



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

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Order Instituting Rulemaking to Establish
Policies, Processes, and Rules to Ensure Safe
and Reliable Gas Systems in California and
Perform Long-Term Gas System Planning.

R.20-01-007
(Filed January 16, 2020)

U 39 G

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 G) RESPONSE TO
ADMINISTRATIVE LAW JUDGE'S RULING DIRECTING SOUTHERN
CALIFORNIA GAS COMPANY, SAN DIEGO GAS & ELECTRIC COMPANY
AND PACIFIC GAS AND ELECTRIC COMPANY TO FILE AMENDED 2023
GAS INVESTMENT ANNUAL REPORTS**

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Dated: June 27, 2023

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Pacific Gas and Electric Company (PG&E) respectfully provides its First Amended Annual Report of Planned Gas Investments in compliance with the Administrative Law Judge’s Ruling Directing Southern California Gas Company, San Diego Gas & Electric Company and Pacific Gas and Electric Company to File Amended 2023 Gas Investment Annual Reports (Ruling), issued on June 7, 2023. The Ruling directs PG&E to provide additional information on the three projects included in PG&E’s annual Report of Planned Gas Investments Pursuant to General Order 177, Section X, filed on March 1, 2023. PG&E’s First Amended Annual Report of Planned Gas Investments, adding the information identified in the Ruling, is provided at Attachment A.

Respectfully Submitted,

By: /s/ Jonathan D. Pendleton
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Dated: June 27, 2023

Attorney for
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ATTACHMENT A

Pacific Gas and Electric Company
 Report of Gas Planned Projects Pursuant to General Order 177 Section X (2023 - 2032)
 As of March 1, 2023 (First Amended June 27, 2023)

Line Item	A. Project Name	A. Monetary Threshold (Cost Greater than \$50M)	Sensitive Receptors Threshold (Yes/No)	A. Exemptions Pursuant to Sec. IV (B)	B1: Planned Service Date for which CPCN was received but has not been placed in-service.	B2: In-service date for proposed route or corridor reviews are being undertaken w/govt' agencies or appl have already been filed.	B3: In-service dates for planned projects or planning corridors, on which planning corridor or route reviews have not started, but will be needed during the forecast periods.	C1. Relevant size parameters (e.g., length in miles)	C2. Planned Service Date	C3. Cities and counties involved located with an ESJ community as defined in the Commission's ESJ Action Plan	C3. ESJ Community (Yes/No)	C4. Detailed description of the gas infrastructure project including information on what will be modified or constructed, what specific actions will be taken, and why the project will be conducted;	C5. Projected Capital Expenditure (Estimated)	C6. Cumulative environmental impact of successive projects of the same types, in the same place	C7. Description of Cost Drivers	C8. Other Relevant Information	D1. high level analysis of non-pipeline alternatives considered	D2. Total Projected Quantified Reliability Cost Savings over Expected Life of Project.	D3. Projected Construction Expenditures	D4. Projected Operating Costs over the Expected Life of the Asset as of the year the report is filed (in both nominal and net-present value terms).
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)
1	S-238 Hinkley Electrical Upgrades (Order 74013548)	Yes	No	N/A	N/A	N/A	September 1, 2025	No additional transmission pipeline miles added to the PG&E system. This work is on the electrical infrastructure within the Hinkley Compressor Station. All upgrades will be completed within the existing facility footprint.	September 1, 2025	Hinkley, Ca./San Bernardino County	Yes	Scope of Work: This project will upgrade the existing electrical system to meet current PG&E standards and requirements. The electrical system distributes power to gas transmission assets that perform a variety of functions within the station. No gas transmission pipeline is being replaced as part of this project. The project objective is to increase employee safety and station reliability.	\$57,798,821	N/A - All work within existing facility footprint. PG&E believes this project will not adversely impact the environment.	Engineering and drafting, materials procurement, Civil/Mechanical/Electrical construction, inspection, clearance/outage requirements, temporary generation	Hinkley is a critical facility that provides compression and other services on backbone L-300. This project will replace critical electrical equipment that meet current PG&E design standards and requirements. No gas transmission pipe, valves, or other gas measurement assets are being added or changed as part of the project scope. Failure to complete this project increases the risk of unplanned station outages which may affect local compression and station operations in addition to having an adverse impact on the greater transmission system.	Retirement of the station is not a viable option. The station is still needed to meet market and system demand. Therefore, non-pipeline alternatives are not available at this time. Please also see Sections C.8 and D.2. Project alternatives that were considered are listed below: •Upgrading to outside electrical power is not a viable option. PG&E would still need to keep some of the generation as standby power, therefore the upgrades identified would be required in addition to the cost to bring in outside power and upgrade infrastructure to work with outside power. Potentially a more costly option. •Upgrade the electrical system's outdated design and new equipment to meet current industry standard. (Option chosen)	Hinkley is a critical compressor station on the Baja Path. The Baja capacity assumed under a 1:10 peak winter day is 888 mmcf/d. The 888 mmcf/d capacity assumes that Hinkley Station is reliable. If there are major issues at Hinkley, PG&E will not be able to flow the required 888 mmcf/d on a 1:10 peak day. Depending on the extent of the issues at Hinkley, PG&E might not be able to meet the 1:10 peak day supply standard. This could result in a supply shortfall on a 1:10 peak day. The purpose of the Hinkley Compressor Station project is to enhance safety and reliability by replacing obsolete equipment and redesigning the electrical system to meet current standards. Any projected reliability cost savings over the expected life of the project are unknown due to a number of variables (i.e. outage duration, outage frequency, market demand and/or capacity needs).	Project is currently in the design phase and projected to start construction in 2024 with an operational date in 2025. The \$52 M Estimated Projected Construction Expenditures include Materials, Construction Labor, Overheads including AFUDC and Material Burdens. * Projected Capital Expenditures (Estimated) are based on the original submission and are subject to change including based on the development or modification of the project.	N/A
2	S-261 Brentwood Station Rebuild (Order 74012901)	Yes	No	N/A	N/A	N/A	October 1, 2026	The project will replace the existing terminal following all new codes and standards. No additional transmission pipeline miles added to the PG&E system. All upgrades will be completed within existing land owned by PG&E.	October 1, 2026	Brentwood, Ca./Contra Costa County	No	Scope of Work 1.) Replace the old and outdated piping, appurtenances, and equipment that have exceeded their useful life. 2.) Reduce operational risk by removing and upgrading old piping and equipment. 3.) Simplify the facility's piping configuration to improve operating safety. 4.) Improve operating flexibility and maintainability of the facility.	\$67,301,419	Not Yet Available - Project has not started detailed engineering. PG&E believes this project will not adversely impact the environment.	Phase 1: Civil work for greenfield build out. Also, includes costs for lowering pipelines within the new terminal footprint.	Brentwood is a key terminal for the PG&E gas transmission system connecting PG&E's storage facilities and other major transmission lines. Removal of this facility would severely impact PG&E transmission system.	Brentwood is a key terminal station for PG&E's gas system operations; therefore, retirement of the station was not considered. Please also see Sections C.8 and D.2. Project alternatives that were considered are listed below: •In-Place: The redesigned facility will be contained within the same fencing boundary that currently exists. •Greenfield: The redesigned facility shall be primarily located in the unused parcel of land immediately south of the existing location. This option minimizes the impact to system operations during construction. The empty parcel is owned by PG&E (option chosen) •Hybrid: The redesigned facility will utilize space in both the existing station boundary as well as the adjacent unused parcel in order to optimize the arrangement of equipment.	Brentwood is a major terminal on the PG&E system. It is the primary withdrawal location for McDonald Island withdrawal gas. McDonald Island is the key storage field on the system and contains much of the gas needed for inventory management, reserve supply, and PG&E core storage customers. If functionality is compromised at Brentwood, it could impact PG&E's ability to manage inventory swings on the system, 1:10 peak day supplies, and ability to manage supplies during an emergency. The purpose of the Brentwood Terminal project is to enhance safety and reliability by replacing obsolete equipment and simplifying the design of the facility. Any projected reliability cost savings over the expected life of the project are unknown due to a number of variables (i.e. outage duration, outage frequency, market demand and/or capacity needs).	The current estimated cost of \$60 M is based on preliminary engineering. As the design matures cost could change. It is expected that this phase of work will be completed within the next 5 years. Schedule will be determined on funding, design completion, material lead times, and clearance/outage needs. Projected Construction Expenditures include Materials, Construction Labor, Overheads including AFUDC and Material Burdens. * Projected Capital Expenditures (Estimated) are based on original submission and are subject to change including based on the development or modification of the project.	N/A
3	S-1303 Los Medanos Compressor Replacement (Order 74048062)	Yes	No	N/A	N/A	N/A	September 1, 2027	This project will replace an existing 4000 hp natural gas engine driven compressor with 2 compressors of a similar total size. No additional transmission pipeline miles added to the PG&E system. All upgrades are to be completed within the existing footprint of the facility.	September 1, 2027	Concord CA/Contra Costa County	Yes	Scope of Work: Increase reliability at Los Medanos by removing existing compressor K1 installed in 1979 and installing two new gas compressors and supporting auxiliary equipment. Overall capacity of the facility is not expected to change significantly.	\$51,213,000	Not Yet Available - Project has not started engineering. PG&E believes this project will not adversely impact the environment.	Not Yet Available - Project has not started engineering.	The existing compressor at Los Medanos is a rare model with limited parts availability and a history of reliability challenges. This project will replace the existing compressor with 2 new compressors in order to improve reliability and ensure that the facility can be operated for many more years. The new compressors will have approximately the same total capacity as the old unit but will require upgrades to many of the facility systems such as gas cooling, piping, valves, and air systems to support their operation.	Retirement of Los Medanos underground gas storage facility was considered. However, to support PG&E's Natural Gas Storage strategy it was determined that the storage capacity at Los Medanos was still needed. Please also see Sections C.8 and D.2. Project alternatives that were considered include the following: • Alternative A: Drill 3 wells at McDonald Island; restore Gill Ranch capacity by drilling 3 new wells; retain the Los Medanos gas storage facilities; and install cross-compression equipment. (recommended option) • Alternative B: Drill 16 wells at McDonald Island; restore Gill Ranch capacity by drilling 3 new wells; and install cross-compression equipment.	Los Medanos is needed to meet demands on a 1:10 peak day. In the 2023 GRC rate case proposal, Los Medanos is estimated to supply 168 mmcf – 191 mmcf of gas during a 1:10 peak day. If the Los Medanos compressor is not replaced, it could have a catastrophic failure during injection season which would limit the field's withdrawal capacity during winter. If we can not obtain the required withdrawal rate from Los Medanos, PG&E may not be able to meet the 1:10 peak day supply standard. This could result in a supply shortfall on a 1:10 peak day. The purpose of the Los Medanos project is to increase facility reliability by replacing obsolete equipment necessary for gas injection. Please see Section C.8. Any projected reliability cost savings over the expected life of the project are unknown due to a number of variables (i.e. outage duration, outage frequency, market demand and/or capacity needs).	This project is in the very early stages of engineering development. The \$46 M construction cost is a high level estimate. As the design matures cost could change to reflect the design. It is expected that this project will be completed within the next 5 years. Schedule will be determined on funding, design completion, constructability plan, material lead time and clearance/outage needs. The Projected Construction Expenditures include Materials, Construction Labor, Overheads including AFUDC and Material Burdens. * Projected Capital Expenditures (Estimated) are based on what is in the original submission and are subject to change including based on the development or modification of the project.	N/A