

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE  
STATE OF CALIFORNIA**

Application of San Diego Gas & Electric  
Company (U902G) and Southern California  
Gas Company (U904G) Updating Firm  
Access Rights Service and Rates.

Application 10-03-028  
(Filed March 29, 2010)

**RESPONSE OF CITY OF LONG BEACH GAS & OIL DEPARTMENT TO  
SOUTHERN CALIFORNIA EDISON COMPANY'S FIRST SET  
OF DATA REQUESTS**

Edward W. O'Neill  
Salle E. Yoo  
DAVIS WRIGHT TREMAINE LLP  
505 Montgomery Street, Suite 800  
San Francisco, CA 94111-6533  
Telephone: (415) 276-6500  
Facsimile: (415) 276-6599  
E-mail: edwardoneill@dwt.com

Attorneys for City of Long Beach Gas & Oil  
Department

October 13, 2010

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE  
STATE OF CALIFORNIA**

Application of San Diego Gas & Electric  
Company (U902G) and Southern California  
Gas Company (U904G) Updating Firm  
Access Rights Service and Rates.

Application 10-03-028  
(Filed March 29, 2010)

**RESPONSE OF CITY OF LONG BEACH GAS & OIL DEPARTMENT TO  
SOUTHERN CALIFORNIA EDISON COMPANY'S FIRST SET  
OF DATA REQUESTS**

**PRELIMINARY STATEMENT**

Nothing in this response to Southern California Edison Company's (SCE's) First Set of Data Requests ("Data Requests" or "Requests") should be construed as prejudicing or waiving City of Long Beach Gas & Oil Department's ("Long Beach") right to produce and provide additional documentary evidence based on information, evidence or analysis hereafter obtained or evaluated. Long Beach's responses are made subject to inadvertent or undiscovered errors, and are limited by records and information still in existence and or presently recollected and thus far discovered in the course of preparing this response. Long Beach reserves the right to update and/or supplement the responses provided herein if and when additional evidence which is responsive to the Requests becomes available and at any time if it appears that inadvertent errors or omissions have been made.

These responses are made without intending to waive or relinquish Long Beach's rights to take the following actions:

1. Raise all questions regarding relevancy, materiality, privilege, admissibility as evidence for any purpose as to any documents identified or produced in response to these Requests which may arise in any subsequent proceeding, in, or at the trial of, any other action;
2. Object on any grounds to the use of said documents in any subsequent proceeding, in, or at the trial of this or any other action;
3. Object on any grounds to the introduction into evidence of documents identified or produced in response to these Requests; and/or
4. Object on any grounds at any time to other requests for production or other discovery involving said documents, or the subject matter thereof.

## **GENERAL LIMITATIONS AND OBJECTIONS**

Each and every response to a Data Request is subject to the General Limitations and Objections set forth herein.

1. Long Beach objects to each Request to the extent that it requests documents which are protected from disclosure by the attorney-client privilege and/or the attorney work product doctrine. Long Beach further objects to each Request on the grounds of the attorney work product doctrine to the extent it seems to elicit information concerning the manner in which Long Beach has segregated or organized documents.
2. Long Beach objects to each Request to the extent that it calls for proprietary and/or confidential business information, trade secrets or commercially-sensitive information.
3. Long Beach objects to each Request to the extent that production of such documents would violate constitutional, statutory or common law privacy interests of Long Beach or of any other person or entity.
4. As used herein, the objection “irrelevant” or “not relevant” shall mean that the documents requested are irrelevant to the subject matter involved in the pending proceeding and that the Request is not reasonably calculated to lead to the discovery of admissible evidence.
5. Nothing herein shall be construed as an admission respecting the admissibility or relevance of any document or of the truth or accuracy of the characterization of any document or matter contained in the requests to produce documents.

**DATA REQUEST QUESTION 01:**

**Subject: Matching Delivery Agreements**  
**Reference: Direct Testimony of David Sanchez, p. 4 lines 3-7**

Mr. Sanchez's testimony states that Long Beach has a "long-term prepaid Gas Supply Agreement" (Gas Supply Agreement) with Merrill Lynch. Is this the only agreement that Long Beach currently proposes to have matching set-aside rights for? In not, please provide an estimate of the number of other agreements that Long Beach currently has that it proposes should receive matching set-aside rights.

**RESPONSE TO QUESTION 01:**

Long Beach currently has a single long term prepaid natural gas supply agreement that it uses to serve its core load and at this time, it is the only agreement that it proposes should qualify for set-aside rights in Step 1 of the Pre-Open Season.

**DATA REQUEST QUESTION 02:**

**Subject: Matching Delivery Agreements**

**Reference: Direct Testimony of David Sanchez, p. 6, line 20 to page 7, line 2**

**DATA REQUEST QUESTION 02A:**

Under Long Beach's Gas Supply Agreement with Merrill Lynch and any other agreement specified in response to question 1, where does Long Beach take possession of the delivered gas: at a specific receipt point, at the SoCalGas/Long Beach meter, at the city gate, or at some other point?

**RESPONSE TO QUESTION 02A:**

Long Beach's Gas Supply Agreement specifies the "SoCal Border" as the Primary Delivery Point. The SoCal Border is defined in the agreement to mean the SoCalGas receipt points that are existing at the time the agreement was executed in September 2007, where gas may be delivered into the SoCalGas pipeline system at the Southern California border. The Agreement allows either purchaser or seller to specify an Alternate Delivery Point pursuant to agreement by both parties on the incremental costs to be borne by the party requesting such Alternate Delivery Point. No Alternate Delivery Points have been specified to date. Per the Agreement, title passes from Merrill Lynch to Long Beach at the Delivery Point.

**DATA REQUEST QUESTION 02B:**

Does Long Beach's Gas Supply Agreement with Merrill Lynch and any other agreement specified in response to question 1, specify the particular SoCalGas receipt point to which the gas is delivered and the volume of the delivery? If some do and others do not, identify the number of agreements that provide the receipt point for delivery and how many do not.

**RESPONSE TO QUESTION 02B:**

The Gas Supply Agreement with Merrill Lynch specifies the daily contract quantity to be delivered each month to the SoCal Border Primary Delivery Point or any agreed to Alternate Delivery Point. In the last FAR Open Season Step 2 Long Beach purchased FAR at Kramer Junction, based on Merrill Lynch advice regarding Merrill Lynch's long term supply and upstream pipeline capacity contracts.

**DATA REQUEST QUESTION 02C:**

Please discuss fully and in detail how the agreements for which Long Beach would receive set-aside treatment will be modified (as best Long Beach can currently determine) if SoCalGas goes from a system of firm access rights to a backbone transmission system.

**RESPONSE TO QUESTION 02C:**

Long Beach is seeking to participate its core load in the Pre-Open Season Step 1 FAR set aside. Long Beach does not currently anticipate any modifications to its Gas Supply Agreement with Merrill Lynch if SoCalGas goes from a system of firm access rights to a backbone transmission system.

**DATA REQUEST QUESTION 02D:**

What set-aside treatment is Long Beach proposing for agreements (if any) that do not specify a SoCalGas receipt point. Please be specific in your response.

**RESPONSE TO QUESTION 02D:**

The Merrill Lynch agreement specifies the SoCalGas receipt points as the location for delivery.

**DATA REQUEST QUESTION 02E:**

Since the agreements specify Daily Contract Quantities (DCQ) on a monthly basis rather than an annual basis, how does Long Beach propose to match these monthly quantities with set-asides? For example:

- i. Set annual set-asides equal to the minimum monthly DCQ for the FAR period
- ii. Set annual set-asides equal to the average monthly DCQ for the FAR period
- iii. Set annual set-asides equal to the maximum monthly DCQ for the FAR period
- iv. Some other quantities or method.

**RESPONSE TO QUESTION 02E:**

Since the Gas Supply Agreement specifies a Daily Contract Quantity (DCQ) on a firm monthly basis rather than an annual basis, Long Beach is requesting that monthly set-asides be established matching the firm monthly DCQ.