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PRELIMINARY STATEMENT

- 1. These responses and objections are made without prejudice to, and are not a waiver of, SDG&E's 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 do 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, as set forth in the California Public Utilities Commission ("Commission or CPUC") Rules of Practice and Procedure. SDG&E and SoCalGas possession, custody, or control does not include any constructive possession that may be conferred by SDG&E's and 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 expressly reserves 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).
- 6. 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.
- 7. Publicly available information and documents including, but not limited to, documents that are part of the proceeding record, newspaper clippings, court papers, and materials available on the Internet, will not be produced.

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GENERAL OBJECTIONS

- 1. SDG&E and SoCalGas object to each instruction, definition, and request to the extent that it purports to impose any requirement or discovery obligation greater than or different from those under the CPUC Rules of Practice and Procedure, Statutes, and the applicable Orders of the Commission.
- 2. SDG&E and SoCalGas object to each request that is overly broad, unduly burdensome, or not reasonably calculated to lead to the discovery of admissible evidence.
- 3. SDG&E and SoCalGas object to each instruction, definition and data request to the extent that it seeks information protected from disclosure by the attorney-client privilege, deliberative process privilege, attorney work product doctrine, or any other applicable privilege. Should any such disclosure by SDG&E and SoCalGas occur, it is inadvertent and shall not constitute a waiver of any privilege.
- 4. SDG&E and SoCalGas object to each instruction, definition and data request as overbroad and unduly burdensome to the extent it seeks documents or information that are readily or more accessible to Southern California Generation Coalition (SCGC) from SCGC's own files, from documents or information in SCGC's possession, or from documents or information that SDG&E and SoCalGas previously released to the public or produced to SCGC. Responding to such requests would be oppressive, unduly burdensome, and unnecessarily expensive, and the burden of responding to such requests is substantially the same or less for SCGC as for SDG&E and SoCalGas.
- 5. SDG&E and SoCalGas object to each instruction, definition and data request to the extent that it seeks the production of documents and information that were produced to SDG&E and SoCalGas by other entities and that may contain confidential, proprietary, or trade secret information.
- 6. To the extent any of SCGC's data requests seek documents or answers that include expert material, including but not limited to analysis or survey materials, SDG&E and SoCalGas object to any such requests as premature and expressly reserves the right to supplement, clarify, revise, or correct any or all responses to such requests, and to assert additional objections or privileges, in one or more subsequent supplemental response(s) in accordance with the time period for exchanging expert reports set by the Commission.
- 7. SDG&E and SoCalGas incorporate by reference every general objection set forth above into each specific response set forth below. A specific response may repeat a general objection for emphasis or some other reason. The failure to include any general objection in any specific response does not waive any general objection to that request. Moreover, SDG&E and SoCalGas do not waive their right to amend any responses.

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QUESTION 8.1:

With respect to the Applicants' response to SCGC-07, Q.7.11:

- 8.1.1. Given that the basis for the cost estimate as stated in response Q.7.11.6 is an operating LNG terminal, are the Applicants' assuming that the \$975 million paid to complete Costa Azul did not include the cost categories listed in response to Q.7.11.13 as being additional to the "Process Facilities and Utilities" subtotal?
- 8.1.2. Addressing each of the cost categories listed in response to Q.7.11.13 as being additional to the "Process Facilities and Utilities" subtotal, please explain why each of these cost categories cannot reasonably be assumed to be already incorporated in the cost of completed Costa Azul plant:
 - 8.1.2.1. Offsite (storage, flare & liquid blow-down, fire protection, etc.)
 - 8.1.2.2. Site infrastructure (roads, substation, telecommunication, etc.) [\$25.2M]
 - 8.1.2.3. Materials & Construction: 5 miles of underground pipeline per LNG plant plus 15% Site prep, material handling on LNG plant plus pipeline cost
 - 8.1.2.4. Other Direct Costs (on subtotal of Process Facilities, LNG plant subtotal, and materials & construction), which include:
 - 8.1.2.4.1. 30% Engineering and procurement
 - 8.1.2.4.2. 2% Permitting, ROW/Land acquisition [\$6.5M]
 - 8.1.2.4.3. 6% Environmental [\$19.6M]
 - 8.1.2.5. Owner Cost 15% of total

RESPONSE 8.1:

- 8.1.1. For the purposes of the response to SCGC DR 7 Q7.11, SDG&E and SoCalGas (Applicants) assumed that the \$975 million represented the Inside Battery Limit (ISBL) costs. The publicly available financial information about the Energia Costa Azul (ECA) project did not provide a breakdown of the \$975 million.
 - 8.1.2.1 See the response to Question 8.1.1 above.
 - 8.1.2.2 See the response to Question 8.1.1 above.

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- 8.1.2.3 See the response to Question 8.1.1 above. An allowance was given to connect the LNG plants to the gas transmission system.
- 8.1.2.4 See the response to Question 8.1.1 above.
- 8.1.2.5 See the response to Question 8.1.1 above.

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QUESTION 8.2:

Are the Applicants' stating that the Costa Azul plant was built without the standard construction engineering, design and project management processes that would be expected with a major infrastructure project in the U.S.?

RESPONSE 8.2:

No.

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QUESTION 8.3:

If the answer to the previous question is "yes," please explain what elements of the construction at Costa Azul that the Applicants believe are substandard.

RESPONSE 8.3:

N/A

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QUESTION 8.4:

With respect to the Applicants' response to SCGC-07, Q.7.12.1, the Applicants state: "To determine the percent savings for the other pipeline diameters, the 0% savings for the 16-inch or less diameter pipelines and the 100% savings (\$5.9 million per year) for the 36-inch pipeline were plotted on a graph. Cost savings for smaller diameter pipe (20"-30") are factored and plotted based on the ratio of the pipe diameter to the 36" pipeline - Proposed Project." Please explain in detail why the cost of the compressor station would vary linearly with the diameter of the pipe.

RESPONSE 8.4:

Compressor station operational costs are driven by many different input factors related to both labor and non-labor costs. Many of these costs will not vary significantly based on diameter of pipeline considered while other costs will have a relationship that is associated with pipeline diameter. Applicants used their experience and judgment to determine that using a linear relationship between pipeline diameter and operating cost would result in reasonable cost estimates that not only adequately characterize the cost figure, but also reasonably represent the differential of costs between the various pipe diameters.

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QUESTION 8.5:

With respect to the Applicants' response to SCGC-05, Q.5.7.7, which provides a system map showing all existing transmission lines as well as the proposed Line 3602, what is the distance in miles between the proposed point of termination of Line 3602 into Line 2010 and the existing point where Line 3600 interconnects into Line 2010?

RESPONSE 8.5:

The line of sight distance between the proposed point of termination of Line 3602 into Line 2010 and the existing point where Line 3600 interconnects into Line 2010 is approximately 3.7 miles.

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QUESTION 8.6:

With respect to Applicants' response to Sierra Club data request 1, question 5, please provide:

- 8.6.1. The average pressure observed over the last two years for Line 2010.
- 8.6.2. The minimum and maximum pressures observed over the last two years for Line 2010.
- 8.6.3. The MAOP for Line 2010.
- 8.6.4. What would be the delivery capacity of Line 2010 if it were operating at approximately its MAOP?
- 8.6.5. What would be the delivery capacity of Line 2010 if it were operating at approximately 90 percent of its MAOP?
- 8.6.6. What would be the delivery capacity of Line 2010 if it were operating at approximately 80 percent of its MAOP?

RESPONSE 8.6:

The MAOP information highlighted in gray below is confidential and provided pursuant to the Non-Disclosure and Protection Agreement between SDG&E/SoCalGas and SCGC

- 8.6.1 The average pressure observed over the last two years for Line 2010 was 550 psig.
- 8.6.2 The minimum and maximum pressures observed over the last two years for Line 2010 were 430 and 600 psig, respectively.
- 8.6.3 The MAOP for Line 2010 is psig.
- 8.6.4 Line 2010 operates as part of the greater SDG&E gas transmission system, and does not reach its MAOP at maximum capacity. The capacity of Line 2010 depends upon the overall SDG&E system capacity and the local demand in the southeastern part of San Diego, and typically ranges from 200-300 MMcfd, with a maximum capacity of 400 MMcfd.
- 8.6.5 Please refer to the response to Question 8.6.4 above.
- 8.6.6 Please refer to the response to Question 8.6.4 above.

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QUESTION 8.7:

With respect to Applicants' response to Sierra Club data request 1, question 7, which states: "The capacity of Line 3600 and Line 3012 depends upon the overall system capacity and the local demand in the southeastern part of San Diego, and typically ranges from 200 – 300 MMcfd, with a maximum capacity of 400 MMcfd" and with respect to the Applicants' response to SCGC-05, Q.5.3, which demonstrates that Lines 3600 and 3012 have been operating at pressures that are about 2/3 of their MAOP:

- 8.7.1. What would be the delivery capacity of Line 3600 if it were operating at approximately its MAOP?
- 8.7.2. What would be the delivery capacity of Line 3012 if it were operating at approximately its MAOP?
- 8.7.3. What would be the delivery capacity of Line 3600 if it were operating at approximately 90 percent of its MAOP?
- 8.7.4. What would be the delivery capacity of Line 3012 if it were operating at approximately 90 percent of its MAOP?
- 8.7.5. What would be the delivery capacity of Line 3600 if it were operating at approximately 80 percent of its MAOP?
- 8.7.6. What would be the delivery capacity of Line 3012 if it were operating at approximately 80 percent of its MAOP?

RESPONSE 8.7:

- 8.7.1 Line 3600 and Line 3012 operate as part of the transmission system, and operating pressure is dependent upon available compression, supply, and demand. As such, the pipelines cannot simply operate near MAOP. The capacity of Line 3600 and Line 3012 typically ranges from 200 300 MMcfd, with a maximum capacity of 400 MMcfd.
- 8.7.2 8.7.6 Please refer to the response to Question 8.7.1 above.

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QUESTION 8.8:

What is the average pressure at which the Applicants expect the proposed Line 3602 to operate given their expectation that little or no compression will be required at Rainbow compressor station?

RESPONSE 8.8:

Proposed Line 3602 will not interconnect with any compression at Rainbow Station. The MAOP and MOP of the proposed Line 3602 would be 800 psig. The MinOP would from 350 psig to 250 psig depending upon location. The operating pressure is expected to range between the MinOP and the MAOP for each segment of the pipeline.

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QUESTION 8.9:

What would be the delivery capacity of proposed Line 3602 if it were operating at approximately its MAOP?

RESPONSE 8.9:

Line 3602 would operate as part of the transmission system, and operating pressure is dependent upon available compression, supply, and demand. Please refer to the Prepared Direct Testimony of David Bisi for the capacity of Line 3602.

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QUESTION 8.10:

What would be the delivery capacity of proposed Line 3602 if it were operating at approximately 90 percent of its MAOP?

RESPONSE 8.10:

Please refer to the response to Question 8.9 above.

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QUESTION 8.11:

What would be the delivery capacity of proposed Line 3602 if it were operating at approximately 80 percent of its MAOP?

RESPONSE 8.11:

Please refer to the response to Question 8.9 above.

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QUESTION 8.12:

The November 4, 2016 Scoping Memo and Ruling of Assigned Commissioner states at page 7: "At the time of the original application, Line 1600 at 640 psig provided only ten percent of SDG&E's demand at 100 MMcfd, while Line 3010 at 530 psig provided 90% of SDG&E's demand. After the Commission approved Resolution SED-1 on August 18, 2016, Line 1600 was further derated from 640 psig to 510 psig, or approximately 70 MMcfd. If the line is subsequently converted to distribution service at 320 psig as the Applicants request, then the volume of the line would drop to approximately 40 MMcfd, which translates to less than five percent of the SDG&E's current demand." Please confirm that if Line 1600 is converted to distribution service at 320 psig, the volume of the line would be 40 MMcfd.

RESPONSE 8.12:

The Scoping Memo is incorrect. Line 1600 operating at distribution service pressure of 320 psig does not contribute to the capacity of the SDG&E gas transmission system.

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QUESTION 8.13:

Please provide a copy of the Applicants' response to Energy Division Data Request 3 including all attachments.

RESPONSE 8.13:

Please see the attached files, which contain confidential information provided pursuant to the Non-Disclosure and Protection Agreement between SDG&E/SoCalGas and SCGC. Please note that the Energy Division's data request is pertaining to CEQA.