

**SAN DIEGO GAS & ELECTRIC COMPANY
SOUTHERN CALIFORNIA GAS COMPANY
PIPELINE SAFETY & RELIABILITY PROJECT (PSRP)
(A.15-09-013)
(DATA REQUEST ORA-37)**

**Date Requested: August 25, 2016
Date Responded: September 15, 2016**

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: Revenue Requirements and Ratemaking in A.15-09-013

QUESTION 1:

In Workpapers for Mr. Michael R. Woodruff on the annual revenue requirements associated with capital costs of Line 3602 and Line 1600, the witness Mr. Woodruff presented excel spreadsheet workpapers showing the annual revenue requirements for each of Line 3602 and Line 1600 for each year over the period 2014 through 2063 associated with the capital costs as proposed by the Applicants. These workpapers were also shown during the Aug.24, 2016 conference call between ORA and the SoCalGas/SDG&E witnesses for the revenue requirements and rates. ORA requests to obtain the corresponding active Results of Operation (R.O.) model associated with the derivation of the annual revenue requirements for the Proposed Project and the Line 1600 derate and hydro test alternative. The active R.O. model should have the formulas and links to the corresponding capital cost inputs and all other assumptions necessary to arrive at the annual revenue requirements shown in Mr. Woodruff's workpapers. As mentioned during the meeting, in previous applications, ORA was provided this type of active R.O. spreadsheet model, on a confidential basis, in the SoCalGas/SDG&E PSEP and SoCalGas/SDG&E North-South Project, including conducting a walk-through of the R.O. model.

RESPONSE 1:

These following excel models are **proprietary in nature and contains confidential information provided pursuant to P.U. Code § 583 and G.O. 66-C and the accompanying declaration.** Please see the attached excel files – “PET – Line 1600 (20160229) Confidential” and “PET – Line 3602 (20151124) Confidential”, which are the models used to calculate the illustrative annual revenue requirements of the Proposed Project.¹ Also please refer to Mike Woodruff's supporting documents, which correspond to the active PET model associated with the derivation of the annual revenue requirements for the Proposed Project and project alternatives, and are summarized in the public workpapers.

¹ To clarify, this revenue requirement model is not called “results of operations” model.

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QUESTION 2:

On the ratemaking portion in A.15-09-013 which are part of the Workpapers of Mr. Jason Bonnett, ORA requests to obtain the active excel rate models associated with the Proposed Project and the derate of Line 1600 to distribution service. Please include extra columns in the relevant model input tab where Alternative Projects may be added and tested and compared against the results obtained for Proposed Project.

RESPONSE 2:

Please see the attached excel files – “2016 SCG RD PSRP Model” and “2016 SDGE RD PSRP Model”.

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QUESTION 3:

Based upon ORA's meeting with SDG&E and SoCal Gas on August 24, 2016, ORA understands that the depreciation period in the revenue requirement model for a newly constructed Line 3602 transmission line would be 40 years. Is this accurate? If not, please clarify the depreciation period?

RESPONSE 3:

The depreciation period for the proposed Line 3602 transmission line is 45 years, which is the standard book life assigned to gas transmission lines per Federal Energy Regulatory Commission (FERC) Account G-367.

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QUESTION 4:

Based upon ORA's meeting with SDG&E and SoCal Gas on August 24, 2016, ORA understands that de-rating Line 1600 to a distribution line with an MAOP of 340 psig would be assigned a 60 year depreciation period in the revenue requirement model. Is this understanding accurate? If so, is this 60 year depreciation period factored into the cost estimate of the Proposed Project?

RESPONSE 4:

To clarify, Applicants have proposed to de-rate Line 1600 to a distribution line with an MAOP of 320 psig, not 340 psig as stated in the question.

The depreciation period for derating Line 1600 to a distribution line is 60 years. The revenue requirement calculation captures this depreciation period.

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QUESTION 5:

Based on your response to Question 4 above, what would the cost estimate of the Proposed Project be if de-rating Line 1600 to distribution had a depreciation period of 20 years?

RESPONSE 5:

The direct cost estimate of the Proposed Project would not change if a 20 year depreciation period is used as described in Question 5. The total revenue requirement would change. Theoretically, if the book life is decreased compared to the FERC book account of 60 years, the net present value of the revenue requirement would increase as the costs are recovered earlier (and on an accelerated basis) compared to a longer book life.

**BEFORE THE PUBLIC UTILITIES
COMMISSION OF THE STATE OF CALIFORNIA**

**DECLARATION OF MIKE WOODRUFF
REGARDING CONFIDENTIALITY OF CERTAIN DATA/DOCUMENTS
PURSUANT TO D.16-08-024**

I, Mike Woodruff, do declare as follows:

1. I am the Financial and Strategic Analysis Manager in the Financial and Strategic Analysis department for San Diego Gas & Electric Company (“SDG&E”). I have been delegated authority to sign this declaration by Scott Drury, Chief Energy Supply Officer for SDG&E. I have reviewed “PET – Line 1600 (20160229) Confidential .xslm” and “PET – Line 3602 (20151124) Confidential.xslm” submitted concurrently herewith (the “PSRP Revenue Requirement Models”). I am personally familiar with the facts and representations in this Declaration and, if called upon to testify, I could and would testify to the following based upon my personal knowledge and/or belief.

2. I hereby provide this Declaration in accordance with Decision (“D.”) 16-08-024 to demonstrate that the confidential information (“Protected Information”) provided in the PSRP Revenue Requirement Models submitted concurrently herewith and as described in specificity in Attachment A, is within the scope of data protected as confidential under applicable statutory provisions including, but not limited to, Public Utilities Code (“PUC”) § 583 and/or General Order (“GO”) 66-C.

3. In accordance with the legal authority described herein, the Protected Information should be protected from public disclosure.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed this 15th day of September, 2016, at San Diego.

A handwritten signature in black ink, appearing to read "Mike Woodruff". The signature is written in a cursive style with a large, stylized initial "M".

Mike Woodruff
Financial & Strategic Analysis Manager

ATTACHMENT A

SDG&E's Request for Confidentiality on the following information in its response to ORA Data Request 37

SDG&E is seeking confidential treatment of the Pipeline Safety & Reliability Project (PSRP) Revenue Requirement Models requested by the Office of Ratepayer Advocates (ORA) in their 37th data request in the PSRP Proceeding (Application 15-09-013). SDG&E's PSRP Revenue Requirement Models are proprietary tools developed internally for purposes of strategic decision-making and analyses. Additionally, the PSRP Revenue Requirement Models contain company specific financial information which should be treated confidentially. The PSRP Revenue Requirement Models contains trade secrets or otherwise confidential information owned by SDG&E. Access to and use of this information is strictly limited and controlled by SDG&E. Such trade secrets may not be used or disclosed except under appropriate precautions to maintain the confidentiality hereof, and may not be used in any way not expressly authorized by SDG&E as it could cause substantial harm to SDG&E and ultimately the ratepayers. In general, state and federal freedom of information statutes give any person the right to obtain government documents unless the documents (or portions thereof) are exempt from disclosure as specifically enumerated in the applicable statute. Information that is exempt from disclosure includes, for example, documents related to national security, government agency personnel rules and practices, trade secrets and confidential commercial and financial information.