



SOCALGAS-SDG&E BRIEFING

PIPELINE SAFETY ENHANCEMENT PLAN

9/19/2011

Sub-Prioritization Methodology

Within each of the scheduling priorities, each pipeline or pipeline segment will be ranked based upon:

- 1) Potential impact radius
- 2) Long Seam Type
- 3) %SMYS

Note 1: If pipe is Pre-1946 it will be abandoned and replaced.

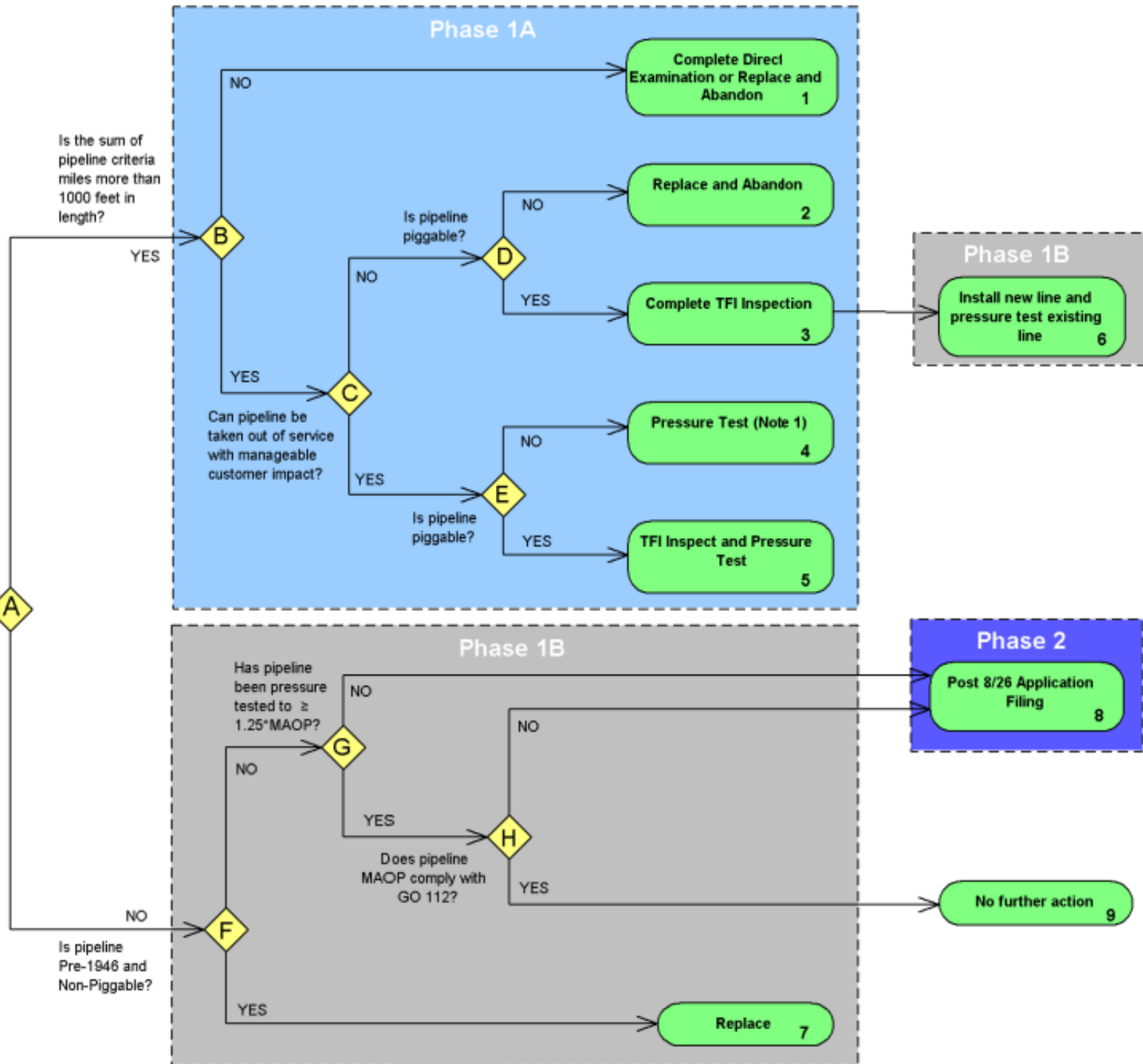
Is pipeline operated in a Class 3 or 4 location or High Consequence Area and not have documented pressure-carrying capability of $\geq 1.25 \cdot \text{MAOP}$?

Start pipeline assessment on all transmission pipelines

Legend

- Phase 1A: 2012 - 2015
- Phase 1B: 2016 - 2021
- Phase 2: TBD

August 24, 2011





Proposed Case Pipeline Test/Replace Scope for Phase 1A

SoCalGas	Phase 1A				
	2012	2013	2014	2015	Total
Pipeline Replacement (miles)	25	73	74	74	246
Pressure Testing (miles)	73	96	96	96	361

SDG&E	Phase 1A				
	2012	2013	2014	2015	Total
Pipeline Replacement (miles)	5	14	15	15	49
Pressure Testing (miles)	<1	<1	<1	<1	1

Estimated PSEP Surcharge for Phase 1A

- ❑ Illustrative impacts based on the following direct costs:
 - 2011: \$7 million O&M
 - Phase 1A (2012 – 2015): \$1,413 million capital and \$263 million O&M
- ❑ Propose to allocate costs to customer classes based on an Equal Percentage of Authorized Margin (EPAM)

	Current Rates		Incremental Impact of PSEP							
			Default Allocation		Default % Impact		Proposed Surcharges		Proposed % Impact	
	SCG A	SDG&E B	SCG C	SDG&E D	SCG E	SDG&E F	SCG G	SDG&E H	SCG I	SDG&E J
Monthly PSEP Surcharge (\$/mo)										
Avg Residential Bill	\$39.08	\$38.76	\$1.65	\$2.31	4.2%	6.0%	\$2.82	\$2.83	7.2%	7.3%
Avg Res Bill w/out G-CP	\$21.98	\$23.91	\$1.65	\$2.31	7.5%	9.7%	\$2.82	\$2.82	12.8%	11.8%
Volumetric PSEP Surcharge (\$/th)										
Core C&I	\$0.315	\$0.249	\$0.035	\$0.048	11.2%	19.1%	\$0.035	\$0.035	11.0%	14.0%
NGV	\$0.089	\$0.087	\$0.023	\$0.024	26.2%	27.0%	\$0.010	\$0.010	11.6%	11.8%
Noncore C&I-D	\$0.074	\$0.140	\$0.028	\$0.027	37.3%	19.1%	\$0.010	\$0.010	13.1%	7.0%
EG-D	\$0.039	\$0.042	\$0.026	\$0.026	67.2%	62.1%	\$0.004	\$0.004	11.2%	10.3%
TLS	\$0.025	\$0.025	\$0.015	\$0.015	58.4%	58.4%	\$0.003	\$0.003	11.3%	11.4%