**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-029)

DATA RECEIVED: 1-11-19

DATE RESPONDED: 1-25-19

The following data request questions pertain to Chapter 1 of the Applicants' testimony, the Prepared and Direct Testimony of Michelle Dandridge.

QUESTION 1:

On page 3 of witness Dandridge's testimony, the Applicants propose a working storage inventory capacity of 68.6 Bcf for Aliso Canyon for the 2020 TCAP. Please clarify why the Applicants are proposing a 68.6 Bcf storage inventory capacity for Aliso Canyon when the Commission's Energy Division in the latest 715 Report published on July 6, 2018, recommends a maximum allowable working gas inventory for Aliso Canyon of 34 Bcf. Please include all documentation to support your clarification response.

a) Please clarify whether the recommended 68.6 Bcf storage inventory capacity for Aliso Canyon that the Applicants recommend is the result of DOGGR having completed its inspection of **all** the wells at Aliso Canyon and determined which wells have passed all tests, been taken out of service, plugged or other. If the Applicants recommendation is based on another analysis by DOGGR, please clarify that analysis and the assumptions. Please include all documentation to support your response.

RESPONSE 1:

Please refer to Response 2(a) of Cal Advocates 27th data request. Please also refer to the 2018 Summer 715 Report, page 3, which states:

> On July 19, 2017, DOGGR certified, and the Executive Director of the Commission concurred, that the required inspections and safety improvements had been completed and injections could resume. DOGGR found that the facility could be safely operated at pressures between a minimum of 1,080 pounds per square inch absolute (psia) and a maximum of 2,926 pounds psia. These pressures translate into an inventory of working gas that ranges from 0 Bcf to approximately 68.6 Bcf.[1]

Please also refer to DOGGR's *Updated Comprehensive Safety Review Findings* (July 19, 2017) for DOGGR's statement of findings related to the well testing.[2]

[1]http://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/News_Room/715Report_Summer2018_Final.pdf

[2]https://www.conservation.ca.gov/dog/Documents/Aliso/Enclosure1_2017.7.19_Updated%20Comprehensive%20Safety%20Review%20Findings.pdf

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QUESTION 2:

a) Please explain why the Applicants chose to use 2015 injection capacity data as the reference point for their injection capacity proposal of 360 MMcfd for the 2020 TCAP period. If this understanding about the data used as the reference point for the injection capacity is incorrect, then please state the reason why it is incorrect and provide the necessary correct information on the reference point. Otherwise, please include all documentation to support your explanation on the use of 2015 injection capacity data.

b) As part of your response, please include the average winter (November to March) injection capacity posted on SoCalGas' Electronic Bulletin Board, ENVOY, for the following years:
a. 2016
b. 2017
c. 2018

Please provide the complete data for each year in Excel format.

c) Please explain why the Applicants propose to reduce the injection capacity for the summer period (April to October) from 915 MMcfd in the current TCAP to 790 MMcfd "as a result of well safety enhancements" (pg. 5 Dandridge, lines 4 – 5), but do not propose to reduce the winter injection capacity because of well safety enhancements. If this understanding of the Applicants proposal is incorrect, then please state the reason why it is incorrect and then provide the correct information regarding the Applicants' proposal. Otherwise, please respond below.

a. What accounts for the seasonal discrepancy in injection capacity?

d) How many scenarios did the Applicants develop and conduct to arrive at the recommendations for the winter and summer injection capacities? Please thoroughly explain your answer and provide the assumptions used in each scenario. If no other scenarios except the Applicants' proposed scenario were developed, then please state the reason for this and why this one-scenario should be considered reasonable.

RESPONSE 2:

a) As stated in Chapter 1, p. 4 (footnote 6), "Applicants are using 2015 as a reference point for their proposals, which is the data prior to the Aliso Canyon incident and subsequent restrictions implemented at that facility."

b) Please refer to the attached spreadsheet.

CalAdv DR29 R2b
(Winter INJ).xlsx

c) Chapter 1, p. 3 (lines 7-9) discusses the reduction of injection and withdrawal capacities due to safety enhancements for the TCAP period. The statement in Chapter 1 page 4 lines 13-14 should be clarified: the 360 MMcfd already accounts for the reduction in injection capacity. Please refer to the Chapter 1 workpapers for Injection Winter, in which posted injection for the 2015 winter was 429,000 Dth. A 14% reduction for injection capabilities due to safety enhancements reduces this to 369,000 Dth, or 360 MMcfd. Winter injection is typically less than summer because of maintenance work.

d) Applicants developed one scenario using a baseline forecasting assumption that Aliso Canyon, Honor Rancho, La Goleta, and Playa del Rey storage facilities will be at full operational capacity. Under this overarching assumption, an analysis was performed to account for what storage injection and withdrawal capacities had been available during the summer and winter seasons, including maintenance activities, by using posted ENVOY data. Applicants then incorporated reductions for inventory, withdrawal, and injection due to safety enhancements to arrive at the recommendations for the winter and summer storage injection and withdrawal capacities. The scenario is reasonable because it uses currently known available operating parameters as certified by DOGGR that the Commission concurred with, and provides an allocation that allows for the use of these available assets.[3] Applicants cannot speculate on the outcome of other proceedings outside of this application.

[3] http://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/News_Room/715Report_Summer2018_Final.pdf. Per p. 3, "On July 19, 2017, DOGGR certified, and the Executive Director of the Commission concurred, that the required inspections and safety improvements had been completed and injections could resume."

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QUESTION 3:

a) Please explain why the Applicants chose to use 2012/2013 and 2014/2015 winter firm withdrawal capacity data as the reference winters for their recommendation to lower the firm winter withdrawal capacity from 3,175 MMcfd to 2,400 MMcfd for the 2020 TCAP period. If this understanding about the data used as the reference point for the winter firm withdrawal capacity data for purposes of the Applicants' recommendation is incorrect, then please then please state the reason why it is incorrect and provide the necessary correct information on the reference point.

b) As part of your response, please include the system-wide withdrawal capacity as post on ENVOY in the peak months of December and January for the following winters:
a. Winter 2015/2016
b. Winter 2016/2017
c. Winter 2017/2018
Please provide the complete winter data sets in Excel format.

c) On page 5, lines 8 – 11, the Applicants state that, "…SoCalGas recommends this level of firm winter withdrawal capacity because the system-wide withdrawal capacity as posted on ENVOY, in the peak months of December and January for the winters of 2012/13 through 2014/15 was above 2,875 MMcfd virtually 100% of the time." Please explain how the Applicants propose to meet the potential shortfall of approximately 475 MMcfd of winter withdrawal capacity in their proposal to set the firm winter withdrawal capacity at 2,400 MMcfd. If this understanding about the data used as the reference point for the winter firm withdrawal capacity data for purposes of the Applicants' recommendation is incorrect, then please then please state the reason why it is incorrect and provide the necessary correct information on the reference point.

d) How many scenarios did the Applicants develop and conduct to arrive at the recommendations for withdrawal capacity? Please thoroughly explain your answer and provide the assumptions used in each scenario. If no other scenarios except the Applicants' proposed scenario were developed, then please state the reason for this and why this one-scenario should be considered reasonable.

RESPONSE 3:

a) Applicants are using these years as a reference point for their proposals, which is data prior to the Aliso Canyon incident and subsequent restrictions implemented at that facility.

b) Please refer to the attached spreadsheet.

CalAdv DR29 R3b
(Winter WD).xlsx

c) Applicants are not stating there is a shortfall, but rather that this is the new firm winter withdrawal capacity available for the 2020 TCAP. The 2,875 MMcfd does not account for reductions in withdrawal capacity due to safety enhancements at the storage fields. The 2,400 MMcfd accounts for this reduced capacity. Please refer to the Chapter 1 workpapers, sheet "Withdrawal Winter." Also, please see discussion regarding why the reduced capacities are needed, Chapter 1, p. 3 (lines 1-9).

d) Please refer to Response 2(d).

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QUESTION 4:

State the weather assumptions used by the Applicants in their analysis to arrive at the proposed injection, withdrawal and storage inventory levels and state the reasons why these weather assumptions should be considered reasonable for purposes of arriving at the Applicants' proposal.

RESPONSE 4:

The allocations to the Core Reliability function are based on a 1-in-35 cold year and 1-in-35 cold peak day as discussed in Chapter 1, p. 7 Core Reliability Standards. The allocations to the enhanced Balancing Function and new Reliability function are not based on a specific weather condition, other than winter and summer seasons for seasonal allocations.

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QUESTION 5:

For all gas transmission pipelines that are currently experiencing an outage, out of service or operating at reduced capacity (i.e. Line 4000, 2000, and 235-2), please provide the following information:

a) The SoCalGas System Operator's timeline and/or expected date for the line to be back in service or operating at full capacity;

b) How reduced capacity on the gas transmission line(s) has (have) impacted SoCalGas' ability to meet its current injection capacity targets at each of its storage facilities;

c) How reduced capacity on the gas transmission line(s) or prolonged outages could impact SoCalGas' ability to meet its proposed working storage inventory capacity at Aliso Canyon of 68.6 Bcf.

RESPONSE 5:

a) Please refer to SoCalGas' online bulletin board ENVOY for maintenance postings.[4] Additional information is expected to be included in comments related to the January 11, 2019 Joint Agency Workshop on Southern California natural gas prices.

b) Applicants object to this question as vague and overbroad. Subject to and without waiving this objection, Applicants respond as follows. SoCalGas has met current targets for the beginning of the 2018 winter season.

c) Reduced pipeline receipt capacity can impede SoCalGas' ability to inject into storage, both at the current inventory levels and the proposed inventory of 68.6 Bcf at Aliso Canyon, depending on actual pipeline receipts and demand,

[4]https://scgenvoy.sempra.com/#nav=/Public/ViewExternalSystemMaintenance.getMaintenanceLedger%3Frand%3D215.