**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-049a)

DATA RECEIVED: 2-26-19

DATE RESPONDED: 3-12-19

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 14 of Ms. Dandridge's testimony, the Applicants propose a new reliability function of 21 Bcf of storage inventory which will provide withdrawal capability for daily operational needs throughout the year (lines 10 – 11). The Applicants state further that the 21 Bcf will be classified as "reserve inventory" and will provide "a withdrawal deliverability of 1,240 MMcfd for all customers on the system, on a year-round basis." (lines 15 – 17). Table 23 in Chapter 8 of witness Sim-Cheng Fung's Testimony shows the same 21 Bcf allocation volume to the Reliability function under Inventory, with a cost in the amount of $8.3 million. Table 23 shows that the total Storage Cost is in the amount of $161.6 million, which includes the $8.3 million for reliability. The 2020 TCAP SCG RD Model shows at tab "Cost Allocation," starting at lines 71 through 75, the same total Storage Cost from Table 23 plus the cost for FFU. In that tab of the SCG rate model, the total Storage Cost from Table 23 is now shown as $164.411 million. At lines 78 and 79 of the tab, the Total Storage Costs of $164.411 million is shown to be allocated to the different customer classes between the Core Storage and Load Balancing functions.

In the teleconference call between SoCalGas witnesses for Chapters 1, 8, 9, 10, and 12 and Public Advocates Office staff Nika Kjensli and Pearlie Sabino on February 21, 2019, in reference to Table 23 of witness Sim Cheng Fung's testimony, a SoCalGas witness stated that the 21 Bcf of storage inventory for reliability was not available to the core for scheduling. Yet, the cost of the 21 Bcf for the reliability function, $8.3 million (as shown in Table 23), is allocated between the core and load balancing functions, as shown in the SCG RD Model. With this in mind, please answer the following question.

a. Please explain whether SoCalGas is proposing that the Gas Acquisition Department on behalf of Core customers, procure gas inventory for the reliability function, and if not, clarify why core is required to assume a portion of the costs for the new reliability function of 21 Bcf as shown in the rate model.

b. Please fully explain why core cannot utilize some of its allocated 82.5 Bcf of Inventory (as shown in Table 23) to provide for its own reliability.

RESPONSE 1:

a) Applicants are not proposing that the Gas Acquisition Department on behalf of Core customers procure the 21 Bcf for the new Reliability function. Further, please see response to Cal Advocates-DR-49, Q1.

b) In this proposal, 19 Bcf of the 80 Bcf storage inventory allocated to the Core will be needed to meet the Core's peak day minimum month-end requirement for the winter. See Chapter 1 (Dandridge) p. 8. This 19 Bcf minimum month-end requirement, along with the 21 Bcf of storage inventory allocated to the reliability function, will provide the requisite withdrawal deliverability for the winter. Applicants propose the reliability function in order to meet Core's Reliability Standards, as described in Chapter 1, p.7. Furthermore, Chapter 1, p. 14, (New Reliability Function) discusses the portion of inventory core will need to hold from the 82.5 Bcf to provide withdrawal deliverability during the end of the winter period in March. As mentioned earlier, safety enhancements made at SoCalGas's storage field wells have impacted withdrawal capability, thus prompting higher minimum inventory levels to meet withdrawal deliverability for system reliability and operational flexibility.