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-11)

QUESTION 1:

For this question, please reference the D.08-12-020 Settlement Agreement, Attachment 1, Appendix A, page 3, paragraph 4 ("Settlement Agreement"). Assume that the total current annual firm withdrawal allocations in the SoCalGas/SDG&E system are 3,195 million cubic feet per day (MMCFD) for purposes of this question. With reference to the Phase 1 rebuttal testimony of Mr. Watson, p. 2, Table 1:

- a. Please explain the reasons why the winter withdrawal is 3,175 MMCFD, 20 MMCFD less than the total firm withdrawal provided in the Settlement Agreement.
- b. Please explain the reasons why the summer withdrawal is 1,812 MMCFD, 1,383 MMCFD less than the total firm withdrawal provided in the Settlement Agreement.

RESPONSE 1:

- a. Please see the Direct Testimony of Mr. Watson at page 3: "...deliverability drops to 3,175 MMcfd when storage inventory falls to 34 Bcf. Over the last three winters, inventory has remained over 34 Bcf more than 90% of the winter days. Therefore, prorationing of firm rights should be rare using the 3,175 MMcfd figure since inventories do not typically fall below 34 Bcf, if at all, until late February or March—a period in which the core's need for its full 2,225 of firm rights typically drops several hundred MMcfd as the weather gets warmer."
- b. Please see the Direct Testimony of Mr. Watson at page 3-4: "Due to maintenance of withdrawal capabilities during the summer, total firm withdrawal over the summer should be set at 1,812 MMcfd, which is below posted withdrawal capacity over the last three summers more than 85% of the days." Only two days over the same summer periods had Envoy withdrawal capacity postings of 3,195 MMcfd.

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QUESTION 2:

For this set of questions, please reference the D.08-12-020 Settlement Agreement, Attachment 1, Appendix A, page 3, paragraph 4. Assume that the total current annual firm injection allocations in the SoCalGas/SDG&E system are 850 million cubic feet per day (MMCFD) for purposes of this question. Please also reference the Phase 1 rebuttal testimony of Mr. Watson, p. 2, Table 1.

- a. Please explain the reason(s) why the total summer injection capacity for 2016 is 770 MMCFD, 80 MMCFD less than the total firm injection provided in the Settlement Agreement.
- b. Please explain the reason(s) why the total summer injection capacity for 2017-2019 is 915 MMCFD, 65 MMCFD more than the total firm injection provided in the Settlement Agreement.
- c. Please explain the reason(s) why the total winter injection capacity for 2016 is 390 MMCFD, 460 MMCFD less than the total firm injection provided in the Settlement Agreement.
- d. Please explain the reason(s) why the total winter injection capacity for 2017-2019 is 535 MMCFD, 315 MMCFD less than the total firm injection provided in the Settlement Agreement.
- e. Is Table 1 proposing that the column entitled "Injection 2017-2019 Summer" means that the same numbers in that column apply for each summer (as defined by SDG&E and SoCalGas) in 2017, 2018 and 2019? If not, please explain what the column represents.
- f. Is Table 1 proposing that the column entitled "Injection 2017-2019 Winter" means that the same numbers in that column apply for each winter (as defined by SDG&e and SoCalGas) in 2017, 2018 and 2019? If not, please explain what the column represents.
- g. Is the total withdrawal winter amount in Table 1 of 3175 MMCFD intended to be for 2016 2019? If not, please explain.

h. Is the total withdrawal summer amount in Table 1 of 1,812 MMCFD intended to be for 2016 - 2019? If not, please explain.

i. Please explain why there are no dates identifying the withdrawal data in Table 1 (like there are for the injection data in that table).

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RESPONSE 2:

- a) The Settlement does not establish capacity figures for 2016. See the Direct Testimony of Mr. Watson at page 2 for the reasons 770 MMcd was chosen.
- b) The Settlement does not establish capacity figures for 2017-2019. Per page 3 of Mr. Watson's Direct Testimony, "Injection capacity will increase by 145 MMcfd with the Aliso Turbine Replacement Project."
- c) The Settlement does not establish capacity figures for 2016. Per page 3 of Mr. Watson's Direct Testimony, "Injection availability postings over the last four winters have averaged 390 MMcfd." Theoretically, a firm number should be even lower than this, but this was already a 50% downward adjustment.
- d) See Response b and c.
- e) Yes.
- f) Yes.
- g) Yes
- h) Yes
- i) Unlike injection, there is projected to be no change in withdrawal capacities over the TCAP period.