

Application No: A.18-11-010
Exhibit No: _____
Witness: Deana Ng

Application of Southern California Gas Company
(U 904 G) and San Diego Gas & Electric Company
(U 902 G) for Review of Costs Incurred in Executing
Pipeline Safety Enhancement Plan

Application 18-11-010

CHAPTER XIV
REBUTTAL TESTIMONY OF
DEANA NG
(RESPONSE TO CAL ADVOCATES’
INCREMENTAL DISALLOWANCE PROPOSALS)
ON BEHALF OF
SOUTHERN CALIFORNIA GAS COMPANY (U 904 G)
AND
SAN DIEGO GAS & ELECTRIC COMPANY (U 902 G)

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

October 21, 2019

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1 **I. PURPOSE AND OVERVIEW OF REBUTTAL TESTIMONY**

2 No parties in this proceeding submitted testimony challenging the reasonableness of the
3 activities undertaken by SoCalGas and SDG&E to execute the Pipeline Safety Enhancement Plan
4 (PSEP) projects presented for review in this Application. The purpose of this testimony is to
5 respond to the June 3, 2019 Direct Testimony of Mina Botros (Chapter 1), Pui-Wa Li (Chapter 2)
6 and Talal Harahsheh (Chapter 3) submitted on behalf of the Public Advocates Office (Cal
7 Advocates or Cal-PA). While Cal Advocates does not contend that SoCalGas and SDG&E
8 failed to meet the Commission’s prudent manager standard in executing the 83 pipeline and
9 valve projects presented for review in this proceeding, Cal Advocates nevertheless proposes
10 more than \$22 million in incremental disallowances for 10 pipeline projects, in addition to the
11 \$1.9 million in disallowances already acknowledged by SoCalGas and SDG&E and deducted
12 from the revenue requirement¹ presented in this Application. This testimony responds to these
13 incremental disallowance recommendations from Cal Advocates and demonstrates they are not
14 justified. In addition, this testimony makes a minor adjustment to the calculation of
15 disallowances for one project, which decreases the costs sought to be recovered through the
16 Application by \$3,191.²

17 My testimony specifically responds to the following incremental disallowance
18 recommendations by Cal Advocates:

- 19 • Calculate disallowances for pressure test projects using a new *estimated* unit cost-per-
20 mile methodology, rather than the previously-approved methodology, which calculates
21 project disallowances based on the *actual* project costs;³

¹ In addition to these Post-1955 PSEP disallowed costs, SoCalGas and SDG&E have deducted Undepreciated Book Balances and Executive Incentive Compensation of approximately \$227,000 from the revenue requirement. See A.18-11-010, Chapter 3 Testimony (Phillips) at 12-13.

² SoCalGas/SDG&E advised Cal Advocates of this inadvertent disallowance calculation error for one project and proposed to make this adjustment in Rebuttal testimony rather than through a formal amendment of the Application. As stipulated to in an email from Cal Advocates to SoCalGas/SDG&E dated September 19, 2019: “The Public Advocates Office would not oppose if SoCalGas/SDG&E identified in their rebuttal testimony that this additional mileage was identified during SoCalGas’s response to the Public Advocates Office’s discovery due to the limited nature of this disallowance.”

³ This proposal is not explicit but is implicit in the pressure test project disallowance calculations performed by Cal Advocates witnesses in support of Cal Advocates’ incremental disallowance recommendations.

- 1 • Impose an additional \$1,437,024⁴ disallowance for the costs of re-testing of incidental
2 post-1970 pipeline segments that have pressure test documentation but were included
3 within the scope of PSEP projects for constructability or cost efficiency reasons.
- 4 • Impose an additional \$12,651,622 in disallowances for 48 Phase 2B project segments that
5 were accelerated and included within the scope of Phase 1 projects for constructability
6 and/or cost efficiency reasons; and
- 7 • Impose additional disallowances in the amount of \$8,595,013 for fourteen post-1956
8 pipeline segments that were not subject to recordkeeping requirements under then-
9 applicable industry standards.

10 In addition, this testimony identifies what I believe is an inadvertent double-counting of
11 one Cal Advocates disallowance recommendation in the amount of \$54,242.

12 No other parties propose disallowances or otherwise challenge the reasonableness of the
13 project activities and costs presented in this Application.

14 Table 1 below summarizes the disallowances already recognized and excluded from the
15 revenue requirement for each project by SoCalGas and SDG&E, the additional disallowances
16 proposed by Cal Advocates in testimony, and the total disallowance that will be imposed for
17 each project if Cal Advocates' recommended disallowances are adopted by the Commission in
18 this proceeding.

19
⁴ CalAdvocates-02-SA-C (Li), Table C. Note, Cal Advocates' Table C Grand total is \$1,437,022, which differs from Table 4 below, which totals to \$1,437,024. I believe the \$2 difference between the two tables is attributable to rounding.

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Table 1
SoCalGas and SDG&E's Acknowledged Disallowances
and Additional Disallowances Proposed by Cal Advocates⁵

Pipeline Project	Disallowance Deducted by SoCalGas and SDG&E	Cal-PA Proposed Incremental Disallowance	Total
30-18 Sections 1 and 3 Replacement Project	\$ -	\$ -	\$ -
33-120 Section 3 Replacement Project	\$ -	\$ -	\$ -
36-1002 Replacement Project	\$ -	\$ -	\$ -
36-9-09 North Section 1 Replacement Project	\$ -	\$ -	\$ -
36-9-09 North Section 3 Replacement Project	\$ 265,229	\$ 1,392,352	\$ 1,657,581
36-9-09 North Section 4A and 4B Replacement Project	\$ -	\$ -	\$ -
36-9-09 North Section 7A and 7B Replacement Project	\$ -	\$ -	\$ -
37-07 Replacement Project	\$ -	\$ -	\$ -
37-18 Sections 1,2,3,4,5 Replacement Project	\$ -	\$ -	\$ -
38-200 Replacement Project	\$ -	\$ -	\$ -
38-501 Replacement Project	\$ -	\$ -	\$ -
38-504 Replacement Project	\$ -	\$ -	\$ -
38-512 Sections 1, 2, 3 Replacement Project	\$ -	\$ -	\$ -
38-514 Replacement Project	\$ -	\$ -	\$ -
38-931 Replacement Project	\$ -	\$ -	\$ -
41-17 Replacement Project	\$ -	\$ -	\$ -
41-116 Replacement Project	\$ -	\$ -	\$ -
41-6000-2 Replacement Project	\$ -	\$ -	\$ -
43-121 North Section 1 Replacement Project	\$ -	\$ -	\$ -
43-121 South Replacement Project	\$ -	\$ -	\$ -
44-137 Replacement Project	\$ -	\$ -	\$ -
44-687 Replacement Project	\$ -	\$ -	\$ -
44-720 Replacement Project	\$ -	\$ 264,830	\$ 264,830
49-28 Replacement Project	\$ -	\$ -	\$ -
49-15 Replacement Project	\$ -	\$ 319,870	\$ 319,870
85 South Newhall Replacement Project	\$ -	\$ -	\$ -
2000-West Santa Fe Springs Station Replacement Project	\$ 3,191	\$ -	\$ 3,191
31-09 Hydrotest Project	\$ 820,900	\$ -	\$ 820,900
32-21 Section 1 Hydrotest Project	\$ -	\$ -	\$ -
32-21 Section 2 Hydrotest Project	\$ -	\$ -	\$ -
32-21 Section 3 Hydrotest Project	\$ -	\$ -	\$ -
37-18-F Hydrotest Project	\$ -	\$ -	\$ -
49-11 Hydrotest Project	\$ 490,530	\$ 1,569,836	\$ 2,060,366
406 Section 3 Hydrotest Project	\$ -	\$ 499,747	\$ 499,747
2000-C Hydrotest Project	\$ -	\$ 500,146	\$ 500,146
2001 West-B Hydrotest Project	\$ 4,690	\$ -	\$ 4,690
2003 Section 2 Hydrotest Project	\$ 311,028	\$ -	\$ 311,028
36-9-09 North Section 5A Hydrotest and Replacement Projects	\$ -	\$ 1,977,850	\$ 1,977,850
49-13 Sections 1, 2, and 3 Replacement and Hydrotest Projects	\$ -	\$ 6,187,612	\$ 6,187,612
404 Sections 1, 2, 2A, 3, 3A, 4&5, 8A, and 9 Hydrotest and Replacement Projects	\$ 9,510	\$ 2,172,884	\$ 2,182,394
1004 Hydrotest and Replacement Projects	\$ -	\$ 7,798,532	\$ 7,798,532
36-9-09 South Abandonment Project	\$ -	\$ -	\$ -
36-9-09 JJ Abandonment Project	\$ -	\$ -	\$ -
Kern Wildlife Bundle Abandonment Project	\$ -	\$ -	\$ -
Subtotal Pipeline Projects	\$ 1,905,078	\$ 22,683,659	\$ 24,588,737

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1 **II. SOCALGAS AND SDG&E ACKNOWLEDGE AN ADDITIONAL**
2 **DISALLOWANCE TO ADDRESS AN INDAVERTENT OMISSION FROM THE**
3 **APPLICATION**

4 At the time the Application was filed, SoCalGas and SDG&E identified post-1955
5 pipeline segments subject to disallowances,⁶ as summarized in the amended Application and
6 testimony.⁷ During the preparation of the response to Cal Advocates Data Request 26, SoCalGas
7 and SDG&E identified an eight-foot segment of lateral pipe on Supply Line 42-81-D (included
8 in the Line 2000 West Santa Fe Springs Replacement Project) that was installed after 1955 and
9 lacked records that provide the minimum information necessary to demonstrate compliance with
10 then-applicable industry standards or regulatory strength testing and recordkeeping requirements.
11 This small eight-foot segment is subject to disallowance but was inadvertently omitted from the
12 disallowance calculation for this project. To address this eight-foot segment, SoCalGas and
13 SDG&E calculated an incremental disallowance of \$3,191, by dividing eight feet by 5,280 feet
14 and multiplying the product by \$2,105,878⁸ per mile, which was SoCalGas and SDG&E's
15 system average cost of pressure testing at the time the pipeline was returned to service.⁹

16 SoCalGas and SDG&E acknowledge total disallowances of approximately \$2 million¹⁰ in
17 this Application and supporting testimony, including the amount of \$3,191, which will be

⁶ On June 12, 2014 the CPUC issued Decision 14-06-007 that describes the criteria for pipeline segments that are subject to disallowance at pages 34-35: "Therefore, for pipeline installed after July 1, 1961, where either SDG&E or SoCalGas cannot produce records that provide the minimum information required by these regulations to demonstrate compliance with the regulatory strength testing and record keeping requirements of General Order 112 and its revisions, as well the requirements of 49 CFR, Part 192 and its revisions beyond the effective date of Part 192, the shareholders must bear the costs of retesting these pipelines." And, as later modified on December 17, 2015, in D.15-12-002 the CPUC added additional pipeline criteria for disallowance at pages 18-19: "Based on these findings, we conclude pursuant to D.15-03-049 that the costs of pressure testing pipelines installed between 1955 and 1961 should not be included in the Utilities' revenue requirement for recovery from ratepayers. Further, where such pipeline segment is replaced rather than pressure tested, the utility must absorb an amount equal to the average cost of pressure testing a similar segment, or where such pipeline segment is abandoned, the utility must absorb the undepreciated plant in service balance."

⁷ SoCalGas/SDG&E Amended Direct Testimony (Phillips) Chapter 3 at 13-14, Tables 7-8.

⁸ SoCalGas/SDG&E Amended Direct Testimony (Phillips) Chapter 3 at 15.

⁹ D.14-06-007 at 33-34 "Where replacement of the pipeline is planned rather than test existing pipelines, the system average cost of actual pressure testing should be an offset against the replacement costs of the pipelines for revenue requirement purposes." And D.15-12-020 Ordering Paragraph 9 at page 23, "Where pipelines are replaced without testing, SDG&E and SoCalGas should absorb an amount equal to the average cost of pressure testing where the company cannot produce pressure test records after the adoption of 1955 Code effective January 1, 1956." Also further clarified in D.19-02-004 at page 35.

¹⁰ This amount includes Post-1955 PSEP Costs, Undepreciated Book Balances, and Executive Compensation. SoCalGas/SDG&E Amended Direct Testimony (Phillips) Chapter 3 at 13, Table 7.

1 excluded in the calculation of the final revenue requirement for this project. SoCalGas and
2 SDG&E revised the testimony and project workpaper supporting the Application to incorporate
3 this additional disallowance and served the amended testimony and revised workpaper for the
4 Line 2000 West Santa Fe Springs Replacement Project to reflect this change.¹¹

5 **III. ADDITIONAL DISALLOWANCES PROPOSED BY CAL ADVOCATES ARE**
6 **NOT JUSTIFIED AND DO NOT COMPORT WITH PRIOR COMMISSION**
7 **DECISIONS**

8 Cal Advocates recommends over \$22 million in incremental disallowances above the \$2
9 million in disallowances already acknowledged by SoCalGas and SDG&E and excluded from
10 the revenue requirement in the Application. Cal Advocates' bases for these additional proposed
11 disallowances fall into four main categories: (1) Phase 2B segments accelerated and included
12 within the scope of Phase 1 projects for constructability and/or cost efficiency reasons; (2)
13 Pipeline footages from segments installed after 1970 that have documentation of a strength test
14 that complies with applicable regulations, but are included within the scope of a Phase 1 project
15 as incidental footage for constructability and/or cost efficiency reasons; (3) Pipeline segments
16 installed after 1955 and operated below 30% of the pipe's Specified Minimum Yield Strength
17 (SMYS); and (4) inadvertent double-counting of a disallowance calculated for one project.¹² In
18 addition, as noted in the introduction, Cal Advocates implicitly proposes to change the
19 methodology used to calculate disallowances for pressure test projects, which has the effect of
20 significantly increasing the proposed disallowance amounts calculated by Cal Advocates. As

¹¹ As discussed in a phone call and memorialized in an email from Cal Advocates to SoCalGas/SDG&E on September 19, 2019: "... Public advocates office learned from the response CalAdvocates-SCG-A1811010-026 dated August 26, 2019 about an additional disallowance that it did not previously identified. The impact is 8-feet of pipe that will result in disallowance of \$3,159 as stated in response to CalAdvocates-SCG-A1811010-026. The Public Advocates Office would not oppose if SoCalGas/SDG&E identified in their rebuttal testimony that this additional mileage was identified during SOCALGAS'S response to the Public Advocates Office's discovery due to the limited nature of this disallowance. In case the disallowance is different than the 8-feet stated in the response CalAdvocates-SCG-A1811010-026 please let me know the reason of additional/less disallowance, footage, and cost. This note does not set precedent as to public advocates office posture with regards to the newly identified disallowances by SoCalGas. Rather, this suggested approach is due to a de minimis change in the disallowance amount. If SoCalGas identifies additional disallowance to the Public Advocates Office, Public Advocates Office reserves the right to request additional testimony or raise other requests for remedies to the ALJ."

¹² See Attachment A. Each of the project segments identified by Cal Advocates for incremental disallowance is listed in Attachment A, and categorized into three disallowance types: Phase 2B, less than 30% SMYS and Post 1970.

1 explained below, Cal Advocates’ proposals to impose an additional \$22 million in incremental
2 disallowances for ten projects within the Application are either inconsistent with prior
3 Commission decisions and precedent, based on a misunderstanding of historic recordkeeping
4 requirements for pre-1961 pressure tests, or, in one instance, reflect inadvertent double-counting
5 of an applicable disallowance.

6 **A. Under Prior Commission Decisions, the Actual Cost of Pressure Testing Pipeline**
7 **Segments Is Used to Calculate Disallowances for Post-1955 Pressure Test**
8 **Projects**

9 Cal Advocates proposes approximately \$18 million in additional disallowances for seven
10 post-1955 pressure test projects—(1) Supply Line 36-9-09 North Section 5A Hydrotest and
11 Replacement Project; (2) Line 406 Section 3 Hydrotest Project; (3) Supply Line 49-11 Hydrotest
12 Project; (4) Supply Line 49-13 Section 3 Hydrotest Project; (5) Line 2000-C Desert Hydrotest
13 Project; (6) Line 404 Hydrotest and Replacement Project; and (7) Line 1004 Hydrotest and
14 Replacement Project. Approximately \$5 million of this \$18 million incremental disallowance
15 recommendation is attributable to Cal Advocates applying a new calculation methodology that
16 deviates from prior Commission precedent to derive its disallowance recommendations. This
17 section of testimony addresses this new calculation methodology implicitly proposed by Cal
18 Advocates and recommends the Commission continue to apply the existing approved
19 methodology for calculating disallowances for pressure test projects.

20 As discussed later in this testimony, none of the incremental disallowances proposed by
21 Cal Advocates is justified. Table 2 below summarizes the disallowance recommendation
22 proposed by Cal Advocates for these seven projects and depicts the difference between the two
23 methodologies (at an aggregated project level) used to calculate the proposed pressure testing
24 disallowances.

Table 2
Calculation of Pressure Test Disallowances Proposed by Cal Advocates Based an *Estimated* Unit Cost-Per-Mile of \$2.105 Million as Compared to the Existing Commission-Approved Methodology Based on *Actual* Project Costs

Project Name	CalPA Recommended Disallowance Using <i>Estimated</i> Costs	CalPA Recommended Disallowance Using <i>Actual</i> Costs	Difference Over/(Under)
Supply Line 36-9-09 North Section 5A Hydrotest and Replacement Projects	\$1,977,850	\$1,226,002	\$ 751,848
Line 406 Section 3 Hydrotest Project	\$499,747	\$1,226,550	\$ (726,803)
Supply Line 49-11 Hydrotest Project	\$1,569,836	\$2,170,667	\$ (600,831)
Supply Line 49-13 Section 3 Hydrotest Project	\$3,773,829	\$4,224,247	\$ (450,418)
Line 2000-C Desert Hydrotest Project	\$500,146	\$349,564	\$ 150,582
Line 404 Hydrotest and Replacement	\$2,172,884	\$1,279,303	\$ 893,581
Line 1004 Hydrotest and Replacement Projects	\$7,798,532	\$3,083,750	\$ 4,714,782
Total	\$18,292,824	\$13,560,083	\$ 4,732,741

Cal Advocates derives its disallowance recommendations for pressure test projects by calculating disallowances using an *estimated* unit cost-per-mile for pressure testing, rather than the *actual* project costs for those projects. The Commission previously ordered SoCalGas and SDG&E to disallow the actual cost to pressure test pipeline segments installed after 1955 that do not have documentation that meets then-applicable recordkeeping requirements and determined that SoCalGas and SDG&E’s existing methodology for calculating disallowances for pressure test projects complies with these requirements. Thus, the methodology utilized by Cal Advocates for calculating disallowances based on estimated unit costs is new but is not supported by testimony to explain why the Commission should change the existing methodology, and deviates from prior Commission precedent.

In approving SoCalGas and SDG&E’s PSEP, the Commission identified circumstances under which shareholders are to be held responsible for all or a portion of project costs for pipelines installed after January 1, 1956.¹³ For PSEP pressure tests, where SoCalGas and SDG&E do not have documentation that meets then-applicable pressure test recordkeeping requirements, the *actual* costs of pressure testing that segment are to be disallowed.¹⁴ This was affirmed by the Commission in D.15-12-020, where the Commission ordered, “Southern California Gas Company and San Diego Gas & Electric Company must exclude from regulated revenue requirement all costs associated with pressure testing pipeline segments installed

¹³ D.15-12-020 at page 18; and Conclusion of Law 8 and 9, at page 23.

¹⁴ D.15-12-020 Conclusion of Law 8 at 23.

1 between January 1, 1956 and July 1, 1961, where pressure test records are not available that
2 provide the minimum information to demonstrate compliance with the industry or regulatory
3 strength testing and record keeping requirements then applicable.”¹⁵

4 In the 2016 Reasonableness Review Application (A.16-09-005), SoCalGas and SDG&E
5 described the methodology for determining disallowance for post-1955 hydrotest projects
6 without sufficient record of a pressure test as follows:

7 For the hydrotest projects presented in this application, SoCalGas
8 and SDG&E have indicated the pipeline mileage associated with
9 post-1955 pipe without sufficient record of a pressure test. Based on
10 the mileage associated with post-1955 mileage without sufficient
11 record of a pressure test, SoCalGas and SDG&E have acknowledged
12 a disallowance to the total project costs. Specifically, SoCalGas and
13 SDG&E calculate the percentage of pipe in the project without
14 sufficient record of a pressure test. That percentage is then used to
15 determine the costs subject to disallowance.¹⁶

16 In D.19-02-004, the Commission determined this methodology complies with the
17 Commission’s prior decisions.¹⁷

18 Consistent with prior Commission directives and precedent, SoCalGas and SDG&E
19 applied this same methodology for calculating disallowances based on the actual cost of re-
20 testing the hydrotested project segments previously reviewed and approved by the Commission
21 in D.19-02-004.¹⁸

22 Cal Advocates Witness Li does not apply the methodology previously approved by the
23 Commission for calculating disallowances for pressure test projects based on actual pressure test
24 costs. Rather, Witness Li proposes to calculate pressure testing disallowances based on an
25 *estimated* cost of \$2.105 million per mile to re-test the project segments, which in most cases,
26 exceeds the actual costs of re-testing those pipeline segments. Cal Advocates describes this
27 calculation methodology in Ms. Li’s testimony as follows: “This is consistent with D.15-12-020,
28 which establishes that if a pipeline segments (*sic*) is re-tested or replaced, the unit cost of

¹⁵ D.15-12-020 Ordering Paragraph 1 at 24.

¹⁶ A.16-09-005 Amended Direct Testimony (Phillips) Chapter 3 at 6.

¹⁷ D.19-02-004 Finding of Fact 25: “Except as noted below, SoCalGas and SDG&E correctly accounted for and excluded the cost categories disallowed under D.11-06-017, D.14-06-007 and D.15-12-020.”

¹⁸ *Id.*

1 pressure testing pipes (\$2.105 million per mile) should apply to determine the disallowed amount
2 that the Applicants' shareholders should absorb."¹⁹

3 I do not agree with Witness Li's testimony that an estimated cost per mile methodology
4 for calculating pressure test project cost disallowances is consistent with D.15-12-020. As
5 explained above, in D.15-12-020, the Commission affirmed a prior order to exclude from the
6 revenue requirement the actual costs of pressure testing pipeline segments installed after January
7 1, 1956 that do not have documentation of a pressure test that comports with then-applicable
8 record keeping requirements. I am not aware of any Commission order directing SoCalGas or
9 SDG&E to calculate pressure testing disallowances based on an *estimated* unit cost-per-mile
10 calculation.

11 **B. Consistent with Prior Commission Precedent, the Costs Attributable to**
12 **Accelerated Phase 2B Pipeline Segment Footages Included Within the Scope of**
13 **Phase 1 Projects Should Not Be Disallowed**

14 Cal Advocates proposes nearly \$12.7 million in incremental disallowances associated
15 with 48 Phase 2B project segments accelerated and included within the scope of Phase 1 projects
16 for constructability or cost efficiency reasons.²⁰ Cal Advocates acknowledges that these Phase
17 2B segments have pressure test records that comply with the recordkeeping standards applicable
18 at the time of installation or testing, with pressure test records dated from January 1, 1956, to
19 June 30, 1961,²¹ and from July 1, 1961, to June 30, 1970.²² Nevertheless, Cal Advocates argues
20 the costs associated with including these Phase 2B segments within the scope of Phase 1 projects
21 should be disallowed. As explained in Section A above, in calculating its disallowance
22 recommendations, Cal Advocates used a new methodology based on an estimated unit cost-per-
23 mile for pressure testing, rather than the actual project costs. If, in making its recommendation,
24 Cal Advocates had applied the existing Commission-approved methodology for calculating
25 disallowances for pressure test projects, Cal Advocates' recommended disallowances for Phase
26 2B footages would total \$8,934,369, rather than nearly \$12.7 million. In any event, the
27 Commission has already determined it is reasonable for SoCalGas and SDG&E to accelerate
28 Phase 2B project footages into Phase 1 projects for constructability and/or cost efficiency

¹⁹ CalAdvocates-02 (Li) at 12, Lines 8-12.

²⁰ CalAdvocates-02-SA-C (Li), Table B and CalAdvocates-03-SA-C, Table 1.

²¹ CalAdvocates-02-SA-C (Li), Table B

²² CalAdvocates-03-A-C (Harahsheh), Table 1.

1 reasons. Accordingly, Cal Advocates' proposal to disallow the costs associated with all Phase
2 2B footages accelerated into Phase 1 projects for constructability or cost efficiency reasons is not
3 justified and inconsistent with prior Commission precedent.

4 Table 3 below summarizes the incremental disallowance recommendations proposed by
5 Cal Advocates for Phase 2B footages included within the scope of Phase 1 projects for
6 constructability or cost efficiency reasons.

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Table 3
Cal Advocates' Proposed Disallowances of Phase 2B Project Footages
Included Within the Scope of Phase 1 Projects

Project Name	Segment Length (ft.)	Latest Pressure Test Date	CalPA Proposed Disallowance Applying <i>Estimated</i> Cost Per Mile	CalPA Proposed Disallowance Applying <i>Actual</i> Cost Per Mile
Supply Line36-9-09 North Section 3 Replacement	843	1962	\$ 336,223	\$ 336,223
Supply Line36-9-09 North Section 3 Replacement	863	1962	\$ 344,199	\$ 344,199
Supply Line36-9-09 North Section 3 Replacement	376	1962	\$ 149,964	\$ 149,964
Supply Line36-9-09 North Section 5A Replacement	1,134	1960	\$ 452,285	\$ 452,285
Line 406 Section 3 Hydrotest	204	1962	\$ 81,363	\$ 201,516
Line 406 Section 3 Hydrotest	65	1962	\$ 25,925	\$ 64,208
Line 406 Section 3 Hydrotest	4	1962	\$ 1,595	\$ 3,951
Line 406 Section 3 Hydrotest	478	1962	\$ 190,646	\$ 472,179
Line 406 Section 3 Hydrotest	502	1962	\$ 200,218	\$ 484,696
Supply Line 44-720 Replacement	664	1960	\$ 264,830	\$ 264,830
Supply Line 49-11 Hydrotest	13	1958	\$ 5,185	\$ 5,185
Supply Line 49-11 Hydrotest	12	1958	\$ 4,786	\$ 4,786
Supply Line 49-11 Hydrotest	795	1958	\$ 317,078	\$ 447,944
Supply Line 49-11 Hydrotest	945	1958	\$ 376,904	\$ 509,910
Supply Line 49-11 Hydrotest	1,079	1958	\$ 430,349	\$ 590,845
Supply Line 49-11 Hydrotest	1,092	1958	\$ 435,534	\$ 611,997
Line 404 Hydrotest and Replacement	8	10/26/1956	\$ 3,191	\$ 3,191
Line 404 Hydrotest and Replacement	2,353	10/17/1956	\$ 938,472	\$ 463,612
Line 404 Hydrotest and Replacement	608	10/17/1956	\$ 242,495	\$ 119,794
Line 404 Hydrotest and Replacement	243	10/17/1956	\$ 96,918	\$ 47,878
Line 404 Hydrotest and Replacement	464	10/17/1956	\$ 185,062	\$ 91,422
Line 404 Hydrotest and Replacement	16	10/17/1956	\$ 6,381	\$ 6,381
Line 404 Hydrotest and Replacement	14	10/16/1956	\$ 5,584	\$ 5,584
Line 404 Hydrotest and Replacement	457	10/16/1956	\$ 182,270	\$ 272,313
Line 404 Hydrotest and Replacement	2	10/28/1960	\$ 798	\$ 798
Line 404 Hydrotest and Replacement	46	10/28/1960	\$ 18,347	\$ 18,347
Line 404 Hydrotest and Replacement	5	1970	\$ 1,994	\$ 1,994
Line 404 Hydrotest and Replacement	8	9/18/1959	\$ 3,191	\$ 3,191
Line 404 Hydrotest and Replacement	1,206	1962	\$ 481,002	\$ 237,619
Line 404 Hydrotest and Replacement	18	1962	\$ 7,179	\$ 7,179
Line 1004 Hydrotest and Replacement	16	1944	\$ 6,381	\$ 6,381
Line 1004 Hydrotest and Replacement	1,182	1944	\$ 471,430	\$ 185,949
Line 1004 Hydrotest and Replacement	4	1968	\$ 1,595	\$ 629
Line 1004 Hydrotest and Replacement	8	1944	\$ 3,191	\$ 1,259
Line 1004 Hydrotest and Replacement	2	1968	\$ 798	\$ 315
Line 1004 Hydrotest and Replacement	1,264	1944	\$ 504,134	\$ 198,849
Line 1004 Hydrotest and Replacement	1,018	1944	\$ 406,020	\$ 160,149
Line 1004 Hydrotest and Replacement	479	1944	\$ 191,045	\$ 75,355
Line 1004 Hydrotest and Replacement	3,894	1944	\$ 1,553,085	\$ 612,593
Line 1004 Hydrotest and Replacement	5,586	1962	\$ 2,227,923	\$ 878,773
Line 1004 Hydrotest and Replacement	223	1967	\$ 88,941	\$ 35,082
Line 1004 Hydrotest and Replacement	4	1967	\$ 1,595	\$ 629
Line 1004 Hydrotest and Replacement	2,496	1967	\$ 995,506	\$ 392,663
Line 1004 Hydrotest and Replacement	993	1967	\$ 396,049	\$ 156,216
Line 1004 Hydrotest and Replacement	3	1967	\$ 1,197	\$ 472
Line 1004 Hydrotest and Replacement	28	1967	\$ 11,168	\$ 4,405
Line 1004 Hydrotest and Replacement	3	1967	\$ 1,197	\$ 472
Line 1004 Hydrotest and Replacement	1	1967	\$ 399	\$ 157
TOTAL			\$ 12,651,622	\$ 8,934,369

4

1 The issue of whether it is reasonable to include Phase 2B project footages within the
2 scope of Phase 1 projects for constructability or cost efficiency reasons has already been
3 considered and resolved by the Commission. In the 2016 Reasonableness Review Application
4 proceeding, the Commission expressly determined:

5 As part of requiring pipeline operators to adopt Natural Gas Transmission Pipeline
6 Comprehensive Pressure Testing Implementation Plans, D.11-06-017 required pipeline
7 operators to replace or pressure test all pipelines not tested in accordance with federal
8 regulations adopted in 1970:

9 Natural gas transmission pipelines placed in service prior to 1970 were not
10 required to be pressure tested, and were exempted from then-new federal law
11 regulations requiring such tests. These regulations allowed operators to operate a
12 segment at the highest actual operating pressure of the segment during the five-
13 year period between July 1, 1965 and June 30, 1970.⁸⁷

14 Natural gas transmission pipeline operators should be required to replace or
15 pressure test all transmission pipeline that has not been so tested.²³

16 This was reaffirmed in the Commission’s final decision in the 2017 PSEP Forecast
17 Application (A.17-03-021), where the Commission similarly determined it was reasonable to
18 include Phase 2B segment footages within the scope of planned Phase 1B and Phase 2A projects:
19 “We conclude that Applicants established by a preponderance of the evidence that ‘incidental’
20 and ‘accelerated’ miles are reasonably included in the twelve projects presented in this
21 Application, as further discussed below, and we find that the inclusion of Phase 2B PSEP miles
22 in this application is justified.”²⁴

23 Most recently, in D.19-09-051 (the final decision in SoCalGas and SDG&E’s general rate
24 case) the Commission confirmed SoCalGas and SDG&E’s understanding that PSEP pipeline
25 segments identified as Phase 2B must comply with D.11-06-017 and are therefore, properly
26 included within the scope of SoCalGas and SDG&E’s PSEP.²⁵ This decision further directs

²³ D.19-02-004 at 28-29.

²⁴ D.19-03-025 at 35.

²⁵ D.19-09-051 at 767, Conclusion of Law 47: “Pipeline projects under Phase 2B of SoCalGas’ Implementation Plan must comply with D.11-06-017, and it is reasonable to require SoCalGas to ensure

1 SoCalGas to file a re-testing implementation plan for Phase 2B segments as part of SoCalGas’s
2 2019 Risk Assessment Mitigation Phase (RAMP) filing.²⁶ This requirement specifically pertains
3 to prospective standalone Phase 2B projects and not to Phase 2B segments that were included
4 within the scope of Phase 1 projects for constructability and/or cost efficiency reasons. None of
5 the projects submitted in this Application are standalone Phase 2B projects, and, as stated
6 previously, the Phase 2B segments were included for constructability and/or cost efficiency
7 reasons, consistent with prior Commission precedent.

8 In light of the multiple Commission decisions confirming Phase 2B segments fall within
9 the scope of PSEP, it was reasonable for SoCalGas and SDG&E to include Phase 2B footages
10 within the scope of Phase 1A projects on an accelerated basis for constructability and/or cost
11 efficiency reasons.²⁷ Therefore, the disallowances proposed by Cal Advocates for the 48 Phase
12 2B pipe segments—identified by Cal Advocates in testimony as either “Non-Incidental Pipeline
13 Segments with Pressure Test Records from January 1, 1956 to June 30, 1961” or “Pipeline
14 Segments Installed between July 1, 1961 and June 30, 1970 With Adequate Pressure Test
15 Records”—are not justified.²⁸

16 **C. It Was Reasonable for SoCalGas and SDG&E to Include Incidental Post-1970**
17 **Pipeline Segments Within the Scope of Phase 1 Projects for Constructability**
18 **and/or Cost Efficiency Reasons**

19 Cal Advocates identifies twelve pipeline segments installed or pressure tested after the
20 purported effective date of Title 49 of the Code of Federal Regulations Part 192, Subpart J and
21 recommends an incremental disallowance of \$1,437,024 for those segments.²⁹ As discussed in
22 Section A above, Cal Advocates used an estimated cost-per-mile to derive its disallowance
23 recommendations for pressure test projects, which is not consistent with prior Commission
24 precedent. Had Cal Advocates applied the Commission-approved methodology for calculating
25 its incremental disallowance recommendation for Post-1970 pipe segments, its proposed

that this compliance occurs in a manner that quantifiably mitigates risk and ensures that funds spent are reasonable for ratepayers.”

²⁶ Id at 221-22.

²⁷ D.19-02-004 at 28-29.

²⁸ SoCalGas and SDG&E have acknowledged disallowances for Supply Line 36-9-09 North Section 3, Supply Line 49-11 Hydrotest Project and Line 404 Hydrotest and Replacement Project as detailed in Table 1 and Table 6.

²⁹ CalAdvocates-02-SA-C (Li), Table C.

1 disallowance for this category of segments would total \$722,966, rather than \$1,437,024. In any
 2 event, as explained below, it was reasonable for SoCalGas and SDG&E to include these
 3 Incidental pipeline segments within the scope of Phase 1 projects for constructability and cost
 4 efficiency reasons. Therefore, Cal Advocates' proposed disallowances for Post-1970 pipeline
 5 segments are not justified. Table 4 below summarizes the recommended incremental
 6 disallowances proposed by Cal Advocates for post-1970 pipeline segments for which SoCalGas
 7 and SDG&E have sufficient documentation of a pressure test but were included within the scope
 8 of Phase 1 projects for constructability or cost efficiency reasons.

9 **Table 4**
 10 **Cal Advocates Recommended Disallowances for Post-70 PSEP Pipeline Segments**
 11

Project Name	Segment Length (ft.)	Pipe Vintage	Latest Pressure Test Date	Footage Category	CalPA Proposed Disallowance Applying Estimated Cost Per Mile	CalPA Proposed Disallowance Applying Actual Cost Per Mile
Line 2000-C Desert Hydrotest Project	236	1947	5/1/1972	Incidental	\$ 94,126	\$ 64,781
Line 2000-C Desert Hydrotest Project	975	1947	5/1/1972	Incidental	\$ 388,870	\$ 267,633
Line 2000-C Desert Hydrotest Project	43	1947	5/1/1972	Incidental	\$ 17,150	\$ 17,150
Line 1004 Hydrotest and Replacement Project	96	1944	7/22/1976	Incidental	\$ 38,289	\$ 15,102
Line 1004 Hydrotest and Replacement Project	171	1965	10/28/1970	Accelerated	\$ 68,202	\$ 26,901
Line 1004 Hydrotest and Replacement Project	1	1965	10/28/1970	Accelerated	\$ 399	\$ 157
Line 1004 Hydrotest and Replacement Project	207	1944	10/28/1970	Accelerated	\$ 82,560	\$ 32,565
Line 1004 Hydrotest and Replacement Project	554	1970	10/28/1970	Accelerated	\$ 220,958	\$ 87,154
Line 1004 Hydrotest and Replacement Project	924	1944	10/28/1970	Accelerated	\$ 368,529	\$ 145,361
Line 1004 Hydrotest and Replacement Project	16	1944	10/28/1970	Accelerated	\$ 6,381	\$ 6,381
Line 1004 Hydrotest and Replacement Project	59	1944	10/28/1970	Accelerated	\$ 23,532	\$ 9,282
Line 1004 Hydrotest and Replacement Project	321	1944	10/28/1970	Accelerated	\$ 128,028	\$ 50,499
TOTAL					\$ 1,437,024	\$ 722,966

12
 13 In support of this recommendation by Cal Advocates, Witness Li testifies that
 14 "Shareholders appropriately bear the pressure testing costs for these pipeline segments because
 15 pipelines installed or tested post-1970 are subject to 49 CFR 192 Subpart J."³⁰ While it is correct
 16 that these segments are subject to 49 CFR 192 Subpart J, there are two reasons why an
 17 incremental disallowance is not justified for the twelve pipeline segments identified by Witness
 18 Li in her Table C.

19 First, Cal Advocates assumed an incorrect effective date for 49 CFR Subpart J,
 20 apparently applying the issuance date of June 30, 1970, instead of the effective date of
 21 November 12, 1970.³¹ Based on this inaccurate assumption, Cal Advocates recommends

³⁰ CalAdvocates-02 (Li) at 11.

³¹ The Public Utilities Commission Decision Number 61269 adopted General Order 112 on December 28, 1960, with an effective date of July 1, 1961. Following the issuance of 49 CFR 192, the 1971 GO 112-C replaced content from B31.8 with content from Part 192. The content from Part 192, Subpart J – Test

1 incremental disallowances for eight pipeline segments that were pressure tested prior to the
2 effective date of Subpart J, as listed in Table 4 below.

3 Second, although the remaining four post-1970 pipeline segments were incorrectly
4 identified by SoCalGas and SDG&E as accelerated pipeline segments in the Application and
5 supporting documentation³² – the error was inconsequential.³³ These four pipeline segments
6 were included for constructability and/or cost efficiency reasons, and should have been
7 categorized as *incidental* pipeline segments because SoCalGas and SDG&E have Subpart J
8 pressure test records for these segments.³⁴

9 Although, as discussed above, Cal Advocates argues that Accelerated Phase 2B pipe
10 should not be included in PSEP scope, Cal Advocates agrees that inclusion of incidental pipeline
11 segments is reasonable.³⁵ Therefore, SoCalGas and SDG&E are hopeful Cal Advocates will
12 agree that once the four pipe segments are correctly re-categorized as Incidental, the costs
13 associated with these four segments should be found reasonable.

14 Correction of this mis-categorization does not impact the disallowance costs set forth in
15 the Application, but it does require minor revisions to the workpapers and the response in
16 column AB in the tables submitted in response to Cal Advocates Data Request 25 and Cal
17 Advocates Data Request 27. SoCalGas and SDG&E will serve corrected workpapers and
18 amended responses to the data requests to intervenors shortly to implement this correction.

19 Accordingly, consistent with prior Commission precedent, the Commission should not
20 adopt Cal Advocates' proposal to impose additional incremental disallowances for the twelve
21 pipeline segments identified by Cal Advocates as Post-1970 segments, because those Post-1970
22 segments have pressure test records that comport with then-applicable recordkeeping
23 requirements and were reasonably included within the scope of Phase 1 projects solely for
24 constructability and/or cost efficiency reasons.

Requirements, was incorporated verbatim, and the effective date of 49 CFR Subpart J is November 12, 1970.

³² The discrepancy in the data provided by SoCalGas and SDG&E was due to an inadvertent administrative error in classifying Accelerated and Incidental footages.

³³ SoCalGas/SDG&E amended response to Cal Advocates Data Request 25 (Column AB) and Cal Advocates Data Request 27.

³⁴ SoCalGas/SDG&E amended response to Cal Advocates Data Request 27 (Column AB, Rows 579, 580, 581 and 772).

³⁵ Cal Advocates Direct Testimony (Harahsheh) at 3.

D. The Disallowances Previously Acknowledged by SoCalGas and SDG&E for Pipeline Segments Installed Between January 1, 1956 and June 30, 1961 Comport with Then-Applicable Industry Standards

Cal Advocates identifies fourteen pipeline segments installed from January 1, 1956 through June 30, 1961 that lack documentation of a pressure test and recommends imposition of an incremental disallowance of \$8,595,013.³⁶ Had Cal Advocates applied the Commission-approved methodology for determining disallowances for hydrotested pipeline segments based on actual project costs, Cal Advocates' disallowance recommendation for this category would total \$8,239,341. Table 5 below summarizes Cal Advocates' disallowance recommendations applying both methodologies. As explained below, these incremental disallowances proposed by Cal Advocates do not comport with prior Commission decisions, which state that historic pressure test records must comply with then-applicable recordkeeping requirements. The then-applicable recordkeeping requirements were only applicable to pipelines operated at or above 30% SMYS, and the incremental disallowances proposed by Cal Advocates apply to pipelines operated below 30%. Accordingly, this recommendation by Cal Advocates is not consistent with prior Commission precedent and is not justified.

**Table 5
Cal Advocates Disallowance Recommendation for Pipelines Installed from January 1, 1956 Through June 30, 1961 and Operated Below 30% SMYS**

Project Name	Segment Length (ft)	Year	Original SMYS	MAOP	CalPA Proposed Disallowance Applying Estimated Cost Per Mile	CalPA Proposed Disallowance Applying Actual Cost Per Mile
36-9-09 North Section 3 Replacement	467	1959	28	400	\$ 186,259	\$ 186,259
36-9-09 North Section 3 Replacement	670	1959	28	400	\$ 267,223	\$ 267,223
36-9-09 North Section 3 Replacement	136	6/2/1961	28	400	\$ 54,242	\$ 54,242
36-9-09 North Section 3 Replacement	136	1961	28	400	\$ 54,242	\$ 54,242
36-9-09 North Section 5A Replacement	1,061	1960	28	400	\$ 423,170	\$ 423,170
36-9-09 North Section 5A Replacement	22	1960	25	400	\$ 8,774	\$ 8,774
36-9-09 North Section 5A Replacement	815	1960	25	400	\$ 325,055	\$ 3,858
36-9-09 North Section 5A Replacement	1,123	1960	25	400	\$ 447,898	\$ 17,247
36-9-09 North Section 5A Replacement	804	1959	23	400	\$ 320,668	\$ 320,668
49-13 Section 1 Replacement	1,636	1958	24	400	\$ 652,503	\$ 652,503
49-13 Section 1 Replacement	929	1959	24	400	\$ 370,523	\$ 370,523
49-13 Section 2 Replacement	3,487	1959	24	400	\$ 1,390,757	\$ 1,390,757
49-13 Section 3 Hydrotest	206	1959	24	400	\$ 82,161	\$ 91,801
49-13 Section 3 Hydrotest	9,256	1959	24	400	\$ 3,691,668	\$ 4,132,446
49-15 Replacement	802	1958	25	400	\$ 319,870	\$ 319,870
TOTAL					\$ 8,595,013	\$ 8,293,583

³⁶ CalAdvocates-02-SA-C (Li), Table A and CalAdvocates-03-SA-C (Harahsheh), Table 1, \$54,242 for 36-9-09 North Section 3.

1 All the pipeline segments identified by Cal Advocates in connection with this incremental
2 disallowance recommendation pertain to pipeline segments installed from January 1, 1956
3 through June 30, 1961. As such, they are subject to disallowance if SoCalGas and SDG&E are
4 unable to identify pressure test records that comport with then-applicable pressure testing and
5 recordkeeping requirements. As explained by expert witness Mike Rosenfeld in his testimony
6 submitted concurrently herewith, these pipeline segments were operated below 30% SMYS and
7 as such, then-applicable industry standards did not require pipeline operators to retain a record of
8 a pressure test for the life of the asset.

9 ASA code section 841.41, entitled “Test Required to Prove Strength of Pipelines and
10 Mains to Operate at Hoop Stresses of 30% or More of the Specified Minimum Yield Strength of
11 the Pipe” describes the testing requirements for pipelines operated at hoop stresses of 30% or
12 greater and ends at code section 841.417 where it describes the record retention requirements for
13 the pipeline testing recommendations set forth from 841.41 through 841.416.³⁷ Section 841.417
14 concludes this section with a description of the record retention requirements for pipelines
15 operated at greater than 30% SMYS.³⁸ A new section begins at Section 841.42, which sets forth
16 the recommended testing requirements applicable to pipelines operated below 30% SMYS.
17 Unlike the prior section of the Code applicable to pipelines operated above 30% SMYS, this
18 section of the ASA Code applicable to pipelines operated below 30% SMYS does *not* include a
19 record keeping requirement. Accordingly, the 1955 voluntary industry standards applicable from
20 January 1, 1956 through June 30, 1961 did *not* recommend that pipeline operators keep records
21 of strength tests for pipelines operated below 30% SMYS. As such, there was no recordkeeping
22 requirement for pipeline segments operated below 30% SMYS until June 30, 1961.

23 The fourteen pipeline segments identified by Cal Advocates as subject to additional
24 disallowances are all pipelines installed from January 1, 1956 through June 30, 1961 and
25 operated below 30% SMYS, which are not subject to a recordkeeping requirement under the
26 then-applicable industry standards. The costs for addressing these PSEP project segments are
27 therefore properly included within the revenue requirement and are not subject to additional

³⁷ ASA B.31.8-1955, at 48-50.

³⁸ ASA B.31.8-1955 at page 50 (841.417) states: “Records. The operating company shall maintain in the file for the useful life of each pipeline and main, record showing the type of fluid used for test and the test pressure.”

1 incremental disallowances above and beyond those already acknowledged by SoCalGas and
2 SDG&E.³⁹

3 **E. Cal Advocates' Proposed Disallowance Recommendation Appears to Double**
4 **Count a Disallowance in the Amount of \$54,242**

5 Cal Advocates' disallowance recommendation for the Supply Line 36-9-09 North
6 Section 3 Replacement Project appears to double count a disallowance in the amount of
7 \$54,242.⁴⁰ This double-counted amount is reflected in Table 5 above. As confirmed in
8 Attachment 2, a response from Cal Advocates to SoCalGas and SDG&E Data Request 01,
9 Question 2, there is only one 136-foot segment of pipe in this project subject to disallowance.
10 While SoCalGas and SDG&E do not agree that additional costs associated with this segment
11 should be disallowed at all, for the reasons set forth above, if an additional incremental
12 disallowance is adopted for this pipeline segment, it should only be applied once.

13 **IV. SUMMARY**

14 As described in the testimony supporting this Application and further discussed above,
15 SoCalGas and SDG&E have deducted from the revenue requirement in this Application all costs
16 required to be disallowed under prior Commission precedent. Accordingly, this testimony
17 demonstrates that the incremental disallowances proposed by Cal Advocates should not be
18 adopted.

19 Table 6 summarizes the actual pipeline project costs and disallowances acknowledged by
20 SoCalGas and SDG&E, as compared to Cal Advocates' recommendations. As depicted below,
21 Cal Advocates proposes additional disallowances of over \$22.6 million for ten pipeline projects
22 and does not propose additional disallowances for any valve projects presented in this
23 Application.
24

³⁹ SoCalGas and SDG&E have acknowledged disallowances for other pipeline segments for Supply Line 36-9-09 Section 3 Replacement Project and Supply Line 49-13 Hydrotest and Replacement Project as detailed in Table 1 and Table 6.

⁴⁰ CalAdvocates-02-AS-C (Li), Table A and CalAdvocates-03-SA-C (Harahsheh), Table 1.

1
2
3
4
5

Table 6
Summary of Pipeline Project Disallowances Acknowledged by SoCalGas and SDG&E and
Additional Disallowances Proposed by Cal Advocates

Pipeline Project	Disallowance Deducted by SoCalGas and SDG&E	CalPA Proposed Disallowance Applying <i>Estimated Cost</i> Per Mile	CalPA Proposed Disallowance Applying <i>Actual</i> Cost Per Mile
30-18 Sections 1 and 3 Replacement Project	\$ -	\$ -	\$ -
33-120 Section 3 Replacement Project	\$ -	\$ -	\$ -
36-1002 Replacement Project	\$ -	\$ -	\$ -
36-9-09 North Section 1 Replacement Project	\$ -	\$ -	\$ -
36-9-09 North Section 3 Replacement Project	\$ 265,229	\$ 1,392,352	\$ 1,338,110
36-9-09 North Section 4A and 4B Replacement Project	\$ -	\$ -	\$ -
36-9-09 North Section 7A and 7B Replacement Project	\$ -	\$ -	\$ -
37-07 Replacement Project	\$ -	\$ -	\$ -
37-18 Sections 1,2,3,4,5 Replacement Project	\$ -	\$ -	\$ -
38-200 Replacement Project	\$ -	\$ -	\$ -
38-501 Replacement Project	\$ -	\$ -	\$ -
38-504 Replacement Project	\$ -	\$ -	\$ -
38-512 Sections 1, 2, 3 Replacement Project	\$ -	\$ -	\$ -
38-514 Replacement Project	\$ -	\$ -	\$ -
38-931 Replacement Project	\$ -	\$ -	\$ -
41-17 Replacement Project	\$ -	\$ -	\$ -
41-116 Replacement Project	\$ -	\$ -	\$ -
41-6000-2 Replacement Project	\$ -	\$ -	\$ -
43-121 North Section 1 Replacement Project	\$ -	\$ -	\$ -
43-121 South Replacement Project	\$ -	\$ -	\$ -
44-137 Replacement Project	\$ -	\$ -	\$ -
44-687 Replacement Project	\$ -	\$ -	\$ -
44-720 Replacement Project	\$ -	\$ 264,830	\$ 264,830
49-28 Replacement Project	\$ -	\$ -	\$ -
49-15 Replacement Project	\$ -	\$ 319,870	\$ 319,870
85 South Newhall Replacement Project	\$ -	\$ -	\$ -
2000-West Santa Fe Springs Station Replacement Project	\$ 3,191	\$ -	\$ -
31-09 Hydrotest Project	\$ 820,900	\$ -	\$ -
32-21 Section 1 Hydrotest Project	\$ -	\$ -	\$ -
32-21 Section 2 Hydrotest Project	\$ -	\$ -	\$ -
32-21 Section 3 Hydrotest Project	\$ -	\$ -	\$ -
37-18-F Hydrotest Project	\$ -	\$ -	\$ -
49-11 Hydrotest Project	\$ 490,530	\$ 1,569,836	\$ 2,170,667
406 Section 3 Hydrotest Project	\$ -	\$ 499,747	\$ 1,226,550
2000-C Hydrotest Project	\$ -	\$ 500,146	\$ 349,564
2001 West-B Hydrotest Project	\$ 4,690	\$ -	\$ -
2003 Section 2 Hydrotest Project	\$ 311,028	\$ -	\$ -
36-9-09 North Section 5A Hydrotest and Replacement Projects	\$ -	\$ 1,977,850	\$ 1,226,002
49-13 Sections 1, 2, and 3 Replacement and Hydrotest Projects	\$ -	\$ 6,187,612	\$ 6,638,030
404 Sections 1, 2, 2A, 3, 3A, 4&5, 8A, and 9 Hydrotest and Replacement Projects	\$ 9,510	\$ 2,172,884	\$ 1,279,303
1004 Hydrotest and Replacement Projects	\$ -	\$ 7,798,532	\$ 3,083,750
36-9-09 South Abandonment Project	\$ -	\$ -	\$ -
36-9-09 JJ Abandonment Project	\$ -	\$ -	\$ -
Kern Wildlife Bundle Abandonment Project	\$ -	\$ -	\$ -
Total	\$ 1,905,078	\$ 22,683,659	\$ 17,896,676

1 **WITNESS QUALIFICATIONS**

2 My name is Deana M. Ng. I am the Director of the Program Management Office within
3 the Construction organization at Southern California Gas Company. My business address is 555
4 West Fifth Street, Los Angeles, California, 90013-1011. I have held my current position since
5 June 2017. In this role, I am responsible for, among other things, Project Controls, Reporting,
6 Document Control, Process Assurance, Budgeting & Planning, and Regulatory Strategy &
7 Compliance for SoCalGas' Construction portfolio, which includes PSEP.

8 I first joined SoCalGas in 2011 in the role of Senior Regulatory Counsel and
9 was promoted to Director of Major Program and Project Controls in 2014. From 2016 to 2017, I
10 returned to the SoCalGas Law Department in the role of Managing Attorney. In 2017, I held the
11 position of Director of Major Projects, Regulatory Compliance and Controls until 2019, when
12 SoCalGas formed the Construction organization.

13 Prior to joining SoCalGas, I was a Senior Regulatory Attorney at Southern California
14 Edison Company, where I was employed as a regulatory attorney from 2005 to 2011. From 2001
15 to 2005, I was a Litigation Associate at Morrison & Foerster LLP, and served as a federal judicial
16 law clerk to the Honorable Roger L. Hunt in the District of Nevada from 2000-2001.

17 I received a Juris Doctorate degree from New York University School of Law in
18 2000, and a Bachelor of Arts degree in both American Studies and Political Science from
19 California State University, Fullerton in 1997. I have previously submitted testimony to the
20 Commission.

21 This concludes my rebuttal testimony.

