

**SAN DIEGO GAS & ELECTRIC COMPANY
SOUTHERN CALIFORNIA GAS COMPANY**

**APPLICATION FOR AUTHORITY TO
REVISE THEIR CURTAILMENT PROCEDURES**

(A.15-06-020)

(3rd DATA REQUEST FROM THE INDICATED SHIPPERS)

QUESTION 03-01:

In Prepared Direct Testimony, on page 1:5-6, Witness Marelli highlights “the importance of the curtailment rules to maintain system reliability and safety.”

- a. Please describe the scope of safety concerns that the curtailment rules seek to address.
- b. Please state whether the scope described in response to a. includes safety concerns on customer sites that could result from curtailment.
- c. Please define the term “system reliability,” as used in the Sempra testimony including whether or not “system reliability” is limited solely to the Sempra natural gas transportation systems.
- d. Please describe in detail the process Sempra utilizes to evaluate a potential safety threat in determining whether to curtail customer load.
- e. Please describe in detail the process Sempra utilizes to evaluate a potential system reliability threat in determining whether to curtail customer load.

RESPONSE 03-01:

- a. Safety concerns include the safe and reliable operation of SoCalGas and SDG&E systems, maintaining uninterrupted service to higher priority core customers, accommodating noncore customer operating emergencies, working with electric grid operators to minimize electric outages, and facilitating timely system maintenance and repair.
- b. Yes
- c. References to system reliability are limited to the SoCalGas and SDG&E gas systems.
- d. System demand is closely monitored by Gas Control. If demand is determined to exceed the capability of the system to safely operate, a curtailment is ordered to reduce demand by lower priority customers in order to maintain safe operation of the system and service to higher priority customers.
- e. See response d.

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QUESTION 03-02:

On page 8 of her Direct Testimony, Witness Marelli states that “interruptible demand cannot be shed for a variety of reasons” and explains that service to these customers better resembles firm service.

- a. Describe any steps taken by Sempra to limit the ability of interruptible customers to refuse an interruption?
- b. Please state the number of instances during which an interruptible customer has refused to interrupt service at Sempra’s request. For each instance:
 - i. Provide the total volume of gas that was requested but not curtailed.
 - ii. State whether the customer was an electric generation customer, cogeneration customer or other commercial or industrial customer.
- c. What percentage of currently interruptible customers are electric generators?
- d. What percentage of currently interruptible customers are cogenerators?

RESPONSE 03-02:

- a. SoCalGas and SDG&E do not have procedures specific to interruptible customers to limit their ability to refuse an interruption.
- b. Interruptible customers were curtailed in localized curtailments in the Southern System and San Joaquin Valley (SJV).
 - a. Interruptible customers were curtailed the following localized curtailments – Southern System and San Joaquin Valley.
 1. Southern System: This curtailment called for a reduction of 200 MMCF/D in the Southern System. A total of nineteen full interruptible customers were curtailed 100%. Of these, five customers violated curtailment orders and received penalties. One electric generator incurred penalties, and the rest were commercial/industrial.
 2. SJV (part 1): This curtailment was called as a result of reducing the operating pressure of lines 293 and 7000. The curtailment did not specify a volume target. Fifty

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fully interruptible customers were curtailed 100%. Sixteen of these customers violated curtailment orders and received penalties. The customers that did not comply with curtailment orders were one cogeneration and fifteen Commercial/Industrial.

3. SJV (part 2): Fifty fully interruptible customers were curtailed to 50% of their contract quantities. Three customers violated curtailment orders and received penalties. The customers that did not comply with curtailment were all Commercial/Industrial.

c. 23% of all interruptible customers are electric generators, accounting for 85% of interruptible contract volumes.

d. 18% of all interruptible customers are cogenerators, accounting for 12% of interruptible contract volumes.

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QUESTION 03-03:

In Prepared Direct Testimony, Witness Bisi states on page 10:2-3: “[t]he proposals in this application should have no effect on the capacity planning practices of the utility.”

- a. Does the 1-in-10 cold day design standard for noncore service assume that all pipeline facilities are available on the design day? If not, explain how planned or unplanned pipeline outages are accounted for in the standard.
- b. For each of the past five (5) calendar years, specify the number of planned pipeline outages that occurred during winter months and the total planned pipeline outages for the entire year.
- c. For each of the past five (5) calendar years, specify the number of unplanned pipeline outages that occurred during winter months and the total unplanned pipeline outages for the entire year.

RESPONSE 03-03:

- a. The 1-in-10 cold day design standard is intended for long-term system planning, and therefore does not take into account current or planned pipeline or facility outages as those tend to be short term. SoCalGas and SDG&E continually reassess their system’s capabilities and re-evaluate our capacity to maintain service to customers when outages occur.
- b. SoCalGas and SDG&E object to this question on the grounds that it is unfairly burdensome. The information requested is equally available to IS on the Envoy EBB.
- c. SoCalGas and SDG&E object to this question on the grounds that it is unfairly burdensome. The information requested is equally available to IS on the Envoy EBB.

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QUESTION 03-04:

- a. If Sempra determines that one zone is being curtailed more regularly than other zones, what actions could be taken to address the more frequent curtailment?
- b. How would the cost of any such actions be shared among customers?

RESPONSE 03-04:

Please refer to the Prepared Direct Testimony of David Bisi, page 10, lines 14-16, which states "SoCalGas and SDG&E will also propose facility improvements if noncore customer curtailment in a particular zone becomes frequent." SoCalGas and SDG&E are not proposing any changes for how costs are shared among customers or to our cost allocation methodologies in this application.

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QUESTION 03-05:

SoCalGas Rule 23, §C.1 states: “When in the judgment of the Utility, operating conditions require curtailment of service and/or the diversion of customer-owned gas, such curtailment shall be effectuated in the order and manner described below, unless otherwise specified in this rule.” SoCalGas Rule 23, §E states: “At a time when there is a threatened or actual shortage creating an emergency condition for a short duration in the Utility's ability to meet the demands of Priority 1 and 2A customers, the Utility may, during such emergency period, curtail and/or divert service of all customers, or a portion of such customers, in the most reasonable and practicable manner possible.” SoCalGas Rule 23, §F states: “Curtailments may be effected in certain localized areas due to intrastate system capacity restrictions or emergencies. In such cases, curtailments will generally be made based on the order established herein to the extent it is operationally feasible to do so. In the event of a localized curtailment, customers in unconstrained areas may receive service while other customers of equal or higher priority are curtailed.” SoCalGas Rule 23, §G states: “The Utility, whenever it finds necessary for the purpose of making repairs or improvements to its system, will have the right to suspend temporarily the delivery of gas, but, in all such cases, as reasonable notice thereof as circumstances will permit will be given to customers, and the making of such repairs or improvements will be prosecuted as rapidly as may be practicable, and, if practicable, at such times as will cause the least inconvenience to the customers.”

- a. Does Sempra have a protocol, process or system for determining when curtailment is required under each of the four subsections of Rule 23 specified above?
 - i. If the answer to a. is yes, please provide a copy of the protocol, process or system used to analyze system conditions to determine the nature of the required curtailment,
- b. Please specify the “operating conditions” that can trigger curtailment under Rule 23, §C.1.
- c. Please explain the criteria utilized by Sempra to determine that there is a “threatened or actual shortage creating an emergency condition for a short duration in the Utility's capability to meet the demands of Priority 1 and 2A customers” under Rule 23, §E.
 - i. Please state whether “operating conditions” under §C.1. can overlap with the “emergency conditions” under §E and explain those circumstances.
- d. Please explain Sempra’s criteria for determining that there are constraints in “localized areas due to intrastate system capacity restrictions or emergencies.”

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- i. Please explain how localized constraints under §C.1 and emergency conditions under §E differ from localized constraints.
- e. Please explain the criteria utilized by Sempra to determine whether gas delivery suspension is “necessary for the purpose of making repairs or improvements to its system” under §G.
- i. Please explain how these criteria differ from the criteria used to determine whether conditions exist to trigger curtailment under each of §C.1, §E and §F of Rule 23.

RESPONSE 03-05:

- a. Curtailments are called by Gas Control (GC), which treats each episode case by case. When possible, GC first issues a curtailment watch, to warn customers of a potential curtailment should conditions not improve over time.
- b. Operating conditions that can trigger curtailment include:
 - i. Insufficient pipeline capacity to handle expected demand load
 - ii. Low operating line pressure
 - iii. Pipeline testing and maintenance that decreases pipeline capacity
- c. Threatened or actual shortage creating an emergency condition occurs when actual deliveries are significantly below scheduled deliveries for several scheduling cycles. If actual delivery shortfall is expected to cause noncore customers to use gas that has been procured for core usage, then an emergency condition exists. An emergency condition also exists when system pressure is dropping at too fast a rate to follow the curtailment process as described in Section C of Rule 23.
 - i. Yes, for example, there may be a pipeline capacity constraint in the North Valley System at the same time that a supply shortage is occurring in the Southern System – East of Moreno, or a supply shortage for the system as a whole.
- d. Constraints can occur for a variety of reasons, including pipeline and facility maintenance or outages, or unexpected emergencies. Depending on the nature of the outage and the location, the constraint can be localized to a single Local Service Zone, several zones, or the system as a whole. A maintenance project on a pipeline in the South LA Basin does not affect the capacity of the North Valley System. SoCalGas and SDG&E continually reassess its system’s capabilities and re-evaluate our capacity to maintain service to customers when outages occur. Emergency conditions exist when the degradation of

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system stability occurs at a faster rate than what an orderly localized curtailment can restore by following procedures described in of Rule 23.

- e. Gas delivery suspension is necessary when the capacity of the system is reduced during repair and maintenance events and is not adequate to supply expected demand.
 - i. These criteria are not different from the criteria under C.1, E, F.

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QUESTION 03-06:

a. Rule 1 defines "Critical Customer."

i. Does Sempra maintain a list of critical customers?

ii. Does Sempra maintain a list of types of facilities that are considered "critical customers?"

If the answers to i. and ii. are no, please explain the process used by Sempra to determine whether a facility is a "critical customer" under Rule 1

RESPONSE 03-06:

i. SoCalGas and SDG&E do not maintain a list of critical customers.

ii. SoCalGas and SDG&E do not maintain a list of types of facilities that are considered "critical customers."

The process to determine whether facilities are considered "critical customers" is to evaluate on a case-by-case basis whether an interruption of natural gas service would cause a danger to human life, health or safety. This includes but is not limited to customers such as hospitals, other state-licensed health care facilities, medical research facilities, medical facilities at military installations and detention facilities, municipal water pumping plants and sanitation facilities.