SAN DIEGO GAS & ELECTRIC COMPANY
SOUTHERN CALIFORNIA GAS COMPANY
LOW OPERATIONAL FLOW ORDER &
EMERGENCY FLOW ORDER REQUIREMENTS
(A.14-06-021)

(2ND DATA REQUEST FROM THE INDICATED SHIPPERS)

QUESTION 1:

Mr. Watson concludes on page 8 of his testimony that if SoCalGas' proposed Low OFO protocols had been applied from April 1, 2013 to March 31, 2014, SoCalGas would have had 41 low OFO events over that period. He observes that over the same period, PG&E had 24 low OFOs.

a. What pipeline inventory limit on the SoCalGas system equates to the Lower Pipeline Inventory Limit used by PG&E to issue a low OFO or EFO?

b. Please explain why SoCalGas chose the values identified in response to Question 1.a.

c. Please state how many low OFO events would have occurred on the SoCalGas system if SoCalGas's proposed low OFO protocols relied on PG&E's trigger definition and the pipeline inventory value identified in response to Question 1.a. in calling low OFOs to manage underdeliveries on a system-wide basis.

RESPONSE 1:

SoCalGas and SDG&E object to the premise of this question that "Mr. Watson concludes on page 8 of his testimony that if SoCalGas' proposed Low OFO protocols had been applied from April 1, 2013 to March 31, 2014, SoCalGas would have had 41 low OFO events over that period." Mr. Watson also states on page 8 in the very next sentence that "This likely overstates the frequency of low OFOs since customers will likely use more storage or schedule more out-of-state supplies under SoCalGas' new, PG&E-like balancing regime." Without waiving this objection, and subject thereto, SoCalGas and SDG&E respond as follows:

a. SoCalGas and SDG&E are not aware of any explanation by PG&E of how it sets its lower pipeline inventory limit; therefore, SoCalGas and SDG&E are unable to provide a precise answer. In an effort to attempt to respond to this question, SoCalGas and SDG&E believe that an inventory limit on the SoCalGas system of approximately 2550 MMcf may roughly equate to the Lower Pipeline Inventory Limit used by PG&E to issue a low OFO or EFO. However, this figure is based on our limited understanding of the operational characteristics of the PG&E system, and may not be correct. Please note that, like PG&E, SoCalGas must retain the flexibility to reassess such numbers as operational conditions and needs change.

b. Operational data indicates that the average daily pipeline inventory level is almost 2600 MMcf. SoCalGas has an average of zero pack and draft because it attempts to maintain this approximate level at the end of most days. The standard deviation of this data is just over 50 MMcf; therefore, the 2550 MMcf figure is about one standard deviation below the mean. If daily pipeline inventory is lower than this figure, there is a higher risk that hourly drafting (possibly another one to three hundred MMcf/d equivalent) throughout the day will create unsafe operational conditions on the pipeline.
c. SoCalGas and SDG&E believe this is an unreasonable hypothetical because it assumes that pipeline inventory drafting on the day should be used to supplement considerable storage withdrawal assets already allocated to that function (340 MMcf/d on SoCalGas vs. 75 MMcf/d on PG&E). It also ignores the fact that intra-day hourly drafting will become even more volatile with more volatile EG loads, especially “quick-start” EG load. SoCalGas and SDG&E firmly believe it is unreasonable to risk pipeline safety and customer curtailments simply to give shippers more flexibility to enhance their profits by being out of balance each day.

   Nevertheless, SoCalGas performed a hypothetical that supplemented its 340 MMcf/d of withdrawal with any pipeline inventory over the 2550 MMcf level and triggered a low OFO over the April 2013-March 2014 period using 340 MMcfd of withdrawal plus pipeline draft, if available.

   The number of low OFOs over the period was reduced from 41 to 38 days. SoCalGas believes all these numbers are overstated since it believes customers will adjust their behavior under new low OFO rules.