(2ND DATA REQUEST FROM SOUTHERN CALIFORNIA GENERATION COALITION)

QUESTION 2.1:

- 2.1. For each day included in Figure 2 at page 3:
 - 2.1.1. Please provide the minimum and maximum temperature and resultant heating degrees for SoCalGas' system.
 - 2.1.2. Please provide the minimum and maximum temperature and resultant heating degrees for SDG&E's system.
 - 2.1.3. Please state the difference (either positive or negative) between the core's usage on the Southern System and the amount of gas delivered into the Southern System under the Memorandum in Lieu of Contract ("MILC").
 - 2.1.4. Please state the difference (either positive or negative) between the noncore's usage on the Southern System and the amount of gas delivered into the Southern System under the System Operator's purchases of gas under baseload contracts and spot gas supplies, as well as any gas delivered into the Southern System by noncore customers.
 - 2.1.5. Please state the difference (either positive or negative) between the core's usage on the remainder of the system and the total amount of gas delivered by the core into the SoCalGas/SDG&E system less the amount of gas delivered into the Southern System under the MILC.
 - 2.1.6. Please state the difference (either positive or negative) between the noncore's usage on the remainder of the system and the total amount of gas delivered into the SoCalGas/SDG&E system less the amount of gas delivered by the core into the SoCalGas/SDG&E system and the amount of purchases made by the System Operator under both baseload contract purchases and spot purchases.
 - 2.1.7. Would the recorded supplies and demands have triggered a low Operational Flow Order ("OFO") under SoCalGas' proposed low OFO mechanism?
 - 2.1.8. If the answer to the previous question is "yes," please state what stage of the low OFO mechanism would have been triggered by the event.
 - 2.1.9. If the answer to the question prior to previous question is "no," please explain why the data would not have triggered the low OFO mechanism.

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RESPONSE 2.1:

2.1.1 - 2.1.2 (°F)

	2.1.1 (SoCalGas)			2.1.2 (SDG&E)		
	Min Temp	Max Temp	HDD	Min Temp	Max Temp	HDD
12/2/2013	49.3	73.6	3.5	47.3	77.3	3.0
12/3/2013	47.9	65.6	8.2	46.7	64.0	10.0
12/4/2013	46.5	61.3	11.1	52.0	62.0	8.0
12/5/2013	41.2	58.8	15.1	48.7	59.3	11.0
12/6/2013	41.5	58.1	15.2	43.0	58.3	14.7
12/7/2013	43.8	55.1	15.7	47.0	58.3	12.3
12/8/2013	38.2	56.1	18.0	47.0	56.0	13.3
12/9/2013	38.1	59.3	16.3	37.7	61.3	15.3
12/10/2013	36.1	64.6	14.8	38.3	65.7	13.0
12/11/2013	38.4	69.9	10.9	43.7	71.0	7.7

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2.1.3 - 2.1.6

SoCalGas and SDG&E object to Questions 2.1.3 and 2.1.5 on the grounds that they request confidential customer-specific information. Without waiving this objection, and subject thereto, SoCalGas and SDG&E respond as follows:

Please see the below table containing the requested data for December 2, 2013, through December 11, 2013.

	2.1.3	2.1.4	2.1.5	2.1.6
	MDth	MDth	MDth	MDth
12/2/2013	23	37	95	310
12/3/2013	32	25	298	400
12/4/2013	-20	192	723	824
12/5/2013	68	285	1,092	1,526
12/6/2013	63	267	1,271	1,889
12/7/2013	24	201	1,439	1,347
12/8/2013	48	247	1,531	1,093
12/9/2013	208	274	1,722	1,470
12/10/2013	146	63	1,421	1,146
12/11/2013	30	119	1,116	1,445

Notes:

- 2.1.3 = Core Usage on SS Gas Delivered into SS Under MILC
- 2.1.4 = Noncore Usage on SS Sys. Op. Deliveries under baseload contracts and spot gas supplies - Deliveries into SS by noncore customers
- 2.1.5 = Core Non-SS Usage (Total Core Deliveries Gas Deliveries into SS Under MILC)
- 2.1.6 = Noncore Non-SS Usage (Total System Deliveries Total Core Deliveries Sys. Op. Deliveries under baseload contracts and spot gas supplies)
- For the purposes of this response, Core Aggregation Transportation (CAT) customers are included in Noncore
- Total Core deliveries excludes Citygate buys/sells, storage withdrawals, and injections

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2.1.7 - 2.1.9

The trigger for a low OFO is not recorded supplies and demand. It is the following formula: If forecasted sendout minus forecasted demand minus forecasted withdrawals from storage accounts < -340 MMcfd, then low OFO. The data in this response is of little help in doing the proposed backcast. Mr. Watson has already provided a low OFO backcast that is more directly related to the triggering mechanism. That backcast shows a low OFO on December 5. The "actual withdrawal used for customer balancing" data used by Mr. Watson for December 6-10 cannot be relied upon, however, because of the curtailment of standby procurement, which changed shipper/customer behavior relative to what it would have been absent either a low OFO or curtailment of standby procurement service.

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QUESTION 2.2:

- 2.2. Please provide the minimum and maximum temperatures and heating degrees on SoCalGas' that are associated with:
 - 2.2.1. Average year winter day
 - 2.2.2. 1-in-10 year cold day
 - 2.2.3. 1-in-35 year cold day

RESPONSE 2.2:

SoCalGas and SDG&E assume that, similar to question 2.1.1, this question refers to "SoCalGas' system"

- 2.2.1 There is no design temperature associated with an "Average year winter day." In evaluating system-wide daily temperatures at SoCalGas for the winter months of November through March from 1994-2013, the average daily temperature is 58 °F and corresponds to a day with 7.0 heating degrees.
- 2.2.2 The peak-day design temperature for a "1-in-10 year cold day" is 41.7 °F and corresponds to a day with 23.3 heating degrees.
- 2.2.3 The peak-day design temperature for a "1-in-35 year cold day" is 40.0 °F and corresponds to a day with 25.0 heating degrees.

The temperatures used to represent the two concepts of "1-in-10 year cold day" and "1-in-35 year cold day" are known as peak-day *design temperatures*. They are calculated from periodic analyses and modeling of available recorded temperature data (e.g., for regulatory proceedings such as cost allocations, or forecast activities such as California Gas Reports). The design temperatures provided above were developed for the gas demand forecasts in the 2014 California Gas Report. The details of how these values were developed are provided in the work papers for SoCalGas' 2014 California Gas Report:

http://www.socalgas.com/regulatory/documents/cgr/2014%20CALIFORNIA%20GAS%2 0REPORT%20REDACTED%20WORKPAPERS_SOCALGAS.pdf

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QUESTION 2.3:

- 2.3. With respect to testimony at page 3, lines 6-7, which states: "SoCalGas and SDG&E declared a standby of curtailment service on December 6..."
 - 2.3.1. Does this mean to say "curtailment of standby procurement service"?
 - 2.3.2. If the answer to the previous question is "no," please clarify the quoted statement.

RESPONSE 2.3:

2.3.1 Yes.

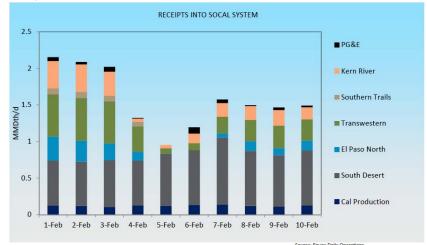
2.3.2 N/A

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QUESTION 2.4:

2.4. With respect to testimony at page 4, lines 1-10:

2.4.1. Does this discussion based upon the operational data that is presented in the chart on page 15 of Attachment 2 to Appendix A of SoCalGas' Advice Letter No. 4666, shown here for ease of reference?



- 2.4.2. If the answer to the previous question is "no," please state specifically what data this discussion is based upon.
- 2.4.3. If the answer to the question prior to the previous question is "yes," please provide the following information for each day included in the chart on page 15 of Attachment 2 to Appendix A of SoCalGas' Advice Letter No. 4666:
 - 2.4.3.1. Please provide the minimum and maximum temperature and resultant heating degrees for SoCalGas' system.
 - 2.4.3.2. Please provide the minimum and maximum temperature and resultant heating degrees for SDG&E's system.
 - 2.4.3.3. Please state the difference (either positive or negative) between the core's usage on the Southern System and the amount of gas delivered into the Southern System under the Memorandum in Lieu of Contract ("MILC").
 - 2.4.3.4. Please state the difference (either positive or negative) between the noncore's usage on the Southern System and the amount of gas delivered into the Southern System under the System Operator's purchases of gas under baseload contracts and spot gas supplies, as well as any gas delivered into the Southern System by noncore customers.
 - 2.4.3.5. Please state the difference (either positive or negative) between the core's usage on the remainder of the system and the total amount of

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- gas delivered by the core into the SoCalGas/SDG&E system less the amount of gas delivered into the Southern System under the MILC.
- 2.4.3.6. Please state the difference (either positive or negative) between the noncore's usage on the remainder of the system and the total amount of gas delivered into the SoCalGas/SDG&E system less the amount of gas delivered by the core into the SoCalGas/SDG&E system and the amount of purchases made by the System Operator under both baseload contract purchases and spot purchases.
- 2.4.3.7. Would the recorded supplies and demands have triggered a low Operational Flow Order ("OFO") under SoCalGas' proposed low OFO mechanism?
- 2.4.3.8. If the answer to the previous question is "yes," please state what stage of the low OFO mechanism would have been triggered by the event.
- 2.4.3.9. If the answer to the question prior to previous question is "no," please explain why the data would not have triggered the low OFO mechanism.

RESPONSE 2.4:

2.4.1 Yes. 2.4.2 N/A

2.4.3.1 - 2.4.3.2 (°F)

	2.4.3.1 (SoCalGas)			2.4.3.2 (SDG&E)		
	Min Temp	Max Temp	HDD	Min Temp	Max Temp	HDD
2/1/2014	45.2	64.5	10.3	45.0	64.0	10.3
2/2/2014	42.4	61.8	13.0	42.3	63.3	12.0
2/3/2014	44.6	61.8	12.1	48.3	61.0	10.3
2/4/2014	45.7	61.9	11.2	47.3	61.7	10.3
2/5/2014	46.3	63.5	10.0	47.7	63.0	9.3
2/6/2014	50.3	59.3	10.3	50.0	62.3	8.7
2/7/2014	49.4	62.6	8.9	53.3	64.0	6.3
2/8/2014	49.6	65.7	7.5	47.3	67.0	7.7
2/9/2014	53.0	65.6	5.7	54.0	66.0	5.0
2/10/2014	52.0	70.5	3.8	50.0	66.3	6.7

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2.4.3.3 - 2.4.3.6

SoCalGas and SDG&E object to Questions 2.4.3.3 and 2.4.3.5 on the grounds that they request confidential customer-specific information. Without waiving this objection, and subject thereto, SoCalGas and SDG&E respond as follows:

Please see the below table containing the requested data for February 1, 2014, through February 10, 2014.

	2.4.3.3	2.4.3.4	2.4.3.5	2.4.3.6
	MDth	MDth	MDth	MDth
2/1/2014	117	132	322	846
2/2/2014	170	225	454	928
2/3/2014	135	202	369	1,125
2/4/2014	187	282	897	1,551
2/5/2014	99	252	1,068	1,642
2/6/2014	75	89	1,156	1,505
2/7/2014	37	42	908	1,267
2/8/2014	26	121	654	1,037
2/9/2014	-14	82	583	951
2/10/2014	-9	139	522	1,149

Notes:

- 2.4.3.3 = Core Usage on SS Gas Delivered into SS Under MILC
- 2.4.3.4 = Noncore Usage on SS Sys. Op. Deliveries under baseload contracts and spot gas supplies Deliveries into SS by noncore customers
- 2.4.3.5 = Core Non-SS Usage (Total Core Deliveries Gas Deliveries into SS Under MILC)
- 2.4.3.6 = Noncore Non-SS Usage (Total System Deliveries Total Core Deliveries - Sys. Op. Deliveries under baseload contracts and spot gas supplies)
- For the purposes of this response, Core Aggregation Transportation (CAT) customers are included in Noncore
- Total Core deliveries excludes Citygate buys/sells, storage withdrawals, and injections

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2.4.3.7 - 2.4.3.9

The trigger for a low OFO is not recorded supplies and demands. It is the following formula: If forecasted sendout minus forecasted demand minus forecasted withdrawals from storage accounts < -340 MMcfd, then OFO. The data in this response is of little help in doing the proposed backcast. Mr. Watson has already provided a low OFO backcast that is more directly related to the triggering mechanism. That backcast shows a low OFO on Feb 1, and a near low-OFO on Feb 3. The "actual withdrawal used for customer balancing" data for February 6-10 cannot be relied upon, however, because of the curtailment of standby procurement, which changed shipper/customer behavior relative to what it would have been absent either a low OFO or curtailment of standby procurement service.

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QUESTION 2.5:

- 2.5. With respect to the testimony on page 4, lines 14-16, which state: "Unless changes are made, SoCalGas and SDG&E will likely need to use curtailments of standby service and noncore curtailments more frequently in order to provide operational stability and protect service to higher priority customers."
 - 2.5.1. Does "curtailments of standby service" refer to curtailments of standby procurement service?
 - 2.5.2. Does SoCalGas have written procedures for determining when it is appropriate to curtail standby procurement service?
 - 2.5.3. If the answer to the previous question is "yes," please provide a copy of those procedures.
 - 2.5.4. If the answer to the question prior to the previous question is "no:"
 - 2.5.4.1. Please describe in detail the process that SoCalGas employs to determine whether a curtailment of standby procurement service is warranted.
 - 2.5.4.2. Please list each of the factors that SoCalGas considers to determine whether a curtailment of standby procurement service is required.
 - 2.5.4.3. Please list each of the factors that SoCalGas considers to determine whether an existing curtailment of standby procurement service can be halted.
 - 2.5.5. Does the process described in the previous three questions change if the inventory levels fall below the trigger "peak day minimum + 20 bcf"?
 - 2.5.5.1. If the answer to the previous question is "yes," please describe the process that is followed for determining whether a curtailment of standby procurement service is required when inventory levels fall below the "peak day minimum + 20 bcf" level.
 - 2.5.5.2. If the answer to the question prior to the previous question is "no," please explain why the level of storage inventory is not considered in determining whether to curtail standby procurement service.

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RESPONSE 2.5:

2.5.1 Yes.

2.5.2 No.

2.5.3 N/A

2.5.4 SoCalGas Gas Control looks at forecasted demand and supplies and determines if there is enough supply to meet demand or if the system is capacity constrained. If there appears to be a problem, Gas Control looks to see if more supply is available, such as with southern system reliability gas or by maximizing storage withdrawal. If there is no additional supply available, or if an area is capacity constrained, Gas Control contacts the Director of Energy Markets and Capacity Products and follows the curtailment process. Curtailments may result with little notice due to capacity restrictions or emergencies. These procedures do not apply to curtailment under local or emergency conditions, which will be handled in a manner that immediate operating conditions appear to require at the time.

2.5.5 No. As inventory levels decline, withdrawal capabilities decline, which is certainly one part of Gas Control's consideration described in 2.5.4. However, once 70% daily balancing is triggered, based on storage inventory levels, the likelihood that "operating conditions require curtailment of service" decreases since flowing supplies tend to increase relative to the 50% 5-day balancing regime.

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QUESTION 2.6:

- 2.6. With respect to the testimony on page 4, lines 18-20:
 - 2.6.1. Does SoCalGas have written procedures for determining when service to electric generators is to be curtailed?
 - 2.6.2. If the answer to the previous question is "yes," please provide a copy of those written procedures.
 - 2.6.3. If the answer to the question prior to the previous question is "no:"
 - 2.6.3.1. Please describe in detail the process that SoCalGas employs to determine whether service to electric generators must be curtailed.
 - 2.6.3.2. Please list each of the factors that SoCalGas considers to determine whether service to electric generators must be curtailed.
 - 2.6.3.3. Please list each of the factors that SoCalGas considers to determine whether service to electric generators can be restored.
 - 2.6.4. Did SoCalGas experience drafting of its transmission system prior to calling the curtailment of electric generators?
 - 2.6.5. If the answer to the previous question is "yes:"
 - 2.6.5.1. Did the Southern System experience drafting prior to the curtailment?
 - 2.6.5.2. Did the remainder of SoCalGas' transmission system experience drafting prior to the curtailment?

RESPONSE 2.6:

2.6.1 No.

2.6.2 N/A

2.6.3 Please see SoCalGas' Rule 23 for a description of how SoCalGas effectuates curtailments. Please see Response 2.5.4 for a discussion of the factors we consider when deciding whether to call a curtailment. Restoration of service is also covered by Rule 23.

2.6.4 Yes.

2.6.5.1 Yes.

2.6.5.2 Yes.

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QUESTION 2.7:

- 2.7. With respect to the testimony on page 5, lines 3-8:
 - 2.7.1. Please provide specific examples of the "reliability challenges we now face relate to flowing supplies not reaching our systems" that have occurred outside of the winter period.
 - 2.7.2. How many instances of these reliability challenges have occurred over the last five years?

RESPONSE 2.7:

2.7.1-2.7.2

The complete sentence is: "The reliability challenges we now face relate to flowing supplies not reaching our systems, and have little relationship to overall system storage inventories." This sentence, along with the ones that preceded it, were pointing out that reliability challenges can happen at any time of the year and the winter balancing rules are only applicable in the winter time, providing no protection the rest of the year and can occur whether or not there is gas in storage.

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QUESTION 2.8:

2.8. With respect to the testimony on page 5, lines 11-12, which states: "As explained above, when PG&E calls a low OFO, natural gas electric generation demand appears to shift from Northern California to Southern California." Please identify the location of the explanation that is referred to in this sentence.

RESPONSE 2.8:

Page 4, Line 4-5: "At the same time, PG&E called a low OFO liberal SoCalGas and SDG&E balancing rules again caused gas to move away from Southern California, bringing total receipts into the combined SoCalGas and SDG&E system to a historic low of 0.95 mmdth when System Sendout was 3.6 mmdth."

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QUESTION 2.9:

- 2.9. With respect to the testimony on page 5, lines 11-21:
 - 2.9.1. What data is SoCalGas relying upon to support its claim that "when PG&E calls a low OFO, natural gas electric generation demand appears to shift from Northern California to Southern California."
 - 2.9.2. Has SoCalGas examined data identified in the previous question for each occurrence of PG&E's calling a low OFO on its system during the previous 12 months?
 - 2.9.2.1. If the answer to the previous question is "yes," please identify the percentage of the events that were associated with the "shift" in electric generation demand.
 - 2.9.2.2. If the answer to the question prior to the previous question is "no," please state the number of low OFO events on PG&E's system that SoCalGas actually examined in developing its claim that natural gas electric generation demand appears to shift from Northern California to Southern California.
 - 2.9.3. How much natural gas electric generation demand does SoCalGas believe shifts from PG&E's system to SoCalGas' system during a low OFO on PG&E's system?
 - 2.9.4. Has SoCalGas observed that prices at PG&E citygate exceed prices at SoCalGas citygate during all of the low OFO events on PG&E's system during the previous 12 months?
 - 2.9.4.1. If the answer to the previous question is "yes," please identify the percentage of the events that experienced higher PG&E citygate prices than SoCalGas citygate prices.
 - 2.9.4.2. If the answer to the question prior to the previous question is "no," please identify the number of events that SoCalGas has examined in making this statement.

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RESPONSE 2.9:

- 2.9.1 Over the last 12 months, the citygate price for SoCalGas has increased, on average, 21 cents/dth for the 21 PGE low OFO events. On one of those days the price jump was \$1.71. SoCalGas believes these price jump are indicative of a shift in demand.
- 2.9.2 Not beyond the detail provided in 2.9.1.
 - 2.9.2.1 N/A
 - 2.9.2.2 See Response 2.9.1.
- 2.9.3 SoCalGas has not performed this analysis.
- 2.9.4 No. For 2 days during the 70% daily balancing regime, SoCalGas' citygate price was higher, and for 2 days during the curtailment of standby procurement in December the SoCalGas citygate was higher. Ms. Musich's statement was in reference to a comparison of lax 5-day, 50% balancing on the SoCalGas system vis-à-vis a low OFO on the PG&E system. It is understandable that the SoCalGas citygate price could be higher if SoCalGas had instituted either 70% daily balancing or curtailment of standby procurement service.

For four other days in late January there were low OFOs on PG&E while SoCalGas was using 5-day, 50% balancing; the SoCalGas citygate price on these four days averaged six cents higher. Neverthless, on average over the 21 PG&E low OFO days, the PG&E citygate price was **35 cents/dth higher** than the SoCalGas citygate price. That is because the average price jump at the PG&E citygate on low OFO days has averaged twice that witnessed at the SoCalGas citygate—42 cents/dth vs. 21 cents/dth.

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QUESTION 2.10:

- 2.10. With respect to the testimony on page 6, lines 17-20, which states: "SoCalGas and SDG&E could institute these graduated requirements and penalties in a much more precise and predictable fashion, with less cost and inconvenience to marketers and customers, and with much less risk of curtailment of transportation service to both noncore and core customers."
 - 2.10.1. How many times has SoCalGas/SDG&E called a curtailment of standby procurement service over the last five years?
 - 2.10.2. Please identify the dates for the curtailment of standby curtailment service that are counted in the response to the previous question.
 - 2.10.3. Has SoCalGas ever made public its procedures for determining whether a curtailment of standby procurement service is necessary?
 - 2.10.4. If the answer to previous question is "yes," please identify the date, the location, and the means by which SoCalGas made its procedures public.
 - 2.10.5. How many times has SoCalGas/SDG&E curtailed transportation service to any noncore customers over the last five years?
 - 2.10.6. Please identify the dates for the curtailment of noncore transportation service that are counted in the response to the previous question.
 - 2.10.7. Has SoCalGas ever published its procedures for determining whether a curtailment of noncore transportation service is necessary?
 - 2.10.8. If the answer to previous question is "yes," please identify the date, the location, and the means by which SoCalGas made its procedures public.

RESPONSE 2.10:

- 2.10.1: 2
- 2.10.2: December 7-11, 2013 and February 6-10, 2014
- 2.10.3: No.
- 2.10.4: N/A
- 2.10.5: 3
- 2.10.6: February 3, 2011, December 27, 2012, and Feb 6, 2014
- 2.10.7: No.
- 2.10.8: N/A

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QUESTION 2.11:

- 2.11. With respect to the testimony at pages 6, lines 21-24, through page 7, lines 1-4:
 - 2.11.1. How would the low OFO enable SoCalGas and SDG&E to "better tailor their balancing requirements to meet the particular system needs we are facing"?
 - 2.11.2. Why is appropriate that "only the storage assets dedicated to system balancing would be used for balancing"?
 - 2.11.3. Would the balancing contemplated in the previous question include core and noncore loads or just noncore loads?

RESPONSE 2.11:

- 2.11.1: By definition, the low OFO would be triggered when transportation customers tried to balance their daily loads with more withdrawal than had been specifically allocated for that purpose.
- 2.11.2: It makes economic sense that end-use customers should not be able to use more storage assets to balance their daily supplies and demands than they are paying for in their transportation rates. This is the basic model and concept that PG&E has employed successfully in Northern California for over a decade.
- 2.11.3: It would include core and noncore loads.