

**SAN DIEGO GAS & ELECTRIC COMPANY  
SOUTHERN CALIFORNIA GAS COMPANY  
PIPELINE SAFETY & RELIABILITY PROJECT (PSRP)  
(A.15-09-013)  
(DATA REQUEST ORA-82)**

**Date Requested: March 27, 2017**

**Date Responded: April 12, 2017**

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**PRELIMINARY STATEMENT**

1. These responses and objections are made without prejudice to, and are not a waiver of, SDG&E 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 does 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. SDG&E and SoCalGas possession, custody, or control does not include any constructive possession that may be conferred by SDG&E or 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 objects to the production of documents or information protected by the attorney-client communication privilege or the attorney work product doctrine.
6. SDG&E and SoCalGas expressly reserve 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).
7. 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. SDG&E and SoCalGas will Bates-number such documents only if SDG&E and SoCalGas deem it necessary to ensure proper identification of the source of such documents.
8. Publicly available information and documents including, but not limited to, newspaper clippings, court papers, and materials available on the Internet, will not be produced.

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9. SDG&E and SoCalGas object to any assertion that the data requests are continuing in nature and will respond only upon the information and documents available after a reasonably diligent search on the date of its responses. However, SDG&E and SoCalGas will supplement its answers to include information acquired after serving its responses to the Data Requests if it obtains information upon the basis of which it learns that its response was incorrect or incomplete when made.
  10. In accordance with the CPUC's Discovery: Custom And Practice Guidelines, SDG&E and SoCalGas will endeavor to respond to ORA's data requests by the identified response date or within 10 business days. If it cannot do so, it will so inform ORA.
  11. SDG&E and SoCalGas object to any ORA contact of SDG&E and SoCalGas officers or employees, who are represented by counsel. ORA may seek to contact such persons only through counsel.
  12. SDG&E and SoCalGas objects to ORA's instruction to send copies of responses to entities other than ORA.

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**Subject: Ability to Contract for and Deliver Gas Stored at Energia Costa Azul Liquefied Natural Gas Facility Storage Tanks to the Otay Mesa Receipt Point for Consumption in SDG&E's Service Territory**

**ORA Data Request 74, Question 1, ORA asked:**

“In a meeting between ORA and SoCalGas and SDG&E staff on March 7, 2017 (March 7 meeting), ORA understood that it is possible for SoCalGas and SDG&E to enter into contracts to both purchase and transport enough natural gas to fill the entire 400 mmcf/d capacity at the Otay Mesa receipt point into the SDG&E system (“Otay Mesa Receipt Point”). Please confirm this understanding is accurate.”

**ORA Data Request 74, Question 2 then asked:**

“At the March 7 meeting, ORA understood that one path to deliver 400 mmcf/d of natural gas at Otay Mesa receipt point, natural gas could be:

- a. Delivered from tankers from the Pacific Ocean to the Energia Costa Azul Liquefied Natural Gas Terminal on the west coast of Mexico located approximately 14 miles north of Ensenada;
- b. Transported through the Gasoducto Rosarito Costa Azul spur from the Energia Costa Azul Liquefied Gas Terminal to the Gasoducto Rosarito pipeline;
- c. Transported through the Gasoducto Rosarito pipeline from the Gasoducto Rosarito Spur to the Transportadora De Gas Del Norte (“TGN”) pipeline.
- d. Transferred through the TGN pipeline from the Gasoducto Rosarito pipeline to the Otay Mesa Receipt Point.
- e. From the Otay Mesa Receipt Point into the SoCalGas/SDG&E pipeline system. Is ORA's understanding accurate? If not, please clarify the path that could be used in order to deliver 400 mmcf/d of natural gas at Otay Mesa receipt point.”

With questions from ORA Data Request 74 Questions 1 and 2 in mind, please answer the following:

**QUESTION 1:**

Would it also be possible to use another path to deliver 400 mmcf/d of natural gas at Otay Mesa receipt point as follows:

- a. Withdraw previously stored gas by SoCalGas/SDG&E pursuant to what could be a possible Commission authorized gas storage contract from storage of liquefied natural gas at the storage tanks at Energia Costa Azul Liquefied Natural Gas Terminal on the west

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---

coast of Mexico located approximately 14 miles north of Ensenada (“storage tanks”);

- b. Regasification of liquefied natural gas from the storage tanks;
- c. Transportation from the storage tanks through the Gasoducto Rosarito Costa Azul spur from the Energia Costa Azul Liquefied Gas Terminal to the Gasoducto Rosarito pipeline;
- d. Transportation through the Gasoducto Rosarito pipeline from the Gasoductor Rosarito Spur to the Transportadora De Gas Del Norte (“TGN”) pipeline.
- e. Transfer through the TGN pipeline from the Gasoducto Rosarito pipeline to the Otay Mesa Receipt Point.
- f. Transportation from the Otay Mesa Receipt Point into the SoCalGas/SDG&E pipeline system.

**RESPONSE 1:**

SDG&E and SoCalGas (Applicants) object that Question 1 is vague and ambiguous in its use of the phrase “[w]ould it also be possible to use another path” and the phrase “could be a possible Commission authorized gas storage contract.” If Question 1 is meant to imply anything beyond asking about the physical path between the Energia Costa Azul (ECA) Liquefied Natural Gas (LNG) storage tanks and the Otay Mesa receipt point, it calls for information not in Applicants’ possession, custody or control, speculation in terms of time, terms, the LNG market, and whether the owners of the pipeline and storage capacity would be willing to sell and on what terms. Without waiving and subject to their objections, Applicants respond as follows:

Interpreting Question 1 as asking only about the physical pathway, and nothing about the feasibility or cost of obtaining gas through that pathway, it is an accurate description of how gas is stored at ECA and transported from there to Otay Mesa.

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---

**QUESTION 2:**

If the above-described path is not possible or accurate, then please identify which element as described makes it so and the reason for it.

**RESPONSE 2:**

See the response to Question 1 above.

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**QUESTION 3:**

Please confirm that there are two Liquefied Natural Gas storage tanks at the Energia Costa Azul Liquefied Gas Terminal, each of which has a capacity of 160,000 cubic meters, or approximately 3.3 billion cubic feet of natural gas in gaseous form.

**RESPONSE 3:**

See the response to ORA Data Request 74, Question 2.

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---

**QUESTION 4:**

According to the United States Energy Information Administration, a breakdown each month throughout the latter half of 2016, one thousand cubic feet of Liquefied Natural Gas landed at the entry point of Sumas, Washington<sup>1</sup> had the price points shown below:

<b><u>Month</u></b>	<b><u>Price Point of 1000 cubic feet of Liquefied Natural Gas at Sumas, WA</u></b>
July, 2016	\$5.41
August, 2016	\$6.29
September, 2016	\$6.58
October, 2016	\$6.56
November, 2016	\$6.49
December, 2016	\$7.16

- a. Does SoCalGas/SDG&E accept that these average prices of LNG at the Sumas point of entry are accurate?
- b. If the answer to question 3a is no, please provide the prices that SoCalGas/SDG&E asserts are accurate, and the basis for asserting those prices.
- c. If the answer to question 3a is yes, does SoCalGas/SDG&E accept that these average prices are a reasonable comparison to the price points of liquefied natural gas at the Energia Costa Azul entry point?
- d. If the answer to question 3c is no, please provide an alternative data point of comparison.
- e. If the answer to question 3c is no, please explain why the Sumas, WA prices are not a reasonable data point of comparison with those at the Energia Costa Azul receipt point.

**RESPONSE 4:**

- a. No. Applicants have no experience or direct knowledge to verify the accuracy of the prices set forth in this question, or to understand the nature of the transactions involved (e.g., long term contract, spot market, or other).
- b. Applicants object that this question is vague and ambiguous as to time, location, volume and nature of the transaction, and calls for information not in Applicants' possession, custody or control. Without waiving and subject to their objection, Applicants do not know if the stated prices for Liquefied Natural Gas landed at the entry point of Sumas, Washington are

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---

accurate, or the nature of the transactions involved (e.g., long term contract, spot market, or other).

- c. See the response to Question 4(a) above.
- d. Applicants believe that prices paid for delivery of LNG to Borrego Springs by truck are more relevant than prices paid for similar deliveries to a location almost 1,000 miles away in Sumas, Washington.
- e. Applicants object to this question on the grounds that it seeks information not in Applicants' possession, custody or control, is vague and ambiguous and calls for speculation. Applicants have no knowledge of the source or contract terms for LNG truck deliveries from Canada into the U.S. at Sumas, Washington, or the cost of LNG delivered to the Energia Costa Azul receipt point.



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**QUESTION 5:**

- a. How much total gas has been sold by SoCalGas/SDG&E to its Mexican gas distribution affiliates in Baja California for each calendar year beginning in 2012?
- b. When answering question 3a, please itemize the sale of gas each calendar year beginning in 2012 from SoCalGas/SDG&E to:
  - i. Sempra Energy Trading Mexico, S. de R.L. de C.V.
  - ii. Gasoducto Rosarito S. de R.L. de C.V.
- c. If the total annual amount sold by SoCalGas/SDG&E in answer to question 3a exceeds the total annual amount sold by SoCalGas/SDG&E in answer to question 3b, please identify all other Mexican gas distribution affiliates to whom SoCalGas/SDG&E have sold gas each calendar year beginning in 2012.

**RESPONSE 5:**

- a. No gas has been sold to Mexican gas distribution affiliates from 2012 through March 2017.
- b. Neither Sempra Energy Trading Mexico, S. de R.L. de C.V. or Gasoducto Rosarito S. de R.L. de C.V. is a Mexican gas distribution affiliate. In any case, no gas was sold to either affiliate 2012 through March 2017.
- c. N/A.

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**QUESTION 6:**

- a. What would SCG/SDG&E estimate as the cost to contract for the next 10 years just enough capacity from the Energia Costa Azul storage tanks to hold the following amounts of gas:
- i. 400 million cubic feet?
  - ii. 800 million cubic feet?
  - iii. 1.2 billion cubic feet?
  - iv. 1.6 billion cubic feet?
  - v. 2 billion cubic feet?
- b. Please provide the basis, including documentation, for each of the estimates provided in response to Questions 6 a. i-v.

**RESPONSE 6:**

Applicants object that Question 6 calls for information not in Applicants' possession, custody or control, is vague and ambiguous as to the terms of such a contract, and calls for speculation about how the current owners of the storage capacity might respond to one or more Request for Offers (RFOs). Without waiving and subject to their objections, Applicants respond as follows: Applicants lack sufficient information to provide such estimates.