

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)

(7th DATA REQUEST FROM SOUTHERN CALIFORNIA GENERATION COALITION)

DATA RECEIVED: 3-6-19

DATE RESPONDED: 3-20-19

With respect to the Testimony of Jeff Huang:

QUESTION 7.1:

Does the ABB Market Analytics Model (Model) produce a natural gas demand forecast separately for SoCalGas and for SDG&E?

RESPONSE 7.1:

No.

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QUESTION 7.2:

If the answer to the previous question is “no,” please explain how the witness has separated the forecasted natural gas demand between SoCalGas and SDG&E.

RESPONSE 7.2:

The Model contains all the input data for all regions. It makes a single simulation for all the regions. Natural gas demand forecast aggregates specific gas-fired power plants’ fuel consumption data within a specific region. Applicants summed up the output fuel consumption data from all the relevant plants in the SoCalGas region and in the SDG&E region.

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QUESTION 7.3:

Does the Model produce a separate forecast of natural gas requirements for each day of the forecast periods, namely, 2020, 2021, and 2022?

RESPONSE 7.3:

The TCAP is a forecast of annual results. The database is tuned to provide annual forecast. The Market Analytics model simulates and dispatches the power plants hourly; however, the input data are based on average values. The daily natural gas requirement is a component of the annual forecast.

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QUESTION 7.4:

Does the Model produce a separate forecast of natural gas requirements for each month of the forecast periods, namely, 2020, 2021, and 2022?

RESPONSE 7.4:

See Response 7.3.

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QUESTION 7.5:

Does the Model produce a separate forecast of natural gas requirements for each year of the forecast periods, namely, 2020, 2021, and 2022?

RESPONSE 7.5:

See Response 7.3.

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QUESTION 7.6:

Is the Winter Coincident Peak Day Demand determined from a forecast of daily natural gas requirements that is produced by the Model specifically for the month of December for the years 2020, 2021, and 2022?

RESPONSE 7.6:

No. The Winter Coincidental Peak Day Demand is produced from the months of December and the following January, where an EG peak day is most likely to occur.

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QUESTION 7.7:

If the answer to the previous question is “yes,” please provide the output of the Model for each day of the months of December 2020, December 2021, and December 2022.

RESPONSE 7.7:

Not applicable.

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QUESTION 7.8:

Is the Winter Coincident Peak Day Demand determined from a forecast of monthly natural gas requirements that is produced the Model specifically for the month of December for the years 2020, 2021, and 2022?

RESPONSE 7.8:

No.

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QUESTION 7.9:

If the answer to the previous question is “yes,” please provide the output of the model for the months of December 2020, December 2021, and December 2022.

RESPONSE 7.9:

Not applicable.

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QUESTION 7.10:

Is the Winter Coincident Peak Day Demand determined from a forecast of annual natural gas requirements that is produced by the Model specifically for the years 2020, 2021, and 2022?

RESPONSE 7.10:

No.

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QUESTION 7.11:

Based on the figures presented in Table 1, the average daily demand for 2020 is 212 MMDth divided by 365 is about 581 MDth, which is about 83 percent of the Winter Coincident Peak Day Demand of 702 MDth presented in Table 2. If the answer to the previous question is "yes," please explain in detail, step-by-step, the process for deriving a peak daily demand value from a forecast of annual demand.

RESPONSE 7.11:

Not applicable.

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QUESTION 7.12:

With respect to the response to data request IS-01, Q.7, which states: “As discussed in Chapter 1 (Dandridge), p. 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 1240 MMcfd of withdrawal, 21 Bcf is the minimum system-wide inventory required to produce this withdrawal rate. The 1240 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 840 MMcfd should result in a minimum number of OFOs. The 400 MMcfd for Core is approximately the difference between Core’s average daily summer demand of 875 MMcfd and max average demand of 1300 MMcfd including Wholesale (see 2018 California Gas Report, Redacted Workpapers pg.14-16, forecast for 2020). For the winter, 1240 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 Chapter 1 (Dandridge), p. 8 (lines 11-13).”

- 7.12.1. When you state “The 1240 MMcfd is the sum of 400 MMcfd for the Core and 840 MMcfd for balancing” in the response quoted above, does this hold true throughout the year, or is it only true for a particular season?
- 7.12.2. If the previous answer is that the statement is only true for a particular season, please identify the season.

RESPONSE 7.12:

- 7.12.1. No. 400 MMcfd will be allocated to the Core and 840 MMcfd will be allocated to the balancing function only in the summer months (April through October).
- 7.12.2. See 7.12.1.

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QUESTION 7.13:

Please explain the statement in the response to data request IS-01, Q.7, “For the winter, 1240 MMcfd contributes to the 1-in-35 peak day withdrawal requirements for Core plus balancing,” by answering the following questions:

- 7.13.1. How much of the proposed 1240 MMcfd contributes to the proposed core winter withdrawal of 1934 MMcfd capacity shown in Table 1 on page 8 of Dandridge’s testimony?
- 7.13.2. Please specify which, if any, of the following statements are true, and, if so, please indicate the amount of the proposed 1240 MMcfd is incorporated into that true statement:
 - 7.13.2.1. The proposed 1240 MMcfd (or a portion thereof) is additive to the proposed core winter withdrawal of 1934 MMcfd.
 - 7.13.2.2. The proposed 1240 MMcfd (or a portion thereof) makes up a portion of the proposed core winter withdrawal of 1934 MMcfd.
 - 7.13.2.3. The proposed 1240 MMcfd (or a portion thereof) is a substitute for the 1934 MMcfd proposed core winter withdrawal capacity.13:

RESPONSE 7.13

- 7.13.1. For winter withdrawal, 400 MMcfd is allocated to the load balancing function, Core and wholesale will get the remaining winter withdrawal of 840 MMcfd (1,240 MMcfd less 400 MMcfd) which will contribute to the 1-in-35 peak day withdrawal requirements for the Core.
- 7.13.2.1. No
- 7.12.2.2. Yes, 840MMcfd
- 7.13.2.3. No

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QUESTION 7.14:

With respect to the testimony of Sharim Chaudhury at page 27 that states: "Applicants propose that SoCalGas procure up to eight billion cubic feet (Bcf) of gas for 8% monthly balancing due to customers' creating negative cumulative imbalances."

- 7.14.1. Please identify the group or department at SoCalGas that would be responsible for procuring this gas.
- 7.14.2. Would the gas be procured on a daily basis?
- 7.14.3. If the answer to the previous question is "no," please explain the timing for purchasing the quantities of gas and how those quantities would be determined.
- 7.14.4. Would the gas be procured at the SoCalGas border or at the SoCalGas citygate?
- 7.14.5. Would the gas be sold as the cumulative negative balance decreased?
- 7.14.6. If the answer to the previous question is "yes," please stated where the gas would be sold and explain the timing for selling the quantities of gas and how those quantities would be determined.
- 7.14.7. What interest rate would be applied to any balances in the proposed SIBFMA?

RESPONSE 7.14:

- 7.14.1. Applicants have not determined which group will ultimately procure this gas; however, it could be the System Operator's Operational Hub function. Gas Acquisition is another function that could procure the gas.
- 7.14.2. Applicants have not determined that gas will be procured on a daily basis, as it will depend on certain market conditions such as gas price and availability of supply.
- 7.14.3. SoCalGas could begin procuring gas upon receiving authority from the Commission, and with a corresponding authorized Reliability Function Cost Memorandum Account. The timing and quantities for purchasing the gas have not been pre-determined. See response to 7.14.2.

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- 7.14.4. It will be procured at the most economical price either SoCal Border or SoCal Citygate.
- 7.14.5. No
- 7.14.6. N/A
- 7.14.7. SoCalGas is proposing to record in the SIBFMA the carrying cost of the average monthly inventory balance of gas purchases. The interest rate would be the 90-day non-financial commercial paper rate.