SAN DIEGO GAS & ELECTRIC COMPANY
SOUTHERN CALIFORNIA GAS COMPANY

APPLICATION FOR AUTHORITY TO
REVISE THEIR CURTAILMENT PROCEDURES

(A.15-06-020)

(6TH DATA REQUEST FROM SOUTHERN CALIFORNIA GENERATION COALITION)

QUESTION 6.1:

At page 8, lines 13-16, Gwen Marelli states: "As discussed in Mr. Bisi's testimony, SoCalGas and SDG&E are to plan their system to provide certain levels of firm service for noncore customers; however, we are uncertain as to what exactly the market desires for that firm service since a large percentage of it is masked as interruptible." What is the "large percentage" stated as a percentage and stated as an annual average daily volume?

RESPONSE 6.1:

QUESTION 6.2:

At page 9, lines 13-16, of Gwen Marelli states: “The testimony of Mr. Borkovich describes the proposed tariff changes related to planned or maintenance-related outages, which primarily consists of eliminating duplicative provisions and adding language to enable the utilities and customers affected by such curtailments to mutually agree on a curtailment order different from the prescribed curtailment order.” Please identify specifically the tariff language proposed by Mr. Borkovich that would “enable the utilities and customers affected by such curtailments to mutually agree on a curtailment order different from the prescribed curtailment order.”

RESPONSE 6.2:

Please see Attachment A, SoCalGas Rule 23, Sheets 8-9, Section F to the Prepared Direct Testimony of Paul Borkovich for tariff language changes proposed for curtailments required for system maintenance and repair.

QUESTION 6.3:

At page 2, lines 3-5, Steve Watson states: “In the event of a curtailment, PG&E requires all noncore customers in a locally-constrained area to reduce their load on a pro-rata basis relative to their recent historical peak burns,” but Mr. Watson does not provide a citation. Please identify specifically the sections of PG&E’s tariff that provide for pro rata reductions.

RESPONSE 6.3:

Section H of PG&E Gas Rule No. 14 (Sheet 23) provides a tariff description of PG&E’s local curtailment requirements. PG&E Gas Rule 14 can be found at:

www.pge.com/nots/rates/tariffs/tm2/pdf/GAS_RULES_14.pdf.

PG&E’s Rule 14 does not describe the specifics of how they implement their reductions. However, SoCalGas verified with PG&E that its practice is pro-rata reduction.

QUESTION 6.4:

At page 2, lines 15-16, David Bisi states: “SoCalGas operates four storage fields that interconnect with its transmission system. These storage fields – Aliso Canyon, Honor Rancho, La Goleta, and Playa del Rey – are located near the primary load centers of the SoCalGas system.” Please specify the local service zone in which each of the storage fields would be located.

RESPONSE 6.4:

Although the storage fields are physically located in a particular zone, they may deliver to or receive supplies from multiple zones.

Aliso Canyon – North LA Basin
Honor Rancho – Valley
La Goleta – Coastal
Playa del Rey – North LA Basin

QUESTION 6.5:

At page 8, lines 1-2, Tuan Nguyen states: "Customers currently served by these noncore rate schedules will be formally notified that their current rates and contracts will be changing upon approval of this application." Further, at page 8, lines 8-10, Tuan Nguyen states: "Ending all noncore contracts and changing rates at the same time will simplify administration for both the utilities and our customers.

6.5.1 Please identify all rates that would change if the SoCalGas/SDG&E proposals in this proceeding were approved by the CPUC.

6.5.2 Please explain in narrative format the reasons for the rate changes.

6.5.3 Please provide a working electronic copy of every Excel spreadsheet (or other Excel model) that was used to determine the proposed rate changes. Working Excel spreadsheets should contain all data used and all formulas employed to derive the rates that would change if the SoCalGas/SDG&E proposals in this proceeding were approved by the CPUC and should contain all links to other Excel spreadsheets in active format.

RESPONSE 6.5:

6.5.1 Mr. Nguyen's direct testimony at page 7 identifies which rate schedules need to be modified to accommodate the proposal to eliminate the distinction between firm and interruptible service. Note that this application is not proposing changes to the amount of any of our rates.

6.5.2 See response 6.5.1.

6.5.3 N/A

QUESTION 6.6:

At page 3, Tuan Nguyen explains the current curtailment "violation fees" as follows: "The violation fees increase based on when the noncompliance occurs. Customers failing to curtail on request will be assessed a penalty of $1.00 per therm for the initial 5 hours of the Customer's operating day, $3.00 per therm for hours 6 through 8, and $10.00 per therm for hours through the end of the curtailment episode." At page 14, Paul Borkovich proposes "for simplicity" to revise the curtailment "violation charge" as follows: "For simplicity, the curtailment violation charge is proposed to be changed to a $5 per therm charge, plus the daily balancing standby rate, applicable to the entire curtailment period."

6.6.1 Please explain how adding the daily balancing standby rate to a dollar per therm charge simplifies the curtailment violation charge.

6.6.2 Please explain the rationale, if any, for adding the daily balancing standby rate to the dollar per therm charge.

6.6.3 Please provide the daily balancing standby rate for each day from December 3, 2015, to the most recent date for which the daily balancing standby rate is known.

RESPONSE 6.6:

6.6.1: Simplicity is created by having only *one* single $/therm charge, rather than *four* different $/therm charges, charges that are dependent on how long the curtailment has been underway.

6.6.2: The proposed dual charge structure was borrowed from PG&E's Local Curtailment rules. The rationale for having both charges in the event of a curtailment violation is to 1) create an incentive to not violate by charging $5 per therm for violations; and 2) compensate the core for taking their gas during a curtailment by charging the daily balancing standby rate.

6.6.3: The estimated daily balancing standby rate for each day from December 3, 2015 to January 8, 2016 was $3 per Dth except for $4 per Dth on December 30, 2015.

QUESTION 6.7:

At pages 21-22, lines 29-1, Paul Borkovich states: “In the past, allocation of curtailment violation charge revenue has attempted to determine who complied with curtailment orders and reward them by reducing the revenue requirement to their respective rate class.” However, D.14-06-007 adopted SoCalGas witness Ahmed’s proposal in A.11-11-002 “to refund the balance in the CVPA as a bill credit to those noncore customers who curtailed.” D.14-06-007, Attachment IV, in A.11-11-002 states in paragraph 3: “Adopt SoCalGas’ proposal to refund the balance in the Curtailment Violation Penalty Account (CVPA) as a bill credit to those noncore customers who curtailed.” Accordingly, the “Disposition” section of the SoCalGas Preliminary Statement description of the CVPA states: “Upon Commission approval, SoCalGas will refund the balance to applicable customers via a one-time bill credit.” Please explain why SoCalGas’ practice of “reducing the revenue requirement to their respective rate class” instead of providing bill credits would not be a violation of D.14-06-007 and the Preliminary Statement description of the CVPA.

RESPONSE 6.7:

In this proceeding we are seeking a change to the approach adopted in D.14-06-007. Administration of the CVPA as described requires determination of which customers curtailed when ordered and which customers did not during each specific curtailment event for a one-time bill credit. The proposal in this application would eliminate this analysis and bill crediting process by instead allocating noncompliance charge revenue to the NFCA and PGA as requested in the testimony of Paul Borkovich.

QUESTION 6.8:

At page 22, lines 2-6, Paul Borkovich states: "SoCalGas and SDG&E propose to move away from this process by proposing that curtailment noncompliance charge revenue be allocated to the Noncore Fixed Cost Account (NFCA) for each respective utility and that revenue from the assessment of G-IMB daily balancing standby charge revenue will be allocated to the Purchased Gas Account (PGA)."

6.8.1 Please explain the rational for recording any revenues derived from billing curtailment noncompliance charges including the daily balancing standby charge in the PGA.

6.8.2 Is it SoCalGas/SDG&E's intent to allocate a portion of curtailment noncompliance charge revenue to core customers even when only noncore customers have been required to curtail their use of gas?

6.8.3 If the answer to the previous question is "yes," please explain why SoCalGas/SDG&E believes that such an allocation would be appropriate.

6.8.4 Under Paul Borkovich's proposal, what would be the role of the SoCalGas CVPA and the SDG&E Curtailment Funds Penalty Account ("CPFA")?

6.8.5 Assuming that revenue from the assessment of G-IMB daily balancing standby charge revenue were allocated to the Purchased Gas Account as proposed by Mr. Borkovich, please describe in detail how the allocation would affect the award to shareholders under the Gas Cost Incentive Mechanism.

RESPONSE 6.8:

6.8.1 Customers violating orders to curtail are assumed to be using gas supply procured for core customers. The daily balancing standby charge is the proxy for the cost of replacement supply incurred by Gas Acquisition to make up these quantities.

6.8.2 Yes.

6.8.3 See Response 6.8.1.

6.8.4 The CVPA and CPFA would be superseded by the proposal to allocate curtailment noncompliance charge revenue to the NFCA of the affected utility and the daily balancing standby charge revenue to the PGA.

6.8.5 Credits to the PGA from the sale of gas delivered to SoCalGas and SDG&E customers described in Section 2 includes revenue from G-IMB standby charges. Procurement revenues from the sale of gas delivered to SoCalGas and SDG&E customers are not components of the Gas Cost Incentive Mechanism.

QUESTION 6.9:

At page 3, lines 9-10, Mr. Watson states: “SoCalGas and SDG&E expect its transmission constraints to occur in its winter peak periods, not during the summer.” Please explain in detail why SoCalGas/SDG&E are making this assumption, given the fact that they state that their proposed curtailment procedure is designed to address issues associated with delivery capacity on the SoCalGas/SDG&E transmission system, not supply issues.

RESPONSE 6.9:

Peak winter burns are typically at least 30 percent higher than peak summer burns.