DRA DATA REQUEST
DRA-SCG-110-DAO
SOCALGAS 2012 GRC – A.10-12-006
SOCALGAS RESPONSE
DATE RECEIVED: JUNE 20, 2011
DATE RESPONDED: JULY 8, 2011

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

Subject: GHG, Subpart W

Please provide the following:

1. Referring to page GOM-22 and GOM-23, and SCG's response to DRA-76, question 3, and the Final Greenhouse Gas Mandatory Reporting Rule, 40.C.F.R. Section 98, subpart W, please discuss the 3 methodologies prescribed for performing leak detection surveys and (a) identify the method that SCG will be using in 2012 and beyond to be in compliance with the Greenhouse Gas Mandatory Reporting Rule, 40.C.F.R. Section 98, subpart W requirements, and (b) state the reason(s) and explain why this method was chosen as opposed to the other methods.

SoCalGas Response:

SoCalGas' response to DRA-76, Q3c included this excerpt from the original 2009 rule used to develop the work paper EPA 40 CFR Part 98, 98.234 (a):

> "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".

Optical imaging is the only method for leak detection addressed within CFR part 60, subpart 60.18(i)(1) and (2). The reference to "alternative work practices for monitoring equipment leaks" refers to work practices for optical imaging equipment like "Instrument Specification" and "Daily Instrument Check",; not other or additional emission detection methods.

Subsequently, EPA finalized the Greenhouse Gas Mandatory Reporting Rule and in EPA's Subpart W Preamble Final Rule under 40 CFR 98 §98.234 Monitoring and QA/QC requirements (a)(3) allows the use of an Infrared laser beam illuminated instrument to conduct leak detection(s) of equipment leaks and through-valve leakage from all source types listed in §98.233(k), (o), (p) and (q). §98.233(q) covers leak detection and leaker emission factors.

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SoCalGas Response to Question 1 (Continued):

a) Currently, SoCalGas plans on using an Infrared Laser Beam Illuminated Instrument in lieu of the other methods specified in 40 CFR 98 §98.234. However, the rule does require that Optical Gas Imaging instrument be used for all source types that are inaccessible and cannot be monitored without elevating the monitoring personnel more than 2 meters above a support surface. In these instances where we are required by regulation to use Optical Gas Imaging instruments, we will need to purchase, train and utilize this equipment along with the other units.

b) The Infrared Laser Beam leak detection instrument was selected for the following reasons:

- provides the user with remote monitoring capabilities up to 100 feet from the leak source;
- is selective to measuring only methane gas - eliminates false-positive measurements compared to Method 21 (Volatile Organic Compounds);
- can detect small concentrations of methane gas;
- costs less than an Optical Gas Imaging Instrument; and
- has met SoCalGas' internal testing procedures.

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2. Was a cost benefit analysis regarding the different leak detection methods prescribed by Subpart W, performed by SCG or by another entity for SCG? If yes, please provide a copy of all cost benefit analyses performed.

SoCalGas Response:

No cost benefit analysis was performed. Based on information available when preparing the Application, optical gas imaging was the prescribed method for detection.

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3. Referring to SCG's response to DRA-SCG-76, question 2, please identify and explain the differences between custody and non-custody transfer gate stations. Also, please provide the number of custody and non-custody transfer gate stations in SCG territory.

SoCalGas Response:

On March 2, 2011 the American Gas Association filed a petition before the EPA seeking further definition for these terms. Without the greater clarity requested of the EPA SoCalGas provides the following interpretation. "Custody transfer" refers to a site where gas supplies are received or delivered to other gas distribution companies. This takes place at receipt and delivery points on SoCalGas' intrastate pipeline system at approximately 90 locations. SoCalGas has interpreted these points to be "custody transfer gate stations".