SAN DIEGO GAS & ELECTRIC COMPANY
SOUTHERN CALIFORNIA GAS COMPANY
NORTH-SOUTH PROJECT REVENUE REQUIREMENT
(A.13-12-013)

(2ND DATA REQUEST FROM NORTH BAJA PIPELINE, LLC)

QUESTION 1:

Please explain in detail the apparent discrepancy between the two following statements that were made in Mr. Cho's Updated Testimony:

a. "All of our noncore customers can deliver supplies to any of our receipt points and we will redeliver those supplies to any end-use location within our system. This customer-friendly arrangement is made possible by the interconnected design of our pipeline and SoCalGas' substantial storage assets. These physical assets enable us to receive gas at one location and redeliver like volumes to a location hundreds of miles away, notwithstanding physical flows that may prevent gas molecules from actually being exchanged between these two particular points."

(Updated Direct Testimony of Jimmie I. Cho, Southern California Gas Company and San Diego Gas & Electric Company, dated November 12, 2014 ("Updated Cho Testimony"), p. 1: 20 – 2:3.)

b. "This is because the Southern System can only receive a relatively small amount of flowing supplies from other parts of our system, and no supplies from storage."

(Updated Cho Testimony, p. 2:10-11.)

RESPONSE 1:

Statement "a" refers to the scheduling of gas supplies into the SoCalGas and SDG&E system. SoCalGas and SDG&E offer its customers the ability to schedule gas supply at any receipt point on the system, regardless of how far that receipt point may be from the customer site or even whether gas scheduled at that receipt point could be physically delivered to the customer site. This is what is meant by the phrase "redeliver like volumes" in the statement. For the Southern System, such displacement service depends upon sufficient gas supply being delivered at Blythe. For example, while a Southern System customer may schedule its supplies to be delivered at the Wheeler Ridge receipt point, those supplies cannot be physically redelivered to the Southern System, and unless other customers or the System Operator have scheduled sufficient supplies to be delivered to the Southern System, curtailment may be necessary on the Southern System, which is a further explanation of statement "b."

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QUESTION 2:

In light of the following statement from Ms. Marelli, please explain in detail how are storage withdrawals by Southern System customers delivered to those customers? "If not enough gas arrives into the Southern System on a given day, the System Operator will not have enough gas to meet the load and also have enough gas to meet the next day's needs. This is especially true on the Southern System since it does not have access to our storage fields."

(Updated Direct Testimony of Gwen Marelli, Southern California Gas Company and San Diego Gas & Electric Company, dated November 12, 2014), p. 2:3-5.)

RESPONSE 2:

With the current system, storage supplies are utilized by Southern System customers using the same displacement method described in Response 1 to this data request. SoCalGas' and SDG&E's proposed North-South Project will allow for the physical delivery of storage supplies to the Southern System.

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QUESTION 3:

Please see and respond to below questions (a-c) regarding the following quotes from Ms. Marelli's testimony: "Southern System customers need to have access to supplies from SoCalGas' storage fields and other receipt points, and such access can only be achieved through physical upgrades. In order to more fully integrate the SoCalGas Northern and Southern Transmission Zones, and to mitigate the need for flowing gas supply requirements on the Southern System, SoCalGas should be authorized to recover in rates the cost of the North-South Project." *(Updated Marelli Testimony, p. 21:4-8.)*

"First and foremost, the North-South Project, unlike the River Route option, would provide Southern System customers with access to supplies from storage and additional receipt points (Wheeler Ridge, Kern River Station, and Kramer Junction), which would increase the reliability of service to these customers. This is our primary reason for proposing the North- South Project, and the reason that contractual alternatives do not work." *(Updated Marelli Testimony, p. 21:17-21.)*

a. Is it SoCalGas' position that Southern System customers do not have access at present to supplies from storage?

b. Is it SoCalGas' position that Southern System customers do not have access at present to the Northern receipt points that are listed in the above statement?

c. Please explain why supplies from the North System receipt points and from storage withdrawal cannot be delivered to the Southern System. If quantities can be delivered from these locations to the Southern System, please identify the quantities and operating circumstances when they can be.

RESPONSE 3:

a. Please refer to Response 2 of this data request. Storage supplies cannot currently be physically delivered to the Southern System.

b. No. SoCalGas has a limited capacity to physically deliver Northern System supplies via the Chino and Prado crossovers and Line 6916 to the Southern System.

c. Aside from the limited capacity described in Response 3b of this data request, SoCalGas simply does not have the infrastructure in place to physically deliver Northern System or storage supplies to the Southern System. For the limited capacity described in Response 3b, the Chino and Prado crossovers have capacity for 200-300 million cubic feet per day (MMcfd), and the capacity of Line 6916 is up to 80 MMcfd.

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QUESTION 4:

What is the quantity of storage withdrawal capacity currently contracted by Southern System customers? Are these quantities less than or greater than the quantities that can be withdrawn from storage and delivered to the Southern System?

RESPONSE 4:

SoCalGas and SDG&E object to the request for the quantity of storage withdrawal capacity currently contracted by Southern System customers on the grounds that it requests confidential customer-specific information.

The second question is not applicable since storage supplies cannot currently be physically delivered to the Southern System.

QUESTION 5:

Can a Southern System customer nominate quantities for receipt by SoCalGas at Blythe for ultimate injection and delivery into storage? If yes, how does SoCalGas effectuate the physical deliveries into storage?

a. When a customer wants to withdraw quantities from its storage account for delivery to its facility, does SoCalGas effectuate the delivery by displacement? Is that displacement arranged by SoCalGas using one or more of its contractual alternatives to receive like quantities at Blythe? The assumption in the question is that there is insufficient gas owned by other third parties at Blythe to cover the storage deliveries to the Southern System customer.

RESPONSE 5:

Yes. While SoCalGas has some capacity to physically inject supply received at Blythe into storage, storage injection by Southern System customers typically utilizes the method described in Response 1 of this data request.

a. Yes, for those customers sited on the Southern System. SoCalGas as the System Operator uses all of its tools available for acquiring gas supply on the Southern System when customer deliveries there are insufficient to support the level of demand, and that includes times when Southern System customers may be nominating supplies out of storage.

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QUESTION 6:

Please provide the total quantity of capacity contracted on El Paso for delivery at Blythe by SoCalGas (by both Gas Acquisition and the System Operator) from January 1, 2014 through December 31, 2024.

a. Has SoCalGas contracted for firm gas supplies in the quantities responsive to the question above? If not, what quantities has SoCalGas contracted for?

RESPONSE 6:

Below is the total quantity of firm capacity (MMBtu/d) contracted at El Paso Ehrenberg (Blythe) by the Gas Acquisition group from January 1, 2014 through December 31, 2024:

From	To	Ehrenberg
1/1/2014	3/31/2014	296,455
4/1/2014	10/31/2014	298,208
11/1/2014	3/31/2015	296,455
04/01/15	10/31/15	298,208
11/01/15	03/31/16	296,455
04/01/16	10/31/16	298,208
11/01/16	03/31/17	296,455
04/01/17	10/31/17	298,208
11/01/17	03/31/18	296,455
04/01/18	10/31/18	298,208
11/01/18	12/31/24	-

a) SoCalGas and SDG&E object to this question on the grounds that it requests confidential and proprietary information.

QUESTION 7:

Regarding the following statement from Mr. Bisi, "…because both the River Route and Cross Desert Pipelines interconnect with the Southern System upstream of the Blythe compressor station, any increase in receipt capacity in the Northern Zone is offset by a loss in receipt capacity on the Southern Zone – specifically at Blythe due to the capacity of the Blythe compressor station and the take-away capacity of the pipelines downstream of that location"6, if 800 MMcfd were transported to the Southern Zone at Blythe, would an additional 410 MMcfd of capacity still be available for the receipt of supplies at Blythe from El Paso? If the answer is "yes", is 1210 MMcfd not sufficient to support the Southern System?

(Updated Direct Testimony of David M. Bisi, San Diego Gas & Electric Company and Southern California GasCompany, dated November 12, 2014 ("Updated Bisi Testimony"), p. 16:5-9.)

RESPONSE 7:

Yes. 1210 MMcfd of supply delivered at Blythe is generally sufficient to support the currently anticipated level of demand on the Southern System, assuming all other transmission assets are operational. However, as explained in our application, there is an important distinction between capacity available at Blythe and actual supplies delivered. Deliveries at Blythe are subject to a greater level of uncertainty as compared to our other receipt points for a variety of reasons.

QUESTION 8:

Given Mr. Bisi's statement in testimony that it can "receive 1210 MMcfd at Blythe if we have enough demand on our system to support that level of supply",7 please state what level of demand is necessary to cause the need for 1210 MMcfd of supply at Blythe. *(Updated Bisi Testimony, p. 17:18-19.)*

RESPONSE 8:

Total supply into the SoCalGas and SDG&E system can only be as large as the forecasted system capacity as defined in SoCalGas Rule No. 41. 1210 MMcfd of supply can be received at Blythe as long as this condition is not violated.

QUESTION 9:

Please see the following questions regarding the following quote from Mr. Bisi's testimony: "Again, increased receipt capacity was not a problem that SoCalGas was seeking to solve with any of the three pipelines, but is rather an added benefit that the market and our customers may appreciate. SoCalGas believes that its current receipt capacity of 3875 MMcfd is sufficient to meet the long term demand requirements of our customers and also provides a sufficient level of excess or "slack" capacity per Commission guidelines.":

a. If the North-South Project's capacity were revised from 800 MMcfd to 500 MMcfd, would this reduction create a corresponding reduction to receipt point capacity from 1,890 MMcfd to 1,590 MMcfd on the Northern Zone?

b. Do SoCalGas customers have full access to existing receipt point capacity on the Northern Zone?

c. If an outage were to occur on the Southern System downstream of Blythe, would the North-South Project be capable of fully replacing the gas supply that is lost due to the outage? Please provide a range of operating circumstances that would demonstrate the capability of the North-South Project.

RESPONSE 9:

a. No. A pipeline sized to transport 500 MMcfd from the Northern System to the Southern System would still provide additional take-away capacity from the Northern Zone receipt points.

b. Yes, with priorities determined under Rule 30.

c. Yes. As stated in our application, the North-South Project is designed to support the Southern System without any supply delivered at Blythe under all conditions except the design condition used in our evaluation, which required 100 MMcfd of supply delivered at Blythe. Note, however, that if the Southern System is completely severed downstream of Blythe, the North-South Project will not be able to support those customers east of the severance.