

**DRA DATA REQUEST
DRA-SCG-138-KCL
SOCALGAS 2012 GRC – A.10-12-006
SOCALGAS RESPONSE**

**DATE RECEIVED: AUGUST 3, 2011
DATE RESPONDED: AUGUST 17, 2011**

Subject: Gas Engineering and Transmission Capital Expenditures

Please provide the following:

1. In SCG's response to DRA-SCG-131-KCL dated August 2, 2011, SCG states that "the number of launchers and receivers stated in the prior response to DRA-062 include a number of ILI re-assessments which are primarily O&M activities and will not have a capital workpaper associated." Please explain in detail what is performed in each "re-assessment". Provide the number of launcher/receiver assemblies purchased with O&M dollars, and include budget (project) number associated each of this launcher/receiver assembly.

SoCalGas Response:

Title 49, Part 192, Subpart O requires transmission lines to be integrity-assessed a minimum of every seven years. The initial assessment is referred to as the baseline assessment, with all subsequent assessments referred to as re-assessments. During an ILI baseline assessment, candidate pipelines are retrofitted to accept the internal inspection tools known as "smart-pigs". Retrofitting a pipeline for ILI typically involves valve replacements, installation of long-radius elbows and other fittings to provide for tool movement, and installation of pig launchers and receivers. Such retrofitting is capitalized. The actual running of the pig is an O&M activity.

ILI re-assessments typically don't require any capital retrofitting, and thus won't have a capital workpaper associated. The equipment set-up and application of the ILI tools are O&M activities. The physical running of the various ILI tools (Caliper, Gauge, Smart, etc), tool tracking, data collection and analysis, data validation, and repair procedures are the same for both Baseline assessments and re-assessments. See Exhibit SCG-5, pages RKS-27 and 28, for more detailed discussion of the ILI process.

Launcher and Receiver assemblies are capital assets. There are no launcher or receiver assemblies purchased with O&M dollars, the capital budgets under which they are purchased are 276 and 312. During re-assessments these capital assets are used in conjunction with O&M activities.

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2. Are any of the launcher/receiver assemblies reused in the “re-assessments”?

SoCalGas Response:

Yes. Most, if not all, will be reused during subsequent re-assessments.