

**SOUTHERN CALIFORNIA GAS COMPANY
SAN DIEGO GAS & ELECTRIC COMPANY**

**APPLICATION TO RECOVER COSTS RECORDED IN THE
PIPELINE SAFETY AND RELIABILITY MEMORANDUM ACCOUNTS,
THE SAFETY ENHANCEMENT EXPENSE BALANCING ACCOUNTS, AND
THE SAFETY ENHANCEMENT CAPITAL COST BALANCING ACCOUNTS
(A.16-09-005)**

(DATA REQUEST TURN-SCGC-08)

Date Requested: June 26, 2017

Date Responded: July 14, 2017

QUESTION 8.1:

With respect to the statement on page WP-III-A40: “The Construction Contractor’s estimate was [REDACTED], which is [REDACTED] more than the Stage 3 construction contractor direct estimate of [REDACTED] that was used to develop the Phase 2 WOA.”

- 8.1.1. Please reconcile the \$757,823 to the direct contract costs stated in Table 3 of \$1,284,551 as of 6/23/14.
- 8.1.2. Was the contractor only conducting a portion of the L1013 replacement work?
- 8.1.3. If the answer to the previous question is “yes,” please explain who was performing the remainder of the work required to complete the project.
- 8.1.4. Please reconcile the \$259,573 to the direct contract costs stated in Table 3 of \$692,447 as of 3/13/14.
- 8.1.5. Was the contractor only conducting a portion of the L1013 replacement work?
- 8.1.6. If the answer to the previous question is “yes,” please explain who was performing the remainder of the work required to complete the project.

RESPONSE 8.1:

- 8.1.1 The following response includes Confidential and Protected Information Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.

Line 1013 Estimated Contractor Cost Reconciliation (Reauthorized Phase 2 WOA)	
Cost Element	Contract Cost
Construction Contractor TPE (WP-III-A40)	[REDACTED]
Other Contracted Services	[REDACTED]
TOTAL REAUTHORIZED P2 WOA CONTRACT COST (WP-III-A38)	[REDACTED]

- 8.1.2 No.
- 8.1.3 Not applicable.

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(A.16-09-005)

(DATA REQUEST TURN-SCGC-08)

Date Requested: June 26, 2017

Date Responded: July 14, 2017

8.1.4 The following response includes Confidential and Protected Information Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.

Line 1013 Estimate Contract Cost Reconciliation (3/13/14 Phase 2 WOA)	
Cost Element	Contract Cost
Construction Contractor - TIC (WP-III-A40)	[REDACTED]
Construction Contractor Contingency	[REDACTED]
Other Contracted Services	[REDACTED]
TOTAL P2 WOA CONTRACT COST (WP-III-A38)	[REDACTED]

8.1.5 No.

8.1.6 Not applicable.

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(A.16-09-005)

(DATA REQUEST TURN-SCGC-08)

Date Requested: June 26, 2017

Date Responded: July 14, 2017

QUESTION 8.2:

With respect to the statement on page WP-III-A54: “The Construction Contractor “not to exceed” was [REDACTED] which is [REDACTED] more than the Stage 3 construction contractor direct estimate of [REDACTED] that was used to develop the Phase 2 WOA.”

- 8.2.1. Please reconcile the \$165,800 to the direct contract costs stated in Table 3 of \$347,874.
- 8.2.2. Was the contractor only conducting a portion of the L1014 replacement work?
- 8.2.3. If the answer to the previous question is “yes,” please explain who was performing the remainder of the work required to complete the project.

RESPONSE 8.2:

- 8.2.1 The following response includes Confidential and Protected Information Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.

Line 1014 Estimated Contractor Cost Reconciliation (Phase 2 WOA)	
Cost Element	Contract Cost
Construction Contractor TIC (WP-III-A54)	[REDACTED]
Construction Contractor Contingency	[REDACTED]
Other Contracted Services	[REDACTED]
TOTAL P2 WOA CONTRACT COST (WP-III-A52)	[REDACTED]

- 8.2.2 No.
- 8.2.3 Not applicable.

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THE SAFETY ENHANCEMENT CAPITAL COST BALANCING ACCOUNTS
(A.16-09-005)**

(DATA REQUEST TURN-SCGC-08)

Date Requested: June 26, 2017

Date Responded: July 14, 2017

QUESTION 8.3:

With respect to the statement on WP-III-A67: “SoCalGas identified a [REDACTED] tap valve serving an adjacent regulator station that was located in the middle of the intersection. Relocating the tap valve 109 feet north from its existing location was the best option for safety and accessibility reasons because:

- The hydrotest could not be performed without isolating the valve in its current location. The valve would have to be excavated and separated from the inlet piping at the regulator station to safely perform the hydrotest analysis at the North Section location.**
- The new location of the valve would be in an excavation that was already being used for the hydrotest construction; therefore, relocation would incur minimal cost.**
- The valve was in the middle of high-traffic Katella Avenue and difficult to access. The valve would be moved to the northwest side of the intersection at W. Katella Avenue and N. Batavia Street.”**

8.3.1. Didn't the relocation of the valve from the intersection to the new location require excavation?

8.3.2. Please explain in specific terms how the relocation avoided or reduced the impact on the intersection relative to hydrotesting.

8.3.3. What was the incremental cost associated with relocating the valve?

8.3.4. When did the relocation work take place?

8.3.5. How much delay did relocating the valve create for the project?

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(A.16-09-005)

(DATA REQUEST TURN-SCGC-08)

Date Requested: June 26, 2017

Date Responded: July 14, 2017

RESPONSE 8.3:

- 8.3.1 Yes.
- 8.3.2 The relocation of the two-inch tap valve reduced the impact on the intersection relative to the hydrotest by avoiding a shutdown of multiple traffic lanes on Katella Ave. During the hydrotest, the tap valve would have to be exposed so that it could be visually inspected for any leaks and for any adjustments that may be needed during the initial stages of the hydrotest. In order to have the valve exposed, multiple traffic lanes would need to be closed down so that construction crews could perform their work.
- 8.3.3 **The following response includes Confidential and Protected Information Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.** Since the tap valve was identified during the design stage, SoCalGas and SDG&E did not prepare an estimate for the incremental cost of relocating the valve. Incremental costs associated with relocating the valve would include the cost of excavation and backfill of the 103-foot-long 18-inch-wide five-foot-deep trench as well as cost for 110 feet of [REDACTED]
- 8.3.4 The relocation work took place from October 23, 2014 until November 20, 2014, concurrent with other construction activities.
- 8.3.5 There was no delay in the project as a result of the relocation.

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(A.16-09-005)

(DATA REQUEST TURN-SCGC-08)

Date Requested: June 26, 2017

Date Responded: July 14, 2017

QUESTION 8.4:

With respect to the statement on WP-III-A70: “The Performance Partner/Construction Contractor TPE was [REDACTED] which is [REDACTED] more than the Stage 3 construction contractor direct cost estimate of [REDACTED] that was used to develop the Phase 2 WOA.”

8.4.1. Please reconcile the \$1,142,966 to the direct contract costs stated in Table 3 of \$1,249,202.

RESPONSE 8.4.1:

8.4.1 The following response includes Confidential and Protected Information Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.

Line 1015 Estimated Contractor Cost Reconciliation (Phase 2 WOA)	
Cost Element by WOA/Function	Contract Cost
Construction Contractor - TIC (WP-III-A70)	[REDACTED]
minus paving (included in Other Direct Costs)	[REDACTED]
Construction Contractor Contingency	[REDACTED]
TOTAL P2 WOA CONTRACT COST (WP-III-A68)	[REDACTED]

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(A.16-09-005)**

(DATA REQUEST TURN-SCGC-08)

Date Requested: June 26, 2017

Date Responded: July 14, 2017

QUESTION 8.5:

With respect to the statement on page WP-III-A91: “The Performance Partner/Construction Contractor TPE for Section 1, 2 and 3 was [REDACTED] which is \$2,506,738 more than the Stage 3 construction contractor direct estimate of [REDACTED] that was used to develop the Phase 2 WOA estimate.”

8.5.1. Please reconcile the [REDACTED] to the direct contract costs stated in Table 3 of \$16,319,334.

8.5.2. Was the contractor only conducting a portion of the L2000 West hydrotest work?

8.5.3. If the answer to the previous question is “yes,” please explain who was performing the remainder of the work required to complete the project.

RESPONSE 8.5:

8.5.1 **The following response includes Confidential and Protected Information Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.**

Line 2000 West Estimated Contractor Cost Reconciliation (Phase 2 WOA)	
Cost Element	Contract Cost
Construction Contractor - TIC (WP-III-A91)	[REDACTED]
minus Paving Estimate (included in Other Direct Costs)	[REDACTED]
Construction Contractor Contingency	[REDACTED]
Other Contracted Services	[REDACTED]
TOTAL P2 WOA CONTRACT COST (WP-III-A90)	[REDACTED]

8.5.2 No.

8.5.3 Not applicable.

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(A.16-09-005)**

(DATA REQUEST TURN-SCGC-08)

Date Requested: June 26, 2017

Date Responded: July 14, 2017

QUESTION 8.6:

With respect to the statement on page WP-III-A106: “The Construction Contractor fixed price was [REDACTED] which is [REDACTED] more than the Stage 2 construction contractor direct estimate of [REDACTED]. Footnote 2 states that the construction contractor estimate was based on the Stage 2 TVR analysis.

8.6.1. Please reconcile the [REDACTED] to the direct contract costs stated in Table 3 of \$650,000.

8.6.2. Was the contractor only conducting a portion of the L2000 West hydrotest work?

8.6.3. If the answer to the previous question is “yes,” please explain who was performing the remainder of the work required to complete the project.

RESPONSE 8.6:

8.6.1 **The following response includes Confidential and Protected Information Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.**

Line 2001 West-A Estimated Contractor Cost Reconciliation (Phase 2 WOA)	
Cost Element	Contract Cost
Construction Contractor - TVR (WP-III-A106)	[REDACTED]
Construction Contractor Contingency	[REDACTED]
Other Contracted Services	[REDACTED]
TOTAL P2 WOA CONTRACT COST (WP-III-A105)	[REDACTED]

8.6.2 No.

8.6.3 Not applicable.

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(A.16-09-005)**

(DATA REQUEST TURN-SCGC-08)

Date Requested: June 26, 2017

Date Responded: July 14, 2017

QUESTION 8.7:

With respect to the statement on page WP-III-A125: “Construction of L-2001 West B project was managed by the PSEP Performance Partnership. The Performance Partner/Construction Contractor TPE for Section 10 was \$1,075,002, which was \$149,339 less than the Stage 3 construction contractor direct estimate of \$1,224,341 that was used to develop the Phase 2 WOA estimate. The Performance Partner/Construction Contractor TPE for Section 11 was \$982,603, which was \$85,056 more than the Stage 3 construction contractor direct estimate of \$897,547 that was used to develop the Phase 2 WOA estimate. The Performance Partner/Construction Contractor TPE for Section 14 was \$192,636, which was \$66,344 less than the Stage 3 estimate of construction contractor direct estimate of \$258,980 that was used to develop the Phase 2 WOA estimate.”

- 8.7.1. Please reconcile the [REDACTED] to the direct contract costs of \$1,330,234 stated for Section 10 in Table 4.
- 8.7.2. Please reconcile the [REDACTED] to the direct contract costs of \$974,806 stated for Section 11 in Table 4.
- 8.7.3. Please reconcile the [REDACTED] to the direct contract costs of \$284,878 stated for Section 14 in Table 4.

RESPONSE 8.7:

- 8.7.1 The following response includes Confidential and Protected Information Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.

Line 2001 West-B Section 10 Estimated Contractor Cost Reconciliation (Phase 2 WOA)	
Cost Element	Contract Cost
Construction Contractor - TIC (WP-III-A125)	[REDACTED]
minus Paving Estimate (included in Other Direct Costs)	[REDACTED]
Construction Contractor Contingency	[REDACTED]
Other Contracted Services	[REDACTED]
TOTAL P2 WOA CONTRACT COST (WP-III-A121)	[REDACTED]

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(A.16-09-005)**

(DATA REQUEST TURN-SCGC-08)

Date Requested: June 26, 2017

Date Responded: July 14, 2017

8.7.2

The following response includes Confidential and Protected Information Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.

Line 2001 West-B - Section 11 Estimated Contractor Cost Reconciliation (Phase 2 WOA)	
Cost Element	Contract Cost
Construction Contractor - TIC (WP-III-A125)	
minus Paving Estimate (included in Other Direct Costs)	
Construction Contractor Contingency	
Other Contracted Services	
TOTAL P2 WOA CONTRACT COST (WP-III-A121)	

8.7.3

The following response includes Confidential and Protected Information Pursuant to PUC Section 583, GO 66-C, and D.16-08-024.

Line 2001 West-B - Section 14 Estimated Contractor Cost Reconciliation (Phase 2 WOA)	
Cost Element	Contract Cost
Construction Contractor - TIC (WP-III-A125)	
minus Paving Estimate (included in Other Direct Costs)	
Construction Contractor Contingency	
Other Contracted Services	
TOTAL P2 WOA CONTRACT COST (WP-III-A121)	

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(A.16-09-005)

(DATA REQUEST TURN-SCGC-08)

Date Requested: June 26, 2017

Date Responded: July 14, 2017

QUESTION 8.8:

8.8. With respect to the statement on page WP-III-A145 and WP-III-A146:

Section 1: The Performance Partner/Construction Contractor TPE was [REDACTED] which is [REDACTED] more than the Stage 3 construction contractor estimate of [REDACTED] that was used to develop the Phase 2 WOA estimate.

Section 2: The Performance Partner/Construction Contractor TPE was [REDACTED] which is [REDACTED] less than the Stage 3 construction contractor estimate of [REDACTED] that was used to develop the Phase 2 WOA estimate.

Section 3: The Performance Partner/Construction Contractor TPE was [REDACTED] which is [REDACTED] less than the Stage 3 construction contractor estimate of [REDACTED] that was used to develop the Phase 2 WOA estimate.

Section 4: The Performance Partner/Construction Contractor TPE was [REDACTED] which is [REDACTED] more than the Stage 3 construction contractor estimate of [REDACTED] that was used to develop the Phase 2 WOA estimate.

8.8.1. Please reconcile the total of [REDACTED] plus [REDACTED] plus [REDACTED] plus [REDACTED] to the direct contract costs of \$3,284,299 stated in Table 3 on WP-III-A144.

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(A.16-09-005)**

(DATA REQUEST TURN-SCGC-08)

Date Requested: June 26, 2017

Date Responded: July 14, 2017

RESPONSE 8.8.1:

The following response includes Confidential and Protected Information Pursuant to PUC Section 583, GO 66-C, and D.16-08-024. SoCalGas and SDG&E discovered an error in the workpapers at WP-III-A145 while preparing this response and will prepare and submit a corrected workpaper to address this inadvertent error. The Construction Contractor estimates were incorrectly entered for Sections 1, 3 and 4. The correct estimates from the TIC are entered in the table below. Total Contract Costs of \$3,284,299 listed in Table 3: L-2003 Phase 2 WOA Estimate is correct.

Line 2003 Sections 1, 2, 3, 4 Estimated Contractor Cost Reconciliation (Phase 2 WOA)	
Cost Element	Contract Cost
Construction Contractor - Section 1 - TIC - Corrected	[REDACTED]
Construction Contractor - Section 2 - TIC (WP-III-A145)	[REDACTED]
Construction Contractor - Section 3 - TIC - Corrected	[REDACTED]
Construction Contractor - Section 4 - TIC - Corrected	[REDACTED]
Total Construction Contractor Estimate	[REDACTED]
Minus Paving Section 1 (included in Other Directs)	[REDACTED]
Minus Paving Section 2 (included in Other Directs)	[REDACTED]
Minus Paving Section 3 (included in Other Directs)	[REDACTED]
Minus Paving Section 4 (included in Other Directs)	[REDACTED]
Minus Total Paving Estimate	[REDACTED]
Construction Contingency Section 1	[REDACTED]
Construction Contingency Section 2	[REDACTED]
Construction Contingency Section 3	[REDACTED]
Construction Contingency Section 4	[REDACTED]
Total Construction Contractor Contingency	[REDACTED]
TOTAL P2 WOA CONTRACT COST (WP-III-A144)	[REDACTED]

**BEFORE THE PUBLIC UTILITIES
COMMISSION OF THE STATE OF CALIFORNIA**

**DECLARATION OF JEFFERY SALAZAR
REGARDING CONFIDENTIALITY OF CERTAIN DATA/DOCUMENTS
PURSUANT TO D.16-08-024**

I, Jeffery Salazar, do declare as follows:

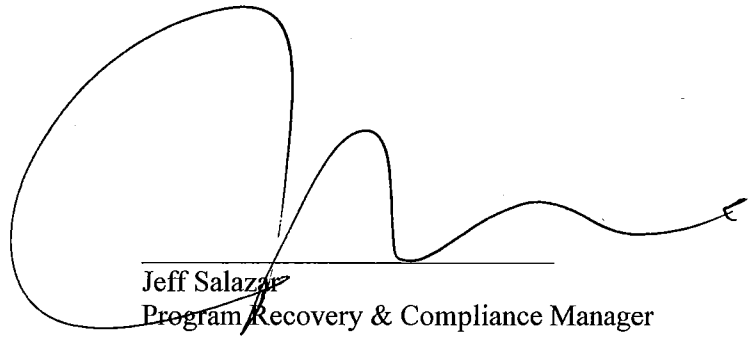
1. I am a Program Recovery & Compliance Manager in the Major Programs & Project Controls for San Diego Gas & Electric Company (“SDG&E”) and Southern California Gas Company (“SoCalGas”) designated by Jimmie Cho, Senior Vice President, Gas Operations and System Integrity for SDG&E and SoCalGas. I have been delegated authority to sign this declaration by Mr. Cho. I have reviewed the Response of SoCalGas and SDG&E to the Eighth Data Request of The Utility Reform Network (TURN) and Southern California Generation Coalition (SCGC) of the California Public Utilities Commission (CPUC) in the Pipeline Safety and Enhancement Plan (PSEP) 2016 Reasonableness Review A.16-09-005 proceeding, submitted concurrently herewith (Response to TURN-SCGC’s Eighth Data Request). I personally am familiar with the facts and representations in this Declaration, except where stated as based upon my information and belief. If called upon to testify, I could and would testify to the following based upon my personal knowledge and/or information and belief.

2. I hereby provide this Declaration in accordance with Decision (D.) 16-08-024 to demonstrate that the confidential information (Protected Information) provided in the Response to TURN-SCGC’s Eighth Data Request is within the scope of data protected as confidential under applicable law and pursuant to Public Utilities Code (“PUC”) § 583 and General Order (“GO”) 66-C, as further described in Attachment A. The intervenors in this proceeding (The Utility Reform Network, the Office of Ratepayer Advocates, and Southern California Generation Coalition) have requested that SDG&E and SoCalGas provide their responses to all data requests to all other parties; since this necessarily includes the Office of Ratepayer Advocates, this Declaration has been necessitated.

3. In accordance with the legal authority described herein, the Protected Information should be protected from public disclosure.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed this 10th day of July, 2017, at Los Angeles, California.



Jeff Salazar
Program Recovery & Compliance Manager

ATTACHMENT A

SoCalGas and SDG&E Request Confidential Treatment of the Following Information in Their Response to TURN-SCGC's Eighth Data Request in A.16-09-005, Application to Recover Costs Recorded in Pipeline Safety & Reliability Memorandum Accounts, Safety Enhancement Capital Costs Balancing Accounts, and Safety Enhancement Expense Balancing Accounts

SDG&E and SoCalGas designated the combination of the pipeline diameter attribute and location data as confidential in their response to TURN-SCGC's Eighth Data Request in A.16-09-005, Application to Recover Costs Recorded in Pipeline Safety & Reliability Memorandum Accounts, the Safety Enhancement Expense Balancing Accounts, and the Safety Enhancement Capital Cost Balancing Accounts, because:

- (1) This data is sensitive critical energy infrastructure information that is not currently published by PHMSA and, if made publicly available, could present a risk to the security of California's critical energy infrastructure. SoCalGas' and SDG&E's assessment of the risks associated with critical energy infrastructure data will continue to evolve as the sophistication, frequency and volume of security threats increase. In light of certain events, such as the attack on Pacific Gas & Electric Company's Metcalf Substation in 2013, SoCalGas and SDG&E believe pipeline diameter data must be treated as confidential. SoCalGas and SDG&E designate this pipeline diameter data as confidential pursuant to several laws, regulations, and guides that seek to protect critical infrastructure information and sensitive security information from public disclosure for national security reasons. These include, but are not limited to: (i) the Protected Critical Infrastructure Information (PCII) Program; (ii) FERC Order 630 - Critical Energy Infrastructure Information (CEII); (iii) Sensitive Security Information Regulations; and (iv) the Transportation Security Administration's (TSA) Pipeline Security Guidelines. *See also* the Federal Register Notice on August 27, 2015 (Volume 80, Number 166) concerning PHMSA/OPS' proposed changes to the National Pipeline Mapping System (NPMS) data collection and the protection of pipeline information such as MAOP and pipe diameter. The yellow highlighted portions on the pages identified in the table below fall within the category of sensitive critical energy infrastructure.

SDG&E and SoCalGas designated the vendor bid and pricing information (including rates and invoices) as confidential in their response to TURN-SCGC's Eighth Data Request in A.16-09-005, Application to Recover Costs Recorded in Pipeline Safety & Reliability Memorandum Accounts, the Safety Enhancement Expense Balancing Accounts, and the Safety Enhancement Capital Cost Balancing Accounts because:

- (2) This data is market-sensitive information and is entitled to confidential treatment under D.11-01-36, 2011 WL 660568 (2011) GO 66-C Sections 2.2(b), 2.8. The disclosure of such information would trigger the protection of section 2.2(b) of G.O. 66-C, which protects "[r]eports, records and information requested or required by the Commission which, if revealed, would place the regulated company at an unfair business disadvantage." The yellow highlighted portions on the pages identified in the table below fall within the category of vendor identifying information.

DATA / INFORMATION	JUSTIFICATION FOR CONFIDENTIALITY	ATTACHMENTS/DATA REQUEST RESPONSES
<p>Pipeline attribute (i.e. diameter, pressure, and location)</p>	<p>This information has been identified as confidential protected information as this data constitutes sensitive critical energy infrastructure information that is not currently published by the PHMSA and, if made publicly available, could present a risk to the security of the SoCalGas and SDG&E pipeline system and California’s critical energy infrastructure.</p> <p><u>CEII</u>: 18 CFR §388.113(c); FERC Orders 630, 643, 649, 662, 683, and 702 (defining CEII).</p> <p><u>Critical Infrastructure Information</u>: 6 U.S.C. §§131(3), 133(a)(1)(E); 6 CFR §§ 29.2(b), 29.8 (defining CII and restricting its disclosure).</p> <p>Gov’t Code § 6254(e) (“Geological and geophysical data, plant production data, and similar information relating to utility systems development, or market or crop reports, that are obtained in confidence from any person.”)</p> <p>Gov’t Code § 6254 (ab) (“Critical infrastructure information, as defined in Section 131(3) of Title 6 of the United States Code, that is voluntarily submitted to the Office of Emergency Services for use by that office”)</p>	<p>Data Request Response to Question 8.3.3</p>
<p>Vendor information</p>	<p>Vendor names, bid and pricing information have been marked as confidential protected information as publicly disclosing this information could lead to a competitive disadvantage and potential loss of market share for those vendors.</p> <p><i>See, e.g.</i>, D.11-01-36, 2011 WL 660568 (2011)</p> <p>GO 66-C Sections 2.2(b), 2.8</p> <p>Gov’t Code § 6254.15 (disclosure not required for</p>	<p>Data Request Response to Question 8.1.1, 8.1.4, 8.2.1, 8.4.1, 8.5.1, 8.6.1, 8.7.1, 8.7.2, 8.7.3, and 8.8.1</p>

	<p>“corporate financial records, corporate proprietary information including trade secrets, and information relating to siting within the state furnished to a government agency by a private company for the purpose of permitting the agency to work with the company in retaining, locating, or expanding a facility within California”)</p> <p>Gov’t Code §6254.7(d) (relating to trade secrets)</p> <p>Gov’t Code § 6254(k); Evid. Code §1060; Civil Code §3426</p>	
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