DRA DATA REQUEST
DRA-SCG-076-DAO
SOCALGAS 2012 GRC – A.10-12-006
SOCALGAS RESPONSE
DATE RECEIVED: APRIL 15, 2011
DATE RESPONDED: APRIL 29, 2011

Exhibit Reference: SCG-2 Gas Distribution O&M Expenses

Subject: New Environmental Regulatory Balancing Account

Please provide the following:

1. Referring to pages GOM-22 and GOM-23, please provide a copy of the Mandatory Reporting of Greenhouse Gases: Petroleum and Natural Gas Systems, Proposed Rule, 75 Fed. Reg. 18607 (April 12, 2010).

SoCalGas Response 01:

A link to the proposed rule is provided:
http://edocket.access.gpo.gov/2010/2010-6767.htm

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2. Please provide the current status of the Proposed Rule in Question 1 above.

SoCalGas Response 02:

Both the EPA Mandatory Reporting Rule (MRR) and the Subpart W to the MRR are final.

The USEPA released the final rule for Subpart W to the Mandatory Reporting Rule (MRR) in November of 2010. The cost estimates in Ms. Orozco-Mejia's workpapers are based on the proposed rule. SoCalGas will be able to finalize cost estimates for the final GHG MRR Subpart W once some definition determinations are resolved with the USEPA. For example, USEPA's determination of the definition of "Non-Custody Transfer Gate Stations" impacts requirements. The final cost estimate will eliminate the cost indentified for leak surveys at Distribution Meter & Regulation Stations that was in the proposed rule. New additional costs will need to be included for leak survey requirements for Non-Custody Transfer Gate Stations, which was not in the proposed rule when cost estimates were developed.

A pdf copy of the MRR and the Subpart W were provided in the response DRA-SCG-063-DAO, Question 3.

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3. On page 53 of the workpapers, SCG states that it would need to conduct a field survey at each of the 93,270 above ground M&R sites within one year. Please answer the following questions with regard to this statement:

   a. Please define "M&R";

   b. Please state if the number 93,270 is the total number of M&R sites in SCG's territory;

   c. Please provide a listing and explain in detail what SCG must do at the 93,270 M&R sites to be in compliance with the Greenhouse Gas Subpart W rule. Please cite the requirements of the Greenhouse Gas Subpart W proposed rule for each activity that SCG has identified for each of the 93,270 M&R sites for 2012;

   d. Provide the number of M&R sites SCG inspected and the total number of hours tracked, the total number of sites maintained and the total hours tracked, and the expenses incurred each year from 2005-2011YTD;

   e. Please provide the number of M&R sites scheduled for inspections and/or maintenance each year from 2005-2010.

   f. Please identify the work activity and work account under which M&R inspections and maintenance are tracked;

   g. Please explain if the cost to inspect and to maintain M&R sites are combined when tracking under the work activity and work account in question (e) above. If the inspection and maintenance costs are tracked separately, please so state;

   h. Please provide supporting documents to show that the cost to conduct a field survey is $300 per M&R site.

   i. Please provide a copy of 15 actual completed work orders for M&R field inspections conducted in 2009 and in 2011, which show the expenses for this work activity;

   j. Provide supporting documents to show that 1 inspector can conduct 2 field M&R inspections per day.

   k. Identify the number of inspectors SCG currently employs;

   l. Identify the number of inspectors SCG employed each year from 2005-2011.

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SoCalGas Response to Question 3:

a. M&R stands for Measurement and Regulation. SoCalGas' above ground M&R sites include the following:
   - District Regulator Stations;
   - Commercial and Industrial Meter and Regulation Stations;
   - Some residential Meter and Regulation sets operating at higher than standard pressure.

b. The total number of M&R sites in SoCalGas' territory is larger than 93,270. This number references the above ground M&R sites. There are 93,270 above ground M&R sites in SoCalGas' territory.

c. EPA 40 CFR Part 98, 98.234(a) states, "You must use the method described as follows to conduct annual leak detection of fugitive emissions from all source types listed in § 98.233(p)(3)(i) and (q) in operation or on standby mode that occur during a reporting period. (1) Optical gas imaging instrument. Use an optical gas imaging instrument for fugitive emissions detection in accordance with 40 CFR part 60, subpart A, § 60.18(i)(1) and (2) Alternative work practice for monitoring equipment leaks. In addition, you must operate the optical gas imaging instrument to image the source types required by this proposed reporting rule in accordance with the instrument manufacturer's operating parameters".

   98.232(i)(1)
   (i) For natural gas distribution, report emissions from the following sources:
   (1) Above ground meter regulators and gate station fugitive emissions from connectors, block valves, control valves, pressure relief valves, orifice meters, other meters, regulators, and open ended lines.

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SoCalGas Response to Question 3 (Continued):

d. The data on Gas Distribution's M&R site visits is presented in the table below. In SoCalGas, M&R inspection and maintenance tasks are combined into one work order when the site is scheduled for inspection and maintenance. Also, SoCalGas has not yet finalized the review and any associated adjustments to its 2011 expense data, and is therefore unable to provide 2011 expense information at this time.

M&R Inspection and Maintenance							
Year	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**Mar YTD 2011**
Number of Sites Visited	34,637	34,553	28,220	26,509	27,392	25,725	6,326
Hours Tracked	114,562	121,072	102,045	103,450	103,287	59,506	14,271
Expenses (Shown in Thousands of 2009 Dollars with Vacation & Sick)							
Labor Expenses	$5,073	$5,096	$4,261	$4,261	$4,395	$4,233	NA
Non-Labor Expenses	$1,220	$1,438	$1,417	$1,741	$1,772	$1,340	NA
Total	$6,293	$6,535	$5,678	$6,003	$6,167	$5,573	NA

e. Please see the Gas Distribution M&R sites scheduled for inspections and/or maintenance in the table below.

	2005	**2006**	**2007**	**2008**	**2009**	**2010**
Total Count	15,926	15,262	14,376	13,448	13,268	12,320

f. Please see Gas Distribution's inspection and maintenance work activities and accounts in the table below.

COST ACCT NO.	**SHORT DESCRIPTION**	**PRIMARY ACTIVITIES**
889.000	Regulator Stations – External Inspection	Inspect regulator stations on an annual basis. Verify pressure and identify conditions that require maintenance. Test all pressure regulators for proper operation.
889.001	District Meter Maintenance	Inspect meter condition and perform meter maintenance work.
889.010	Regulator Stations – Internal Parts Replacement/Regulator Change	Change the internal parts of regulators periodically. Change out the regulators that fail the functional test.

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889.020	Regulator Stations Unscheduled Remedial) Maintenance	Repair and maintain vaults which house regulator stations.
892.012	Medium MSA – Rebuilds & Changes/Load Surveys	Rebuild medium size MSAs due to customer load change.
892.013	Large MSA – Unscheduled Maintenance	Investigate malfunctions and perform corrections such as change meter, regulator, valves, piping, etc. to ensure MSA is in good condition.
892.019	Large MSA – Rebuilds & Changes/Load Surveys	Rebuild large size MSAs due to customer load change.
892.042	Medium MSA – Unscheduled Maintenance	Investigate malfunctions and perform corrections such as change meter, regulator, valves, piping, etc. to ensure MSA is in good condition.
893.051	Temp. Gauge / Spot Test / MSA Insp.	Check & verify metering pressure, install/remove temporary billing recording gauge or perform spot pressure test on above standard pressure MSAs.
893.055	Rotary meter / MSA Insp.	Check rotary meter for proper installation, malfunction, orientation level, lubrication, pressure, inspect inlet screen/filter, and differential test.
893.060	Electronic pressure corrector / MSA Insp.	Inspect for malfunction and test electronic pressure corrector for registration and calculation accuracy.
893.061	Electr. pressure corrector / Ext. or Int. or IPR Regulator / MSA Insp.	Inspect for malfunction and test electronic pressure corrector for registration and calculation accuracy. Inspect and test all pressure regulators for proper operation (External or Internal or Internal w/ Parts Replacement).
893.101	Field Meter Test – Diaphragm meter / MSA Insp.	Inspect for malfunction and perform field accuracy test on diaphragm style meter, inspect and test all filters, valves, vaults and regulators for proper operation.
893.102	Noncore customer meter / MSA Insp. by Distribution – all scheduled maint.	Distribution M&R personnel inspect for malfunction and perform accuracy tests on various style meters (Orifice, Turbine, Rotary) and instruments, inspect and test all filters, valves, vaults and regulators for proper operation – scheduled work.
893.103	Noncore customer meter / MSA Insp. by Distribution – all unscheduled maint	Distribution M&R personnel inspect for malfunction and perform accuracy tests on various style meters (Orifice, Turbine, Rotary) and instruments, inspect and test all filters, valves, vaults and regulators for proper operation as dictated by problem reported – unscheduled work.
893.104	Field Meter Test – Diaphragm meter / Electronic pressure corrector / MSA Insp.	Inspect for malfunction and perform field accuracy test on diaphragm style meter, electronic pressure corrector, inspect and test all filters, valves, vaults and regulators for proper operation.
893.106	Field Meter Test – Rotary meter / Electronic pressure corrector / MSA Insp.	Inspect for malfunction and perform field accuracy test on rotary style meter, electronic pressure corrector, inspect and test all filters, valves, vaults and regulators for proper operation.

893.121	Field Meter Test – Rotary meter / MSA Insp.	Inspect for malfunction and perform field accuracy test on rotary style meter, inspect and test all filters, valves, vaults and regulators for proper operation.
893.131	Ext. / Int. / Internal w/ Parts Replacement or change out Regulator / MSA Insp.	Inspect, test, repair and/or replace all MSA pressure regulators for proper operation (External or Internal or Internal w/ Parts Replacement).
893.151	Unusual Consumption investigations (meter and electronic pressure correction instruments)	Inspect all gas measurement equipment for malfunction, troubleshoot over or under usage patterns, DR (doesn't register) conditions and repair and reconcile.
893.501	PMC – Medium MSA (500 – 1199 cfh)	Planned (scheduled) Meter Change on medium sized meter, inspect and test all filters, valves, vaults and regulators for proper operation.
893.502	PMC – Large MSA (1200 cfh or more)	Planned (scheduled) Meter Change on large sized meter, inspect and test all filters, valves, vaults and regulators for proper operation.

SoCalGas Response to Question 3 (Continued):

g. The cost to inspect and to maintain M&R sites are combined. The work order includes both inspection and maintenance tasks for M&R sites that are scheduled for maintenance. The completed work order is recorded in the applicable FERC cost account number.

h. The cost was based on one inspector, an hourly rate of $75/hr. for contractors, and visiting two (2) M&R sites per day to conduct a fugitive emission survey. Based on these parameters, it would cost $300 to conduct a leak survey for one above ground M&R site.

1 Inspector * $75 / hour * 4 hours / site = $300 / site

Please see the response to Question 3j for a justification of the time to inspect one site.

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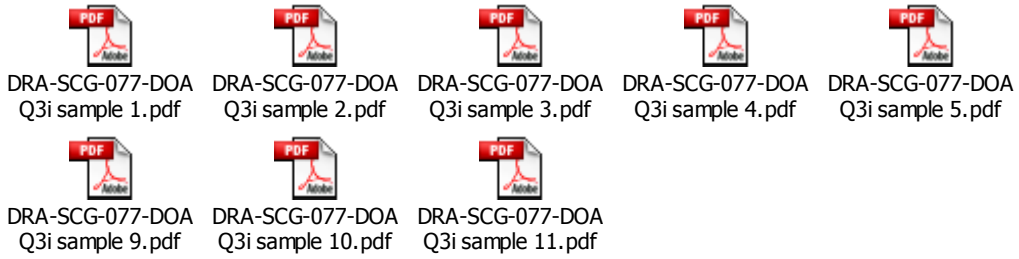
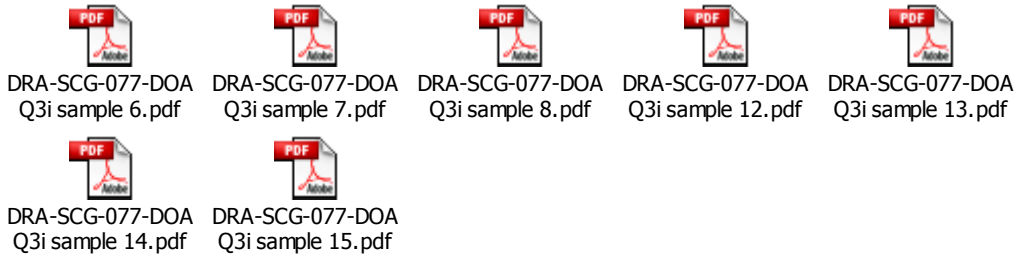
SoCalGas Response to Question 3 (Continued):

i. Attached are 15 actual work orders completed by M&R technicians. As described in the response to Question 3d, M&R inspection and maintenance tasks are combined into one work order. This work order form shows the time spent on the work, but not the expenses associated with it.

Work orders completed in 2009:



Work orders completed in 2011:



j. The two sites per day was an estimate based on drive time, access to M&R site (some may be located within customer premises), equipment setup time, leak survey, documentation, and returning equipment to vehicle.

k. SoCalGas has not hired inspectors to conduct annual leak surveys to meet the requirements proposed in the original Subpart W. The work required by the proposed rule had not been a previous requirement of inspection and maintenance tasks as outlined above.

l. As noted above SoCalGas does not currently employ and has not employed inspectors to conduct annual leak surveys to meet the requirements proposed in the original Subpart W during the period from 2005 to 2011.