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March 14, 2013

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

Brigadier General Jack Hagan  
Director, Safety and Enforcement Division  
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 February 2013 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  
Elizaveta Malashenko, CPUC Safety and Enforcement Division  
Sunil Shori, CPUC Safety and Enforcement Division

## February 2013 PSEP Update

### I. Introduction

In D.12-04-021, the Commission directs Southern California Gas (SoCalGas) and San Diego Gas & Electric (SDG&E) to provide monthly Pipeline Safety Enhancement Plan (PSEP) updates to the Commission's Energy and Consumer Protection and Safety Division as the plan is implemented.<sup>1</sup> Attached is the update for February 2013.

### II. Current Status

SoCalGas and SDG&E have undertaken the following PSEP related activities since the last monthly update dated February 15, 2013.

- The mobilization phase is ending with the completed development of program governance and project execution procedures. A detailed work process map has been developed to guide consistent steps for performing the work on individual pipeline remediation projects.
- The approach to the PSEP Quality Plan has been finalized. The Quality Plan's purpose is to provide guidelines to ensure adherence to program procedures including accurately capturing all data on pipe installed.
- As a result of the work process mapping effort with Jacobs Engineering, new PSEP status categories for each of the pipeline projects were developed in order to track each project's status and cost more effectively. The new categories represent seven stages of a pipeline project's lifecycle and now replace the previous PSEP status categories.
- The new project status categories are now represented in Appendix A, and are: Stage 1 - Project Initiation, Stage 2 - Selection, Stage 3 - Project Definition, Stage 4 - Detailed Design/Procurement, Stage 5 - Construction, Stage 6 - Start-up/Turn-over, and Stage 7 - Close-out.
- The new definition for Stage 1 has changed how PSEP represents active projects, and Appendix A now matches this new approach. As a result, some projects listed in January's Report in Appendix A have not yet reached the threshold to become considered as a Stage 1 project and have therefore been removed from the list.
- Engineering subcontractors who will operate under Jacobs Engineering have been subcontracted.
- Record search efforts continue to find additional records in February. As a result, planning work on L-235, L-407, L-1013 and L-1015 are on hold pending additional record validation that will remove or reduce project scope.
- Progress was made on the master project schedule and workforce projections to support engineering, design and construction for Phase 1A, with focus on work in 2013.

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

- Construction is scheduled to begin on L-2000 in June for hydro testing. Requests for permits have been submitted and the construction bid package will be issued in April 2013.

### III. **Costs**

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

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

Pipeline	PSEP Filing Priority	Total Miles	Project Lifecycle Stage <sup>(1)</sup>	Prominent Diameter	Prominent Vintage	%SMYS <sup>(2)</sup>	Construction Start Date (Est.)
<b>Pipeline-SCG</b>							
2000 <sup>(3)</sup>	1	117.6 <sup>(3)</sup>	4-Detailed Design <sup>(3)</sup>	30	1947	67%	Jun-13
2001 East	2	7.10	2-Selection	30	1952	55%	Oct-13
1005	4	3.50	2-Selection	22	1949	59%	Apr-14
2003	6	26.50	2-Selection	30	1949	36%	TBD <sup>(5)</sup>
407	7	6.30	2-Selection	30	1951	36%	TBD <sup>(5)</sup>
406	9	20.70	2-Selection	22	1951	60%	Jul-14
235 West	10	3.10	2-Selection	30	1957	49%	Sep-13
1013	11	3.50	1-Project Initiation	30	1954	43%	TBD <sup>(5)</sup>
1015	12	7.85	1-Project Initiation	30	1954	43%	TBD <sup>(5)</sup>
404	14	37.80	1-Project Initiation	18	1949	50%	Sep-14
44-137	15	1.00	1-Project Initiation	20	1950	43%	Jan-14
1020	17	5.70	2-Selection	30	1959	39%	TBD <sup>(5)</sup>
1014	18	0.00	2-Selection	30	1957	36%	Oct-13
247	21	0.08	1-Project Initiation	16	1944	48%	Feb-14
43-121	22	4.41	1-Project Initiation	26	1930	42%	Apr-14
35-20	44	0.56	1-Project Initiation	16	1965	43%	Apr-14
44-654	50	0.01	3-Project Definition	6.625	1957	32%	Dec-13
41-19	56	0.01	1-Project Initiation	8.625	1959	33%	Aug-13
35-20-A	71	1.32	1-Project Initiation	12.75	1965	49%	Apr-14
45-120X01	87	0.01	4-Detailed Design	8.625	1930	26%	Aug-13
41-80	90	1.84	1-Project Initiation	6.625	1949	42%	May-14
41-17-F	131	0.03	1-Project Initiation	4.5	1955	30%	Aug-13
41-17	133	3.57	1-Project Initiation	8.625	1955	32%	Jan-14
Storage <sup>(4)</sup>	- <sup>(4)</sup>	2.83	1-Project Initiation	various <sup>(4)</sup>	various <sup>(4)</sup>	various <sup>(4)</sup>	various <sup>(4)</sup>
<b>Pipeline-SDG&amp;E</b>							
49-32	5	0.06	1-Project Initiation	16	1950	25%	Aug-13
49-26	10	2.62	1-Project Initiation	12.25	1957	45%	Nov-14
49-22	16	4.04	1-Project Initiation	10.75	1949	48%	Oct-13

<sup>(1)</sup> Stage Categories: - These categories represent seven stages of a pipeline project's lifecycle, and now replace the previous PSEP status categories. The new project status categories, and are: Stage 1 Project Initiation, Stage 2 Selection, Stage 3 Project Definition, Stage 4 Detailed Design/Procurement, Stage 5 Construction, Stage 6 Start-up/Turn-over, and Stage 7 Close-out. The new definition for Stage 1 has changed how PSEP represents active projects, and Appendix A now matches this new approach. As a result, some of the projects listed in January's Report in Appendix A are no longer considered active and have been removed from the list.

<sup>(2)</sup> The percentage shown, e.g. 67%, indicates the stress level of the majority of the pipeline segments in that pipeline.

<sup>(3)</sup> L-2000, because of its length, will be remediated in two phases. Detailed Design has begun on the first phase. Total miles shown are from the Filing, and may be reduced due to discovery of some records.

<sup>(4)</sup> Storage line segments at Playa del Rey and Goleta Storage Fields are too numerous and short to list individually, and as was done in the Filing the lines are grouped under one Storage project. Therefore, there is no predominant pipe diameter, vintage, %SMYS, or construction start date amongst the various lines that can be indicated. Also, there was no initial priority given to the Storage project in the filing.

<sup>(5)</sup> Records research conducted is indicating that there will likely be scope changes. Therefore, until records research is completed, construction start dates cannot be determined at this time.

**SCG and SDGE PSEP Cost Report to the Commission for February 2013**  
**Appendix B - Memorandum Account Projects**

SCG	( in \$1,000)		( in \$1,000)	
	February	Project-To-Date Total	Forecasted Expenditure (est.)	Remaining Spend (under)/over
<b>PSEP Pipeline Projects - Active (as shown in Appendix A) And Not Yet Active Projects</b>				
Line 2000	502	2,569	16,301	(13,732)
Line 2001 East	-	9	154	(145)
Line 2001 West	-	-	1,107	(1,107)
Line 1005	25	31	62	(31)
Line 2003	10	29	455	(426)
Line 407	23	43	129	(86)
Line 406	29	42	257	(215)
Line 235 West	2	22	70	(48)
Line 1013	-	1	66	(65)
Line 1015	-	-	2,320	(2,320)
Line 1004	1	1	143	(142)
Line 404	47	91	342	(251)
Line 44-137	-	-	253	(253)
Line 2000-0.18-XO2	-	-	17	(17)
Line 1020	13	43	121	(78)
Line 1014	4	6	272	(266)
Line 247	-	1	456	(455)
Line 43-121	3	4	988	(984)
Line 33-120	-	-	442	(442)
Line 45-120	-	-	950	(950)
Line 32-21	-	-	3,842	(3,842)
Line 41-6000-2	-	-	2,706	(2,706)
Line 36-9-09 North	-	-	2,533	(2,533)
Line 36-9-06	-	-	1,234	(1,234)
Line 36-9-06-A	-	-	637	(637)
Line 37-18-K	-	-	768	(768)
Line 36-37	-	-	464	(464)
Line 42-66-1	-	-	288	(288)
Line 42-66-2	-	-	233	(233)
Line 35-20	-	-	171	(171)
Line 37-18	-	-	901	(901)

**SCG and SDGE PSEP Cost Report to the Commission for February 2013**  
**Appendix B - Memorandum Account Projects**

<b>SCG</b> (continued)	( in \$1,000)		( in \$1,000)	
<b>PSEP Pipeline Projects - Active (as shown in Appendix A) And Not Yet Active Projects</b>	February	Project-To-Date Total	Forecasted Expenditure (est.)	Remaining Spend (under)/over
Line 37-18 F	-	-	486	(486)
Line 44-654	-	-	164	(164)
Line 31-09	-	-	1,812	(1,812)
Line 41-19	-	-	66	(66)
Line 33-121	-	-	342	(342)
Line e 33-121	-	-	24	(24)
Line 36-1006	-	-	1,678	(1,678)
Line 36-1032	-	-	363	(363)
Line 35-20-A	-	-	316	(316)
Line 35-10	-	-	741	(741)
Line 1172 ID 2313 2	-	-	232	(232)
Line 41-30-A	-	-	163	(163)
Line 41-30	-	-	1,002	(1,002)
Line 38-200	-	-	156	(156)
Line 45-120X01	1	1	15	(14)
Line 41-80	-	-	472	(472)
Line 35-22	-	-	78	(78)
Line 36-1002	-	-	143	(143)
Line 44-687	-	-	570	(570)
Line 35-20-N	-	-	175	(175)
Line 30-32	-	-	458	(458)
Line 41-04-I	-	-	169	(169)
Line 41-17-F	-	-	202	(202)
Line 41-17	4	4	949	(945)
Line 41-25	-	-	-	-
Line 41-05	-	-	-	-
Line 37-18 J	18	20	-	20

## SCG and SDGE PSEP Cost Report to the Commission for February 2013

### Appendix B - Memorandum Account Projects

SCG (continued)	( in \$1,000)		( in \$1,000)	
	February	Project-To-Date Total	Forecasted Expenditure (est.)	Remaining Spend (under)/over
<b>PSEP Pipeline Projects - Active (as shown in Appendix A) And Not Yet Active Projects</b>				
Storage Fields	33	40	600	(560)
Communications <sup>(6)</sup>	6	16	-	16
Construction <sup>(6)</sup>	148	319	-	319
Engineering <sup>(6)</sup>	373	849	-	849
Training <sup>(6)</sup>	51	365	-	365
Gas Control <sup>(6)</sup>	5	27	-	27
Environmental <sup>(6)</sup>	8	69	-	69
Supply Management <sup>(6)</sup>	154	1,902	-	1,902
Insurance <sup>(6)</sup>	-	2,815	-	2,815
General Administration <sup>(6)</sup>	193	390	-	390
Program Management Office (PMO) <sup>(6)</sup>	391	862	2,000	(1,138)
<b>Total SCG PSEP Pipeline Projects - Active (as shown in Appendix A) And Not Yet Active Projects</b>	<b>2,043</b>	<b>10,573</b>	<b>52,061</b>	<b>(41,488)</b>

(1) Costs reflect actuals for the month of February and project-to-date costs from May 2012 to February 2013.

(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 loaders.

(6) Overhead allocation pools have been established. Dollars accumulated in overhead allocation pools will be distributed to specific PSEP projects when work occurs on those specific projects.

(7) As of February 2013, the SCG balance in the Pipeline Safety and Reliability Memorandum Account reflects a balance of \$22,102,917 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).

(8) As of February 2013, the SDGE balance in the Pipeline Safety and Reliability Memorandum Account reflects a balance of \$1,373,151 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 February 2013

### Appendix B - Memorandum Account Projects

SDGE			( in \$1,000)	
PSEP Pipeline Projects - Active (as shown in Appendix A) And Not Yet Active Projects	( in \$1,000)		Forecasted Expenditure (est.)	Remaining Spend (under)/over
	February	Project-To-Date Total		
Line 49-28	-	-	962	(962)
Line 49-17	-	-	1,078	(1,078)
Line 49-25	-	-	491	(491)
Line 49-32	13	26	118	(91)
Line 49-16	-	-	2,002	(2,002)
Line 49-11	-	-	101	(101)
Line 49-18	-	-	903	(903)
Line 1600	-	-	1,240	(1,240)
Line 49-26	-	-	563	(563)
Line 49-27	-	-	142	(142)
Line 49-14	-	-	215	(215)
Line 49-15	-	-	566	(566)
Line 49-22	6	20	-	20
Line 49-13	-	-	381	(381)
Communications (6)	1	2	-	2
Construction (6)	20	35	-	35
Engineering (6)	40	97	-	97
Training (6)	1	2	-	2
Gas Control (6)	1	4	-	4
Environmental (6)	1	14	-	14
Supply Management (6)	22	337	-	337
Insurance (6)	-	38	-	38
General Administration (6)	26	51	-	51
Program Management Office (PMO) (6)	54	120	300	(180)
<b>Total SDGE PSEP Pipeline Projects - Active (Appendix A) And Not Yet Active Projects</b>	<b>184</b>	<b>746</b>	<b>9,062</b>	<b>(8,316)</b>

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(8) As of February 2013, the SDGE balance in the Pipeline Safety and Reliability Memorandum Account reflects a balance of \$1,373,151 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 February 2013

## Appendix B

### Projects Originally Identified in Memorandum Account Request But Have Since Been Remediated or Removed From PSEP Scope

SCG			( in \$1,000)	
PSEP Pipeline Projects - Remediated Outside of PSEP or Removed Due to Successful Locating of Records	( in \$1,000)		( in \$1,000)	
	February	Project-To-Date Total	Bridge Period (est.)	Remaining Spend (under)/over
Line 235 East	-	-	1,035	-
Line 4000	1	1	103	-
Line 1018	-	-	-	-
Line 1024	1	1	1,013	-
Line 1025	-	-	-	-
Line 765BR4	-	-	-	-
Line 408XO1	-	-	225	-
Line 1171LT2	-	-	275	-
Line 30-6200	-	-	177	-
Line 3000-261.73-BO	-	-	148	-
Line 3000-261.73-BR	-	-	159	-
Line 37-49	-	-	5,810	-
Line 45-163	-	-	208	-
Line 43-34	-	-	3,117	-
Line 1171LT1BP2	-	-	309	-
Line 43-1106	-	-	752	-
Line 42-46	-	-	364	-
Line 53	-	-	-	-
Line 41-199	-	-	154	-
Line 1172BP3	-	-	-	-
Line 1172BP2ST4	-	-	-	-
Line 1017BR4	-	-	-	-
Line 1017BR5	-	-	-	-
Line 1017BR6	-	-	-	-
Line 1017BR7	-	-	-	-
Line 317	-	-	441	-
Line 35-6416	-	-	667	-
Line 41-25-A	-	-	1,026	-
Line 41-90	-	-	196	-
Line 30-02	-	-	-	-
Line 32-90	-	-	-	-
Line 1017BP1	-	-	-	-

# SCG and SDGE PSEP Cost Report to the Commission for February 2013

## Appendix B

### Projects Originally Identified in Memorandum Account Request But Have Since Been Remediated or Removed From PSEP Scope

SCG (continued)	( in \$1,000)		( in \$1,000)	
PSEP Pipeline Projects - Remediated Outside of PSEP or Removed Due to Successful Locating of Records	February	Project-To-Date Total	Bridge Period (est.)	Remaining Spend (under)/over
Line 1017BP2	-	-	-	-
Line 1017BP3	-	-	-	-
Line 35-6405	-	-	-	-
Line 41-84	-	-	446	-
Line 41-84-A	-	-	684	-
Line 42-57	-	-	-	-
Line 765-8.24-BO	-	-	-	-
Line 765-8.24-BR	-	-	-	-
Line 38-351	-	-	-	-
Line 44-1008	-	-	-	-
Line 8107	-	-	-	-
Line 42-46-F	-	-	169	-
Line 775BO1	-	-	-	-
Line 775	-	-	-	-
Line 30-6292	-	-	-	-
Line 36-6588	-	-	-	-
Line 36-1001	-	-	-	-
Line 30-6799BR1	-	-	-	-
Line 30-6799	-	-	-	-
Line 36-9-21BR1	-	-	-	-
Line 41-198	-	-	-	-
Line 36-7-04	-	-	-	-
Line 41-05-A	-	-	-	-
Line 169	-	-	-	-
Line 30-09-A	-	-	-	-
Line 35-40	-	-	-	-
Line 1003LT2	-	-	-	-
Line 30-6543	-	-	-	-
Line 35-6520	-	-	-	-
Line 37-6180	-	-	-	-
Line 41-101	-	-	-	-
Line 1172BP2ST3	-	-	-	-
Line 30-6209	-	-	-	-

# SCG and SDGE PSEP Cost Report to the Commission for February 2013

## Appendix B

### Projects Originally Identified in Memorandum Account Request But Have Since Been Remediated or Removed From PSEP Scope

<b>SCG</b> (continued)	( in \$1,000)		( in \$1,000)	
	February	Project-To-Date Total	Bridge Period (est.)	Remaining Spend (under)/over
<b>PSEP Pipeline Projects - Remediated Outside of PSEP or Removed Due to Successful Locating of Records</b>				
Line 41-83	-	-	-	-
Line 1172BP2ST1	-	-	-	-
Line 6100	-	-	-	-
Line 41-141	-	-	-	-
Line 35-6405BR1	-	-	-	-
Line 5009	-	-	-	-
Line 1019BP1	-	-	-	-
Line 1170 ID502-T 1	-	-	-	-
Line 1171 ID567-P 13	-	-	-	-
Line 3000 East	-	-	-	-
<b>Total SCG PSEP Pipeline Projects - Remediated Outside of PSEP or Removed Due to Successful Locating of Records</b>	<b>2</b>	<b>2</b>	<b>17,477</b>	<b>-</b>

## SCG and SDGE PSEP Cost Report to the Commission for February 2013

### Appendix C - Records Review and Interim Safety Measure Costs

<b>SCG</b>	( in \$1,000)		( in \$1,000)	
	February	Project-To-Date Total	Forecasted Expenditure (est.)	Remaining Spend (under)/over
Leak Survey and Pipeline Patrol	19	821	760	61
Records Review	371	13,747	10,309	3,438
Pressure Protection Equipment	-	195	195	-
Other Remediation	-	441	546	(105)
<b>Total SCG Records Review and Interim Safety Measure Costs</b>	<b>390</b>	<b>15,205</b>	<b>11,811</b>	<b>3,394</b>

  

<b>SDGE</b>	( in \$1,000)		( in \$1,000)	
	February	Project-To-Date Total	Forecasted Expenditure (est.)	Remaining Spend (under)/over
Leak Survey and Pipeline Patrol	(1)	30	37	(7)
Records Review	-	1,186	997	189
Pressure Protection Equipment	-	3	3	-
Other Remediation	-	1	1	-
<b>Total SDGE Records Review and Interim Safety Measure Costs</b>	<b>(1)</b>	<b>1,220</b>	<b>1,039</b>	<b>181</b>

Overall Table Notes:

- (1) Costs reflect actuals for the month of February and project-to-date costs from May 2012 to February 2013.
- (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 loaders.
- (6) As of February 2013, the SCG balance in the Pipeline Safety and Reliability Memorandum Account reflects a balance of \$22,102,917 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 February 2013, the SDGE balance in the Pipeline Safety and Reliability Memorandum Account reflects a balance of \$1,373,151 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).