

**SAN DIEGO GAS & ELECTRIC COMPANY
SOUTHERN CALIFORNIA GAS COMPANY
PIPELINE SAFETY & RELIABILITY PROJECT (PSRP)
(A.15-09-013)
(DATA REQUEST ORA-90)**

**Date Requested: June 19, 2017
Date Responded: July 3, 2017**

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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QUESTION 1:

Subject: Cost estimates from Otay Mesa and Energia Costa Azul

ORA understands from SoCalGas/SDG&E's attorney in this proceeding that ORA is to provide Data Requests for SoCalGas/SDG&E's Gas Acquisitions team through the same attorney as Data Requests to the SoCalGas/SDG&E witnesses in this proceeding. However, ORA understands that, whereas the SoCalGas/SDG&E witnesses in this proceeding have an interest in achieving additional rate base and expenses by maximizing the investment funded by ratepayers for SoCalGas/SDG&E, the Gas Acquisitions Team looks at ways to minimize or avoid expenditures for SoCalGas/SDG&E's core ratepayers. As such, ORA does not understand why there is no conflict of interest for SoCalGas/SDG&E attorneys representing both entities regarding questions about cost estimates from Otay Mesa and Energia Costa Azul, as Questions 2 and 3 of this Data request provide. With this in mind, please answer:

A. Does SoCalGas/SDG&E believe Questions 2 and 3 below raise a conflict of interest, such as the one identified immediately above?

B. If not, why not?

RESPONSE 1:

Applicants object to ORA's assertion that "the SoCalGas/SDG&E witnesses in this proceeding have an interest in achieving additional rate base and expenses by maximizing the investment funded by ratepayers for SoCalGas/SDG&E" as without factual foundation. In responding to this data request, Applicants in no way agree with such characterization.

A. No.

B. Per the Affiliate Transaction Rules issued by the CPUC, SDG&E and SoCalGas (Applicants) may share regulatory affairs, lobbying, and legal services. Since shared services employees may provide support for both the California utilities and affiliates, these employees are permitted to receive non-public utility information in support of these shared services. These employees must ensure that they do not become a conduit to circumvent the Affiliate Transaction Rules.

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QUESTION 2:

Please provide the gas acquisition team's estimated or forecast gas prices to the Otay Mesa receipt point via Mexico, based on the following. Also include the source or basis for the estimated or forecast gas prices.

- A. Spot market basis.
- B. Contracting for capacities 200 and 400 MMcfd for the next 10 years basis.

RESPONSE 2:

SoCalGas' Gas Acquisition department¹ is not aware of an estimation or forecast of gas prices to the Otay Mesa receipt point via Mexico.

¹ Decision (D.) 07-12-019 authorized the consolidation of the core portfolio for SoCalGas and SDG&E into one single portfolio managed by SoCalGas. This consolidation became effective on April 1, 2008.

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QUESTION 3:

A. Please provide the gas acquisition team estimate or forecast 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 costs associated with moving gas from Energia Costa Azul to the Otay Mesa receipt point.

C. Please provide the basis, including documentation, for each of the estimates provided in response to Question 3A, parts i-v.

RESPONSE 3:

- A. SoCalGas' Gas Acquisition department does not have and is not aware of an estimation or forecast for the cost to contract capacity for the next 10 years from the Energia Costa Azul storage tanks.
- B. SoCalGas' Gas Acquisition department does not have an estimation for costs associated with moving gas from Energia Costa Azul to the Otay Mesa receipt point.
- C. Not applicable.