

**SAN DIEGO GAS & ELECTRIC COMPANY  
SOUTHERN CALIFORNIA GAS COMPANY  
PIPELINE SAFETY & RELIABILITY PROJECT (PSRP)  
(A.15-09-013)  
(DATA REQUEST UCAN-06)**

**Date Requested: January 20, 2017  
Date Responded: February 3, 2017**

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**PRELIMINARY STATEMENT**

1. These responses and objections are made without prejudice to, and are not a waiver of, SDG&E's and SoCalGas' right to rely on other facts or documents in these proceedings.
2. By making the accompanying responses and objections to these requests for data, SDG&E and SoCalGas do not waive, and hereby expressly reserves, its right to assert any and all objections as to the admissibility of such responses into evidence in this action, or in any other proceedings, on any and all grounds including, but not limited to, competency, relevancy, materiality, and privilege. Further, SDG&E and SoCalGas makes the responses and objections herein without in any way implying that it considers the requests, and responses to the requests, to be relevant or material to the subject matter of this action.
3. SDG&E and SoCalGas will produce responses only to the extent that such response is based upon personal knowledge or documents in the possession, custody, or control of SDG&E and SoCalGas, as set forth in the California Public Utilities Commission ("Commission or CPUC") Rules of Practice and Procedure. SDG&E and SoCalGas possession, custody, or control does not include any constructive possession that may be conferred by SDG&E's and SoCalGas' right or power to compel the production of documents or information from third parties or to request their production from other divisions of the Commission.
4. A response stating an objection shall not be deemed or construed that there are, in fact, responsive information or documents which may be applicable to the data request, or that SDG&E and SoCalGas acquiesces in the characterization of the premise, conduct or activities contained in the data request, or definitions and/or instructions applicable to the data request.
5. SDG&E and SoCalGas expressly reserves the right to supplement, clarify, revise, or correct any or all of the responses and objections herein, and to assert additional objections or privileges, in one or more subsequent supplemental response(s).
6. SDG&E and SoCalGas will make available for inspection at their offices any responsive documents. Alternatively, SDG&E and SoCalGas will produce copies of the documents.
7. Publicly available information and documents including, but not limited to, documents that are part of the proceeding record, newspaper clippings, court papers, and materials available on the Internet, will not be produced.

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**GENERAL OBJECTIONS**

1. SDG&E and SoCalGas object to each instruction, definition, and request to the extent that it purports to impose any requirement or discovery obligation greater than or different from those under the CPUC Rules of Practice and Procedure, Statutes, and the applicable Orders of the Commission.
2. SDG&E and SoCalGas object to each request that is overly broad, unduly burdensome, or not reasonably calculated to lead to the discovery of admissible evidence.
3. SDG&E and SoCalGas object to each instruction, definition and data request to the extent that it seeks information protected from disclosure by the attorney-client privilege, deliberative process privilege, attorney work product doctrine, or any other applicable privilege. Should any such disclosure by SDG&E and SoCalGas occur, it is inadvertent and shall not constitute a waiver of any privilege.
4. SDG&E and SoCalGas object to each instruction, definition and data request as overbroad and unduly burdensome to the extent it seeks documents or information that are readily or more accessible to UCAN from UCAN's own files, from documents or information in UCAN's possession, or from documents or information that SDG&E and SoCalGas previously released to the public or produced to UCAN. Responding to such requests would be oppressive, unduly burdensome, and unnecessarily expensive, and the burden of responding to such requests is substantially the same or less for UCAN as for SDG&E and SoCalGas.
5. SDG&E and SoCalGas object to each instruction, definition and data request to the extent that it seeks the production of documents and information that were produced to SDG&E and SoCalGas by other entities and that may contain confidential, proprietary, or trade secret information.
6. To the extent any of UCAN's data requests seek documents or answers that include expert material, including but not limited to analysis or survey materials, SDG&E and SoCalGas object to any such requests as premature and expressly reserves the right to supplement, clarify, revise, or correct any or all responses to such requests, and to assert additional objections or privileges, in one or more subsequent supplemental response(s) in accordance with the time period for exchanging expert reports set by the Commission.
7. SDG&E and SoCalGas incorporate by reference every general objection set forth above into each specific response set forth below. A specific response may repeat a general objection for emphasis or some other reason. The failure to include any general objection in any specific response does not waive any general objection to that request. Moreover, SDG&E and SoCalGas do not waive their right to amend any responses.

**QUESTION 1:**

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*In Sempra Utilities' 2014 Gas System Expansion Study, Receipt Point Expansion*, on page 9 of 89, the following paragraph appears:

**“All analyses were performed under minimum demand conditions.**

In evaluating access for new supplies, a minimum demand condition represents the “worst case” scenario. It is very easy to receive additional supplies with little or no system improvement if the demand is high, but not so when the demand is low and supplies need to be transported to distant load centers across the transmission system. By evaluating the “worst case” condition, all of the facility improvements are identified such that the new supply can be received under all supply/demand scenarios.”

- a. Please explain why it is very easy to receive additional supplies with little or no system improvement if the demand is high, but not so when the demand is low and supplies need to be transported to distant load centers across the transmission system?
- b. Please explain how this issue is exacerbated by the design of the current transmission system.
- c. Please explain how putting the proposed 36” L-3602 (as planned by Sempra Utilities) in service will improve the Utilities’ ability to transport supplies to distant load centers across the transmission system at times of low demand.

**RESPONSE 1:**

- a. When system demand is low, gas supplies travel greater distances through a pipeline network from the point of receipt than when gas demand is high, exposing improvements needed on transmission system to receive that level of supply. For this reason, the firm receipt capacity for all interstate and local gas supplies are evaluated under minimum demand conditions so that those transmission improvements can be funded by the supplier per Commission order (D.04-09-022 FOF #45 and D.06-09-039 FOF #36 and #39), SoCalGas Rule No. 39, and SDG&E Gas Rule No. 39.
- b. SDG&E and SoCalGas object to this question on the grounds that it is vague, ambiguous, and leading. Subject to and without waiving these objections, SDG&E and SoCalGas respond as follows: SDG&E and SoCalGas do not contend nor support that any issue regarding pipeline supplies is exacerbated by the design of the current transmission system.
- c. The Proposed Project will not “transport supplies to distant load centers across the transmission system at times of low demand”. This is not the purpose or need for the

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Proposed Project, and the SDG&E/SoCalGas system already has sufficient infrastructure to receive the current 400 MMcfd of firm supply at Otay Mesa.

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**QUESTION 2:**

**In Sempra Utilities April 29, 2016 Gas Planning and Demand Forecast Semi-Annual Report (SCGC DR 2 Q2.14), on pages 3-4 the following statement appears:**

“Despite predicted declines in natural gas demand on an annual basis, SDG&E and SoCalGas are not forecasting declines in our peak day design standard demand shown in Table 1, which looks at daily demand rather than annual demand, and have experienced more sudden changes within an operating day when the gas system is called upon to replace losses from other sources of electricity, including regularly-occurring losses of renewable sources. Although such conditions are not typically considered in the development of formal demand forecasts, these conditions frequently occur on an operational basis, and are anticipated to become more Common as weather conditions and the use of natural gas to support renewable electric generation continue to change. Accordingly, it is entirely possible that total firm and interruptible noncore demand in San Diego may exceed the system capacity on a day warmer than the 1-in-10 year cold day, and SDG&E may need to curtail interruptible service as necessary to maintain firm service obligations. While this situation is exacerbated by the San Onofre Nuclear Generating Station (SONGS) retirement and increasing electric generation in the San Diego region, it is not new; SDG&E has never represented that it has sufficient capacity to serve all interruptible demand in San Diego without curtailment.”

- a. Does this paragraph address losses of electricity forecasted as a result of SB-350?
- b. Provide examples of “losses from other sources of electricity, including regularly-occurring losses of renewable sources.”
- c. How frequently do these losses occur, or are they expected to occur (if different for future years), on an operational basis?
- d. Provide an example of total firm and interruptible noncore demand in San Diego exceeding the system capacity on a day warmer than the 1-in-10 year cold day that would lead to SDG&E curtailing interruptible service as necessary to maintain firm service obligations. If no real example exists yet, provide the imagined example that underlies this statement.
- e. How will “this situation be exacerbated by the San Onofre Nuclear Generating Station retirement?”
- f. Is it Sempra Utilities’ position that the need for L-3602 capacity is not impacted by future conservation measures in compliance with SB-350 due to daily peak demand on an operational basis? Please explain Sempra Utilities’ reasoning in providing this response.

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**RESPONSE 2:**

- a. The demand forecast provided in the April 2016 report did not incorporate the impact of SB 350.
- b. One such example is the sun setting every day. Other examples are weather fronts and changing cloud cover that can affect solar generation, as well as a drop in wind velocity affecting wind generation.
- c. Please refer to response to Question 2(b) above.
- d. Any scenario which increases the SDG&E demand beyond the capacity of the SDG&E gas transmission system would lead to the need to curtail noncore customer demand per SDG&E Gas Rule No. 14. This could involve the loss of renewable sources of energy, reduced electricity imports, or outages on the electric transmission grid. Also, any disruption to Line 3010, which currently supplies approximately 90% of the gas to SDG&E's service area, could lead to a situation where demand exceeds the available capacity of the pipeline system. Please see the prepared direct testimony of Jani Kikuts which further describes the impacts of this scenario.
- e. The situation may be exacerbated since the retirement of the San Onofre Nuclear Generating Station (SONGS) has led to greater reliance on other sources of power.
- f. The Proposed Project is not based on a need for higher levels of capacity on the SDG&E gas transmission system. However, as described in the Prepared Direct Testimony of Douglas M. Schneider (at 1) the Proposed Project would provide additional benefits of improving reliability, resiliency and operational flexibility of the overall gas transmission system, in addition to addressing the safety requirement to test, replace or de-rate Line 1600. Specifically, Mr. Schneider's direct testimony at 2, explains how the capacity of the proposed project will enhance operational flexibility to manage stress conditions.