

**TRIENNIAL COST ALLOCATION PROCEEDING PHASE 1 APPLICATION
OF SOUTHERN CALIFORNIA GAS COMPANY &
SAN DIEGO GAS & ELECTRIC COMPANY FOR AUTHORITY TO REVISE THEIR
NATURAL GAS RATES EFFECTIVE JANUARY 1, 2016**

(A.14-12-017)

(DATA REQUEST ORA-TCAP-SCG-10)

QUESTION 1:

Attachment A to Mr. Watson's confidential rebuttal testimony includes three changes to ORA's original analysis (which Sempra calls a "Nomination Study"), described in Mr. Watson's rebuttal testimony as follows:

1. *"First, ORA based its analysis on core's firm injection nomination data and ignored the cuts to those 'firm' nominations due to a lack of winter injection capacity. Correcting for that error reduces the lost injection opportunity to 61 Bcf."*

2. *"ORA also fails to take into account offsetting withdrawal nominations on many of those injection days. Correcting for this oversight reduces the lost injection opportunity over the last six years to 33 Bcf."*

3. *"And ORA assumes no interruptible injection rights for the core under the SoCalGas and SDG&E proposal ... Correcting for this additional error reduces the lost injection opportunity over the last six years of a 190 MMcfd firm injection allocation plus interruptible rights rather than a 388 MMcfd firm injection allocation plus interruptible injection rights to 8.4 Bcf, not 85 Bcf."*

Please describe and provide cell references to:

- a. Any and all additions, changes, or removals performed to ORA's original analysis to create tab "Tab B" of the live spreadsheet version of Mr. Watson's rebuttal testimony Attachment A.4
- b. Any and all additions, changes, or removals performed to ORA's original analysis to create tab "Tab C" of the live spreadsheet version of Mr. Watson's rebuttal testimony Attachment A.
- c. Any and all additions, changes, or removals performed to ORA's original analysis to create tab "Tab D" of the live spreadsheet version of Mr. Watson's rebuttal testimony Attachment A.

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RESPONSE 1:

- a. Tab A recreates the ORA analysis. ORA incorrectly assumed that nominations actually flowed. In Tab B we substituted lower scheduled volumes as opposed to the nominations requests in columns B-E, which were highlighted.
- b. In Tab A ORA did not net out offsetting withdrawal activity. Tab C includes the changes in Tab B but then adjusts the formula in Column H, which is highlighted, to net out offsetting withdrawal activity.
- c. Finally, in Tab A ORA included interruptible injections in its analysis of the status quo, but assumed there would be no interruptible injections under the new TCAP proposal. This assumption is incorrect. So Tab D is identical to Tab C except that the formula in Column H excludes the interruptible transactions so as to create an apples-to-apples comparison. SoCalGas' proposal does nothing to reduce the core's interruptible rights. The results in Tab D can be replicated in Tab C by simply zeroing out the interruptible injection volumes in column C.

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QUESTION 2:

Please provide any supporting data used to inform, quantify, or otherwise create the modifications (as described in Question 1) made to ORA's original analysis. Data should be in three separate data sets to allow the three types of modifications to be distinguished from each other.

RESPONSE 2:

Columns B-E and Column H contain the changes in Tabs B-D, as described in Answer 1.

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QUESTION 3:

Please reference the D.08-12-020 Settlement Agreement, Attachment 1, Appendix A, page 3, paragraph 4.

Does SoCalGas/SDG&E agree that this document dictates that total current annual firm withdrawal allocations in the SoCalGas/SDG&E system are 3195 million cubic feet per day (MMCFD)?

RESPONSE 3:

Yes, until Dec 31, 2015; no after that. That Settlement states that new capacities for 2016 and beyond would be established in this TCAP proceeding. ENVOY capacity postings show that number was not regularly available through recent summers.

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QUESTION 4:

Does SoCalGas/SDG&E agree that D.08-12-020 Settlement Agreement, Attachment 1, Appendix A, page 3, paragraph 4 dictates total current annual firm injection allocations in the SoCalGas/SDG&E system are 850 (MMCFD)?

RESPONSE 4:

Yes, until Dec 31, 2015; no after that. That Settlement states that new capacities for 2016 and beyond would be established in this TCAP proceeding. ENVOY capacity postings show that number was not regularly available through recent winters.

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QUESTION 5:

If the answer to question 3 is no, please indicate the total current annual firm withdrawal allocations on the SoCalGas/SDG&E system in MMCFD. Please provide the source of information for this number.

RESPONSE 5:

See response 3. After 2015, SoCalGas believes there is no such number. See Watson Direct Testimony, pages 2-3, Table 3.

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QUESTION 6:

If the answer to question 4 is no, please indicate the total current annual firm withdrawal allocations on the SoCalGas/SDG&E system in MMCFD. Please provide the source of information for this number.

RESPONSE 6:

See Response 4. After 2015, SoCalGas believes there is no such number. See Watson Direct Testimony, pages 2-3, Table 3.

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QUESTION 7:

If SoCalGas/SDG&E kept the total current annual firm withdrawal allocations in the SoCalGas/SDG&E system as is, and allocated that total between its proposed winter and summer periods, what would the total withdrawal allocation be in summer of:

- a. 2016?
- b. 2017?
- c. 2018?
- d. 2019?

RESPONSE 7:

SoCalGas doesn't support such a proposal. Nevertheless, if the Commission were to extend the current 2009 TCAP settlement numbers that were supposed to be re-established in this TCAP, the following allocations would apply:

- 3195 MMcfd annual firm withdrawal
- 2225 MMcfd annual firm (subject to significant prorationing) withdrawal for the core
- 340 MMcfd annual firm withdrawal for balancing
- 630 MMcfd annual firm (subject to significant prorationing)

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QUESTION 8:

If SoCalGas/SDG&E kept the total current annual firm injection allocations in the SoCalGas/SDG&E system, and allocated that between its proposed winter and summer periods, what would the total injection allocation be in winter of:

- e. 2016?
- f. 2017?
- g. 2018?
- h. 2019?

RESPONSE 8:

SoCalGas doesn't support such a proposal. Nevertheless, if the Commission were to extend the current 2009 TCAP settlement numbers that were supposed to be re-established in this TCAP, the following allocations would apply:

2016

850 MMcfd annual firm injection
388 MMcfd annual firm (subject to significant prorationing) injection for the core
200 MMcfd annual firm injection for balancing
262 MMcfd annual firm (subject to significant prorationing) injection for unbundled storage

2017-2019

995 MMcfd annual firm injection
388 MMcfd annual firm (subject to significant prorationing) injection for the core
200 MMcfd annual firm injection for balancing
407 MMcfd annual firm (subject to significant prorationing) injection for unbundled storage

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QUESTION 9:

Please reference the document entitled, “**CONFIDENTIAL PREPARED REBUTTAL TESTIMONY OF STEVE WATSON TO ORA CONFIDENTIAL APPENDIX B SOUTHERN CALIFORNIA GAS COMPANY AND SAN DIEGO GAS & ELECTRIC COMPANY**”, which asserts that ORA overstates a concern that reduced winter injection capacity leads to higher gas commodity costs for core. On page 2, this testimony states, “*First, ORA based its analysis on core’s firm injection nomination data and ignored the cuts to those “firm” nominations due to a lack of winter injection capacity. Correcting for that error reduces the lost injection opportunity to 61 Bcf (from 85.2 Bcf).*”

- a. Does SoCalGas/SDG&E’s asserted correction from 85.2 to 61 Bcf include the additional injection capacity that will be provided by the Aliso Canyon storage facility?
- b. Are there any other storage facilities (or expansions to existing facilities) either planned or in construction that will provide additional injection capacity and are excluded from SoCalGas/SDG&E’s asserted correction (from 85.2 to 61 Bcf)? Please list each such facility and identify when SoCalGas/SDG&E or other operator currently proposes to begin operation for each one.
- c. Please provide the total additional firm storage and injection capacity to be provided by all projects that are planned or under construction.

RESPONSE 9:

- a. No.
- b. No.
- c. 145 MMcfd starting in 2017 from the Aliso modernization project. 40 MMcfd of injection lost at Goleta may be recouped by late 2018 if sufficient funds are made available through the GRC.