

**APPLICATION OF SOUTHERN CALIFORNIA GAS COMPANY &
SAN DIEGO GAS & ELECTRIC COMPANY FOR AUTHORITY TO REVISE THEIR
NATURAL GAS RATES AND IMPLEMENT STORAGE PROPOSALS EFFECTIVE
JANUARY 1, 2020 IN THE TRIENNIAL COST ALLOCATION PROCEEDING**

(A.18-07-024)

(4th DATA REQUEST FROM THE CITY OF LONG BEACH ENERGY RESOURCES DEPARTMENT)

DATA RECEIVED: 3-22-19

DATE RESPONDED: 4-5-19

QUESTION 4-1:

Please refer to Table 1 in Appendix G to the Direct Testimony of Sim-Cheng Fung, showing proposed Storage Allocation by Function. FERC Account 117.1 for Cushion Gas is allocated 67% to withdrawal and 33% to inventory. Please also refer to SoCalGas's response to SCGC Data Request 4.2.2 which states that "The 21 Bcf of reliability inventory would function in the near term similarly to cushion gas to drive withdrawal deliverability based on current well configurations at the time of the Applicants' proposal."

If the 21 Bcf of gas will function similarly to cushion gas, then why is SoCalGas proposing to allocate the inventory costs of the 21 Bcf of gas 100% on the basis of withdrawal instead of 67% on the basis of withdrawal as is proposed for FERC Account 117.1?

RESPONSE 4-1:

The purpose of the Reliability inventory is specifically to support a year-round withdrawal rate of 1,240 MMcfd, and therefore Applicants have proposed allocating 100% of the Reliability inventory to withdrawal.

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QUESTION 4-2:

Please refer to page 8 of the Direct Testimony of Michelle Dandridge at lines 12-13 which states that “19 Bcf will be needed to meet the core’s peak-day minimum month-end requirement for March.”

- a. Please define “peak-day minimum month-end requirement.”
- b. How did SoCalGas determine 19 Bcf of gas was the minimum month-end requirement for March?
- c. Was 19 Bcf the minimum month-end requirement for March in the previous TCAP period, or has this changed? If it has changed, how did it change and why?
- d. Please provide copies of any supporting analysis, reliability standards, or reports that support the need for 19 Bcf as the minimum month-end requirement for March.

RESPONSE 4-2:

- a. Applicants are referring to the firm withdrawal rate allocated to the core, and the amount of month-end withdrawal capacity needed to meet a peak-day event in that month.
- b. As stated in Chapter 1 page 5 lines 13-15, “This proposed withdrawal capacity should be available through the peak demand period, and should only be reduced in February or March, a period in which the core’s need for its full firm rights typically drops several hundred MMcfd as the weather gets warmer.” A minimum of 40 Bcf of inventory is required to produce the withdrawal rate required for balancing and the requisite March Core withdrawal rate, including the 21 Bcf of Reliability inventory. 19 Bcf is the difference between the required 40 Bcf and 21 Bcf of Reliability inventory.
- c. No. It has changed because safety enhancements have impacted withdrawal capabilities, thus prompting the need for higher minimum inventory levels to meet withdrawal deliverability for system reliability and operational flexibility.
- d. SoCalGas objects to this question as seeking confidential market-sensitive information.

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QUESTION 4-3:

Please refer to Table 3 on page 13 of the Direct Testimony of Michelle Dandridge. Currently authorized withdrawal capacity allocated to the balancing function is the same for winter and summer periods at 525 MMcfd. Under the current proposal, allocated summer withdrawal capacity (840 MMcfd) is over twice winter withdrawal capacity (400 MMcfd). Please justify the need for greater withdrawal capacity for load balancing in the summer period as opposed to the winter period.

RESPONSE 4-3:

In the winter, Core has additional withdrawal rights during the period when Core demand is greatest, and has inventory requirements to support this withdrawal. The greater withdrawal rate in the summer supports a time when Noncore demand is greater. The 840 MMcfd withdrawal for balancing will provide transportation customers more flexibility in managing their deliveries to actual usage on a daily basis without an unbundled storage program, primarily by allowing fewer low OFOs to be declared, and with less restrictive tolerances.

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QUESTION 4-4:

Please refer to SoCalGas's response to the City of Long Beach's Data Request 2-11, which states that the "proposal to allocate approximately 30% of the 1,240 MMcf of total summer withdrawal capacity corresponds to the forecast that core average summer throughput for 2020-2022 is approximately 30% of SoCalGas' system demand."

- a. How is summer average throughput related to the need for summer storage withdrawal capacity?
- b. Why is it reasonable to use throughput to allocate summer withdrawal capacity?
- c. What fraction of summer throughput was sourced from storage inventory in the past two summer seasons?

RESPONSE 4-4:

- a. Please refer to SoCalGas's March 14, 2019 response to Question 3-2 of Long Beach's third set of data requests which describes the relationship between summer average demand and summer withdrawal capacity needed.
- b. Load balancing capacity is allocated based on throughput because the cost causation is throughput. In other words, the more gas a customer uses, the more balancing service they have available to them.
- c. Applicants object to this question as vague and ambiguous. Notwithstanding this objection, and subject thereto, Applicants respond as follows.
Applicants assume the question is requesting how much of system sendout was supplied with scheduled storage withdrawal. On average over the past two summers, 2% of throughput was sourced with storage withdrawals. Please see the attachment "LB-04 Q4 c.xlsx" which shows this calculation. This data can also be found in ENVOY, Capacity Utilization, Archive, and select Capacity Utilization by month and year for Forecasted System Sendout, Firm Withdrawal and Interruptible Withdrawal information.

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QUESTION 4-5:

Please refer to page 14 of the Direct Testimony of Michelle Dandridge at lines 15-17 which states that “The 21 Bcf will provide the inventory required to provide a withdrawal deliverability of 1,240 MMcfd for all customers on the system, on a year-round basis.”

- a. Please explain why the system requires 1,240 MMcfd of withdrawal capability on a year-round basis.
- b. Please provide copies of any supporting analysis, reliability standards, or reports that support the need for 1,240 MMcfd of withdrawal capability in the summer period.

RESPONSE 4-5:

- a. Please refer to Chapter 1 page 5 lines 16-23. 1,240 MMcfd of withdrawal is expected to be available in the summer time. In the winter, the withdrawal requirement is 2,400 MMcfd, greater because of increased Core demand. Overall, the 1,240 MMcfd is not a requirement, it is what Applicants have available to offer on a year-round basis.
- b. Electronic workpapers were provided by Electronic Data Transfer on September 13, 2018, see workpaper tab “Withdrawal Summer.”

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QUESTION 4-6:

Please provide the following information related to SoCalGas Schedule No. G-TBS.

- a. How has service under G-TBS been impacted by the suspension of the unbundled storage program?
- b. If the unbundled storage program is eliminated as SoCalGas proposes, how will this impact the terms of G-TBS? Will any conditions related to wholesale core customers change and if so, how?

RESPONSE 4-6:

- a. New offerings of unbundled storage contracts under rate schedule G-TBS were suspended in January 2016. Only the wholesale storage contracts have been renewed annually under G-TBS since the suspension. Existing storage contracts were allowed to remain in effect through the contract termination date, and the last contracts expired on 3/31/2017.
- b. At this time, we anticipate that tariff rate schedule G-TBS will remain in effect for the foreseeable future, and will only be available to wholesale storage customers, who will continue to be allocated a percentage of overall core capacity at core rates.

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QUESTION 4-7:

Please refer to Table 1 on page 8 of the Direct Testimony of Michelle Dandridge, which shows proposed storage allocations to wholesale core customers.

- a. Are these proposed amounts intended to be equivalent to the amounts allocated to wholesale core customers per the terms of the settlement agreement approved in D.16-06-039? If not, how were they derived?
- b. Please provide an additional column in the table to show specific allocations to The City of Long Beach, a wholesale customer of SoCalGas.

RESPONSE 4-7:

- a. Yes, the proposed percentage amounts are intended to be equivalent to the amounts allocated to wholesale core customers per the terms of the settlement agreement approved in D. 16-06-039. The proposed percentage amounts are equivalent to the current contractual firm storage agreements with the City of Long Beach divided by the total proposed storage allocations to the core. The percentage is approximately the same to the prior 1% approved in D. 16-06-039 because core allocated capacity has changed minimally from 83 Bcf in the current 2016 TCAP to 82.5 Bcf proposed in the 2020 TCAP. Also see data response LB-02, 2-8
- b. See below table.

Core Requirements	Currently Authorized	Proposed	LB
Inventory (Bcf) Core		80	
Inventory (Bcf) Wholesale	83	2.5	0.83
Core		149	
Winter Injection (MMcfd) Wholesale	210	6	2.1
Summer Injection (MMcfd) Core		433	
Summer Injection (MMcfd) Wholesale	388	12	3.9
Winter Withdrawal (MMcfd) Core		1,934	
Winter Withdrawal (MMcfd) Wholesale	2,225	66	22.1
Summer Withdrawal (MMcfd) Core		368	
Summer Withdrawal (MMcfd) Wholesale	1,081	32	10.8

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QUESTION 4-8:

Please refer to page 6, line 23 to page 7, line 2 in the Direct Testimony of Michelle Dandridge, which states that the "City of Long Beach (a wholesale customer) will be allocated storage capacities (inventory, injection, and withdrawal) equal to approximately 1% of the storage capabilities allocated to the core customers of SoCalGas and SDG&E."

Please confirm whether SoCalGas intends this to mean the City of Long Beach will be allocated 1% of storage capabilities as proposed in this proceeding or as currently authorized? If as proposed in this proceeding, why is it reasonable for the City of Long Beach to have a different allocation than currently authorized?

RESPONSE 4-8:

As proposed, this is reasonable considering the reduction of storage capabilities for the TCAP period. Please see response 4-7.