

Application No: A.14-06-021
Exhibit No.: _____
Witness: Beth Musich

Application of Southern California Gas Company)
(U 904 G) and San Diego Gas & Electric Company)
(U 902 G) for Low Operational Flow Order and)
Emergency Flow Order Requirements)

A.14-06-021
(Filed June 27, 2014)

PREPARED SUPPLEMENTAL DIRECT TESTIMONY OF
BETH MUSICH
SOUTHERN CALIFORNIA GAS COMPANY AND
SAN DIEGO GAS & ELECTRIC COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

November 14, 2014

1 **PREPARED SUPPLEMENTAL DIRECT TESTIMONY**
2 **OF BETH MUSICH**

3 **I. PURPOSE**

4 The purpose of my supplemental direct testimony is to address the following issue
5 identified in the October 9, 2014, Assigned Commissioner and Administrative Law Judge’s
6 Scoping Memo and Ruling in this Application (Scoping Memo):

7 What are the safety impacts, if any, related to OFO and EFO rules
8 as compared to the balancing rules that the Applicants currently
9 have in place?¹

10 I am addressing this issue now because it is not addressed in my original direct testimony.

11 **II. SAFETY IMPACTS RELATED TO NEW OFO AND EFO RULES**

12 As explained in my original direct testimony, Southern California Gas Company
13 (SoCalGas) and San Diego Gas & Electric Company (SDG&E) are proposing to replace our circa-
14 1998 winter balancing rules with low Operational Flow Order (OFO) and Emergency Flow Order
15 (EFO) procedures similar to those that have been employed by Pacific Gas & Electric Company
16 (PG&E) for many years. These low OFO and EFO procedures appear to have adequately dealt
17 with supply-related challenges on the PG&E system last winter, and they did so in a more
18 measured and market-friendly manner than the curtailments SoCalGas and SDG&E were forced to
19 call in response to the same operational challenges caused by low levels of flowing supplies
20 coming into both Northern and Southern California.

21 SoCalGas and SDG&E believe that our proposed low OFO and EFO requirements will be
22 beneficial, and may reduce the need in the future for SoCalGas and SDG&E to call supply-related
23 curtailments. This in turn may lead to more reliable natural gas supplies for electric generators.
24 Reducing future natural gas curtailments may have safety-related benefits, particularly if the new

¹ Scoping Memo at 4.

1 requirements help to minimize electric grid brownouts or blackouts. However, SoCalGas and
2 SDG&E have not done any studies or analyses to demonstrate safety-related benefits from the
3 proposed low OFO and EFO requirements, and we are not seeking to justify the requirements
4 based upon safety.

5 Although we have not done any studies to demonstrate safety-related benefits from the
6 proposed low OFO and EFO requirements, it is clear that the new requirements would not have a
7 negative effect on safety. A more measured and market-friendly response to supply-related
8 challenges that decreases the potential for end-use curtailments has no potential to reduce safety,
9 only enhance it.

10 This concludes my prepared supplemental direct testimony.