,969.

**SDG&E Response 4:**

The overhead cost calculations in attachment “PSEP Overhead DR 3,” tab “Line 49-23 Valve Enhancement” in column D, erroneously omitted costs correctly captured in the workpapers. Please see the associated “Line 49-23 Valve Enhance” tab in the corrected Attachment, “Attachment 1 – PAO-SDGE-414-MW5 – SDGE Overheads – Public,” for the corrected total of \$332,969.

**Data Request Number:** PAO-SDGE-414-MW5

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 6/3/2025

**Date Responded:** 06172025

5. Please explain why in Attachment PSEP Overhead DR 3, tab Line 49-32 Valve Enhancement the total in column D is \$148,421.94 and in workpapers p. WP-305 the overhead is \$263,756.

**SDG&E Response 5:**

The overhead cost calculations in attachment “PSEP Overhead DR 3,” tab “Line 49-32 Valve Enhancement” in column D, erroneously omitted costs that are correctly captured in the workpapers. Please see the associated “Line 49-32 Valve Enhance” tab in the corrected Attachment, “Attachment 1 – PAO-SDGE-414-MW5 – SDGE Overheads – Public,” submission that totals \$263,756.

**Data Request Number:** PAO-SDGE-415-MW5

**Proceeding Name:** A2205015\_016-SoCalGas and SDGE 2024 GRC\_Track 3

**Publish To:** Public Advocates Office

**Date Received:** 6/6/2025

**Date Responded:** 06/30/2025

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

- a. Replacement Projects
- b. Replacement and Pressure Test Projects
- c. Abandonment Projects
- d. Valve and Valve Bundle Projects
- e. Miscellaneous Cost

**SDG&E Response 1a-e:**

SDG&E does not generally track whether employees were hired specifically for a given program. SDG&E's data related to employee hirings does not specify if they were hired to support a specific program. However, to help address this question, please refer to "Attachment 01 – PAO-SDGE-415-MW5 – Public," which lists employees who charged time to the PSEP projects included in this Application and were hired between 2011 and 2019—the timeframe of these projects.

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

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

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<sup>1</sup> D.19-02-004 Finding of Fact 18 at Page 98.

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

**Date:** August 6, 2025

**Origination Date:** July 23, 2025

**Response Due:** August 6, 2025

**Data Request No:** SCG-SDGE-PAO-001

**To:** Jamie York, Sempra 2024 GRC Manager  
[JYork@semprautilities.com](mailto:JYork@semprautilities.com)

Sempra Central Files  
[CentralFiles@semprautilities.com](mailto:CentralFiles@semprautilities.com)

Elliott Henry, Managing Attorney, Regulatory  
[ehenry@socalgas.com](mailto:ehenry@socalgas.com)

Mikko Tayoba, PSEP Case Manager  
[mtayoba@socalgas.com](mailto:mtayoba@socalgas.com)

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

**GENERAL OBJECTIONS**

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

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

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

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

Without waiving these objections, Cal Advocates responds as follows.

### **Sempra Question 1:**

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

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

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

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

**Response prepared by Monica Weaver.**

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

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

**Response prepared by Monica Weaver.**

### **Cal Advocates' Response to Question 1c:**

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

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

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

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

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

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

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

**Response prepared by Amrisha Banarsee.**

#### **Cal Advocates' Response to Question 1d:**

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

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

**Response prepared by Amrisha Banarsee.**

#### **Sempra Question 2:**

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

#### **Cal Advocates' Response to Question 2:**

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

**Response prepared by Amrisha Banarsee.**

**Sempra Question 3:**

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

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

**Cal Advocates' Response to Question 3:**

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

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

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

**Response prepared by Amrisha Banarsee.**



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

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

**To:** Jamie York, Sempra 2024 GRC Manager  
[JYork@semprautilities.com](mailto:JYork@semprautilities.com)  
  
Sempra Central Files  
[CentralFiles@semprautilities.com](mailto:CentralFiles@semprautilities.com)  
  
Elliott Henry, Managing Attorney, Regulatory  
[ehenry@socalgas.com](mailto:ehenry@socalgas.com)  
  
Mikko Tayoba, PSEP Case Manager  
[mtayoba@socalgas.com](mailto:mtayoba@socalgas.com)

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

**GENERAL OBJECTIONS**

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

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

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

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

Without waiving these objections, Cal Advocates responds as follows.

#### **Sempra Question 4:**

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

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

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

#### **Cal Advocates’ Response to Question 4:**

- a. Yes, the \$6.4 million disallowance is solely related to the 36-09-09 North Section 6B Replacement Project. This amount reflects excessive construction costs tied to overstated trench and bore quantities, inconsistent mapping records, and unreconciled deviations from the final construction alignment.
- b. Cal Advocates reviewed the Excel spreadsheet “36-9-09 North 6B Replacement Project\_CONFIDENTIAL\_16528” which was provided in response to data request PubAdv-SCG-401-MW5. This file contains the detailed cost ledger from which the \$6.4 million was calculated. To isolate the costs at issue, filter the file by selecting cost element and functions associated with trenching, boring and related installation work (SRV-PSEP ENG & CONST, SRV-ENGINEERING, SRV CONTRACTORS, Construction Management, Engineering & Design etc.). These cost entries reflect the labor and contractor charges tied to installation quantities that exceed the validated scope. You can also refer to response to data request PubAdv-SCG-406-ABK attachment “Attachment 07-Q8d – 36-9-09 North 6B – Scope and Alignment Change Orders\_CONFIDENTIAL\_16420”.
- c. In the Final Report in SCG-T3-PSEP-01 for Supply Line 36-9-09 North Section 6B Replacement Project, SoCalGas defines a scope of three HDD crossings, three flat slick bores on Alpine Street, and three flat bores on Valley Road (WP-109–WP-110), yet Figures 4–6 on WP-115–WP-117 clearly show open-cut trench installations in those same Alpine Street locations—an unmistakable overlap of bore and trench work that would double-count footage. Table 4 on WP-121 then records Construction Contractor

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

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

**Response prepared by Amrisha Banarsee.**

#### **Sempra Question 5:**

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

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

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

#### **Cal Advocates Response to Question 5:**

- a. The applicable cost documentation is located in the response to data request PubAdv-SCG-401-MW5, attachment “37-18 K Replacement\_Confidential\_16528”. Filter this sheet by identifying cost elements and functions associated with vague or unsupported internal labor charges. These entries include SAL-MGMT, SRV-CONSULTING, SRV-ENGINEERING, SAL-LABOR, SAL-PSEP, SAL-OVERHEAD and any other value containing MGMT, SAL, OVERHEAD, ADMIN, EXPENSE, SUPPORT filtered with Company Labor, Construction Management, or Engineering & Design. These cost categories are not tied to any tangible deliveries, measurable installation activities, or documented outcomes that validate their contribution to the project’s physical execution.

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

**Response prepared by Amrisha Banarsee.**

### **Sempra Question 6:**

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

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

- a. Please provide the supporting documentation you rely on for the claim that there are "duplicate trench costs, unvalidated bore designs, and field change orders that conflicted with project maps and as-built drawings." Include the following document types:
  - i. The referenced project maps and as-built drawings, with the specific conflicts clearly highlighted.
  - ii. The applicable cost tables, filtered to reflect only the data supporting the referenced \$2.5 million. The Excel file should retain all original formulas.
- b. Please clarify how SoCalGas's response to PubAdv-SCG-406-ABK, Q2a-Q2e is relevant to the 30-18 Section 2 Project.

### **Cal Advocates Response to Question 6:**

- a. The evidence comes from the Final Report and workpapers for Supply Line 30-18 Section 2 in SCG-T3-PSEP-01-WP1. Figures 4–8 on WP-34 through WP-37 show both HDD pull-backs and open-trench installations along the same 0.619-mile alignment, even though Table 3 on WP-33 records a single construction window, so trench work may have been billed twice. Section C.5 on WP-30–WP-31 documents that the bore pit was relocated, deepened, and lengthened to avoid overhead wires, freeway pillars, and electrical conflicts, yet no engineering addendum or updated drawings were issued. The baseline plan and satellite maps on WP-25–WP-27 were never revised to show those changes, and Section D on WP-32 even states "no notable scope changes during detailed design," creating a clear mismatch between field work and as-built documentation. The cost tables on WP-41–WP-44 show Engineering & Design costs rose 202 percent (from \$678 k to \$2.046 m), while Construction Contractor costs dropped 33 percent (from \$6.554 m to \$4.369 m) and Project Management & Services costs dropped 75 percent (from \$2.218 m to \$0.562 m), which is consistent with extensive redesign work that was never formally validated. WP-42 also identifies 404 feet of pipe as disallowed, yet the same trench/HDD activity appears in the photos, underscoring the risk of duplicate billing. A parallel pattern appears in PAO-SCG-406 Attachment 06 – Q8d ("L2006-P1-A Scope and Alignment Change Orders") in response

to POA-SCG-406-ABK, where a buried vault and slurry conditions forced mid-construction tie-in relocations and manual excavations that were simply billed as change orders (\$291,828), demonstrating SoCalGas's recurring practice of altering field scope post-design without proper validation or documentation. The following are the additional supporting documentation:

- i. There is no corresponding as-built record or redline map showing the final constructed alignment. SoCalGas did not provide a complete set of reconciled as-built drawings or detailed project maps that align with the trench and bore activity reflected in the cost data. Cal Advocates' testimony references "project maps and as-built drawings" to emphasize that no documentation was submitted to validate the field changes or construction methods implied by the costs incurred. The reference to "conflicts" is based on the mismatch between the costs recorded for bore/trench construction and the absence of any documented engineering or construction revision that would explain such methods were used or required. This absence creates a material documentation gap, which SoCalGas has not reconciled, and supports Cal Advocates' finding that these costs are unvalidated and potentially duplicative.
  - ii. The cost documentation is located in response to data request PubAdv-SCG-401-MW5 attachment "30-18 Section 2 Replacement CONFIDENTIAL\_16528". To isolate unsupported trench and bore related charges, filter cost element names SRV-CONTRACT LABOR, SRV-CONSTR-GAS PIPE, MATL-PIPE&FITG, MI-PIPE, MI-NON PIPE, SRV CONSTRUCTION OTHER, SRV-CONTR-TIME&EQUIP, SRV-CONSTRUCTION-ELECT. These cost elements collectively reflect field and underground installation charges that lack verifiable scope traceability. Many of the filtered cost elements do not list vendor, activity, or supporting time logs.
- b. SCG response to Q2a-Q2e response to Data Request PubAdv-SCG-406-ABK are relevant because they explicitly confirm that SCG conducted no internal reconciliation or root cause analysis for cost overruns on any Track 3 PSEP project, including Line 30-18 Section 2. This admission is directly material to the \$2.5 million disallowance. Without a cost reconciliation, SCG provides no evidence that trench or bore quantities were validated, no scope log to justify change orders, and no final reconciliation of actual versus planned field construction. This undermines the reasonableness of these cost categories.

**Response prepared by Amrisha Banarsee.**

### **Sempra Question 7:**

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

*"\$2.0 million related to the 2006-P1A Replacement Project stemming from layered contingency, planning, and estimating costs, most of which were not scoped to any actual construction activity and lacked documentation entirely."*

- a. Please define the term "layered" in the context of the above.
- b. Please provide the applicable cost tables or other supporting documentation that are filtered specifically to reflect the data supporting the referenced "layered contingency, planning, and estimating costs" and the corresponding \$2.0 million in Excel format, with all formulas intact.
- c. Please clarify how SoCalGas's response to PubAdv-SCG-406-ABK, Q2a-Q2e is relevant to the 2006-P1A Replacement Project.

### **Cal Advocates Response to Question 7:**

- a. In this context, “layered” refers to the presence of multiple overlapping cost categories for planning, estimating, and administrative overhead, often charged across different internal departments (e.g., engineering, project management, design support) without documentation establishing that these costs supported specific construction activities.
- b. The disallowed costs are located in the response to data request PubAdv-SCG-401-MW5, attachment “2006-P1A Replacement Project\_CONFIDENTIAL\_16528”. Filter cost element for SRV-PSEP ENG & CONST, SRV-ENGINEERING, SRV-CONSULTING, SRV-CONTR-TIME&EQUIP, SRV-GOVTPERMIT, PROCUREMENT&LOGISTICS MATERIAL PROCESSING COST, PMT FOR EASEMENT/ROW, SAL-MGMT, SAL-UNION, SRV-TEMP AGENCY LABOR. The filtered results included charges under Company Labor and Engineering and Design.
- c. SoCalGas’s response to PubAdv-SCG-406-ABK, Questions 2a through 2e is directly relevant because it confirms that SoCalGas did not perform any internal reconciliation or root cause assessment to determine whether layered overhead costs, such as those observed on 2006-P1A, were appropriate or accurate. In response to Q2c, SoCalGas states that it conducted “no internal reconciliation or root cause assessments related to these projects.” In response to Q2e, SoCalGas was unable to identify any post-construction review that evaluated whether planning or estimating charges were duplicative or unsupported by field scope. This admission reinforces Cal Advocates’ conclusion that the \$2.0 million in overhead, contingency, and planning charges is undocumented, unvalidated, and ineligible for ratepayer recovery under Commission standards.

### **Response prepared by Amrisha Banarsee.**

### **Sempra Question 8:**

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

*“\$1.9 million related to the 38-101 Wheeler Ridge Project for unsupported bores and trenching where SCG booked high volumes of contractor work without timecards, reconciliations, or defined unit quantities.”*

- a. Please provide the applicable cost tables or other supporting documentation that are filtered specifically to reflect the data supporting the referenced the “unsupported bores and trenching” and the corresponding \$1.9 million in Excel format, with all formulas intact.
- b. With respect to the statement, “SCG booked high volumes of contractor work without timecards, reconciliations, or defined unit quantities”, please explain how Cal Advocates concluded that SoCalGas did not retain records of documents such as “timecards”.
- c. Please clarify how SoCalGas’s response to PubAdv-SCG-406-ABK, Q2a-Q2e is relevant to the 38-101 Wheeler Ridge Project.

### **Cal Advocates Response to Question 8:**

- a. Cal Advocates filtered the response to data request PubAdv-SCG-401-MW5, attachment “38-101 Wheeler Ridge Replacement Project\_CONFIDENTIAL\_16528”. Filter for cost elements SRV-PSEP, ENG& CONST, under functions Engineering and Design and Project Management and Project Services. These entries lack support for unit-based trench or bore quantities, corresponding construction maps, and vendor labor documentation.

- b. Cal Advocates stated this based on the utility's own responses to PubAdv-SCG-406-ABK, Questions 2a through 2e, which confirmed that SCG did not conduct any post construction reconciliation, root cause review, or internal validation of unit-based contractor charges. Despite repeated questions, SCG failed to provide timekeeping records, unit quantity breakdowns, or change documentation aligning costs with construction scope.
- c. SCG responses confirm that no internal assessments, reconciliations, or documentation reviews were performed to validate trenching and boring costs incurred on 38-101 Wheeler Ridge. In response to PubAdv-SCG-406-ABK, Q. 2c, SCG acknowledges no reconciliation or documentation review was conducted. In the response to Q. 2e, SCG failed to identify any recordkeeping practices that could confirm trenching or bore costs were matched to actual work.

**Response prepared by Amrisha Banarsee.**

#### **Sempra Question 9:**

Please provide a reconciliation of the cost reduction amounts shown in Banarsee-04 Table 4-2 (page 14) with the amounts referenced on the bulleted list from pages 5 and 6.

#### **Cal Advocates Response to Question 9:**

Please see the attached Excel sheet title, "Duplicative Costs Table."

**Response prepared by Amrisha Banarsee.**

#### **Sempra Question 10:**

Please explain how Cal Advocates determined the amount of 4,522 linear feet of pipe identified on page 13 of Banarsee-04 in relation to the 36-9-09 North Section 6B Replacement Project.

#### **Cal Advocates Response to Question 10:**

The 4,522 linear feet identified on page 13 of Banarsee-04 for the 36-9-09 North Section 6B Replacement Project refers to installed pipe that did not contribute to the pressure-tested segment. This amount is based on the difference between the total installed mileage and the pressure-tested mileage, as shown in Attachment 07 – Q8d – 36-9-09 North Section 6B – Scope and Alignment Change Orders. The attachment states that 1.725 miles were installed and 1.076 miles contributed to pressure testing. This yields a difference of approximately 0.649 miles, or 3,427 linear feet. The remaining footage, which brings the total to 4,522 linear feet, includes segments identified in internal records as realigned, abandoned, or otherwise excluded from pressure test mileage. The full 4,522 linear feet figure is documented in Banarsee-04 and reflects Cal Advocates' total identified footage not required for testing.

**Response prepared by Amrisha Banarsee.**

**Sempra Question 11:**

Please define the term “pressure test-eligible segment” used on page 13 of Banarsee-04 in regard to the 36-9-09 North Section 6B Replacement Project.

**Cal Advocates Response to Question 11:**

In the context of the 36-9-09 North Section 6B Replacement Project, the term “pressure test-eligible segment” refers to the portion of installed pipe that meets the technical and alignment requirements necessary to be included in the final pressure test segment. This excludes any pipeline segments that were rerouted, abandoned, or otherwise not configured to be included in the pressure test performed for the project’s intended scope.

**Response prepared by Amrisha Banarsee.**

**Sempra Question 12:**

With regard to the mention of the 43-121 North Replacement Project on page 13 of Banarsee-04, please clarify how SoCalGas’s response to PubAdv-SCG-406-ABK, Attachment 07-Q8d-36-9-09 North 6B, or Attachment 11-Q9a is relevant to this project.

**Cal Advocates Response to Question 12:**

While Attachments 07-Q8d (36-9-09 North 6B) and 11-Q9a (Location Maps for Disallowed Footage) do not show 43-121 North directly, they illustrate the method used to evaluate project scope inconsistencies across multiple SoCalGas PSEP projects. Specifically, these attachments demonstrate how GIS alignment changes, reroutes, and other scope variances were used to identify pipeline footage that was installed but not pressure-tested or necessary for test eligibility. The same methodology was used to 43-121 North, using project-specific scope data and GIS overlays available internally, consistent with the approach demonstrated in these attachments.

**Response prepared by Amrisha Banarsee.**



**APPENDIX C**  
**PSEP LABOR CHARGES REPORT – JULY 2018**

DEPARTMENT	NAME	Order #	Order Name	Response Required	Sum of Sum of Hours	
Customer Strategy & Engagement			PSEP GMA TRACKING ORDER	Developed, revised and reviewed employee communications about PSEP, including comms plan, external articles, intranet site, PSEP News, talking points, updates to CCC, Field briefings, etc.	45.6	
			PSEP GMA TRACKING ORDER	(blank)	7.68	
			PSEP GMA TRACKING ORDER	(blank)	8.64	
			PSEP GMA TRACKING ORDER	Customer communications and marketing program support	3.6	
			PSEP GMA TRACKING ORDER	Customer communications and marketing program support	3.6	
			PSEP GMA TRACKING ORDER	Customer communications and marketing program support	3.8	
Environmental Svcs - SDG&E-SCG			(PSEP) L404 SECTION 4A REPLACEMENT	Prepare, review, and upload Notice of Intent (NOI) for Construction General Permit (CGP) to Storm Water Multiple Application Reporting and Tracking System (SMARTS).	1.5	
			41-6000-2-P1A-ABANDONMENT	Review waste water discharge and storm water permitting options with enviromental project manager.	2	
			PSEP GMA TRACKING ORDER	Hours associated with managing PSEP environmental group	70.56	
			NON PMO GE ADMIN TRCKING	Hours associated with managing PSEP environmental group	2	
			(PSEP) PI: CA-150/CA-192 (LIONS) 1B	Project budget approvals	0.5	
			L37-18-K SCOPE DEVELOPMENT	Waste Profiling and Disposal	1	
			-L1018 BUNDLE P1B HARVARD	Shipping Documents, Scheduling Disposal	0.5	
			PSEP) SL36-37-P1B-11A	Review of Caltrans encroachment permit application at request of [REDACTED]	0.75	
			PSEP) SL36-37-P1B-11C	Review of Caltrans encroachment permit application at request of [REDACTED]	1	
			-L4000-P1B-POWERLINE RD	These hours were billed conducting a cultural resource review of the project and consulting with the BLM archaeologist.	4	
			-L4000-P1B-CAMP ROCK RD	These hours were billed conducting a cultural resource review of the project and consulting with the BLM archaeologist.	5	
	Gas Control & System Planning				Work in obtaining telecommunications to PSEP valve and metering sites, and support in SCADA programming for new PSEP related valve upgrades. Assists in troubleshooting and maintenance of new and existing telemetric equipment with instrument specialists and other field personnel.Work in obtaining telecommunications to PSEP valve and metering sites, and support in SCADA programming for new PSEP related valve upgrades. Assists in troubleshooting and maintenance of new and existing telemetric equipment with instrument specialists and other field personnel.	
				PSEP GMA TRACKING ORDER		96
				Coordinates with PSEP project managers, District Operations Managers and other PSEP representatives to manage and schedule Transmission Pipeline Shutdowns. Identifies customer impacts, and determines the implications to Transmission System Operations related to PSEP related shutdowns and PSEP valve upgrades. Works directly with Gas Control staff in real-time system operations to manage PSEP shutdowns. Works directly with SCADA staff to help manage PSEP valve upgrades that are implemented into the SCADA environment. Work in obtaining telecommunications to PSEP valve and metering sites, and support in SCADA programming for new PSEP related valve upgrades. Assists in troubleshooting and maintenance of new and existing telemetric equipment with instrument specialists and other field personnel.		
			PSEP GMA TRACKING ORDER		121.6	
Gas Engineering			NON PMO GE ADMIN TRCKING		30.4	
			PSEP) L2001W SANTA ANA RIVER PIPE - P1A	Provided engineering support and answered project-related questions. Hydrotest or gas standard related questions as they apply to the project.	2	
			PI: L2001W-D WHITEWATER HYDROTEST	Provided engineering support and answered project-related questions. Hydrotest or gas standard related questions as they apply to the project.	10	
			PSEP) L-2000-E-P2 (LONG LEAD)	Provided engineering support and answered project-related questions. Hydrotest or gas standard related questions as they apply to the project.	1	
			L-2000-E-P2	Provided engineering support and answered project-related questions. Hydrotest or gas standard related questions as they apply to the project.	9	
			41-6000-2-P1A-ABANDONMENT	Provided engineering support and answered project-related questions. Hydrotest or gas standard related questions as they apply to the project.	4	
			-L7000-P1B-MELCHER & ELMO	Provided engineering support and answered project-related questions. Hydrotest or gas standard related questions as they apply to the project.	3	
			PI: L2001W-D WHITEWATER HYDROTEST	Provided engineering support and answered project-related questions. Hydrotest or gas standard related questions as they apply to the project.	2	

DEPARTMENT	NAME	Order #	Order Name	Response Required	Sum of Sum of Hours
Gas Engineering			-WSTRN DEL REY BUDE P1B-DEY REY	Developed Piping drawing package for valve automation.	96
			PSEP) V-RAINBOW MLV 5-P1B	Developed Piping drawing package for valve automation.	48
				"6/19/18: I met with [REDACTED] PSEP engineer, [REDACTED] Mechanical Designer & [REDACTED] Electrical Designer, to discuss comments collected during a 60% drawing package review for RB MLV 5. 6/20/18: I met with [REDACTED] mechanical designer, to go over the request (from Gas Transmission Ops- Beaumont) to route [REDACTED] piping above grade at MLV and back below grade before running pipe to LBP. 6/27/18: Using the formulas provided in Gas Standard, 182.0032, I calculated the minimum blowdown pipe I.D. required for the new blowdown stack design. I also collected the information needed prior to submitting plume analysis request for the Rainbow MLV-5 location. 6/28/18: I provided markups for RB MLV5 project to aid in the implementation of a new blowdown stack design. 7/11/18: I followed up on a request for a 5'-0" W x 4'-0" D instrument shelter and worked with the mechanical design team to incorporate a new [REDACTED] blowdown stack and access platform. The access platform was later removed from the design to reduce the blowdown stack design footprint (and cost). 7/13/18: I requested that [REDACTED] update the instrument shelter drawing to shift the Air Conditioning unit from the left side to the right side of the shelter (due to the shelter's proximity to a cinder block wall -on the left side of the shelter). "	
			PSEP) V-RAINBOW MLV 5-P1B		10
			(PSEP) PI: CA-150/RINCON RD (PARSONS) 1B	6/21/18: I met with [REDACTED] to review EN's pressure drop calculations results for [REDACTED] L-1004-20.85-0. The P&ID shows a single pressure tap downstream of the MLV. 7/11/18: I reviewed EN's pressure drop calculations for the [REDACTED] MLV Automation Project. I also met with [REDACTED] to discuss how the single downstream tap affects the PT-101 reading. 7/13/18: I calculated the pressure drop for [REDACTED] SS tubing in the case where a single tap is split and run to PT-101 & the LineBreak panel regulators.	5
			-WSTRN DEL REY BUDE P1B-DEY REY	Assist with install of LIT at Del Rey Junction	20
			-TAFT P1B - HAGEMAN & RENFRO	Perform review and squad check for Hageman and Renfro	20
			PSEP)V235/335-WESTP1B-AGUA DULCE CANYON	Perform review and squad check for Agua Dulce Canyon	8
			1004-8.06-0 CABRILLO BL	Review actuator bid for Cabrillo Beach	4
			PSEP) V-BREA-P1B-BEACH	Perform review and squad check for Brea Beach Package	6
			PSEP) V-INDIO-2016-P1B-MLV10S	Indio Valve 8 Point to Point	10
			-TAFT P1B - SYCAMORE	Sycamore Road ASV Settings Support	1
			(PSEP) MLV 404-4.84-0 VENTURA/SFV	Line 404 Pressure Study for ASV Support	2
			PSEP) V-BREA-P1B-AZUSA AVE	Develop Communications strategy for Asuza PSEP site and coordinate installation	16
			PSEP) TECH,BUSI, PROJ PLAN & PROJ DEVEL	Attended project plan development, RFI development and strategy meetings.	9
			-L7000-P1B-MELCHER & ELMO	Bellhole inspection and oversight.	8
			PSEP)V-SFV BDLE-VALENCIA-P1B-WELDON CYN	Review and update schematic for [REDACTED] for lines 3003 and 3000 WEST	2
			(PSEP) VALVE -L407 SAN VICENTE-P1B	Create alternate schematics for San Vicente & Burlingame and meet with region to discuss alternates	12
			PSEP) PI: SCOPE DEV VENTURA STATION 1B	Review proposal from [REDACTED] on Ventura station automation	2
			-L4000-P1B-DEVORE STN	Research requirements for Ultrasonic Flowmeter at Devore	1
			PSEP) PI: L8109 SCOPE DEV 1B	Review and write up justification for 8109 automation for [REDACTED]	4
			PSEP) V-SL-32-21-P1B	Write up justification for automation plan for [REDACTED]	1
			(PSEP) PI: SCOPE DEV VENTURA STATION 1B	Site visit to Ventura Station with [REDACTED]	4
			PSEP) V-RAINBOW MLV 5-P1B	ELC drawing files submittal (IFR). IFR Comments and background updates.	16
			-L7000-P1B-BEECH & HWY 46	Provided engineering support and answered project-related questions. Hydrotest or gas standard related questions as they apply to the project. Approved DDS for hydrotest	7
			PSEP) L-2000-E-P2 (LONG LEAD)	Provided engineering support and answered project-related questions. Hydrotest or gas standard related questions as they apply to the project. Approved DDS for hydrotest	23
			L-2000-E-P2	Provided engineering support and answered project-related questions. Hydrotest or gas standard related questions as they apply to the project. Approved DDS for hydrotest	14
			41-6000-2-P1A-ABANDONMENT	Provided engineering support and answered project-related questions. Hydrotest or gas standard related questions as they apply to the project. Approved DDS for hydrotest	13.5
			L37-18-K SCOPE DEVELOPMENT	Line Seasoning, Odor Conditioning of New Steel Line.	4
			-L7000-P1B-MELCHER & ELMO	Welding procedure recommendation	1
			L37-18-K SCOPE DEVELOPMENT	Conducted line seasoning and sampling procedure	13
			PSEP) PI: SCOPE DEV CHESTNUT & GRAND 1B	Review of drawing IFR submittal.	24
			SDGE' (PSEP VALVE PLAN-L-1601)	Reviewed drawings and provided comments to them. Attended squad check to discuss comments to drawings. Reviewed supporting documents to verify correct installation in drawing package.	1
			-BURBANK-P1B-VERDUGO AND REESE	Reviewed drawings and provided comments to them. Attended squad check to discuss comments to drawings. Reviewed supporting documents to verify correct installation in drawing package.	2
				Reviewed drawings and provided comments to them. Attended squad check to discuss comments to drawings.	
			-WSTRN DEL REY BDLE -P1B-MISSISS	Reviewed supporting documents to verify correct installation in drawing package.	8

DEPARTMENT	NAME	Order #	Order Name	Response Required	Sum of Sum of Hours
Gas Engineering			-TAFT P1B - HAGEMAN & RENFRO	Reviewed drawings and provided comments to them. Attended squad check to discuss comments to drawings. Reviewed supporting documents to verify correct installation in drawing package.	3
			PSEP V-L324-P1B-TORREY MOUNTAIN	Reviewed drawings and provided comments to them. Attended squad check to discuss comments to drawings. Reviewed supporting documents to verify correct installation in drawing package.	2
			-ADELANTO-P1B-MLV 4	Reviewed drawings and provided comments to them. Attended squad check to discuss comments to drawings. Reviewed supporting documents to verify correct installation in drawing package.	2
			PSEP V-SANTA BARBARA-P1B-GROVE LANE PH	Reviewed drawings and provided comments to them. Attended squad check to discuss comments to drawings. Reviewed supporting documents to verify correct installation in drawing package.	6.5
			PSEP PI: SCOPE DEV HASKELL STATION 1B	Followed up with project manager to discuss project status. Reviewed past projects' drawings to see if this in house project's design can be done similar to past projects.	9
			PSEP V-L324 P1B-WINDY GAP & SALT CREEK	Reviewed drawings and provided comments to them. Attended squad check to discuss comments to drawings. Reviewed supporting documents to verify correct installation in drawing package.	2
			-TAFT P1B - BUTTONWILLOW	Reviewed drawings and provided comments to them. Attended squad check to discuss comments to drawings. Reviewed supporting documents to verify correct installation in drawing package.	4
			PSEP V-TAFT P1B-HAGEMAN & RENFRO (DIST)	Reviewed drawings and provided comments to them. Attended squad check to discuss comments to drawings. Reviewed supporting documents to verify correct installation in drawing package.	3
			PSEP PI: SCOPE DEV VENTURA STATION 1B	Followed up with project manager to discuss project status. Reviewed past projects' drawings to see if this in house project's design can be done similar to past projects.	15.5
			(PSEP) V1 & V2 MILLS & KIMBALL	Reviewed IFC redlines - assigned drafter to review and draft the package.	2
			-WSTRN DEL REY BDLE -P1B-MISSISS	Attended required squad check and reviewed the package with MRC - [REDACTED]	2
			PSEP V-L324-P1B-TORREY MOUNTAIN	(blank)	1
			PSEP PI: SCOPE DEV CHESTNUT & GRAND 1B	Developed and finalized P&IDs. Answered required questions from the drafter. Addressed any issues.	42
			PSEP V-L324 P1B-WINDY GAP & SALT CREEK	Attended required squad check and reviewed the package with MRC [REDACTED]	1
			PI: L2001W-D WHITEWATER HYDROTEST	Provided engineering support and answered project-related questions. Hydrotest or gas standard related questions as they apply to the project. Approved DDS for hydrotest	12
			PSEP PI: SCOPE DEV CHESTNUT & GRAND 1B	Updating drawing package per engineering comments	56
			-GLENDALE-P1B-ADAMS PHASE 1	Support on upgrading the Reg station for PSEP valve replacement.	8
			ALVE - LAMPSON BUNDLE	(blank)	36
			PSEP L2001W SANTA ANA RIVER PIPE - P1A	Technical Review of the Santa Ana HDD Feasibility Proposal from a Geotechnical Engineering Perspective.	4
			PSEP L2001W SANTA ANA RIVER PIPE - P1A	(blank)	1
Gas Sys Int Staff & Prgrms			PSEP - FIELD TRAINING GAS OPS SERVICES	Train Region workforce support for PSEP hiring and fill behinds.	20.8
			PSEP - FIELD TRAINING GAS OPS SERVICES	Weld Inspector training and related module updates. Provide training for incremental PSEP project hiring. Provide support for the development and training for hydrostatic testing.	56
			PSEP - FIELD TRAINING GAS OPS SERVICES	Preparation of class materials for training Instrument Specialists. Instruments Specialists maintain Line Break installations.	8.5
			PSEP - FIELD TRAINING GAS OPS SERVICES	Weld Inspector training and related module updates. Provide training for incremental PSEP project hiring. Provide support for the development and training for hydrostatic testing.	152
			PSEP - FIELD TRAINING GAS OPS SERVICES	Manage Scheduling of Contractors and Gas company employees to support PSEP jobs. This is due to the upward pressures of hiring and filling behind those that were hired in support of PSEP.	6.8
			PSEP - FIELD TRAINING GAS OPS SERVICES	Delivery of strength testing material; portion of hours for training new pipeline technicians	8.5
			PSEP - FIELD TRAINING GAS OPS SERVICES	Train Region workforce support for PSEP hiring and fill behinds.	27.2
			PSEP - FIELD TRAINING GAS OPS SERVICES	Supporting or conducting OFW "Oxy fuel welding" training for field employees. This is due to the upward pressures of hiring and filling behind those that were hired in support of PSEP.	103.25
			PSEP L2001W SANTA ANA RIVER PIPE - P1A	Job planning	8
			PSEP V-RAINBOW CV-P1B-NEWPORT & BRIGGS	Job kick of and tie-ins	6
Gas Transmission Ops			-29 PALMS-P1B-SUNBURST ST	Job site visits	4
			L37-18-K SCOPE DEVELOPMENT	Site visits, prepare tie-in procedure, tie-in operations	48.5
			L37-18-K SCOPE DEVELOPMENT	Site visit	2
			VALVE - SL45-120 SECTION 2 BUNDLE	PL operation planning and scheduling, procedure development, management and supervision of PL operation and tie in.	2
			PSEP V-L324-P1B-TORREY MOUNTAIN	PL operation planning and scheduling, procedure development, management and supervision of PL operation and tie in.	0.75
			PSEP V-L324 P1B-WINDY GAP & SALT CREEK	PL operation planning and scheduling, procedure development, management and supervision of PL operation and tie in.	0.75
			-SB COUNTY P1B - LIONS	Job walk, meetings	8
			PSEP V404-406 VENT. 2016 P1B SOMIS YARD	Job walk Tie in procedures meetings	16
			-GOLETA-P1B-SANTA ROSA RD BUELLT	Job walk meetings	8
			-L7000-P1B-ROAD 68 & AVE 232	Drawing review with PSEP guys.	1
			-TAFT P1B - HAGEMAN & RENFRO	Conference call concerning removal of bollards to comply with Tulare County.	1
			PSEP V-L7000-P1B-VISALIA STN	Drove to Visalia to attend construction kickoff meeting.	4
			-FONTANA MLV 4000-4002-P1B-BENSON	Provided line naming, valve naming, and drawing reviews	4
			L37-18-K SCOPE DEVELOPMENT	Tie-in operations	12
			VALVE PLAN SL 49-28 VALVE	(blank)	5.5

DEPARTMENT	NAME	Order #	Order Name	Response Required	Sum of Sum of Hours
Northwest Region - Gas Ops			L37-18-K SCOPE DEVELOPMENT	Supporting PSEP 37-18-K main replacement for the shut-in of [REDACTED] is the Measurement Supervisor in CMP and supported the SL37-18K project planning and construction activities where M&R was involved during the months of June & July	12
P / Line Integrity			NON PMO GE ADMIN TRCKING	PI Data Collection Bundle B QA/QC for High Pressure Reconciliation.	2.5
			L43-121 N. P1A SEC 2: PIPE REPLA	PI Data Collection Bundle B QA/QC for High Pressure Reconciliation.	1.5
Regl Public Affairs - South			LINE 49-16 PIPELINE SECT 4	Continued project coordination for meetings and notifications between PSEP staff and City Staff/Council on work	12.16
			L49-16 4TH & PALM CIVIL	Continued project coordination for meetings and notifications between PSEP staff and City Staff/Council on work	7.6
			LINE 49-32L SECTION 2	Continued project coordination for meetings and notifications between PSEP staff and City Staff/Council on work	1.52
			LINE 49-16 PIPELINE SECT 4	(blank)	6.4
			L49-16 4TH & PALM CIVIL	(blank)	4
Work Plan & Resource Mgt			(PSEP) PI: L41-6000-2 SCOPE DEVELOPMENT	Continued project coordination for meetings and notifications between PSEP staff and City Staff/Council on work	12
			PSEP) V-RAINBOW CV-P1B-SCOPE DEVELOPMENT	Continued project coordination for meetings and notifications between PSEP staff and City Staff/Council on work	2
			PSEP) V-SL-32-21-P1B	Completed RER 18-0597 for the 3 valve automation install.	2
			O&M) (PSEP) SL 33-750-P1A-01	Final DDS Review. RER Review & Approval. Drawing Review. Weekly meeting. EPM monitor during project excution.	30
			(PSEP) PI: L103 PHASE 1B REPLACEMENT	Final DDS Review. RER Review & Approval. Drawing Review. Weekly meeting. EPM monitor during project excution.	5
			PSEP) PI: SL38-960 P1B	Final DDS Review. RER Review & Approval. Drawing Review. Weekly meeting. EPM monitor during project excution.	6
			(PSEP) PI: L1017 BUNDLE SCOPE DEVELOPMENT	The time spent on this project went towards determining and analyzing the impacts of the proposed isolation. This included customer research, modeling, and coordination with M&R to verify customer locations.	26
Media & Public Information			PSEP GMA TRACKING ORDER	Developed, revised or reviewed media communications about PSEP, including comms plan, external articles, intranet site, PSEP News, talking points, updates to CCC, press releases, Field briefings, etc.	25.84
			PSEP GMA TRACKING ORDER	Developed, revised and reviewed media communications about PSEP, including comms plan, external articles, intranet site, PSEP News, talking points, updates to CCC, press releases, media advisories, field briefings, etc.	38
			PSEP GMA TRACKING ORDER	Developed, revised and reviewed media communications about PSEP, including comms plan, external articles, intranet site, PSEP News, talking points, updates to CCC, press releases, Field briefings, etc.	25.92
Financial & Operation Plng-SCG			PSEP GMA TRACKING ORDER	PSEP Reasonableness Review, June Disallowance Report, PSEP August Outlook Prep.	22
San Diego Region			L49-16 LA MESA CIVIL & PIP	Coordination of Gas Handling Isolation discussion. Generation of schematic for plan.	16
			1084- A PSEP LINE 49-26	Provided closeout team with detailed background and current status of remaining lines 49-25 and 49-26 related to PSEP replacement and abandonment efforts.	16
			3760- A PSEP VALVE PLAN-49-23 VAL AUTO	Review of Vault Design. Coordination of vault design discussions. Antenna Survey follow ups and update.	16
Pipeline Sfty, Compl& Emer Mgt			PSEP GMA TRACKING ORDER	Manage and Supervise [REDACTED] work with PSEP and CPUC including document management	1.2
			NON PMO GE ADMIN TRCKING	Manage and Supervise [REDACTED] work with PSEP and CPUC including document management	1.2
			PSEP GMA TRACKING ORDER	Supporting PSEP Socal Gas Projects 98%	10.78
			NON PMO GE ADMIN TRCKING	Supporting PSEP SDGE Projects 2%	0.22
			PSEP) SL 37-18 SECTION 5 - P1A	Performance of PSEP closeout quality audit	34
			PSEP) L2000-C DESERT HYDROTEST (PC)	Performance of PSEP closeout quality audit	58
			PSEP GMA TRACKING ORDER	Supporting PSEP Socal Gas Projects 98%	7.84
			NON PMO GE ADMIN TRCKING	Supporting PSEP SDGE Projects 2%	0.16
			PI: L2000-D WHITEWATER TO MORENO	Performance of PSEP closeout quality audit	72
			LINE 49-26 STAGE 1	Performance of PSEP closeout quality audit	16
			(PSEP) SL 37-18 SECTION 5 - P1A	Performance of PSEP closeout quality audit	8
			-L7000-P1B-MELCHER & ELMO	Performance of PSEP field quality audit	32
			LINE 49-17 EAST	Performance of PSEP closeout quality audit	8
			VALVE-L7000-P1B-MELCHER & ELMO	Performance of PSEP field quality audit	16
Inventory and Logistics			PSEP GMA TRACKING ORDER	Support SAP transactions at plant 2995. Manage the inventory at plant 2995	144
SCG Application Services			-WSTRN DEL REY BUdle P1B-DEY REY	PSEP Valve Automation Project Engineering work for Del Rey Junction.	16
Grand Total					2298.62