PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298

April 5, 2011



Advice Letter 4207

Rasha Prince, Director Regulatory Affairs Southern California Gas 555 W. Fifth Street, GT14D6 Los Angeles, CA 90013-1011

Subject: Notification of Curtailment

Dear Ms. Prince:

Advice Letter 4207 is effective February 3, 2011.

Sincerely,

Jen A. HA

Julie A. Fitch, Director Energy Division



Rasha Prince Director Regulatory Affairs

555 W. Fifth Street, GT14D6 Los Angeles, CA 90013-1011 Tel: 213.244.5141 Fax: 213.244.4957 *RPrince* @semprautilities.com

February 3, 2011

Advice No. 4207 (U 904 G)

Public Utilities Commission of the State of California

Subject: Notification of Curtailment

Southern California Gas Company (SoCalGas) hereby submits to the California Public Utilities Commission (Commission) this advice letter to notify the Commission and affected parties of a curtailment event in its service territory.

Purpose

Pursuant to Ordering Paragraph 1 of Decision (D.) 91-09-026, this advice filing notifies the Commission and affected parties of a curtailment condition occurring within SoCalGas' service territory. SoCalGas initiated the curtailment on its southern transmission system today, February 3, 2011, at approximately 3:00 PM. As of the time of this advice letter filing the curtailment is still in effect.

Information

Ordering Paragraph 1 of D.91-09-026 states the following:

1. SoCalGas shall submit an Advice Letter filing to the Commission Advisory and Compliance Division simultaneously with an announcement of curtailment pursuant to the discussion in this decision. The filing shall state the facts underlying and the reasons for a curtailment, shall demonstrate that the type of curtailment being declared complies with SoCalGas' tariffs, and shall set forth the efforts SoCalGas has taken to minimize or alleviate the curtailment. The filing shall be served by overnight mail to affected customers.

This advice letter fulfills the requirements of Ordering Paragraph 1, as described above, for the curtailment condition occurring in the SoCalGas southern system at approximately 3:00 PM. Specifically, this advice letter describes why the existing curtailment condition is occurring, explains what type of curtailment conditions this is as described within the guidelines of SoCalGas tariffs, outlines the steps SoCalGas is taking to minimize and mitigate these curtailment conditions, and describes how SoCalGas will comply with the special customer notification process.

Details of Curtailment Condition

Starting in February, cold weather conditions throughout the Southwest dramatically reduced the supplies delivered to the SoCalGas receipt point at Ehrenberg/Blythe. This impacted supply availability for customers served off the SoCalGas southern system in San Diego, Riverside, and Imperial Valley areas. On February 2, 2011, El Paso Natural Gas Company (EPNG) issued an emergency Critical Operating Condition (COC) for a draft condition on its entire system effective Gas Day February 2, 2011. EPNG advised that the COC would remain in effect until further notice. In accordance with Rule No. 41 the Operational Hub secured additional supplies to meet the minimum supply requirement of that system at both Ehrenberg and Otay Mesa. SoCalGas found that supplies were being bid away by East of California customers served by the even more distressed El Paso system. In accordance with Rule No. 41 Gas Acquisition was also asked to make best efforts to secure more supply for the Southern system. Despite all of these efforts the demand on the Southern System continued to outstrip the diminished supply being provided to that system, resulting in severe drafting of the SoCalGas and SDG&E pipeline network. By noon of February 3rd, after all available incremental supplies could be secured, the system operator determined that a curtailment of at least 200 MMcfd of load was required. In the early afternoon SoCalGas initiated the curtailment of all interruptible non-core load in the affected area as well as firm noncore load in the affected area in accordance with Rule Nos. 23 (SoCalGas) and 14 (SDG&E). The utilities are continuing to secure incremental supplies for the affected area for February 4th. At this time, however, the utilities are uncertain as to the duration of the curtailments. The utilities anticipate continuing the curtailments until the pressures on its pipeline system can be repacked and there is a reasonable assurance that out-of-state supplies will return to the Ehrenberg receipt point.

SoCalGas did everything it could to maintain full service to noncore customers before initiating the curtailment.

Special Notification Procedures

Ordering paragraph 1 of D.91-09-026 states that this advice letter should be served by overnight mail to affected customers. SoCalGas shall comply with the intent of this requirement by sending a copy of this advice letter to all affected customers today.

Protest

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and received within 20 days of the date of this Advice Letter which is February 23, 2011. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division Attention: Tariff Unit 505 Van Ness Avenue San Francisco, CA 94102 Copies of the protest should also be sent via e-mail to the attention of both Maria Salinas (mas@cpuc.ca.gov) and Honesto Gatchalian (jnj@cpuc.ca.gov) of the Energy Division. A copy of the protest shall also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Sid Newsom Tariff Manager - GT14D6 555 West Fifth Street Los Angeles, CA 90013-1011 Facsimile No. (213) 244-4957 E-Mail: snewsom@semprautilities.com

Effective Date

SoCalGas believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 1 (effective pending disposition) pursuant to GO 96-B. It is in compliance with Ordering Paragraph 1 of D.91-09-026. Therefore SoCalGas respectfully requests that it be made effective on February 3, 2011, which is the date of filing.

<u>Notice</u>

A copy of this advice letter is being sent to the General Order 96-B parties listed on Attachment A. Attachment A also includes the list of affected customers who are also being served this advice letter in compliance with D.91-09-026. The list of affected customers is being provided only to the Commission under the confidentiality provisions of General Order 66-C and Section 583 of the Public Utilities Code.

Rasha Prince Director – Regulatory Affairs

Attachments

ATTACHMENT A

Advice No. 4207

(See Attached Service Lists)

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