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November 16, 2012

Mr. Ed Randolph  
Director, Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Brigadier General Jack Hagan  
Director, CPSD  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

**RE: Southern California Gas Company and San Diego Gas & Electric Monthly Pipeline Safety Enhancement Plan Status Report**

Dear Mr. Randolph and General Hagan:

Enclosed please find the Monthly Pipeline Safety Enhancement Plan Status Report of Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E) for October 2012 as required per D.12-04-021. D.12-04-021 requires SoCalGas and SDG&E to provide a Monthly Pipeline Safety Enhancement Plan update to the Commission's Energy Division and Consumer Protection and Safety Division as our plan is implemented.

Please feel free to contact me should you have any additional questions regarding this report.

Sincerely,

Jeff Salazar  
Regulatory Business Manager

Attachment

CC: Richard Myers, CPUC Energy Division  
Belinda Gatti, CPUC Energy Division  
Julie Halligan, CPUC CPSD  
Sunil Shori, CPUC CPSD

## OCTOBER 2012 PSEP UPDATE

### I. Introduction

In D.12-04-021, the Commission directs Southern California Gas (SoCalGas) and San Diego Gas & Electric (SDG&E) are to provide monthly Pipeline Safety Enhancement Plan (PSEP) updates to the Commission's Energy and Consumer Protection and Safety Division as our plan is implemented.<sup>1</sup> This is our update for October 2012.

### II. Current Status

SoCalGas and SDG&E have undertaken the following PSEP related activities since our last monthly update dated October 18, 2012.

- A Program Management Contractor was selected. A letter agreement was signed with Jacobs Engineering to begin mobilization planning. Final contract discussions continue with the expectation of completing the agreement within two few weeks at which time detailed engineering, design and construction services can begin.
- The interview and selection process for the Environmental Contractor has continued resulting in a short listing of two contractors. Negotiations with the short listed contractors will continue in November with the final selection expected in December 2012.
- Program insurance needs were assessed by the company's Risk Management group and preparation work completed to brief underwriters on the details of PSEP activities. PSEP expects to go to the market for Owner Controlled Insurance in late November.
- Since last month's report planning has begun on 4 additional pipelines.
- Test records for 408X01 (Priority #35) were located and verified, thus the pipeline was removed from the Active Project List (Appendix A).
- The company continues to perform records review and implement interim safety measures.

### III. Costs

- Actual costs tracked in SoCalGas and SDG&E's respective Memorandum Accounts are provided in Appendix B and Appendix C.

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<sup>1</sup> D.12-04-021, mimeo., at 7 and 12 (Ordering Paragraph No. 4).

**PSEP - SCG / SDG&E**  
**Appendix A - Active Projects List**

Pipeline	PSEP Filing Priority	Total Miles	Status <sup>1</sup>	Prominent Diameter	Prominent Vintage	%SMYS <sup>2</sup>	Construction Start Date (Est.)
2000	1	117.60	Detailed Design <sup>3</sup>	30	1947	67%	Mar-13
2001 East	2	7.10	Planning	30	1952	55%	May-13
1005	4	3.50	Planning	22	1949	59%	Dec-13
235 East	5	0.90	Planning	34	1960	72%	Jun-13
2003	6	26.50	Planning	30	1949	36%	Jan-14
407	7	6.30	Planning	30	1951	36%	Nov-13
4000	8	3.70	Planning	36	1960	72%	Jan-14
406	9	20.70	Planning	22	1951	60%	Sep-13
235 West	10	3.10	Planning	30	1957	49%	Apr-13
404	14	37.80	Planning	18	1949	50%	Jul-13
2000-0.18-XO2	16	0.01	Planning	20	1961	58%	Mar-13
1020	17	5.70	Planning	30	1959	39%	Jul-13
1014	18	0.00	Planning	30	1957	36%	May-13
247	21	0.08	Planning	16	1944	48%	Jun-13
2000-0.18-BO	23	0.01	Planning	12.75	1952	43%	Mar-13
36-37	38	0.02	Planning	16	1927	40%	Mar-13
42-66-1	40	0.04	Planning	12.75	1937	34%	Jan-13
42-66-2	41	0.03	Planning	12.75	1937	34%	Jan-13
2000-0.18-XO2	43	0.01	Planning	12.75	1952	43%	Mar-13
35-20	44	0.56	Planning	16	1965	43%	Jan-13
3000-261.73-BO	48	0.00	Planning	12.75	1956	33%	Aug-13
3000-261.73-BR	49	0.00	Planning	12.75	1956	33%	Aug-13
44-654	50	0.01	Detailed Design	6.625	1957	32%	Jan-13
41-19	56	0.01	Planning	8.625	1959	33%	Mar-13
43-1106	58	0.14	Detailed Design	16	1952	31%	Jan-13
35-20-A	71	1.32	Planning	12.75	1965	49%	Jan-13
45-120X01	87	0.01	Detailed Design	8.625	1930	26%	Jan-13
41-80	90	1.84	Planning	6.625	1949	42%	Oct-13
41-181	109	0.00	Planning	8.625	1957	33%	Feb-13
35-20-N	113	0.01	Planning	6.625	1929	51%	Feb-13
41-17-F	131	0.03	Planning	4.5	1955	30%	Jun-13
41-116	142	0.01	Planning	3.5	1957	23%	Mar-13
41-116BP1	143	0.00	Planning	3.5	1957	34%	Mar-13
36-8-01-C	148	0.16	Planning	4.5	1936	23%	Jun-13
35-20-A1	149	0.30	Planning	8.625	1965	23%	Jan-13
37-18-J	154	0.01	Detailed Design	8.625	1956	24%	Dec-13
41-17-FST1	160	0.00	Planning	4.5	1955	30%	Jun-13
<b>Pipeline-SDGE</b>							
49-32	5	0.06	Planning	16	1950	25%	Apr-13
49-26	10	2.62	Planning	12.25	1957	45%	Aug-13
49-22	16	4.04	Planning	10.75	1949	48%	Aug-13

<sup>1</sup> Status Categories: Planning, Detailed Design, Construction and Closeout.

<sup>2</sup> The number shown, eg 67% is the stress level of the majority of the pipeline segments.

<sup>3</sup> L\*2000 because of it's length, will be remediated in two phases. Detailed Design has begun on the first phase.

# SCG and SDGE PSEP Cost Report to the Commission for October 2012

## Appendix B

### Projects Identified In Memorandum Account Request

	SCG		(in \$1,000)		(in \$1,000)	
			October	Project-To-Date Total	Forecasted Expenditure (est.)	Remaining Spend (under)/over
2	<b>PSEP Pipeline Projects - Active (Appendix A) And Not Yet Active Projects</b>					
3	Hydrotesting of Line 2000		78	155	16,301	(16,146)
4	Hydrotesting of Line 2001 East		-	-	154	(154)
5	Hydrotesting of Line 2001 West		-	-	1,107	(1,107)
6	Hydrotesting of Line 1005		-	-	62	(62)
7	Hydrotesting of Line 235 East		-	-	1,035	(1,035)
8	Hydrotesting of Line 2003		-	-	455	(455)
9	Hydrotesting of Line 407		-	-	129	(129)
10	Hydrotesting of Line 4000		-	-	103	(103)
11	Hydrotesting of Line 406		-	-	257	(257)
12	Hydrotesting of Line 235 West		-	-	70	(70)
13	Hydrotesting of Line 1013		-	-	66	(66)
14	Replacement of Line 1015		-	-	2,320	(2,320)
15	Hydrotesting of Line 1004		-	-	143	(143)
16	Hydrotesting of Line 404		-	-	342	(342)
17	Replacement of Line 44-137		-	-	253	(253)
18	Replacement of Line 2000-0.18-XO2		-	-	17	(17)
19	Hydrotesting of Line 1020		-	-	121	(121)
20	Replacement of Line 1014		1	1	272	(271)
21	Hydrotesting of Line 1024		-	-	1,013	(1,013)
22	Replacement of Line 247		-	-	456	(456)
23	Replacement of Line 43-121		-	-	988	(988)
24	Replacement of Line 33-120		-	-	442	(442)
25	Replacement of Line 45-120		-	-	950	(950)
26	Replacement of Line 32-21		-	-	3,842	(3,842)
27	Replacement of Line 41-6000-2		-	-	2,706	(2,706)
28	Replacement of Line 36-9-09 North		-	-	2,533	(2,533)
29	Replacement of Line 36-9-06		-	-	1,234	(1,234)
30	Replacement of Line 36-9-06-A		-	-	637	(637)
31	Replacement of Line 37-18-K		-	-	768	(768)
32	Replacement of Line 36-37		-	-	464	(464)
33	Replacement of Line 42-66-1		-	-	288	(288)
34	Replacement of Line 42-66-2		-	-	233	(233)
35	Replacement of Line 35-20		-	-	171	(171)
36	Replacement of Line 37-18		-	2	901	(898)
37	Replacement of Line 37-18-F		-	-	486	(486)
38	Replacement of Line 3000-261.73-BO		-	-	148	(148)
39	Replacement of Line 3000-261.73-BR		-	-	159	(159)
40	Replacement of Line 44-654		-	-	164	(164)

# SCG and SDGE PSEP Cost Report to the Commission for October 2012

## Appendix B

### Projects Identified In Memorandum Account Request

SCG		( in \$1,000)		( in \$1,000)	
			Forecasted Expenditure (est.)	Remaining Spend (under)/over	
			October	Project-To-Date Total	
42	<b>PSEP Pipeline Projects - Active (Appendix A) And Not Yet Active Projects</b>				
43	Replacement of Line 31-09			1,812	(1,812)
44	Replacement of Line 41-19			66	(66)
45	Replacement of Line 43-1106			752	(752)
46	Replacement of Line 33-121			342	(342)
47	Hydrotesting of Line 33-121			24	(24)
48	Replacement of Line 36-1006			1,678	(1,678)
49	Replacement of Line 36-1032			363	(363)
50	Replacement of Line 35-20-A			316	(316)
51	Replacement of Line 35-10			741	(741)
52	Replacement of Line 1172 ID 2313 2			232	(232)
53	Hydrotesting of Line 317			441	(441)
54	Replacement of Line 38-200			156	(156)
55	Replacement of Line 45-120X01			15	(15)
56	Replacement of Line 41-80			472	(472)
57	Replacement of Line 35-22			78	(78)
58	Replacement of Line 36-1002			143	(143)
59	Replacement of Line 44-687			570	(570)
60	Replacement of Line 35-20-N			175	(175)
61	Replacement of Line 30-32			458	(458)
62	Replacement of Line 41-04-I			169	(169)
63	Replacement of Line 41-17-F			202	(202)
64	Replacement of Line 41-17			949	(949)
65	Replacement of Line 45-163			208	(208)
66	Program Management Activities			364	814
67	<b>Total SCG PSEP Pipeline Projects - Active (Appendix A) And Not Yet Active Projects</b>			<b>442</b>	<b>972</b>
				<b>54,154</b>	<b>(53,182)</b>

(1) Costs reflect actuals for the month of October and project-to-date costs from May 2012 to October 2012.

(2) Project costs do not reflect year to date actuals. There is some lag time in getting costs posted.

(3) Forecasted expenditures are estimated costs from May 2012 to May 2013.

(4) Costs are in nominal direct dollars.

(5) Costs recovery will include indirects and applicable overheads.

(6) As of October 2012, the SCG balance in the Pipeline Safety and Reliability Memorandum Account reflects a balance of \$13,928,757 which includes balancing account interest and is reduced for costs incurred prior to February 24, 2011 (i.e., the effective date of R.11-02-019).

(7) As of October 2012, the SDGE balance in the Pipeline Safety and Reliability Memorandum Account reflects a balance of \$1,341,905 which includes balancing account interest and is reduced for costs incurred prior to February 24, 2011 (i.e., the effective date of R.11-02-019).

# SCG and SDGE PSEP Cost Report to the Commission for October 2012

## Appendix B Projects Identified In Memorandum Account Request

SDGE		( in \$1,000)		( in \$1,000)	
		October	Project-To-Date Total	Forecasted Expenditure (est.)	Remaining Spend (under)/over
69	<b>PSEP Pipeline Projects - Active (Appendix A) And Not Yet Active Projects</b>				
70	Replacement of Line 49-28	-	-	962	(962)
71	Replacement of Line 49-17	-	-	1,078	(1,078)
72	Replacement of Line 49-25	-	-	491	(491)
73	Replacement of Line 49-32	-	-	118	(118)
74	Replacement of Line 49-16	-	-	2,002	(2,002)
75	Replacement of Line 49-11	-	-	101	(101)
76	Replacement of Line 49-18	-	-	903	(903)
77	Replacement of Line 1600	-	-	1,240	(1,240)
78	Replacement of Line 49-26	-	-	563	(563)
79	Replacement of Line 49-27	-	-	142	(142)
80	Replacement of Line 49-14	-	-	215	(215)
81	Replacement of Line 49-15	-	-	566	(566)
82	Replacement of Line 49-13	-	-	381	(381)
83	Program Management Activities	39	197	300	(103)
84	<b>Total SDGE PSEP Pipeline Projects - Active (Appendix A) And Not Yet Active Projects</b>	<b>39</b>	<b>197</b>	<b>9,062</b>	<b>(8,865)</b>

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# SCG and SDGE PSEP Cost Report to the Commission for October 2012

## Appendix B

### Projects Identified In Memorandum Account Request

SCG		( in \$1,000)		( in \$1,000)	
		October	Project-To-Date Total	Bridge Period (est.)	Remaining Spend (under)/over
86	<b>PSEP Pipeline Projects - Remediated Outside of PSEP (1)</b>				
87	Replacement of Line 408XO1	-	-	225	-
88	Replacement of Line 1171LT2	-	-	275	-
89	Replacement of Line 30-6200	-	-	177	-
90	Replacement of Line 37-49	-	-	5,810	-
91	Replacement of Line 43-34	-	-	3,117	-
92	Replacement of Line 1171LT1BP2	-	-	309	-
93	Replacement of Line 42-46	-	-	364	-
94	Replacement of Line 41-199	-	-	154	-
95	Replacement of Line 35-6416	-	-	667	-
96	Replacement of Line 41-30-A	-	-	163	-
97	Replacement of Line 41-25-A	-	-	1,026	-
98	Replacement of Line 41-30	-	-	1,002	-
99	Hydrotesting of Line 41-90	-	-	196	-
100	Replacement of Line 41-84	-	-	446	-
101	Replacement of Line 41-84-A	-	-	684	-
102	Replacement of Line 42-46-F	-	-	169	-
103	<b>Total SCG PSEP Pipeline Projects - Remediated Outside of PSEP (1)</b>	-	-	<b>14,784</b>	-

(1) Pipelines have been or are being remediated outside of PSEP, primarily by the Transmission Integrity Management Program (TIMP).

# SCG and SDGE PSEP Cost Report to the Commission for October 2012

## Appendix C

SCG		( in \$1,000)		( in \$1,000)	
		October	Project-To-Date Total	Forecasted Expenditure (est.)	Remaining Spend (under)/over
<b>Supplement to Request for Memorandum Account Attachment B - Records Review and Interim Safety Measure Costs</b>					
Leak Survey and Pipeline Patrol		26	580	760	(180)
Records Review		-	10,309	10,309	-
Pressure Protection Equipment		-	195	195	-
Other Remediation		-	440	546	(106)
<b>Total SCG Supplement to Request for Memorandum Account Attachment B - Records Review and Interim Safety Measure Costs</b>		<b>26</b>	<b>11,524</b>	<b>11,811</b>	<b>(286)</b>

  

SDGE		( in \$1,000)		( in \$1,000)	
		October	Project-To-Date Total	Forecasted Expenditure (est.)	Remaining Spend (under)/over
<b>Supplement to Request for Memorandum Account Attachment B - Records Review and Interim Safety Measure Costs</b>					
Leak Survey and Pipeline Patrol		1	22	37	(15)
Records Review		-	997	997	-
Pressure Protection Equipment		-	3	3	-
Other Remediation		-	1	1	-
<b>Total SDGE Supplement to Request for Memorandum Account Attachment B - Records Review and Interim Safety Measure Costs</b>		<b>1</b>	<b>1,024</b>	<b>1,039</b>	<b>(15)</b>

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