

**SAN DIEGO GAS & ELECTRIC COMPANY  
SOUTHERN CALIFORNIA GAS COMPANY  
PIPELINE SAFETY & RELIABILITY PROJECT (PSRP)  
(A.15-09-013)  
(DATA REQUEST ORA-08)  
Date Requested: April 27, 2016  
Date Responded: May 12, 2016**

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**PRELIMINARY STATEMENT**

1. These responses and objections are made without prejudice to, and are not a waiver of, SDG&E and SoCalGas' right to rely on other facts or documents in these proceedings.
2. By making the accompanying responses and objections to these requests for data, SDG&E and SoCalGas does not waive, and hereby expressly reserves, its right to assert any and all objections as to the admissibility of such responses into evidence in this action, or in any other proceedings, on any and all grounds including, but not limited to, competency, relevancy, materiality, and privilege. Further, SDG&E and SoCalGas makes the responses and objections herein without in any way implying that it considers the requests, and responses to the requests, to be relevant or material to the subject matter of this action.
3. SDG&E and SoCalGas will produce responses only to the extent that such response is based upon personal knowledge or documents in the possession, custody, or control of SDG&E and SoCalGas. SDG&E and SoCalGas possession, custody, or control does not include any constructive possession that may be conferred by SDG&E or SoCalGas' right or power to compel the production of documents or information from third parties or to request their production from other divisions of the Commission.
4. A response stating an objection shall not be deemed or construed that there are, in fact, responsive information or documents which may be applicable to the data request, or that SDG&E and SoCalGas acquiesces in the characterization of the premise, conduct or activities contained in the data request, or definitions and/or instructions applicable to the data request.
5. SDG&E and SoCalGas objects to the production of documents or information protected by the attorney-client communication privilege or the attorney work product doctrine.
6. SDG&E and SoCalGas expressly reserve the right to supplement, clarify, revise, or correct any or all of the responses and objections herein, and to assert additional objections or privileges, in one or more subsequent supplemental response(s).
7. SDG&E and SoCalGas will make available for inspection at their offices any responsive documents. Alternatively, SDG&E and SoCalGas will produce copies of the documents. SDG&E and SoCalGas will Bates-number such documents only if SDG&E and SoCalGas deem it necessary to ensure proper identification of the source of such documents.
8. Publicly available information and documents including, but not limited to, newspaper clippings, court papers, and materials available on the Internet, will not be produced.

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9. SDG&E and SoCalGas object to any assertion that the data requests are continuing in nature and will respond only upon the information and documents available after a reasonably diligent search on the date of its responses. However, SDG&E and SoCalGas will supplement its answers to include information acquired after serving its responses to the Data Requests if it obtains information upon the basis of which it learns that its response was incorrect or incomplete when made.
10. In accordance with the CPUC's Discovery: Custom And Practice Guidelines, SDG&E and SoCalGas will endeavor to respond to ORA's data requests by the identified response date or within 10 business days. If it cannot do so, it will so inform ORA.
11. SDG&E and SoCalGas object to any ORA contact of SDG&E and SoCalGas officers or employees, who are represented by counsel. ORA may seek to contact such persons only through counsel.
12. SDG&E and SoCalGas objects to ORA's instruction to send copies of responses to entities other than ORA.

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**Subject: Prepared Testimony of G. Marelli**

**QUESTION 1:**

The Prepared Direct Testimony of G. Marelli at page 2 states that “higher-priced supply at Otay Mesa would also require a pipeline expansion of the pipeline system that moves gas from Ehrenberg, Arizona to Otay Mesa. For that path, systems with sufficient capacity of 400 MMcfd need to be available for purchase on a firm basis.”

- a. Provide supporting information for the statement that supplies at Otay Mesa are higher priced than the Ehrenberg/Blythe or Topock receipt points.
- b. What is the price differential amongst all receipt points germane to delivering flowing gas supplies into San Diego?
- c. How much expansion of the Ehrenberg to Otay Mesa pipelines is required to achieve 400 MMcfd?
- d. Does Sempra have any affiliates that purchase capacity on any of the Ehrenberg to Otay Mesa pipelines? Please explain.
- e. Please identify each pipeline in the “pipeline system that moves gas from Ehrenberg, Arizona to Otay Mesa” that requires a pipeline expansion?
- f. Is there currently any unsubscribed capacity on any of the Ehrenberg to Otay Mesa pipelines identified in response to question e? Please provide data showing current capacity on all such lines.

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**RESPONSE 1:**

- a. The table below provides: the published Index Prices for SoCal Border; the published Index Prices for El Paso South Mainline; and cost of Otay Mesa deliveries. The deliveries to the Otay Mesa receipt point are higher priced in all instances.

Comparison of Average SoCalGas Border Price Index and Otay Mesa Delivered Cost		
Date	SoCal Border Index	Otay Price Paid
1/15/2013	\$3.7200	\$4.5172
1/15/2013	\$3.7200	\$4.6172
1/16/2013	\$3.6200	\$4.3172
3/23/2013	\$4.1000	\$4.5559
3/24/2013	\$4.1000	\$4.7959
10/15/2013	\$3.8700	\$4.2737
10/16/2013	\$3.9500	\$4.3437
10/17/2013	\$3.9900	\$4.3587
11/14/2013	\$3.7000	\$4.0965
12/10/2013	\$7.2400	\$8.6977
12/11/2013	\$5.1600	\$6.1977
12/11/2013	\$5.1600	\$7.6477
12/11/2013	\$5.1600	\$6.8977

SDG&E and SoCalGas have not transported any gas to the Otay Mesa receipt point since 2013, and as such, do not have Otay Mesa pricing data available since then.

- b. The price differential amongst all receipt points most germane to delivering flowing supplies to the SDG&E system is between the El Paso Natural Gas Company (EPNG) Ehrenberg and Transportadora de Gas Natural de Baja California (TGN) Otay Mesa system receipt points.
- c. The amount of construction required to facilitate a firm 400 million cubic feet per day (MMcfd) path from Ehrenberg to Otay Mesa on each of the three pipelines on the North Baja pipeline system (North Baja Pipeline to Gasoducto Rosarito to TGN) is unknown at this time. Each of the respective pipelines would have to respond in order to properly quantify the response.

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- d. Yes. SDG&E and SoCalGas affiliates who purchase capacity on the Ehrenberg to Otay Mesa path pipelines include: Sempra LNG Marketing LLC on North Baja Pipeline; Sempra LNG Marketing Mexico on Gasoducto Rosarito; and IEnova LNG on TGN.
- e. Please see Response 1(c) above.
- f. On May 9, 2016 the North Baja Pipeline posted that 117,000 MMBtu of unsubscribed firm capacity was available on the Ehrenberg to Otay Mesa path which is attached below. No posting of unsubscribed capacity is available on either the Gasoducto Rosarito or TGN websites.



NB

UnsubscribedCapacity

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**QUESTION 2:**

The Prepared Direct Testimony of G. Marelli at page 2 states “the only alternative supply available to SDG&E customers during a Line 3010 or Moreno Compressor Station outage are:” Rainbow Station on Line 1600, or Otay Mesa.

- a. For the last 10 years, provide the number of outages or curtailments on Line 3010 and the quantity curtailed.
- b. For the last 10 years, provide the number of outages or curtailments on Line 1600 and the quantity curtailed.
- c. For the last 10 years, provide the number of outages or curtailments on the Moreno Compressor Station and the quantity curtailed.

**RESPONSE 2:**

- a. Please see SDG&E’s and SoCalGas’ response to Question 5 of ORA Data Request 7.
- b. No specific outages on Line 1600 have required curtailment of customers not directly connected to the facility.
- c. No specific outages on the Moreno Compressor Station have required curtailment of SDG&E customers.

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**QUESTION 3:**

Provide all supporting evidence and assumptions to the statement in the Prepared Direct Testimony of G. Marelli at page 3 that the “costs to [BTS customers] may be significant”, including a definition of “significant costs”.

**RESPONSE 3:**

A definition of significant costs would at minimum be “approximately 30-40 cents per decatherm (Dth), assuming that interruptible capacity is available” as described on page 6 of the Prepared Direct Testimony of Gwen Marelli.

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**QUESTION 4:**

How much capacity has SoCalGas/SDG&E procured on the Ehrenberg to Otay Mesa pipelines in order to enhance resiliency of San Diego, since 2010?

**RESPONSE 4:**

SDG&E and SoCalGas have not purchased any capacity on the Ehrenberg to Otay Mesa path in order to enhance system resiliency since 2010. SDG&E and SoCalGas have occasionally transported gas supply on this path on an interruptible basis to maintain system integrity.

The table in the attachment shows scheduled deliveries at Otay Mesa from January 2010 to the present.



ORA DR 8 Q4.xlsx



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**QUESTION 5:**

Provide the supporting documentation for the assertion in the Prepared Direct Testimony of G. Marelli at page 6 that “currently one of the three pipelines is nearly fully subscribed, with only 25 MMcfd available.” Please clarify which pipeline is being referenced here.

**RESPONSE 5:**

The pipeline being referenced is Gasoducto Rosarito. The assertion was based on a response from a Gasoducto Rosarito sales representative to a query from a SDG&E and SoCalGas representative.

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**QUESTION 6:**

How much gas do core customers procure on the Ehrenberg to Otay Mesa pipelines?

**RESPONSE 6:**

Core customers do not procure gas on the Ehrenberg to Otay Mesa pipelines.

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**QUESTION 7:**

Describe all circumstances under which SoCalGas/SDG&E builds or procures complete redundancy for pipelines within its system.

**RESPONSE 7:**

SDG&E and SoCalGas will consider installing redundant facilities when the consequence of failure becomes unacceptable to a significant percentage of their customer base, and would impact their obligation to “furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities . . . as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public” pursuant to Section 451 of the Public Utilities Code. Even so, “complete redundancy” is not SDG&E’s and SoCalGas’ goal, and SDG&E and SoCalGas do not have “complete redundancy” on areas of its system where redundant facilities have been installed, and are not proposing “complete redundancy” on the SDG&E system in this application.

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**QUESTION 8:**

The Prepared Direct Testimony of G. Marelli at pages 7-8 describes exports from the El Paso South Mainline to Mexico. Footnote 9 references two presentations, one by Bentek and the other in the Pipeline and Gas Journal.

- a. Confirm that the Pipeline and Gas Journal article referenced by G. Marelli states that El Paso Natural Gas is undertaking an expansion of its system to accommodate Mexican gas demand: The agreement provides for deliveries primarily to a new point of interconnection with the Sierrita Pipeline project along EPNG's South Mainline and also to California. Transportation service will be provided by using existing capacity available on EPNG's North Mainline along with undertaking certain system upgrades to enhance deliverability to the South Mainline. To facilitate the full 550,000 Dth/d of service by October 2020, EPNG is planning an expansion that would consist of looping its Havasu Crossover line and installing new compression as well as undertaking modifications at several existing compressor stations to facilitate west-to-east flow along the South Mainline.

**RESPONSE 8:**

SDG&E and SoCalGas confirm that the referenced article states that El Paso is undertaking an expansion of its system to accommodate natural gas demand in Mexico. See pasted excerpt below:

Kinder Morgan To Export Natural Gas To Mexico; El Paso Signs Contract For Delivery

[September 2014, Vol. 241, No. 9](#)

Kinder Morgan Energy Partners, L.P. announced that El Paso Natural Gas Company has entered into a 21-year firm transportation agreement with Mexico's Comisión Federal de Electricidad (CFE) to initially provide 163,000 Dth/d of firm transportation capacity by October, ramping up to 200,000 Dth/d by October 2017 and 550,000 Dth/d by October 2020.

The phased capacity increases will be accomplished using existing and expansion capacity on the EPNG system. Capital expenditures are estimated at \$529 million.

Engineering and procurement activities have begun on the first phase of work which involves system improvements to deliver volumes to the Sierrita Pipeline near Tucson by October. The second phase will result in incremental deliveries of natural gas to the

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Sierrita Pipeline and to California, and is expected to be completed by October 2020. The Sierrita Pipeline is expected to be in service shortly.

“This firm transportation agreement will help CFE to realize its goal of converting numerous fuel oil-powered generation plants throughout Mexico to natural gas, as well as provide transportation for a number of new gas-fired plants under development,” said West Region Gas Pipeline President Mark Kissel.

The agreement provides for deliveries primarily to a new point of interconnection with the Sierrita Pipeline project along EPNG’s South Mainline and also to California.

Transportation service will be provided by using existing capacity available on EPNG’s North Mainline along with undertaking certain system upgrades to enhance deliverability to the South Mainline. To facilitate the full 550,000 Dth/d of service by October 2020, EPNG is planning an expansion that would consist of looping its Havasu Crossover line and installing new compression as well as undertaking modifications at several existing compressor stations to facilitate west-to-east flow along the South Mainline.

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**QUESTION 9:**

Describe any and all open season results along the Rainbow Corridor or San Diego from January 1, 2014 through April 1, 2016.

- a. If any open seasons were held, was any new capacity needed as demonstrated through long-term firm commitments, in accord with Decision 06-09-039?

**RESPONSE 9:**

Please refer to the attached documents.



4829.pdf



2397-G.pdf

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**QUESTION 10:**

Why was the Otay Mesa receipt point established in 2008, and what were the direct costs of establishing the receipt point?

**RESPONSE 10:**

On September 2, 2004, the CPUC issued D.04-09-022 in connection with its Order Instituting Rulemaking to Establish Policies and Rules to Ensure Reliable Long-Term Supplies of Natural Gas to California (Rulemaking 04-01-025). In D.04-09-022, the CPUC provided that SDG&E and SoCalGas were permitted to establish a receipt point at Otay Mesa and that Otay Mesa is to be a common receipt point for both SoCalGas and SDG&E (see Ordering Paragraphs 7 and 7.a). Please note that the interconnection at Otay Mesa is with TGN.

In 2006, TGN and SDG&E entered into an agreement (at TGN's request) for SDG&E to construct an interconnection between TGN and SDG&E at Otay Mesa. This work was done in accordance with SDG&E Rule 39 and a related Commission-approved Collectible System Upgrade Agreement form (Form 143-003). Construction on the interconnection began in September 2007, and was completed in mid-2008. Under the agreement, TGN was required to pay for the cost of the new facilities, and therefore the costs of the facilities are not included in rate base. The total costs amounted to approximately \$6.0 million.

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**QUESTION 11:**

The Prepared Direct Testimony of G. Marelli at pages 10-11 describes how there could be more frequent Electrical Generator curtailments if Line 1600 is taken out of service for pressure testing.

- a. Given that Line 3010 provides approximately 90% of the capacity into San Diego, whereas Line 1600 provides approximately 10% of the capacity, how would the outage of Line 1600 be different than those that occurred in Q3 2011, as described on page 9?
- b. Describe the type of pipeline maintenance work that was undertaken on Line 3010 in Q3 2011.
- c. What is the probability that the “loss of capacity could lead to more frequent curtailments of EG demand in San Diego” described on pages 10-11?
- d. What is the basis for providing the probability requested in question c.
- e. Please concretely define what is meant by “more frequent Electrical Generator curtailments”? How many Electrical Generator curtailments does SCG/SDG&E anticipate could happen if Line 1600 is taken out of service for pressure testing?
- f. Does SCG/SDG&E anticipate that the number of Electrical Generator curtailments that could happen if Line 1600 is taken out of service for pressure testing would vary depending upon the time of year in which Line 1600 is taken out of service?
- g. Could other tools and factors be used to mitigate the number of Electrical Generator curtailments if Line 1600 is taken out of service for pressure testing? Please list all such tools and factors.
- h. Could such tools and factors be used to eliminate the number of Electrical Generator curtailments if Line 1600 is taken out of service for pressure testing? What is the likelihood that such Electrical Generator curtailments could be eliminated in the event Line 1600 is taken out of service for pressure testing?

**RESPONSE 11:**

- a. An outage on Line 1600 could directly impact service to three power plants that are exclusively or primarily served by that pipeline, impact delivered pressure to a large



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commercial/industrial customer, and somewhat reduce capacity for the entire SDG&E system. The referenced outage in Q3 2011 was on Line 3010; the capacity impact and number of customers which resulted from the Line 3010 outage was much more significant.

- b. Transmission mainline valves were retrofitted to allow for the inline inspection of the pipeline.
- c. SDG&E and SoCalGas have not estimated that probability.
- d. N/A
- e. SDG&E and SoCalGas have not estimated that figure.
- f. Risk to the electric generating market could occur at any time of high demand, with or without Line 1600. High demand on the SDG&E system occurs during the summer cooling season and during the winter heating season, although the peak demand during the winter heating season is much larger than during the summer cooling season.
- g. Tools and factors to mitigate the number of Electric Generator curtailments if Line 1600 is taken out of service for pressure testing include:
  - Testing from April 1st through June 15th and October 1st through December 15th to avoid peak gas usage during winter and summer months,
  - Obtain capacity on pipelines from Ehrenberg to Otay Mesa during Hydrotesting, and
  - Coordinating the timing of hydrotesting individual test segments with Electric Generator maintenance schedule.
- h. Barring an outage event on Line 3010 or gas supply issues at Ehrenberg, utilizing these tools and factors would result in minimal likelihood of curtailment.