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March 23, 2011

Keith W. Melville
Attorney
Southern California Gas Company
555 West Fifth Street, GT14E7
Los Angeles, CA 90013-1011

Re: Application 10-12-005

Dear Mr. Melville,

Enclosed is Data Request No. 1 of the Indicated Producers in the above-captioned proceeding. The data responses should be provided by April 6, 2011 or as soon as they are available to:

Evelyn Kahl
Seema Srinivasan
Alcantar & Kahl, LLP
33 New Montgomery Street, Suite 1850
San Francisco, CA 94105
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Fax 415.989.1263
Email ek@a-klaw.com
Email sls@a-klaw.com

Thank you for your assistance in this matter, and call me if you have questions.

Very truly yours,

A handwritten signature in black ink that reads 'Seema Srinivasan'.

Seema Srinivasan

Enclosure

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

Application of San Diego Gas & Electric Company (U902M) for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2012.

Application 10-12-005
(Filed December 15, 2010)

Application of Southern California Gas Company (U904G) for authority to update its gas revenue requirement and base rates effective on January 1, 2012.

Application 10-12-006
(Filed December 15, 2010)

**DATA REQUEST NO. 1 OF THE INDICATED PRODUCERS
TO SOUTHERN CALIFORNIA GAS COMPANY AND SAN DIEGO GAS & ELECTRIC**

Date: March 23, 2011

INSTRUCTIONS

The following general instructions apply to all data requests set forth herein.

- A. Consider all the Definitions and General Instructions herein to be applicable to each item of discovery submitted by the above-referenced parties.
- B. These requests for documents and responses are continuing in character so as to require you to file supplemental answers as soon as possible if you obtain further or different information before or after the hearing. Any supplemental answer should refer to the date and use the number of the original request or subpart thereof.
- C. Unless otherwise indicated, the documents for which production is sought shall include all documents dated, prepared, sent, or received during the designated period.
- D. For each separate discovery item, identify (see Definition No. G) the individual(s) responsible (whether primarily or indirectly) for providing the response. Further, please designate the proper witness, if any, to cross-examine at the hearing concerning the response. If witnesses have not yet been selected at the time a data response is provided, please supplement the response once witnesses have been selected to provide the requested

information.

- E. In producing documents and written responses pursuant to these discovery requests, designate and restate the request(s) and subpart(s) thereof in response to which each document or response is produced.
- F. Where a document or narrative response is relevant to more than one request, a duplicate need not be provided. Where a discovery request can be answered in whole or in part by reference to a response to a preceding or subsequent discovery request (or subpart thereof), it is sufficient to indicate by specifying in the response, by number and date, which other discovery response answers it, and by specifying whether it is claimed that the response to the preceding or subsequent discovery request is a full or partial response to the current request being answered. If the latter, the response to the balance of the current discovery request shall be completed.
- G. Whenever these discovery requests specifically request an answer, rather than the identification of documents, an answer is required and the production of documents in lieu thereof will not substitute for an answer.
- H. If information requested is not available in the exact form requested, provide such data or documents as are available and responsive to the particular discovery request.
- I. As to any discovery request consisting of a number of separate subdivisions, or related parts or portions, a complete response is required to each part or portion with the same effect as if it were propounded as a separate discovery request.
- J. Any objection to a discovery request should clearly indicate to which part or portion of the discovery request the objection is directed.
- K. For each computer generated document identified (see Definition No. F) or produced in a response, state separately (a) what types of data files or tapes are included in the input and the source thereof; (b) the computer program; (c) a description of the recordation system employed (including program description, flow charts, etc.); and (d) the identification (see Definition No. G) of the person or persons, during the designated period, who were in charge of the collection of input materials, the processing of input materials, the data bases utilized, and/or the programming to obtain such output.
- L. If any document described in any request for documents is no longer in your possession or control, state whether it: (a) is missing or lost; (b) has been destroyed; (c) has been transferred voluntarily or involuntarily to others; or (d) has been otherwise disposed of.
- M. If any document, in whole or in part, covered by this request is withheld for whatever reason, please furnish a list identifying all withheld documents in

the following manner: (a) a brief description of the document; (b) the date of the document; (c) the name of each author or preparer; (d) the name of each person who received the document; and (e) the reason for withholding it and a statement of facts constituting the justification and basis therefore (see Definition No. H).

- N. If, in answering any of these discovery requests, there is deemed to be any ambiguity in interpreting either the discovery request or a definition or instruction applicable thereto, promptly call counsel to the Indicated Producers to obtain a clarification.
- O. Each document and individual response of more than one page shall be stapled or otherwise bound, and each page thereof consecutively numbered.
- P. Please provide a set of responses via e-mail where appropriate, and via hard copy where appropriate, to:
Seema Srinivasan
Alcantar & Kahl, LLP
33 New Montgomery Street, Suite 1850
San Francisco, CA 94105
- Q. Electronic copies should be provided to:
Evelyn Kahl - ek@a-klaw.com
Seema Srinivasan – sls@a-klaw.com

DEFINITIONS

- A. As used herein, the term “SoCalGas” means Southern California Gas company and any and all of its respective present and former employees, agents, consultants, attorneys, officials, and any and all other persons acting on its behalf. “Utility” refers to SoCalGas.
- B. The terms “and” and “or” shall be construed either disjunctively or conjunctively whenever appropriate in order to bring within the scope of these discovery requests any information or documents which might otherwise be considered to be beyond their scope.
- C. The singular form of a word shall be interpreted as plural, and the plural form of a word shall be interpreted as singular whenever appropriate in order to bring within the scope of these discovery requests any information or documents which might otherwise be considered to be beyond their scope.
- D. The term “communications” includes all verbal and written communications of every kind, including but not limited to telephone calls, conferences, notes, correspondence, and all memoranda concerning the requested communications. Where communications are not in writing, provide copies

of all memoranda and documents made relating to the requested communication and describe in full the substance of the communication to the extent that the substance is not reflected in the memoranda and documents provided.

- E. The term “document” shall include, without limitation, all writings and records of every type in your possession, control, or custody, including but not limited to the following items, whether printed or reproduced by any process, including documents sent and received by electronic mail, or written or produced by hand, and whether or not claimed to be privileged or otherwise excludable from discovery: computer data files, information stored in electronic media, including on computer tapes, disks, or diskettes, tapes, inputs, outputs, and printouts; notes; letters; correspondence; communications; telegrams; memoranda; summaries and records of telephonic and telegraphic communications; summaries and records of personal conversations; diaries; appointment books; reports (including any and all draft, preliminary, intermediate, and final reports); surveys; studies (including, but not limited to, load flow, engineering, general economic, and market studies (see Definition No. N); comparisons; tabulations; budgets; workpapers; charts; plans; maps; drawings; engineering and other diagrams (including “one-line” diagrams); photographs; film; microfilm; microfiche; tape and other mechanical and electrical audio and video recordings; data compilations; log sheets; ledgers; vouchers; accounting statements; books; pamphlets; bulletins; minutes and records of meetings; transcripts; stenographic records; testimony and exhibits, including workpapers; copies, reports, and summaries of interviews and speeches; reports and summaries of investigations; opinions and reports of consultants; reports and summaries of negotiations; press releases; newspaper clippings; drafts and revisions of draft of documents; and any and all other records, written, electrical, mechanical, and otherwise. “Documents” shall also refer to copies of documents (even though the originals thereof are not in your possession, custody, or control), every copy of a document which contains handwritten or other notations or which otherwise does not duplicate the originals or any other copy, and all attachments or appendices to any documents.
- F. “Identification” of a document includes stating: (a) the identity of each person who wrote, dictated, or otherwise participated in the preparation of the document; (b) the location of the document; and (c) the identity of each person having custody of or control over the document. “Identification” of a document includes identifying all documents known or believed to exist, whether or not in your custody or the custody of your attorneys or other representatives.
- G. “Identification” of a person includes stating his or her full name, most recent known business address and telephone number, present position, and prior connection to or association with any party to this proceeding, including position at the time of connection to the information requested.

- H. "Relate to," "concern," and similar terms and phrases shall mean consist of, refer to, reflect, comprise, discuss, underlie, comment upon, form the basis for, analyze, mention, or be connected with, in any way, the subject of these discovery requests.
- I. "Study," "studies," "analyses" or "report(s)" denotes any document, as defined above, which reflects or was utilized in the collection, evaluation, analysis, summarization, or characterization of information in connection with the subject referred to.

DATA REQUESTS

- 1. On page AS-2, lines 8-11, Anne Smith states that *"When the impact of commodity costs and other ratemaking items such as regulatory account balances are included, this increase results in a TY2012 system average rate revenue increase of \$308 million (7.4%) as compared to currently effective 2010 rates."*
 - 1.1. Please identify each cost category underlying the \$308 million increase, by function or purpose, and the related amount of increase for each category, including but not limited to the following categories:
 - 1.1.1. As characterized by Ms. Smith on page AS-1, lines 17-18, increases arising from *"mandated programs that are beyond the direct control of the company."*
 - 1.1.2. "Commodity costs" as referenced by Ms Smith on page AS-15. Please also explain what Ms. Smith means by "impact of commodity costs."
 - 1.1.3. Pension funding and PBOPs referenced on page AS-16
 - 1.1.4. Regulatory balances referenced on page AS-15
 - 1.1.5. Distribution costs, distinguishing between O&M and capital increases
 - 1.1.6. Local transmission costs, distinguishing between O&M and capital increases
 - 1.1.7. Backbone transmission costs, distinguishing between O&M and capital increases
 - 1.1.8. Pipeline integrity costs, distinguishing between O&M and capital increases. If applicable, please identify the amount of pipeline integrity costs, by cost category, included both in response to this Question 1.1.5 and any previous question

- 1.2. Please explain the methodology used in calculating the \$308 million increase in average rate revenue increases.
 - 1.3. Please provide any spreadsheet or other document that shows the calculation of the \$308 million increase.
2. Page 5 of Gary Lenart's workpapers lists the cost components of noncore commercial and industrial rates. The base margin cost categories include backbone transmission costs and local transmission costs.
- 2.1. Please list the factors that SoCalGas/SDG&E used to distinguish local transmission pipelines from backbone transmission pipelines in this breakdown.
 - 2.2. Please identify, by number, each pipeline included in the backbone transmission pipeline category.
 - 2.3. Please identify, by number, each pipeline included in both the backbone transmission and local transmission pipeline categories. For each pipeline, clarify how the pipeline costs were allocated between backbone and local transmission pipeline categories.
 - 2.4. Please provide a pipeline system map showing the location of each pipeline on the SDG&E and SoCalGas systems.
 - 2.5. Were the factors identified in response to Question 2.1 the same factors employed by SoCalGas in its application and accompanying testimony to differentiate backbone transmission pipelines and local transmission pipelines in the SoCalGas/SDG&E in the FAR Update case (A.10-03-028)?
 - 2.5.1. If not, identify which factors were not employed in the FAR Update testimony and whether there were additional factors employed in the FAR proceeding that are not identified in the response to Question 2.1.
 - 2.5.2. If there are differences between the differentiation used in the FAR Update testimony and the differentiation used in this proceeding, please explain the reason for the differentiation.
 - 2.5.3. Identify by number any pipeline classified as backbone transmission the FAR Update that are identified as local transmission in this proceeding.
 - 2.5.4. Identify by number any pipeline classified as local transmission in the FAR Update that are identified as backbone transmission in this proceeding.

- 2.6. Were pipeline facilities classified as backbone transmission consistent with the Joint Recommendation of SDG&E/SoCalGas, DRA, TURN, CMTA, SCGC, and RES, submitted in the FAR Update case (A.10-03-028)? If not, why not?
 - 2.7. Were the factors identified in response to Question 2.1 the same factors employed by SoCalGas in its proposal, as adopted by the Commission, to differentiate backbone transmission pipelines and local transmission pipelines in the System Integration decision (D. 06-04-033)?
 - 2.7.1. If not, identify which factors were not employed in the System Integration proposal and whether there were additional factors employed in the System Integration proceeding that are not identified in the response to Question 2.1.
 - 2.7.2. If there are differences between the differentiation used in the System Integration proposal and the differentiation used in this proceeding, please explain the reason for the differentiation.
 - 2.7.3. Identify, by number, any pipeline classified as backbone transmission in the System Integration proceeding that are identified as local transmission in this proceeding.
 - 2.7.4. Identify, by number, any pipeline classified as local transmission in the System Integration proceeding that are identified as backbone transmission in this proceeding.
 - 2.8. Will the adoption of the Joint Recommendation in the FAR Update case affect in any way the categorization of costs as backbone or local transmission in this case. If so, explain how and why.
 - 2.9. How will the backbone transmission revenue requirement established in this proceeding affect SoCalGas' proposal in its 2011 Triennial Cost Allocation Proceeding?
 - 2.10. If SoCalGas is required by the FAR Update decision to perform a bottoms-up calculation of the backbone transmission revenue requirement to inform the 2011 TCAP, will the revenue requirement established in this case form the basis off that calculation? If yes, explain how it might be used. If no, explain why not.
3. On page 52 of John L. Dagg's workpapers, he provides forecasts of the following projects needed to comply with AB 32:
 - Incremental "Packing Seal Replacement Maintenance"
 - Incremental leak survey, monitoring, and reporting
 - Incremental repairs and maintenance (on RV's , valves, flanges)

- Incremental air compressor maintenance at Kelso-convert gas start to air start. Expand current air system by upgrading electrical and adding capacity.
 - Incremental instrument calibration and repair, calibration gas, and lab certification
- 3.1. Clarify in which year SoCalGas plans to undertake each of these projects.
 - 3.2. Clarify which of the projects listed above have been mandated by CARB? Where SoCalGas understands a project to be mandated, please cite the regulation and/or order requiring the project.
4. Beginning on page GAW-88, Gillian A. Wright discusses the Sustainable SoCal Program which, on lines 21-22, she explains is meant “*to promote development of small scale biomethane production in southern California.*”
 - 4.1. Table GAW-31, on page GAW-89, clarifies that SoCalGas seeks an estimated \$11,272,000 to cover expenses for this program in 2012. Does it seek additional funds related to this program in 2013, 2014, or 2015? If so, please provide the amount of costs sought.
 - 4.2. In lines 9-11 on page GAW-89, Ms. Wright states that “*SCG proposes to install four biogas conditioning systems at certain customer sites for the purposes of capturing ‘raw gas’ and converting it to pipeline quality biogas (biomethane).*”
 - 4.2.1. Clarify whether the costs of this system will be fully recovered by SoCalGas through the utility revenue requirement or whether some or all of these costs will be the responsibility of a SoCalGas affiliate. If yes, please identify the affiliate and the portion of cost responsibility that will be borne by the affiliate.
 - 4.2.2. List the criteria used to select the customers chosen for installation of the biogas conditioning systems.
 - 4.2.3. Clarify if any of the customers chosen for installation of the biogas conditioning systems are affiliates of SoCalGas/SDG&E.
 - 4.2.4. Are any of SoCalGas/SDG&E’s affiliates involved in biomethane production, biomethane distribution, or biomethane marketing.
 - 4.3. In lines 17-19, on page GAW-89, Ms. Wright states that “*[a]ll of the producer biogas will be cleaned to pipeline quality and meet the gas quality specifications as set forth in SCG Rule No. 30, Section I.*”
 - 4.3.1. Is the “*cleaning*” provided through the biogas conditioning systems? If not, explain the equipment required and the associated cost and revenue requirement.

- 4.3.2. Clarify what the process will be to clean the raw biogas to ensure it is of pipeline quality consistent with Rule 30, Section I.
 - 4.3.3. Please provide an estimate of the costs of conditioning the raw biogas to ensure it will comply with Rule 30, Section I.
 - 4.3.4. Who will bear the cost of cleaning the raw biogas to ensure it can comply with Rule 30, Section I?
- 4.4. In lines 15-16 of page GAW-91, Ms. Wright states that *“The output methane, conditioned to meet SCG gas standards, will be compressed and injected into SCG’s gas pipeline system. SCG will use this gas for company facilities use and to fuel CNG fleet vehicles.”*
- 4.4.1. Specify from which customer classes the costs of biogas conditioning will be recovered.
 - 4.4.2. How will the portion of costs related to company use be allocated?
 - 4.4.3. How will the portion of costs related to natural gas vehicle fueling be recovered.
 - 4.4.4. For the categories of costs referenced in Question 4.4.2 and 4.4.3, what percentage would be recovered from industrial customers under schedule G-TLS?
 - 4.4.5. Will the natural gas vehicle tariff reflect the cost of the biogas conditioning equipment? If so, what percentage of the proposed conditioning revenue requirement will be borne by natural gas vehicle customers?
 - 4.4.6. Can SoCalGas be certain that a molecule of natural gas delivered by a biogas producer is actually used in CNG fleet vehicles, or will the gas delivered to the fleet vehicles instead be a blended gas stream?
- 4.5. In lines 19-21, of page GAW-91, Ms. Wright states *“starting in 2015 this volume of biomethane used in place of natural gas will result in avoided costs for GHG credits, which SCG estimates could be worth \$130,000 per year.”*
- 4.5.1. Please provide the workpapers showing the calculation of these avoided costs.
 - 4.5.2. Are there other benefits that this program will generate for ratepayers?
- 4.6. In lines 14-15 of page GAW-93, Ms. Wright states that *“[a]s part of this strategy, SCG will evaluate additional options to maximize economic benefits for ratepayers including selling biogas as a renewable energy for electric generation. “*

- 4.6.1. Does either of SoCalGas or SDG&E intend to sell biogas to electric generators?
 - 4.6.2. If the answer to Question 4.6.1 is yes, under what authority may SoCalGas or SDG&E sell biogas to noncore customers such as electric generators?
 - 4.6.3. If the answer to Question 4.6.1 is yes, how would revenues from these sales be allocated?
 - 4.6.4. If the answer to Question 4.6.1 is no, will Sempra sell this biogas through a SoCalGas/SDG&E affiliate?
5. Beginning on page 60 of Gina Orozco-Mejia's testimony, she provides an overview of capital expenditure projects related to the distribution system. Please clarify if any of the distribution-related capital expenditure projects were included in the last general rate case and were not undertaken? If not undertaken, explain whether the projects were cancelled or delayed. Please also describe each project and provide the costs associated with each project.
 6. Beginning on page 69 of Raymond K. Stanford's testimony, he provides an overview of capital expenditures related to SoCalGas' Transmission, Engineering, and Pipeline Integrity operations. Please clarify if any of these capital expenditure projects were included in the last general rate case and were not undertaken? If not undertaken, explain whether the projects were cancelled or delayed. Please also describe each project and provide the costs associated with each project.

Prepared by: Evelyn Kahl and Seema Srinivasan
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