

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA



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In The Matter of the Application of San Diego Gas & Electric Company (U902G) and Southern California Gas Company (U904G) for a Certificate of Public Convenience and Necessity for the Pipeline Safety & Reliability Project.

Application 15-09-013  
(Filed September 30, 2015)

**MOTION OF THE OFFICE OF RATEPAYER ADVOCATES  
TO DISMISS SAN DIEGO GAS AND ELECTRIC COMPANY'S AND  
SOUTHERN CALIFORNIA GAS COMPANY'S APPLICATION FOR A  
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO  
CONSTRUCT LINE 3602**

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CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO  
CONSTRUCT LINE 3602**

Pursuant to Rule 11.1 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the Office of Ratepayer Advocates (ORA) moves for the dismissal of the Amendment to the Application of San Diego Gas & Electric Company (“SDG&E”) and Southern California Gas Company (“SCG”)<sup>1</sup> for a Certificate of Public Convenience and Necessity (“CPCN”) to replace and downrate natural gas transmission Line 1600, a 16” pipe, with Line 3602, a 36” pipe (“Proposed Project”). (“Amendment to the Application”).<sup>2</sup> According to SDG&E and SCG, Line 1600 either has not been pressure tested<sup>3</sup> or the utilities did not retain documentation of

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<sup>1</sup> SDG&E and SCG are collectively referred to as “Sempra Utilities” or “Applicants”.

<sup>2</sup> Applicants also filed their original Application for the Proposed Project on September 30, 2015. This filing shall be called “Original Application”.

<sup>3</sup> SDG&E and SCG Amendment to Application, dated 3/21/2016, p. 2, footnote 2.

pressure test records.<sup>4</sup> Therefore, under Public Utilities Code § 958, Line 1600 must be either pressure tested or replaced.<sup>5</sup>

As shown in the first section, Applicants acknowledge that Line 1600 is currently safe to operate. Given Applicants' assured safety of Line 1600, the Amendment to the Application should be dismissed for three main reasons. As discussed in Section II, as a matter of law, the Amendment to the Application fails to provide required need and cost-effectiveness information, and also fails to propose to test Line 1600. As discussed in Section III, as a matter of undisputed material fact, Applicants have failed to show need of the proposed project. Finally, the discussion in Section IV shows that granting the motion to dismiss will reach a just result, while eliminating a needless Commission proceeding, thereby greatly preserving the Commission's, and parties, time and resources.

If Applicants file a new application for Line 3602, they should be required to include a then-current justification for the line.

#### **I. ACCORDING TO APPLICANTS, LINE 1600 IS CURRENTLY SAFE TO OPERATE**

The Applicants have determined that the current operation of Line 1600, with a Maximum Allowable Operating Pressure (MAOP) of 640 pounds per square inch gauge (psig), is safe.<sup>6</sup> The Applicants' have also stated that the inline inspections conducted after San Bruno "demonstrate that Line 1600 is fit for service."<sup>7</sup>

Applicants' initial Data Responses provide the following facts, which also show the safety of Line 1600:

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<sup>4</sup> Direct Testimony of D. Schneider, p. 10. Direct Testimony of T. Sera, p. 1.

<sup>5</sup> PU Code § 958(c) provides, "At the completion of the implementation period, all California natural gas intrastate transmission line segments shall meet all of the following: (1) Have been pressure tested. (2) Have traceable, verifiable, and complete records readily available. (3) Where warranted, be capable of accommodating in-line inspection devices."

<sup>6</sup> See Prepared Testimony of T. Sera, p. 14. ("assessment data from ILI devices ... indicate that adequate safety margins exist on Line 1600 for its operation at its MAOP of 640 psig."); See also, Prepared Testimony of D. Schneider, p. 10. See also, Amendment to the Application, p. 16.

<sup>7</sup> Prepared Testimony of T. Sera, p. 9.

- ◆ Corrosion interacting with manufacturing-related seam flaws or selected seam corrosion have not been identified or observed on Line 1600.<sup>8</sup>
- ◆ Transmission Integrity Management has resulted in “an overall improved reliability of the pipeline and reduction in the risk of unforeseen operational issues affecting its continued operation.”<sup>9</sup>
- ◆ The Baseline Transmission Integrity Management Program (TIMP) assessment did not indicate that Line 1600 should be permanently derated, replaced, or tested.<sup>10</sup>
- ◆ Line 1600 was safe to operate at the previous MAOP of 800 psig.<sup>11</sup>
- ◆ The strengths of the welds of Line 1600 are comparable to seamless pipe, or those pipe seams that have been created by modern manufacturing techniques.<sup>12</sup>
- ◆ Prior to the In Line Inspection rated repairs and proactive pressure reduction, the lowest calculated safety margin on Line 1600 at a maximum allowable operating pressure of 800 psig was 2.3 times that pressure.<sup>13</sup>

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<sup>8</sup> Applicants’ Response to ORA Data Request 12, Question 1.

<sup>9</sup> Applicants’ Response to ORA Data Request 12, Question 2.

<sup>10</sup> Applicants’ Response to ORA Data Request 12, Question 5. The requirements of TIMP are superseded by Public Utilities Code § 958 which requires operators to “prepare and submit to the commission a proposed comprehensive pressure testing implementation plan for all intrastate (natural gas) transmission lines to either pressure test those lines or to replace all segments of intrastate transmission lines that were not pressure tested or that lack sufficient details related to performance of pressure testing. . . The comprehensive pressure testing implementation plan shall set forth criteria on which pipeline segments were identified for replacement instead of pressure testing.”

<sup>11</sup> Applicants’ Response to ORA Data Request 12, Question 13.

<sup>12</sup> Applicants’ Response to ORA Data Request 12, Question 15 states that the “Longitudinal Joint Factor” of Line 1600 is 1.0. Pursuant to Title 49 of the Code of Federal Regulations, Section 192.113, a Longitudinal Joint Factor of 1.0 is the highest that can be assigned to a piece of pipe for purposes of calculating its Maximum Allowable Operating Pressure. Seamless pipe and modern welds such as “Double submerged Arc Welds” also have Longitudinal Joint factors of 1.0.

The Pipeline Hazardous Materials Safety Administration (PHMSA) has a fact page on Material/Weld failures: <https://primis.phmsa.dot.gov/comm/FactSheets/FSMaterialWeldFailure.htm>

<sup>13</sup> Applicants’ Response to ORA Data Request 12, Question 27. A safety margin on Line 1600 of 2.3 means that with a maximum allowable operating pressure of 800 psig, the line would not be expected to yield unless the pressure spiked to at least 2.3 times that amount, or 1840 psig.

## **II. THE AMENDMENT TO THE APPLICATION HAS FAILED TO MEET CERTAIN REQUIREMENTS, AND SHOULD BE DISMISSED AS A MATTER OF LAW**

The Commission has previously found that:

A motion to dismiss essentially requires the Commission to determine whether the party bringing the motion wins based solely on undisputed facts and on matters of law. The Commission treats such motions as a court would treat motions for summary judgment in civil practice.<sup>14</sup>

In this case, the Applicants' Amendment to the Application failed to provide certain required information about need for the proposed project, which, as a matter of law, did not follow the Assigned Commissioner and Administrative Law Judge's (ALJ) Ruling; did not follow Commission Rule of Practice and Procedure Rule 3.1; did not follow California Public Utilities Code Section 1003(d); and fails to properly follow D.14-06-007.

### **A. As a Matter of Law, the Amendment to the Application Did Not Comply with the Assigned Commissioner and Administrative Law Judge's Ruling or Commission Rule 3.1 by Failing to Provide Critical Information about Proposed Project Need**

On January 22, 2016, the Assigned Commissioner and ALJ issued a ruling requiring Applicants to amend their Original Application ("Ruling"). The Ruling required in part that, "Sempra shall include a needs analysis in compliance with Rule 3.1(e)."<sup>15</sup> As noted in the Ruling, Rule 3.1(e) requires, "Facts showing that public convenience and necessity require, or will require, the proposed construction extension and its operation."

Pertaining to the need requirements under Rule 3.1, the Ruling specifically required Applicants to provide the following:

- ◆ "Ten-Year forecasted (maximum daily and annual average daily) volumes in the area to be served by proposed Line 3602; including

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<sup>14</sup> Decision (D.) 06-04-010 at 3. *See* also D.01-08-061 at 7.

<sup>15</sup> Ruling, p. 11.

information on the quality of gas and broken down by customer type (e.g., core, non-core commercial and industrial, and noncore electric generation);”<sup>16</sup>

- ◆ Ten-year historic monthly volumes through Line 1600;”<sup>17</sup>—and
- ◆ “Ten-year historic daily and annual maximum volumes through Line 1600.”<sup>18</sup>

However, Applicants did not provide any of these three things, instead asserting they do not conduct any of the analysis or monitoring of the natural gas lines mentioned above.<sup>19 20</sup> In their response to ORA’s and Sierra Club’s protests, Applicants claim that gas throughput on all individual pipelines is not tracked.<sup>21</sup> However, Applicants do not assert they *cannot* gather past information to show historic volumes on Line 1600, or provide the required forecast information regarding Line 3602.

Moreover, Applicants’ statement that they do not track throughput or monitor individual pipelines, and have not forecast the throughput for Line 3602 is particularly troubling in light of Rule 3.1(k)(1)(A), which requires that:

In the case of a gas utility seeking authority to construct a pipeline, [r]egarding the volumes of gas to be transported, [a] statement of the volumes to be transported via the proposed pipeline including information on the quality of gas and the maximum daily and annual average daily delivery rates.

Applicants have been on notice via this portion of Rule 3.1 that they must provide volumes of gas to be transported through Line 3602 as part of their application. Given

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<sup>16</sup> Ruling, pp. 16-17.

<sup>17</sup> Commissioner and ALJ Ruling, p. 16.

<sup>18</sup> Commissioner and ALJ Ruling, p. 16.

<sup>19</sup> See Amendment to the Application, p. 40, which states:

The Proposed Project will operate as part of the Applicants’ integrated gas transmission system. *SDG&E does not forecast throughput for individual pipelines on its system.* SDG&E plans its gas transmission system to meet the Commission-mandated design standards for core service (1-in-35 year peak day) and firm noncore service (1-in-10 year cold day).

<sup>20</sup> See Amendment to the Application, p. 41, which states: “SDG&E does not measure throughput by individual pipeline on its system.”

<sup>21</sup> Applicants, Reply to Protest to Amended Application, pp. 4-5.



their proposed replacement of Line 1600, the calculation of throughput on Lines 1600 and 3010, forecast data on the proposed Line 3602, and forecast data on downrated Line 1600 and the existing Line 3010 would also be necessary to demonstrate the volumes of gas to be transported through Line 3602.

As a matter of law, Applicants' have failed to provide critical proposed project need information in response to certain requirements of the Ruling and Rule 3.1.

**B. As a Matter of Law, the Amendment to the Application Did Not Comply with the Assigned Commissioner and Administrative Law Judge Ruling, Commission Rule 3.1, or Public Utilities Code Section 1003(d) by Failing to Provide Critical Cost Information**

The Ruling required the Applicants to provide a “cost analysis comparing the project with any feasible alternative sources of power in order to comply with Section 1003(d) and Rule 3.1(f).”<sup>22</sup>

As noted by the Ruling,<sup>23</sup> California Public Utilities Code Section<sup>24</sup> 1003(d) provides:

Every electrical and every gas corporation submitting an application to the commission for a certificate authorizing the new construction of any electric plant, line, or extension, or gas plant, line, or extension ... shall include all of the following information in the application in addition to any other required information ... (d) A cost analysis comparing the project with any feasible alternative sources of power.

The Ruling<sup>25</sup> also observes that Rule 3.1(f) requires:

A statement detailing the estimated cost of the proposed construction or extension and the estimated annual costs, both fixed and operating associated therewith. In the case of a utility which has not yet commenced service or which has

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<sup>22</sup> Ruling, p. 11.

<sup>23</sup> Ruling, p. 11.

<sup>24</sup> All references to the term “Section” are to Sections of the California Public Utilities Code unless otherwise specified.

<sup>25</sup> Ruling, pp. 11-12.

been rendering service for less than 12 months, the applicant shall file as part of the application supporting statements or exhibits showing that the proposed construction is in the public interest and whether it is economically feasible.

After referencing the authority in Section 1003(d) and Rule 3.1, the Ruling went on to specifically instruct Applicants on how to conduct the cost analysis. Yet, in several instances, shown immediately below, Applicants did not follow these instructions. By failing to follow the instructions specified and referenced in this section, Applicants have, as a matter of law, failed to provide critical cost analysis information, in response to certain requirements of Section 1003(d), Rule 3.1, and the Ruling.

**1. Applicants Failed to Use the Proponents’ Environmental Assessment Definition of the No Project Alternative**

The Ruling required Applicants’ Cost-Effectiveness Analysis to analyze the No Project Alternative, “As defined in [the] PEA [Proponents’ Environmental Assessment], but more concisely, the Applicants would hydrotest Line 1600 in sections and only repair or replace pipeline segments as needed.”<sup>26</sup>

However, the Applicants’ Cost-Effectiveness Analysis (“CEA”) and PEA did not define the No Project Alternative the same way. Whereas the PEA stated testing would take “18 months to two years to complete,”<sup>27</sup> the CEA states that the hydrotesting would last four years.<sup>28</sup> Whereas the PEA anticipated testing Line 1600 in 24 segments,<sup>29</sup> the CEA scoped 19 different pipeline segments.<sup>30</sup> Moreover, the PEA estimates each segment taking four to six weeks to hydrotest.<sup>31</sup> Even if the PEA had identified 19 segments to test, and each had taken six weeks, this would result in 114 weeks (or just

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<sup>26</sup> Ruling, p. 12.

<sup>27</sup> PEA, p. 5-36.

<sup>28</sup> CEA, p. 11.

<sup>29</sup> PEA, p. 5-36.

<sup>30</sup> CEA, p. 11.

<sup>31</sup> PEA, p. 5-36.

over two years) of testing, not four years as the CEA states. In short, when contrasted with the PEA definition of the no project alternative, the CEA inflates the number of segments and the total time it would take to test them.<sup>32</sup>

## **2. Applicants' PEA Singled Out the Northern Baja Alternative, but Applicants' CEA Did Not**

The Ruling requires that the CEA apply quantifiable data to define the relative costs and benefits of the proposed project and, at a minimum, for the range of alternatives identified in this Ruling,<sup>33</sup> specifically requiring that the CEA use such quantifiable data for the Northern Baja Alternative, "As defined in PEA."<sup>34</sup> However, while the PEA singles out the Northern Baja alternative,<sup>35</sup> the CEA does not, instead combining it with other Non-Physical or Minimal Footprint alternatives, apparently called "Otay Mesa Alternatives".<sup>36</sup>

Applicants' have ignored that the Ruling required analysis of Non-Physical (Contractual) or Minimal-Footprint Solutions as one alternative, and the Northern Baja Alternative as a separate one,<sup>37</sup> instead they have mixed them together in the CEA.<sup>38</sup>

In short, the CEA omits and fails to rank the Northern Baja Alternative as defined in the PEA, even though it is part of the PEA.<sup>39</sup>

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<sup>32</sup> See ORA's protest to Applicants' Amendment to the Application, April 21, 2016, pp. 6-8, to see additional differences between the way the PEA and CEA define the no project alternative. This section off ORA's protest is incorporated by reference into this motion.

<sup>33</sup> Ruling, p. 12.

<sup>34</sup> Ruling, p. 13.

<sup>35</sup> Applicants PEA, p. 5-15.

<sup>36</sup> CEA, p. 13, Section F, "See Alternative E: Otay Mesa Alternatives."

<sup>37</sup> Ruling, p. 13.

<sup>38</sup> CEA, p. 13.

<sup>39</sup> For further discussion about the consequences of omitting the single Northern Baja Alternative from the CEA, see ORA protest, April 21, 2016, pp. 9-12.

**3. Applicants CEA Was Required to Examine Non-Physical (Contractual) or Minimal-Footprint Solutions as an Independent Alternative, but Applicants' CEA Did Not**

The Ruling required Applicants' CEA to "Address multi-year contracting for capacity and supplies; Southern system minimum flow requirement; operational flow order/system balancing; and tariff discounts."<sup>40</sup> Applicants assumed that this alternative was like the Northern Baja alternative in that, "Both of these rely upon the use of Otay Mesa receipt point (Otay Mesa) capacity in place of the Project." Applicants' then grouped them together in the CEA, thereby failing to follow the instructions of the Ruling.

**4. Applicants' Assumed More Capacity at Otay Mesa Receipt Point than their PEA Definitions**

Applicants' claim in their reply to ORA's protest that they "do not believe there is any basis to find that they did not comply with the Ruling based on the assumptions for the Otay Mesa Alternative. . ."<sup>41</sup> In support for this claim, Applicants argue that the CEA properly assumed a *receipt capacity* of the Northern Baja pipeline at Otay Mesa of 400 MMcfd [million metric cubic feet per day],<sup>42</sup> even though the PEA assumed *pipeline capacity* of 185 MMcfd.<sup>43</sup>

Applicants' PEA has a project objective that defines the limit on the increase in transmission capacity as approximately 200 MMcfd, stating the objective is in part to, ". . .increase the transmission capacity of the Gas System in San Diego County by approximately 200 MMcfd. . ."<sup>44</sup> Another of Applicants' project objectives provides for replacing Line 1600.<sup>45</sup> By Applicants' own PEA definitions, the Northern Baja pipeline

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<sup>40</sup> Ruling, p. 13.

<sup>41</sup> Applicant's Reply to Protest to Amended Application, pp. 8-9.

<sup>42</sup> Applicant's Reply to Protest to Amended Application, p. 8.

<sup>43</sup> Applicant's Reply to Protest to Amended Application, p. 8; See also, PEA, p. 5-15.

<sup>44</sup> PEA, p. 2-5, Project Objective number 3.

<sup>45</sup> PEA, p. 2-2, project objective 1.

capacity would be 185 MMcfd,<sup>46</sup> and Line 1600 provides approximately 100 MMcfd of capacity. Replacing Line 1600 would mean losing that 100 MMcfd. To replace Line 1600 and reach the increase of 200 MMcfd, Applicants state in their project objective, the Otay Mesa receipt point could be estimated at a maximum approximate capacity of 300 MMcfd at a maximum.<sup>47</sup> Even using Applicants' interpretation of the Northern Baja Alternative PEA definition, inflating the Otay Mesa receipt capacity to 400 MMcfd, as the CEA does, conflicts with the Applicants' asserted need calculations.<sup>48</sup>

The CEA overinflates the receipt capacity higher than what the Ruling allows.

### **5. Applicants' PEA and CEA Defined Several Other of the Same Alternatives Differently**

In spite of the Ruling instructions, the PEA and CEA defined several other of the same alternatives differently. First, the Ruling specifically instructed Applicants to have the CEA analyze the Replacement of Line 1600 in Place with a 16-inch Pipeline Alternative, "As defined in the PEA (i.e. replace Line 1600 in full without hydrotesting), but complete the replacement in sections to minimize customer impact."<sup>49</sup> In contrast to the PEA defining this alternative as replacement of 24 segments, totaling 46.2 miles,<sup>50</sup> the CEA identifies replacing 19 segments covering approximately 45 miles.<sup>51</sup>

Second, the Ruling requires the CEA to identify the Storage Capacity or Physical Footprint of the LNG Storage (Peak-Shaver) Alternative in a way that is "Similar to the PEA's 'United States – LNG Alternative' but at a smaller scale with LNG storage sited at or near natural gas peaker generation sites."<sup>52</sup> However, Applicants again did not follow

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<sup>46</sup> Applicant's Reply to Protest to Amended Application, p. 8; See also, PEA, p. 5-15.

<sup>47</sup> 100 MMcfd for Applicants' asserted lost capacity by replacing Line 1600 + 200 MMcfd for Applicants' requested increased capacity on the system = 300 MMcfd.

<sup>48</sup> CEA, p. 13; ORA does not accept Applicants' argument and maintains that the CEA failed to single out the Northern Baja alternative, and in so doing, fails to follow instructions of the Ruling.

<sup>49</sup> Ruling, p. 13.

<sup>50</sup> PEA, p. 5-9.

<sup>51</sup> CEA, p. 12.

<sup>52</sup> Ruling, p. 13.

this requirement. The PEA stated, “The LNG facility would require a storage capacity in excess of one billion standard cubic feet in order to meet the Proposed Project objectives, and would result in a permanent footprint that would likely exceed 40 acres.”<sup>53</sup> The CEA says that, “This alternative is similar to the PEA’s ‘United States – LNG Alternative,’ but at a smaller scale with LNG storage sited at or near natural gas peaker generation sites”.<sup>54</sup> However, the CEA does not identify the storage capacity or permanent footprint to support this statement.<sup>55</sup>

**C. As a Matter of Law, the Amendment to the Application Fails to Follow D.14-06-007 by No Longer Proposing to Test Line 1600<sup>56</sup>**

In light of the requirement, and Applicants’ commitment to pressure test Line 1600, ORA is concerned that continuing the instant proceeding delays Applicants’ from expeditiously honoring this commitment. D.14-06-007 adopted Applicants’ proposal and commitment to test Line 1600. Applicants’ brief in the proceeding that resulted in D.14-06-007 specifically stated,

“SoCalGas and SDG&E are obliged to develop a safety plan which follows the rules and requirements established by the Commission and the state legislature. As such, Line 1600 needs to be pressure tested, and in order to complete this test without significant service and customer impacts, a replacement line needs to be installed prior to the pressure test.”<sup>57</sup>

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<sup>53</sup> PEA, p. 5-13.

<sup>54</sup> CEA, p. 13.

<sup>55</sup> CEA, Section on LNG Storage (Peak Shaver) Alternative, pp. 13-14.

<sup>56</sup> Amendment to the Application, pp. 1 and 2, “The Proposed Project involves: 1) the construction of a new. . . natural gas transmission pipeline in San Diego County and associated facilities (footnote omitted), and 2) lowering the pressure of approximately 45 miles of existing Line 1600 for use as a distribution line, once the new line is constructed.”

<sup>57</sup> A.11-11-002, Phase 1 Reply Brief of Southern California Gas Company and San Diego Gas & Electric Company, filed November 9, 2012, p. 84, fn 277, citing to testimony of Mr. David Bisi, at p. 7.

In apparent reliance upon Applicants' representations, D.14-06-007 adopted Applicants' Pipeline Safety and Enhancement Program (PSEP) proposal to replace and *then pressure test Line 1600*, stating:<sup>58</sup>

Under the proposed decision-making and implementation process described in Section IV above, SoCalGas and SDG&E propose to construct a replacement line for Line 1600 in Phase 1B to enable them to pressure test the existing line 1600, and to inline inspect the existing Line 1600 using TFI technology in Phase 1A as an interim safety enhancement measure. As stated above, SoCalGas and SDG&E are not seeking approval of the costs to construct a replacement line for Line 1600 at this time.<sup>59</sup> (Emphasis added.)

Notwithstanding the D.14-06-007 requirement to test Line 1600, Applicants' Amendment to the Application, and testimony in the instant proceeding both omit this requirement. The Amendment to the Application proposes to replace and derate, but not pressure test Line 1600.<sup>60</sup> Applicants' testimony provides a graphic of Applicants' "Decision Tree" adopted by D.14-06-007, but omits the bottom half of the graphic that D.14-06-007 published, which sets forth the requirement to test Line 1600.<sup>61</sup>

As shown in the quoted passage from D.14-06-007 immediately above, the purpose of installing a replacement line was to enable the Applicants to pressure test Line 1600. However, in response to the original protests, the Applicants apparently suggest for the first time that Line 1600 could be taken out of service to conduct pressure testing without replacing that line.<sup>62</sup>

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<sup>58</sup> D.14-06-007, Attachment 1, Note 5. SoCalGas/SDG&E intend to replace Line 1600 and then pressure test Line 1600. Attachment 1 to D.14-06-007 is included herein as Attachment B.

<sup>59</sup> Decision 14-06-007, pp. 190-191.

<sup>60</sup> A.15-09-013, Amendment to Application, pp. 1-2.

<sup>61</sup> Compare Attachment B with Prepared Testimony of D. Schneider, p. 7. Figure 1 on Mr. Schneider's testimony excludes the bottom half of the PSEP Decision Tree adopted in Attachment 1 to D.14-06-007 (Attachment B), including Note 5, which shows the adopted testing plan for Line 1600.

The Amendment to the Application at page 2, FN 2 also contains this omission.

<sup>62</sup> A.15-09-013, Reply of Applicant San Diego Gas & Electric Company and Southern California Gas Company to Protest to Application, filed November 12, 2015, p. 9. ("Applicants have used their knowledge and experience to further evaluate whether pressure testing of Line 1600 could be completed

(continued on next page)

The Amendment to the Application also deviates from the adopted PSEP proposal in D.14-06-007 of using pre-1946 pipe,<sup>63</sup> by proposing replacement of a new category of age-dependent pipe (1949).<sup>64</sup>

By dismissing the Amendment to the Application, the Commission would send a clear message to Applicants to move forward with pressure testing Line 1600, to best achieve the continued safe service of that line.

### **III. AS A MATTER OF UNDISPUTED MATERIAL FACT, APPLICANTS HAVE FAILED TO SHOW NEED OF THE PROPOSED PROJECT**

Applicants' own information fails to show the need of the proposed project. In an attempt to excuse the fact that Applicants did not follow the Ruling's instructions regarding volumes of gas that were transported on Line 1600 or would be transported by the proposed Line 3602, Applicants claim that they operate an integrated gas transmission system on which gas throughput on all individual pipelines is not tracked, and instead provided SDG&E's long term gas demand forecast.<sup>65</sup>

However, when compared to Applicants' demand forecast numbers for 2015/2016, Applicants' forecast numbers for 1-in-10 year cold day demand show natural gas *decreases* for each of the coming ten years.<sup>66</sup> Moreover, when compared with Applicants' 2015-2016 demand forecasts, the only year Applicants show an increase in forecasts for 1-in-10 year cold day demand is 2035/2036.<sup>67</sup> However, that comparison

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with manageable customer impacts. Previous evaluations indicated that customer impacts would be difficult to manage while performing a pressure test, due to the customer impacts and the complicated nature of pressure testing Line 1600. Upon further evaluation, the utilities acknowledge that while pressure testing is technically possible. . .")

<sup>63</sup> Attachment 1 to D.14-06-007 delineates "Pre-1946" pipe as the decision, not 1949 pipe.

<sup>64</sup> A.15-09-013, Amendment to Application, pp. 4 and 11.

<sup>65</sup> Applicants Reply to Protest to Amended Application, April 29, 2016, p. 5.

<sup>66</sup> Amendment to the Application, p. 40.

<sup>67</sup> Amendment to Application, p. 40, Table entitled SDG&E Long-Term Demand Forecast. To get the percentage increase, ORA used the following formula.  $10/607 = 1.6\%$  increase over 20 years. 10 MMcfd represents the difference between 607 MMcfd total demand forecasted in 2015/2016 and 617 MMcfd demand forecasted in 2035/2036. 607 MMCFD represents Sempra's demand forecasted in 2015/2016.



shows an increase of merely 10 MMcfd,<sup>68</sup> which is less than 2% greater than 2015-2016 demand forecast numbers.<sup>69</sup> Even this 10 MMcfd increase does not remotely compare to the Applicants' proposed system capacity expansion of 200 MMcfd.<sup>70</sup>

Applicants cannot dispute their own system-wide demand forecast, which shows gas demand staying flat in the foreseeable future, thereby further illustrating that the Applicants have failed to show the need for the Proposed Project.

#### **IV. GRANTING THE MOTION TO DISMISS WILL REACH A JUST RESULT, WHILE ELIMINATING A NEEDLESS COMMISSION PROCEEDING, AND GREATLY PRESERVING COMMISSION STAFF TIME**

The Commission has found that a motion to dismiss before the Commission, like a motion for summary judgment in civil court, serves a beneficial purpose in “that it promotes and protects the administration of justice and expedites litigation by the elimination of needless trials.” Decision (“D.”) 94-04-082, *Westcom Long Distance, Inc.* (Apr. 20, 1994) 54 CPUC 2d 244, citing *Exchequer Acceptance Corporation v. Alexander* (1969) 271 Cal.App.2d 1, 11.

By granting this motion to dismiss, the Commission would promote and protect the administration of justice, expedite litigation, and save extensive staff and consultant time and effort. Indeed, given Applicants' recent disclosure that they are still doing preliminary engineering of the proposed project, this provides a basis to question the feasibility of Applicants' Proposed Project this point in time,<sup>71</sup> another reason to dismiss and avoid unnecessary expenditure of the Commission's, and parties, time and resources.

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<sup>68</sup> Amendment to Application, p. 40, Table entitled SDG&E Long-Term Demand Forecast. For 1-in-10 Year Cold Day Demand, Applicants forecast total core demand at 607 in 2015/2016, and 617 MMcfd in 2035/2036. (617 – 607 = 10 MMcfd.)

<sup>69</sup> Amendment to Application, p. 40, Table entitled SDG&E Long-Term Demand Forecast. For 1-in-10 Year Cold Day Demand, Applicants forecast total core demand at 607 in 2015/2016, and 617 MMcfd in 2035/2036. (617 – 607 = 10 MMcfd.)

<sup>70</sup> PEA, p. 2-5, Project Objective number 3.

<sup>71</sup> See Attachment A. Applicants' Letter to Energy Division Regarding Pipeline Safety & Reliability Project—Planned Potholing Activities, p. 1, stating “Due to the numerous existing underground facilities within Felicita Avenue and Pomerado Road, potholing at these locations has been identified as critical to confirming the proposed alignment and maintaining the project schedule.”

## V. CONCLUSION AND RECOMMENDATIONS

For all of the reasons mentioned in this motion, ORA respectfully requests the Commission dismiss Application 15-09-013. ORA recommends that the Applicants' Application be dismissed with instruction for Applicants to expeditiously honor its commitment to test Line 1600. ORA also recommends that if Applicants file a new Application, they be required to submit a brand new one for staff to review; and avoid filing another amendment that incorporates only certain parts of the Application by reference.<sup>72</sup> ORA recommends that if Applicants file a new Application, they should be required to file one that has a justification which explicitly comports with all of the requirements in Section 1003(d), Rule 3.1, the Ruling, and all other then-applicable requirements. Finally, although ORA stands by its recommendation to dismiss, if the Commission schedules a Pre-Hearing Conference ("PHC") in this matter, ORA would respectfully request permission to orally discuss the points in support of dismissing the Application during that PHC.

Respectfully submitted,

/s/ DARRYL GRUEN

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<sup>72</sup> See Amendment to Application, p. 1, stating, "Except as stated below, the original Application, which includes the Applicants' Proponent's Environmental Assessment (PEA), is unchanged and incorporated herein by reference.