

**SAN DIEGO GAS & ELECTRIC COMPANY
SOUTHERN CALIFORNIA GAS COMPANY
LOW OPERATIONAL FLOW ORDER &
EMERGENCY FLOW ORDER REQUIREMENTS
(A.14-06-021)**

(5TH DATA REQUEST FROM SOUTHERN CALIFORNIA GENERATION COALITION)

QUESTION 5.1:

The questions in this data request are all directed at the Prepared Direct Testimony of Steve Watson

- 5.1. With respect to the testimony at page 2, which states: “SoCalGas and SDG&E believe the new low OFO and EFO procedures will minimize supply-related curtailment threats by ensuring that transportation customers do not use any more storage withdrawal than has been allocated for the purpose of balancing. The overuse of withdrawal for transportation balancing can jeopardize system reliability by exhausting SoCalGas’ total withdrawal capability.”
- 5.1.1. Please explain what is meant by the term “supply-related curtailment threats.”
- 5.1.2. Please define the level of inventory that would correspond to “exhausting SoCalGas’ total withdrawal capability.”
- 5.1.3. Please show mathematically how withdrawal for transportation balancing could exhaust SoCalGas’ total withdrawal capability if customers have to stay balanced to the 50% level within five day periods and within 10% on a monthly basis.
- 5.1.4. Did withdrawal for transportation balancing exhaust SoCalGas’ total withdrawal capability during the winter 2013-2014?

RESPONSE 5.1:

- 5.1.1. A supply-related curtailment threat would be when Receipts + Withdrawal Capability – Sendout < 0.
- 5.1.2. The equation in 5.1.1 can go negative at any inventory level.
- 5.1.3. The 50% level within five days and 10% monthly balancing by definition may not help on an individual day. For example, assume flowing supplies into SoCalGas in 5.1.1 equal zero on a particular day and all customers are

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relying upon transportation balancing and storage withdrawals. Then assume forecasted sendout is 3.5 Bcf/d and withdrawal capability is 3.2 Bcf/d. The equation in 5.1.1 would be negative and withdrawal capability being used for transportation balancing would far exceed the 340 MMcfd allocated to that function. Without low OFO authority, SoCalGas is not able to limit withdrawal used for transportation balancing to 340 MMcfd and incent customers to increase flowing supplies to more closely match their burns.

- 5.1.4. No, but absent the curtailment of standby procurement Dec 6-11 and Feb 6-10, it could have.

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QUESTION 5.2:

5.2. With respect to Table 1 shown on page 3:

- 5.2.1. Please define the term “Average Tolerance.”
- 5.2.2. Does the column entitled “Average Tolerance” represent numbers that SoCalGas has calculated?
- 5.2.3. If the answer to previous question is “yes,” please provide the data that the calculation is based upon and the methodology for calculating the number.
- 5.2.4. If the answer to the question prior to the previous question is “no,” are these figures calculated by PG&E?
- 5.2.5. If the answer to the previous question is “yes,” please provide the data that SoCalGas obtained from PG&E or provide a link for the data on PG&E’s PipeRanger website.
- 5.2.6. If the answer to the question prior to the previous question is “no,” please describe in detail how SoCalGas obtained the figures in this column.
- 5.2.7. Does the column entitled “#OFOs” represent numbers that SoCalGas has calculated?
- 5.2.8. If the answer to previous question is “yes,” please provide the data that the calculation is based upon and the methodology for calculating the number.
- 5.2.9. If the answer to the question prior to the previous question is “no,” are these figures calculated by PG&E?
- 5.2.10. If the answer to the previous question is “yes,” please provide the data that SoCalGas obtained from PG&E or provide a link for the data on PG&E’s PipeRanger website.
- 5.2.11. If the answer to the question prior to the previous question is “no,” please describe in detail how SoCalGas obtained the figures in this column.

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RESPONSE 5.2:

5.2.1. The arithmetic average of tolerances set by PG&E during its low OFO events
2012-3/31/2014.

5.2.2. Yes.

5.2.3 – 5.2.11 All data is from the PG&E website. See these links:

<http://www.pge.com/pipeline/operations/ofo/ofoarch.shtml>

http://www.pge.com/pipeline/operations/historical_archives/index.shtml

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QUESTION 5.3:

- 5.3. With respect to footnote 8, which states: “Under the 5-day, 50% balancing rule SoCalGas will often use more than 1 Bcfd of storage withdrawal for balancing low deliveries even though it has only 340 MMcfd allocated to the balancing function.”
- 5.3.1. How many days has SoCalGas used more than 1 Bcfd of storage withdrawal for balancing low deliveries during the last five years?
- 5.3.2. How many days has SoCalGas used between 500 MMcfd and 1 Bcfd of storage withdrawal for balancing low deliveries during the last five years?

RESPONSE 5.3:

- 5.3.1. 9 days, or 1% of the observations used more than 1 Bcfd of storage withdrawal for balancing over the last 4.8 years. There would have been several more of such days had SCG not curtailed standby procurement service over the Dec 6-11, and Feb 6-10 periods. SoCalGas believes the frequency of such days will increase in the future absent changes to current balancing rules.
- 5.3.2. 123 days, or 7% of the observations used between 500 MMcfd and 1 Bcfd of storage withdrawals for balancing low deliveries over the last 4.8 years. There would have been several more such days had SCG not curtailed standby procurement service over the Dec 6-11 and Feb 6-10 period. SoCalGas believes the frequency of such days will increase in the future absent changes to current balancing rules.

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QUESTION 5.4:

5.4. With respect to the testimony at page 4, lines 16-21, which states: “While SoCalGas experienced transportation service curtailments in February 2014, PG&E got through the February period using Stage 4 low OFOs for February 6-8, without any curtailments. Under its low OFO procedures, PG&E may be inclined to call the low OFOs sooner than SoCalGas and SDG&E would curtail standby procurement because the former does not create as much market shock as does the latter.”

5.4.1. Please define what constitutes “market shock.”

5.4.2. Why does SoCalGas believe that the curtailment of standby procurement would create more market shock than a stage 4 low OFO?

RESPONSE 5.4:

5.4.1. A large price jump.

5.4.2. Curtailment of standby procurement can occur after cycle 3, and the penalties for noncompliance are much larger than \$25/dth.

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QUESTION 5.5:

- 5.5. With respect to the testimony at pages 6-7, which states: “Looking back on the experience in December 2013 and February 2014, had SoCalGas and SDG&E possessed this authority, a low OFO day would have been called for December 5 and 6 and might have helped avoid the standby procurement curtailment called for December 6.¹⁴ Two more low OFO days would have been called for February 1 and February 6.¹⁵” Footnote 14: “See Attachment A, Slide 21.” Footnote 15: “See Attachment A, Slide 19.”
- 5.5.1. Given the forecast imbalance level for December 6 that was made on December 5, respectively, if SoCalGas had been able to call a low OFO day for December 6, what stage of the low OFO would have been called?
- 5.5.2. Please compare the impact on customers of a low OFO at the stage identified in the response to the previous question with the impact of the curtailment of standby procurement service that actually took place on December 6.
- 5.5.3. Given the forecast imbalance level for February 6 that was made on February 5, respectively, if SoCalGas had been able to call a low OFO day for February 6, what stage of the low OFO would have been called?
- 5.5.4. Please compare the impact on customers of a low OFO at the stage identified in the response to the previous question with the impact of the curtailment of standby procurement service that actually took place on February 6.
- 5.5.5. If SoCalGas had been able to call a low OFO on February 6, 2014, would this have prevented the curtailment on transportation services that was called on February 6-7?
- 5.5.6. Please explain in detail the response to the previous question.

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RESPONSE 5.5:

- 5.5.1. Probably the same Stage 3 level PG&E called.
- 5.5.2. SoCalGas is unable to perform this comparison.
- 5.5.3. Probably the same Stage 4 level PG&E called.
- 5.5.4. SoCalGas is unable to perform this comparison.
- 5.5.5. It would have helped the situation because it probably would have been called sooner. Nevertheless, SoCalGas is unable to answer this question.
- 5.5.6. N/A

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QUESTION 5.6:

5.6. Regarding the testimony at page 8, line 11-13, which states: “This likely overstates the frequency of low OFOs since customers will likely use more storage or schedule more out-of-state supplies under SoCalGas’ new, PG&E-like balancing regime.”

5.6.1. Please explain the basis for this statement.

5.6.2. Has SoCalGas conducted any surveys or studies to determine whether customers under a “PG&E-like balancing regime” would “use more storage or schedule more out-of-state supplies”?

RESPONSE 5.6:

5.6.1. These are the two measures shippers can use to get more into balance.

5.6.2. No. SoCalGas believes the common-sense answer to 5.6.1 is sufficient to guide its proposal.

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QUESTION 5.7:

5.7. With respect to the figures presented at Attachment D:

5.7.1. Please state the basis for calculating the daily figures.

5.7.2. Please state the units for the figures shown.

5.7.3. Please describe the difference between the figures shown on the table with the (515,000) shown below the heading Low OFO and the table with the (350,200) shown below the heading.

RESPONSE 5.7:

5.7.1. SoCalGas looked at the “injection/withdrawal for customer balancing” actuals for the period in Envoy’s Daily Operating Data. We then assumed that the forecast of this figure would have equaled the actual.

5.7.2. Decatherms.

5.7.3. The first heading with 515,000 dths shows low OFO frequency with 500 MMcfd of withdrawal allocated to the balancing function. (1.03 dth/mcf assumed to convert to dths). The second heading with 350,200 dths shows the low OFO frequency with 340 MMcfd of withdrawal allocated to the balancing function. (1.03 dth/mcf assumed to convert to dths).