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November 30, 2015

Mr. Robert Peterson
Project Manager
Energy Division, Infrastructure Permitting and CEQA
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: Application Completeness Response: Certificate of Public Convenience and Necessity for the Pipeline Safety & Reliability Project (A.15-09-013; filed 9/30/15)

Dear Mr. Peterson:

SDG&E and SoCalGas (Applicants) have reviewed your letter dated October 30, 2015 regarding the application completeness determination (Application Completeness Letter) for the Certificate of Public Convenience and Necessity (CPCN) application (Application), including the Proponent's Environmental Assessment (PEA), for the proposed Pipeline Safety & Reliability Project (Proposed Project). The Application Completeness Letter identifies approximately 125 items as "deficiencies" in the Application.

Applicants respectfully disagree that the information contained in the Application and PEA is incomplete. The PEA filed on September 30, 2015 is a comprehensive document that contains all of the items required by the California Public Utilities Commission's (CPUC or Commission) Information and Criteria List and PEA checklist. Of the approximately 125 items requested in the Application Completeness Letter, Applicants believe that only one item arguably constitutes a deficiency¹. Applicants acknowledge that much of the information requested in the Application Completeness Letter would be useful to the environmental review process or may ultimately be relevant to the Commission's decision-making process. Applicants do not believe, however, that the information requested constitutes a "deficiency" for the purpose of an application completeness determination. Applicants believe instead that in applications such as this, where an applicant has worked proactively and in good faith to engage the relevant agencies and prepare a robust PEA, and the questions to be resolved in the proceeding involve public safety and reliability, the Commission should act quickly to initiate review of the application.

¹ Although Applicants believe that the Application could have been deemed complete as filed, one of the requested items calls for more detail regarding the air emissions associated with purged gas from a section of existing pipeline. Applicants agree that this narrow request can be construed as a deficiency under the Information and Criteria List and the PEA Checklist and have provided the requested information in the attached matrix.

In preparing the PEA, Applicants properly relied on the CPUC's Information and Criteria List and the CPUC's PEA checklist in an effort to prepare a robust and comprehensive PEA. Applicants have compared the Application Completeness Letter to the CPUC's Information and Criteria List and PEA checklist, and simply cannot find the majority of the items identified as "deficiencies" on the checklist. Many items identified as "deficiencies" are either premature because the design is still in the preliminary stages and/or the requested items will be the subject of litigation in the CPUC proceeding before the Administrative Law Judge. For example, several "deficiencies" request more detail on the purpose, need, costs, benefits, and alternatives to the Proposed Project. As Applicants recently stated in the Reply to Protest to Application filed on November 12, 2015, we believe "it is appropriate for the Commission to carefully scrutinize the purpose, need, and cost of the Proposed Project within the scope of this proceeding" (Reply to Protest at 7-8). Applicants have agreed with intervenors that evidentiary hearings are likely required, and we anticipate that these issues will be carefully analyzed and within the scope of the regulatory proceeding. Applicants have requested a prehearing conference as quickly as possible to determine the parties, positions of the parties, scope of issues, and other procedural matters. It is, therefore, premature and beyond the scope of an application completeness determination to provide detailed responses to the requests for more information related to purpose, need, and cost of the Proposed Project and alternatives.

Applicants believe that the PEA, as submitted, contains the appropriate level of detail for an application, enables the CPUC to make a determination under the California Environmental Quality Act (CEQA) as to whether to prepare an Environmental Impact Report, Negative Declaration or Mitigated Negative Declaration, and more than satisfies the requirements for a complete application.

Notwithstanding our position that nearly all of the requested items are not "deficiencies" and in a continued effort to be constructive and responsive, Applicants have made a good faith effort to provide as many of the requested items as possible at this time. The enclosed matrix lists each of the requested items with the Applicants' response. Where the requested information is available or could be compiled, Applicants have provided the substantive information that is being requested. In cases where the requested information will take additional time to compile or develop, Applicants have identified an estimated timeframe for providing the requested information. In cases where Applicants believe the requested information is premature because it is contingent on additional project design, or will be litigated, or is contingent on the outcome of the CPUC's regulatory or environmental processes, we have so indicated.

We respectfully request that you deem the Application complete upon review of the attached information or sooner. As you know, this Application addresses pipeline safety requirements and therefore should not be unreasonably delayed. If approved, the natural gas pipeline proposed by Applicants will satisfy the "test or replace" requirements for Line 1600, an existing pipeline constructed in 1949 that is located within populated areas. The proceeding will evaluate the relative costs and benefits of replacing the transmission function of the existing line with a new pipeline versus hydrostatically testing the line. "No action" is not an option; Line 1600 must either be tested or replaced under the requirements enacted after the 2010 pipeline rupture in San Bruno. Because of its location within populated areas, Line 1600 is among the highest priority lines referred to as "Phase 1" of the Applicants' Pipeline Safety and Enhancement Plan (PSEP). As such, no undue burdens should be placed on this Application.

In an effort to implement Applicants' PSEP and satisfy the "test or replace" requirement for Line 1600 as soon as possible, Applicants have taken a number of proactive steps to minimize the likelihood that the Application will encounter undue delays. In addition to a careful review of the CPUC's Information and Criteria List and PEA checklist, Applicants reviewed other CPCN applications and natural gas projects filed with the CPUC, initiated pre-filing consultation with the CPUC as well as Marine Corps Air Station (MCAS) Miramar and Caltrans, and submitted a nearly complete version of the PEA on July 6, 2015 — more than two months in advance of formally filing the Application on September 30, 2015 — to solicit early input from the CPUC about any potential deficiencies. Applicants undertook these additional steps in an effort to avoid any undue delays in processing this Application, which will resolve key questions related to enhancing the safety and reliability of Applicants' natural gas transmission system through the Proposed Project. We have appreciated your support of these efforts, which have required you to dedicate time and resources to this Application even prior to filing. Given the nature of this project and the critical issues to be determined in this proceeding, we remain hopeful that these efforts will facilitate a robust, yet streamlined environmental review of the Application.

In preparing responses to the CPUC's deficiency table, Applicants discovered some minor errors within the PEA that Applicants desire to correct. The changes fall within CPUC Rule of Practice and Procedure 1.12(c) – Minor typographical or wording corrections that do not alter the substance of a filed document or the relief requested therein. By way of example, Applicants recently received final estimates for the costs of land rights for two alternatives to the Proposed Project (Lines 1600 and 3010 alternatives), as detailed herein, the costs differ some from those originally predicted. A redline of these changes is enclosed.

Applicants understand that the CPUC may request additional information at any point during the Application and subsequently during project construction and restoration phases. We sincerely appreciate your time, input, and guidance to date and look forward to continuing to work with you throughout the various stages of this important project.

Very truly yours,



Estela de Llanos
Director, Major Project Development

cc: Mary Jo Borak
Jonathan Koltz
Peggy Farrell
Neil Navin
Shirley Amrany
Edalia-Olivo Gomez
Allen Trial

Enclosures:

Application Completeness Response
PEA Corrections