

**APPLICATION OF SOUTHERN CALIFORNIA GAS COMPANY &
SAN DIEGO GAS & ELECTRIC COMPANY FOR AUTHORITY TO REVISE THEIR
NATURAL GAS RATES AND IMPLEMENT STORAGE PROPOSALS EFFECTIVE
JANUARY 1, 2020 IN THE TRIENNIAL COST ALLOCATION PROCEEDING**

(A.18-07-024)

(DATA REQUEST CAL ADVOCATES-DR-009)

DATA RECEIVED: 10-24-18

DATE RESPONDED: 11-07-18

QUESTION 1:

Total Storage Capacities

(a) Regarding the proposed total storage inventory capacity of 119.5 Bcf for the 2020 – 2022 TCAP period as described on page 3 of Ms. Dandridge’s testimony, please confirm that the gas storage inventory allocations specified below in Table 1 accurately correspond to the following functions: core customer class, wholesale customers, balancing function, and the reliability function.

Table 1: Storage Allocation by Function

Function	Amount (Bcf)
Core Customer Class	80
Wholesale Customers	2.5
Balancing Function	16
Reliability Function	21
Total	119.5

- i Please confirm that no additional functions have been excluded from the proposed storage allocation for the 2020 – 2022 TCAP period.
 - ii Please provide a corrected table if any of the information is incorrect or missing.
- b) What are SoCalGas’s assumptions regarding the full operating capacity of Honor Rancho, Playa del Rey and La Goleta given the new Division of Oil, Gas, and Geothermal Resources (DOGGR) Underground Gas Storage regulations over the 2020 – 2022 TCAP period? Please state the SoCalGas assumptions and provide the factual basis of those SoCalGas assumptions.
- (c) On Page 4, lines 10-11, the Applicants state that “in the case of Aliso Canyon, SoCalGas assumes 2,926 psia and a total working inventory capacity of 68.6 Bcf, as previously discussed.” In making the statement that the Aliso Canyon storage facility will have a working inventory capacity of 68.6 Bcf, do the Applicants assume that this working inventory will remain constant throughout this three-year TCAP period (2020 – 2022)? Please explain the reasoning behind your answer.

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(d) On page 4, lines 8-10, the Applicants state "...Applicants use a baseline forecasting assumption that SoCalGas' Honor Rancho, La Goleta, and Playa Del Rey storage facilities will be at full operational capacity." Does the Applicants' statement of "full operational capacity" take into consideration any adjustments to working inventory capacity due to the DOGGR Underground Gas Storage regulations at any of these gas storage facilities? Please explain.

i. To support your answer in question 1(c), please populate the table below by comparing the total working storage inventory capacity of each of SoCalGas' four gas storage facilities (Aliso Canyon, Honor Rancho, Playa Del Rey, and La Goleta) under the current 2016 TCAP Phase 1 Settlement for the period 2016 – 2019 to the total working storage inventory capacity proposed under the present TCAP application (period 2020 – 2022). For column E, please include references to any publications or documents to support your answer.

(A) Storage Facility	(B) Working Storage Inventory Capacity (2016 TCAP) (in Bcf)	(C) Working Storage Inventory Capacity Proposed under 2020 TCAP (in Bcf)	(D) Difference between 2016 and Proposed 2020 (in Bcf) (C – B)	(E) Rationale/Explanation for Difference
Aliso Canyon				
Honor Rancho				
Playa Del Rey				
La Goleta				
Total				

RESPONSE 1:

(a) Yes, those figures match Applicants' storage allocation proposal.

- i. No additional functions have been excluded.
- ii. N/A

(b) For the storage fields other than Aliso Canyon, Applicants forecast that the injection and/or withdrawal capacities will be reduced from those adopted in the prior TCAP due to the tubing-flow only enhancements. See p. 3 (lines 1 through 5). The forecasted total inventories for each field are provided in sub-part (d) below.

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(c). For purposes of presenting a comprehensive storage allocation forecast, that is the baseline assumption.

(d) Yes, as it is described on p. 3 (lines 13 through 16).

(d).i.

(A) Storage Facility	(B) Working Storage Inventory Capacity (as presented in 2016 TCAP) (in Bcf)	(C) Working Storage Inventory Capacity (as proposed in 2020 TCAP) (in Bcf)	(D) Difference between 2016 Presented and 2020 Proposed (in Bcf) (C – B)	(E) Rationale/Explanation for Difference
Aliso Canyon	86.2	68.6	-17.6	DOGGR's approved inventory capacity.
Honor Rancho	28	27	-1	27 Bcf represents the approximate nominal designed working inventory at Honor Rancho.
Playa Del Rey	2.4	2.4	0	n/a
La Goleta	21.5	21.5	0	n/a
Total	138.1	119.5	-18.6	

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QUESTION 2:

Injection Capacity

(a) On pages 4 and 5 of Ms. Dandridge's testimony, she states that, "Applicants are proposing a total winter injection capacity of 500 MMcfd, which is the expected capacity available during the winter period." On page 8 of Ms. Dandridge's testimony, in Table 1 of Section V.C, the Table shows that for the core customer class a proposed winter injection of 149 MMcfd.

i. Please provide the factual basis of the proposed 149 MMcfd and clarify whether the proposed 149 MMcfd of winter injection capacity for the core customer class is inclusive of the proposed total winter injection capacity of 500 MMcfd or incremental to the 500 MMcfd.

ii. If the proposed 149 MMcfd of winter injection capacity for the core customer class is inclusive in the 500 MMcfd of total winter injection capacity, please explain why core's percentage of the winter injection capacity was reduced from 58% of the total under the currently authorized amount to 29% under the proposed amount.

(b) On page 5 of Ms. Dandridge's testimony, lines 3-5, SoCalGas proposes that the injection capacity for the summer period "should be lowered from 915 MMcfd in the current TCAP period to 790 MMcfd, to match reduced injection capability as a result of well safety enhancements."

i. Please provide the factual basis of the proposed 790 MMcfd and clarify which gas storage facilities SoCalGas is referring to that will have reduced capability as a result of well safety enhancements.

RESPONSE 2:

(a)

i. The basis for the proposed 500 MMcfd of total winter injection capacity is explained on p. 4 (lines 13 through 16) through p. 5 (lines 1 through 2). Analysis is shown in Ch.1 workpapers, tab "Injection Winter." Yes, the proposed 149 MMcfd of winter injection capacity for the core customer class is inclusive of the proposed 500 MMcfd of total winter injection capacity. 149 MMcfd is the residual after allocating 345 MMcfd to the balancing function and 6 MMcfd to the wholesale customers. These allocations to the balancing function and the wholesale customers are unchanged from the prior TCAP.

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ii. SoCalGas disagrees with the questions assertion that there was a 58% reduction in winter injection capacity. The proposed 149 MMcfd for the core customer is 29.8% of the proposed 500 MMcfd total (149 MMcfd/500 MMcfd). This is a 3% reduction from the 33% of the currently authorized amount (210 MMcfd/635 MMcfd).

(b) i.

The 790 MMcfd is the combination of projected summer injection capabilities for all four storage fields at the time of 2020 TCAP filing. Injection capability depends upon several factors, including compressor equipment capability and availability, well capability and availability, and field inventory. Safety enhancement impacts apply to all fields.

The 790 MMcfd forecasted firm minimum injection capability represents the minimum level of injection capacity projected to be available through the summer season for the combined storage fields at the time of 2020 TCAP filing. This takes into account the storage fields being at maximum inventory with all equipment operational, and is the estimate for well performance based on historical operation conditions and performance decrease due to currently ongoing safety enhancement work.

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QUESTION 3:

Withdrawal Capacity

(a) On page 5 of Ms. Dandridge's testimony, SoCalGas proposes a firm winter withdrawal capacity of 2,400 MMcfd for the 2020 – 2022 TCAP period. Please explain how SoCalGas arrived at a firm winter withdrawal recommendation of 2,400 MMcfd and provide an analysis showing where the difference of 775 MMcfd comes from the 3,175 MMcfd approved under the current TCAP decision. Please provide the factual basis of any SoCalGas assumptions relevant to the 2,400 MMcfd recommendation.

(b) On page 5 of Ms. Dandridge's testimony, SoCalGas proposes a firm summer withdrawal capacity of 1,240 MMcfd for the 2020 – 2022 TCAP period. Please explain how SoCalGas arrived at a firm summer withdrawal capacity recommendation of 1,240 MMcfd and provide an analysis showing where the difference of 572 MMcfd comes from the currently authorized 1,812 MMcfd from the 2016 TCAP. Please provide the factual basis of any SoCalGas assumptions relevant to the 1,240 MMcfd recommendation.

RESPONSE 3:

(a) Applicants' 2020 TCAP forecast for firm winter withdrawal was not based upon prior authorized capacity figures. It was developed based on our calculation (see Ch.1 workpapers, tab "Withdrawal Winter") that 2,400 MMcfd would be available for the peak months of December and January, as described in Chapter 1 on p. 5 (lines 7 through 15).

(b) Applicants' 2020 TCAP forecast for firm summer withdrawal was not based upon prior authorized capacity figures. It was developed based on our calculation (see Ch.1 workpapers, tab "Withdrawal Summer") that 1,240 MMcfd would be available in the summer more than 95% of the time. as described in Chapter 1 on p. 5 (lines 16 through 23).

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QUESTION 4:

Core Storage Requirements

Page 6 and 7 of Ms. Dandridge's testimony she states that "[w]ith the elimination of the unbundled storage program, storage assists will be made available to the wholesale customers of SoCalGas serving core customers, from the core storage assets. Southwest Gas (a wholesale customer), will be allocated storage capacities (inventory, injection, and withdrawal) equal to approximately 2% of the storage capacities allocated to the core customers of SoCalGas and SDG&E, at the same rates for the combined core customers of SoCalGas and SDG&E. The City of Long Beach (a wholesale customer) will be allocated storage capacities (inventory, injection, and withdrawal) equal to approximately 1% of the storage capacities allocated to the core customers of SoCalGas and SDG&E, at the same rates for the combined core customers of SoCalGas and SDG&E." (Page 6, lines 18-23 to page 7, lines 1-3.)

(a) Please describe how the Applicants arrived at a recommended allocation of 2% to Southwest Gas Corporation for storage capacities and provide the factual basis for the 2% recommendation.

(b) Please describe how the Applicants arrived at a recommended allocation of 1% to The City of Long Beach for storage capacities and provide the factual basis for the 1% recommendation.

RESPONSE 4:

(a) The allocated approximate percentages are based on the current contractual firm storage services agreements with Southwest Gas.

(b) The allocated approximate percentages are based on the current contractual firm storage services agreements with the City of Long Beach.

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QUESTION 5:

New Reliability Function

(a) On page 14, lines 14-17, the Applicants state that they are “proposing to allocate 21 Bcf of storage inventory to the reliability function, to be classified as reserve inventory. The 21 Bcf will provide the inventory required to provide a withdrawal deliverability of 1,240 MMcfd for all customers on the system, on a year-round basis.” Please describe how the Applicants arrived at a recommendation of 21 Bcf of storage inventory for the balancing function. In your response please provide the factual basis of the 21 Bcf storage inventory to the reliability function, including the calculation as well as any workpapers.

RESPONSE 5:

As discussed in Ch.1 pg. 3 (lines 1-9), safety enhancements at the storage fields impact withdrawal capabilities. The effect is that higher inventories are required to maintain withdrawal rates. To maintain the proposed 1,240 MMcfd of withdrawal, 21 Bcf is the minimum system-wide inventory required to produce this withdrawal rate. The 1,240 MMcfd is the sum of 400 MMcfd for the Core and 840 MMcfd for balancing. The 840 MMcfd for balancing is greater than the sum of the current withdrawal allocations of 525 MMcfd for balancing and 206 MMcfd for unbundled, less the withdrawal for wholesale, and will help make up the difference with the proposed elimination of the unbundled program. The 400 MMcfd for Core is approximately the difference between Core’s average daily summer demand of 875 MMcfd and max average demand of 1,300 MMcfd including Wholesale (see 2018 California Gas Report, Redacted Workpapers pg.14-16, forecast for 2020). For the winter, 1,240 MMcfd contributes to the 1-in-35 peak day withdrawal requirements for Core plus balancing, along with the additional 19 Bcf that Core would maintain for a peak day mentioned in Ch.1 p. 8 (lines 11-13).