

DRA DATA REQUEST
DRA-SCG-048-DAO
SOCALGAS 2012 GRC – A.10-12-006
SOCALGAS RESPONSE
DATE RECEIVED: FEBRUARY 17, 2011
DATE RESPONDED: MARCH 3, 2011

Exhibit Reference: SCG-5, Engineering

Subject: DIMP-Driven Activities, Enhanced Damage Prevention

Please provide the following:

1. On page RKS-47, SCG requests six additional FTEs to augment the existing damage prevention program, and that four of the FTEs would be allocated to each of the Distribution Regions. Please answer the following questions with regard to this request:
 - a. Please explain how SCG determined that it will need 4 FTEs to be allocated to the Distribution Regions to be responsible for leading a renewed focus on damage prevention activities? Please include a copy of all documents and/or calculations relied on to support this forecast.
 - b. Please provide a copy of the job descriptions for the 4 FTEs.
 - c. Please explain how the existing damage prevention program is organized and managed.
 - d. The number of Distribution Regions in SCG's territory.
 - e. The number of FTEs assigned to each Distribution Region for each year from 2005-2010.
 - f. The number of FTEs allocated to the existing damage prevention program each year from 2005-2010.
 - g. The annual expenses and tracking account of the damage prevention program from 2005-2010.
 - h. A copy of the damage prevention program scope.

SoCalGas Response:

- a. The SoCalGas service territory is divided into four Regions; Inland, Northern, Orange Coast, and Pacific. Each Region has a similar managerial structure with all employees ultimately reporting to a Region Director. Under the Director are the various Department Managers whose organizations attend to the routine daily activities. Due to the varying sizes and unique characteristics of each Regions service territory, it was decided that there needs to be a dedicated resource for each Region. This will allow for each to focus on the specific improvement opportunities for their locale. These resources would not operate in a vacuum, but would interact with their colleagues in the other Regions as well as the engineering DIMP staff to ensure that the program is progressing consistently and opportunities to share lessons learned are maximized.
- b. The attached document details the job description requirements for these Damage Prevention (DP) personnel:



Job Requirements
DIMP DP.pdf

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Response to Question 1 (Continued)

- c. There are a number of activities that contribute to the goals of damage prevention. These activities are carried out by multiple organizations within SoCalGas' Distribution and Engineering organizations. DP is not a centrally defined and managed program. The policies, procedures, and standards developed and maintained by staff organizations and largely implemented by the field operations organizations.

Below lists some, but not all of, the activities included in the DP enhancements:

- Proper Design and installation of facilities (i.e. proper protection, burial depth, etc);
 - Locate and Mark facilities ahead of excavation and construction activities;
 - Job observation and inspection during construction activities near facilities;
 - Pipeline markers and signage to denote facility location;
 - Operator Qualification training requirements for contractors;
 - Communications with contractors and public regarding gas system safety/ locations.
- d. There are four Distribution Regions in SoCalGas' service territory: Northern, Inland, Pacific, and Orange Coast.
- e. In preparing for this proceeding individual cost centers were grouped by like activities to facilitate data display and forecasting. Consequently information is not available on an individual region perspective. The table below provides the total FTEs for each of the years across all four Distribution operating regions.

| SoCalGas -- Gas Distribution | | | |
|--|--------------------|------------------------|---------|
| Total Region Field FTEs ⁽¹⁾ | | | |
| | O&M ⁽¹⁾ | Capital ⁽²⁾ | Total |
| 2005 | 860.9 | 921.6 | 1,782.5 |
| 2006 | 854.6 | 976.0 | 1,830.6 |
| 2007 | 843.3 | 977.0 | 1,820.3 |
| 2008 | 832.5 | 897.3 | 1,729.8 |
| 2009 | 830.7 | 811.3 | 1,642.0 |
| 2010 | To be provided | | |

Table Notes:

(1) O&M includes workgroups for Field Operations Pipeline Operations and Maintenance, Measurement and Regulation, Asset Management, Cathodic Protection.

(2) Capital includes all budget codes shown in the work papers SCG-02-WP.

- f. The primary activities completed within distribution field operations related to damage prevention that are individually tracked are Locate & Mark, Job Observations, installation of pipeline markers, and installation of meter guards. Table 1 below summarizes O&M expenditures and FTE for gas distribution Locate & Mark and Job Observation field activities. Additional O&M costs for the installation of pipeline markers cannot be individually isolated from costs included within the workgroup Main Maintenance. Table 2 displays the capital costs and FTEs for installation of Meter Guards. Please see the testimony of Ms. Gina Orozco-Mejia (SCG-02) for additional discussion of these activities.

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Response to Question 1 (Continued)

| Table 1 | | |
|-----------------------------------|----------------|------------|
| SoCal Gas -- Gas Distribution | | |
| Locate & Mark and Job Observation | | |
| Workgroup 2GD000.002 | | |
| O&M Workpaper SCG-02, Page 6 | | |
| (Thousands 2009\$) | | |
| | Expense | FTE |
| 2005 | 9,508 | 130.9 |
| 2006 | 9,945 | 134.2 |
| 2007 | 10,320 | 141.6 |
| 2008 | 9,876 | 135.9 |
| 2009 | 9,687 | 133.3 |
| 2010 | To be provided | |

| Table 2 | | |
|-------------------------------|--------------------|------------|
| SoCal Gas -- Gas Distribution | | |
| Installation of Meter Guards | | |
| Capital WP Budget Code 264 | | |
| (Thousands 2009\$) | | |
| | Expenditure | FTE |
| 2005 | 449 | 5.8 |
| 2006 | 485 | 6.2 |
| 2007 | 681 | 7.2 |
| 2008 | 726 | 9.8 |
| 2009 | 892 | 11 |
| 2010 | To be provided | |

- g. Please see the response for Question No. 1f, above.
- h. The initial scope for this DIMP-driven DP program is to address and evaluate current damage prevention activities for two distinct purposes. The first for short term or immediate impacts. This is to evaluate and implement enhancements to existing DP practices and standards for near-term benefits.

The second, and parallel, effort is to make a more comprehensive evaluation of the universe of DP activities to determine if there is a more effective and impactful method for management. This could include the use of industry benchmarking or consultants who specialize in the field of damage prevention.

Both short and long term efforts will require additional, focused resources to properly address the amount of research, analysis, and implementation efforts this program is expected to require.

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2. Please explain in detail how SCG tracks damages and damage incidents caused by third parties to its distribution piping systems.

SoCalGas Response:

These data are captured and retrieved in a Lotus Notes based application called “Emergency Incident Reporting”. For this application, SoCalGas has defined Emergency Incidents as unsafe conditions that involve, or potentially involve, natural gas customer or Company facilities and/or personnel. The incident may be a fire, damage to underground facilities, explosion, gas leak, injury, death, gas outage, district pressure problem or response requested by fire, police or other governmental agencies.

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3. Please identify the number of third party damage incidents on its system for each year from 2000-2010.

SoCalGas Response:

The table below represents third party damage or “Dig-in” data for the requested time period.

| Year | Number of Dig-ins |
|------|-------------------|
| 2000 | 2,773 |
| 2001 | 4,030 |
| 2002 | 4,469 |
| 2003 | 2,048 |
| 2004 | 4,971 |
| 2005 | 5,666 |
| 2006 | 5,714 |
| 2007 | 4,812 |
| 2008 | 3,726 |
| 2009 | 2,660 |
| 2010 | To be provided |

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4. On page RKS-48, SCG states that it will need two additional staff for increased field activities, and that one will be placed in Pipeline Integrity and the other will be located in Claims Management. Please answer the following questions with regard to this statement:
- a. How many FTEs are currently assigned to Pipeline Integrity for damage prevention?
 - b. How many FTEs are currently assigned to collect and analyze data to develop trends and help identify areas where additional resources may be required?
 - c. How many FTEs are currently assigned to Claims Management?
 - d. How many FTEs are currently monitoring system damage by analyzing claims data?

SoCalGas Response:

- a. There is currently one FTE managing the activities in both 1a and 1b for this data request.
- b. There is currently one FTE managing the activities in both 1a and 1b for this data request.
- c. There are currently 17 FTEs in the Claims Management organization. There are ten FTEs in the Liability group and seven FTEs in the Recovery group managing the day-to-day, routine activities.
- d. There are approximately three FTEs currently assigned to the analysis and monitoring of system data due to damage. Again, these positions are managing the current day-to-day, routine activities.

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5. Does SCG expect the number of third party damage incidents to increase in 2012 and beyond? If so, please identify and explain SCG's support for the forecast and provide a copy of all documents and/or calculations relied on to support SCG's assertion.

SoCalGas Response:

SoCalGas is not anticipating an increase in third-party damages. Historical data indicate that these damages tend to trend along with the level of housing construction activity. The intention of this enhancement is to provide additional resources to more aggressively analyze DP data, determine root causes and pro-actively address these causes to drive down the levels of third-party damages.