

**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 THE INDICATED SHIPPERS)**

**DATA RECEIVED: 3-22-19**

**DATE RESPONDED: 4-6-19**

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**QUESTION 7-1:**

On chapter 1, page 4, lines 11-14, Dandridge states that total storage inventory capacity will drop 18.6 Bcf from the 138.1 Bcf established in D.16-06-039 to the proposed 119.5 Bcf as allocated in the upcoming TCAP period 2020-2022. This drop in Bcf is attributed to safety enhancement efforts within the Storage Integrity Management Program to come into compliance with DOGGR regulations, as well as accounting for the reduction of working inventory at Aliso Canyon.

- a. Please provide the number of storage wells that are impacted by the enhanced DOGGR regulations and the total capacity of those wells.
- b. Please provide how many DOGGR-impacted storage wells will be repaired or improved upon to meet DOGGR standards, what capacity those wells will provide once repaired or improved and the costs associated with those repairs or improvements.
- c. Please provide how many storage wells will be permanently retired due to DOGGR regulations, the total capacity lost due to those retirements and the costs to retire those wells.
- d. Please provide how many storage wells will be repaired or improved upon for reasons other than DOGGR regulations, the total capacity those wells will provide once repaired or improved and the costs of those repairs or improvements.
- e. Please provide how many storage wells will be retired for reasons other than the enhanced DOGGR regulations, the total capacity lost due to those retirements and the costs to retire those wells.
- f. Please provide how many new storage wells will be constructed during the TCAP period between 2020 and 2022, the total capacity those wells will provide and the associated costs to construct those wells.
- g. Please provide how many storage wells will remain as is, unaffected by the enhanced DOGGR regulations or for any other reason and the total capacity they will provide.

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- h. Please provide what additional infrastructure projects or operational activities are anticipated to address storage inventory capacity at the storage fields during the 2020-2022 TCAP period in order to come into compliance with DOGGR regulations and their associated costs.

**RESPONSE 7-1:**

SoCalGas objects to the question as lacking foundation, as it misstates Applicants' testimony. Subject to and without waiving this objection, Applicants respond as follows. The question incorrectly states that "...drop in [storage inventory] Bcf is attributed to safety enhancement efforts within the Storage Integrity Management Program...accounting for the reduction of working inventory." Chapter 1 (page 3, lines 4-9) explains these safety enhancement efforts have impacted withdrawal and injection capabilities, however it does not attribute impact of this activity to storage inventory capacity. Applicants further clarify that the proposed total inventory available for allocation for the TCAP period 2020-2022 of 119.5 Bcf accounts for a lower working inventory available at Aliso Canyon of approximately 68.6 Bcf.

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**QUESTION 7-2:**

On chapter 1, page 14, section VII, Dandridge then proposes that a New Reliability Function is necessary in order to address lower withdrawal capabilities due to safety enhancements made at all of the storage fields. In order to meet withdrawal deliverability for system reliability and operational flexibility, SoCalGas proposes to allocate 21 Bcf of storage inventory to the reliability function to increase minimum inventory needed to provide withdrawal deliverability to a total of 40 Bcf.

- a. Please provide the number of storage wells that are impacted by the enhanced DOGGR regulations and the total withdrawal capability of those wells.
- b. Please provide how many DOGGR-impacted storage wells will be repaired or improved upon to meet DOGGR standards, what total withdrawal capability those wells will provide once repaired or improved and the costs associated with those repairs or improvements.
- c. Please provide how many storage wells will be permanently retired due to DOGGR regulations, the total withdrawal capability lost due to those retirements and the costs to retire those wells.
- d. Please provide how many storage wells will be repaired or improved upon for reasons other than DOGGR regulations, the total withdrawal capability those wells will provide once repaired or improved and the costs to repair or improve those wells.
- e. Please provide how many storage wells will be retired for reasons other than the enhanced DOGGR regulations, the total withdrawal capability lost due to those retirements and the costs to retire those wells.
- f. Please provide how many new storage wells will be constructed during the TCAP period between 2020 and 2022, the total withdrawal capacity those wells will provide and the associated costs to construct those wells.
- g. Please provide how many storage wells will remain as is, unaffected by the enhanced DOGGR regulations or for any other reason and the total withdrawal capability they will provide.

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- h. Please provide what additional infrastructure projects or operational activities are anticipated to address withdrawal capability at the storage fields during the 2020-2022 TCAP period in order to come into compliance with DOGGR regulations and their associated costs.

**RESPONSE 7-2:**

- a. SoCalGas objects to the question as vague, ambiguous as to the term “impacted.” Subject to and without waiving this objection, SoCalGas responds as follows. All gas storage wells are subject to DOGGR Underground Gas Storage regulations, Title 14 California Code of Regulations (CCR) §1726. SoCalGas interprets “withdrawal capacity” to mean “withdrawal capabilities.” In Chapter 1, page 3, lines 6-9, withdrawal capabilities is described as follows “As a result of the safety enhancements, firm injection will be 790 MMcfd and maximum withdrawal will be 3,100 MMcfd for the upcoming TCAP period. These capacities represent a reduction of 14% for injection and 16% for withdrawal from the current TCAP period.”

A list of SoCalGas’s wells is publicly accessible on the DOGGR website:

<https://secure.conservation.ca.gov/WellSearch>.

- b. All of SoCalGas’ gas storage wells have had or will undergo safety enhancements to meet 14 CCR §1726 requirements. The regulations specify requirements of a work plan and schedule for either bringing nonconformance wells into compliance or plugging and abandoning the wells within seven years, with at least 10 percent of the nonconforming wells addressed within the first year and the total percentage of nonconforming wells addressed increasing by 15 percent in each subsequent year (14 CCR §1726.3(d)). Notwithstanding see DR-SCGC-6, Response 6.3.

In its pending Test Year 2019 General Rate Case (GRC) materials [A.17-10-008], SoCalGas forecasts costs of wells undergoing first round workovers as \$1,295 thousand each on average, and wells undergoing second and third round workovers at \$500 thousand each on average (see A.17-10-008, Exhibit: SCG-10-CWP-R, page 155).

- c. SoCalGas objects to the question as vague and overbroad. Subject to and without waiving this objection, SoCalGas responds as follows. SoCalGas does not know until each well is inspected and assessed. Notwithstanding, in its pending 2019 GRC

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materials, SoCalGas forecasts zero (0) wells to be plugged and abandoned attributed to 14 CCR §1726 in 2019 (see A.17-10-008, Exhibit: SCG-10-CWP-R, page 148).

- d. SoCalGas objects to the question as vague, ambiguous and overbroad. Subject to and without waiving this objection, SoCalGas responds as follows. SoCalGas does not know until each well is inspected and assessed. Notwithstanding, SoCalGas has not forecasted any of this tubing upsizing activity or upgrade of wellhead valves and wellhead seals beyond the year 2018 (see A.17-10-008, Exhibit: SCG-10-CWP-R, page 43 and page 52).
- e. In its pending Test Year 2019 GRC Materials [A.17-10-008, Exhibit: SCG-10-CWP-R, page 32], SoCalGas forecasts 5 wells to be plugged and abandoned for wells beyond their useful life, or to abandon wells located in environmentally sensitive areas in accordance with Senate Bill 887. SoCalGas has not forecasted how many storage wells will be retired for reasons attributed to other than 14 CCR §1726 for the TCAP period 2020-2022.
- f. In its pending Test Year 2019 GRC materials [A.17-10-008, Exhibit: SCG-10-CWP-R, page 26], SoCalGas forecasts 7 new wells (which include liquid removal, observation, injection/withdrawal wells) to be constructed in 2019 to replace plugged and abandoned wells at approximately \$7 million per well. SoCalGas has not updated its forecast to determine how many new storage wells will be constructed during the TCAP period (2020-2022).
- g. SoCalGas objects to the question as vague, ambiguous and overbroad. Subject to and without waiving this objection, SoCalGas responds as follows. See response to 7-2 (a) – (e).
- h. See A.17-10-008, Exhibit SCG-10.