

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



June 11, 2019

**Advice Letter 5360-G**

Ronald van der Leeden  
Director, Regulatory Affairs  
Southern California Gas  
555 W. Fifth Street, GT14D6  
Los Angeles, CA 90013-1011

**SUBJECT: 2018 Annual Compliance Report on Utility System Operator's Southern System Reliability Purchases and Sales (September 1, 2017 through August 31, 2018)**

Dear Mr. van der Leeden:

Advice Letter 5360-G is effective as of December 13, 2018 per Resolution G-3553 Ordering Paragraph(s).

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph  
Deputy Executive Director for Energy and Climate Policy/  
Director, Energy Division



**Ronald van der Leeden**  
Director  
Regulatory Affairs

555 W. Fifth Street, GT14D6  
Los Angeles, CA 90013-1011  
Tel: 213.244.2009  
Fax: 213.244.4957

[RvanderLeeden@semprautilities.com](mailto:RvanderLeeden@semprautilities.com)

October 1, 2018

Advice No. 5360  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: 2018 Annual Compliance Report on Utility System Operator's Southern System Reliability Purchases and Sales (September 1, 2017 through August 31, 2018)**

Southern California Gas Company (SoCalGas) hereby submits to the California Public Utilities Commission (Commission) its 2018 Annual Compliance Report (ACR) to demonstrate that activities to maintain Southern System reliability from September 1, 2017 through August 31, 2018 are in compliance with the standards, criteria, and procedures described in Sections 10 through 21 of SoCalGas Rule No. 41.

### **Background**

Pursuant to SoCalGas Rule No. 41, Section 26, SoCalGas is to submit an ACR on October 1 of each year regarding its Southern System reliability procurement activities for the previous 12-month period ending on August 31:

On October 1 of each year, the Utility shall provide a report ("Annual Compliance Report") demonstrating that the Operational Hub's procurement activities during the preceding twelve months ending August 31 were in compliance with the standards, criteria and procedures described in Sections 10 through 20 above. The Annual Compliance Report shall be submitted to the Energy Division by Advice Letter and shall be subject to comment or protest. Upon Energy Division review and verification of the Annual Compliance Report and the CPUC Resolution approving the Annual Compliance Report, all the transactions entered into the SRMA balance for the year in question that are found reasonable by the Energy Division

shall be amortized in customer transportation rates over the following year.<sup>1</sup>

In Resolution G-3480 (relating to SoCalGas' 2012 ACR), the Commission provided additional direction on what should be included in the content of future ACRs, Ordering Paragraphs 3(b) and 5:

3.(b) Incorporates a table, in the text of the ACR, that presents the number and percent of transactions and the corresponding dollar amount and percent of total dollars that SoCalGas asserts are reasonable by nature of having met the requirements of Rule 41.

5. SoCalGas shall incorporate, in all future ACRs, a table, as described in ordering paragraph 3.(b) and narrative explanations supported by appropriate documentation for any transactions to be evaluated as reasonable under Section 15 of Rule 41.<sup>2</sup>

## **Discussion**

In accordance with Rule No. 41, SoCalGas hereby submits its ACR for the 12-month period ending August 31, 2018. SoCalGas believes that all the transactions described in this ACR are reasonable and subject to amortization in customer transportation rates during 2020.

### **A. Transaction Overview**

As shown in Attachment A, from September 1, 2017 through August 31, 2018, SoCalGas spent \$57,971 to help satisfy Southern System minimum flow requirements. SoCalGas purchased 3,025,655 dths (net of in-kind fuel) of gas at Ehrenberg for \$8,959,536. This gas was then resold at the SoCal Citygate for \$9,836,239 for a net gain of \$876,703. In addition to this net purchase gain, the System Operator incurred \$934,674 of transportation charges.

### **B. Transaction Detail**

Attachment B provides the transaction-level details of the purchases and sales summarized in Attachment A. In compliance with Resolution G-3480, Table 1 below presents the number and percent of transactions, the corresponding dollar amount, and

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<sup>1</sup> This provision is the result of Decision (D.) 09-11-006, which adopted SoCalGas' 2009 BCAP Phase Two Settlement Agreement. The acronym "SRMA" in the quotation above refers to SoCalGas' System Reliability Memorandum Account. As explained in Rule No. 41, Section 21, "The cost and revenues of Operational Hub transactions (e.g., natural gas purchases, sales, or exchanges resulting from approved contracts) that are necessary to meet minimum flow requirements shall be recorded in the System Reliability Memorandum Account (SRMA)."

<sup>2</sup> Resolution G-3480, pp. 12-13. After the issuance of this resolution, Sections 13, 14, and 15 of Rule No. 41 as referenced by the resolution were renumbered to be Sections 14, 15, and 16.

percent of total dollars for each section of Rule No. 41. The transactions are classified in Sections 14, 17, and 19 of Rule No. 41, "Purchases and Sales to Manage Minimum Flow Supplies," as follows:

- i. Section 14 of Rule No. 41: 2% of purchases were within the automatic safe harbor price limits for spot gas purchases and resales. Attachment C shows the Intercontinental Exchange (ICE) calculations for the Section 14 purchases and sales.<sup>3</sup>
- ii. Section 17 of Rule No. 41: SoCalGas provides the following information supporting the reasonableness of the transaction, consistent with Section 17 of Rule No. 41, which reads that one transaction totaling less than 1% of total purchases is reasonable.

- TC # 3317

On evening of 8/31/17, Gas Control made a request for 40,000 Dth of Southern System supplies for gas day 9/1/17, cycle 3. On the morning of 9/1/17, the Operational Hub contacted 9 suppliers and received just 2 offers. Hurricane Harvey was affecting most of the counterparties' gas supply and only 2 were unaffected. There were also no offers on ICE. One party was able to provide best efforts gas. Because Gas Control emphasized secure supplies, the Operational Hub passed on this offer. Of the 40,000 Dth requested, 15,000 Dth was purchased outside the section 14 safe harbor.

- iii. Section 19 of Rule No. 41: All baseload contracts, representing 97% of purchases, were within the parameters described in Section 19 of Rule No. 41. Attachment E shows a price table as required by Resolution G-3504:
  - a. NGL's Bidweek average for "Southern Cal. Bdr. Avg.";
  - b. NGL's Bidweek average for "Southern Cal. Bdr. Avg." + 8.2 cents/dth;
  - c. NGL's Bidweek average for "SoCal Citygate"; and
  - d. 90% of NGL's Bidweek average for "SoCal Citygate."

<b>Table 1</b>				
Southern System Purchases, September 2017 - August 2018				
Rule No. 41	# Transactions	Transaction %	Purchase \$	Purchase %
Section 14	2	40	\$ 159,000	2%
Section 17	1	20	\$ 76,500	1%
Section 19	2	40	\$ 8,724,036	97%
Total	5	100	\$ 8,959,536	100%

<sup>3</sup> Section 14 (a) is applicable to Cycles 1 & 2 (Cycle 2 ends at 4:00 p.m. on the day preceding the flow date). Section 14 (b) is applicable to Cycles 3-5 which are the intraday market.

For the ACR period September 2017 – August 2018, the average net cost (purchase price minus sale price plus transport cost) of the spot gas purchases (Sections 14 and 17) was 0.97 cents/dth.<sup>4</sup> The average net cost of the baseload purchases (Section 19) was ~0.00 cents/dth.<sup>5</sup> The average net cost of spot and baseload purchases was 0.02 cents/dth.<sup>6</sup>

Attachment F shows the calculation of the daily amount of required support purchases at SoCalGas' Southern System for September 2017 in the absence of summer baseload contracts.

Table 2 evaluates the effectiveness of SoCalGas' baseload contracts for the Southern System.

	Sep 2017 – Aug 2018 Volume (MMDth)	Net Cost (\$Million)	Average Net Cost (\$/Dth)
Baseload	2.97	\$0.00	\$0.00
Additional Spot Purchases Needed in Absence of Baseload	0.54 <sup>7</sup>	\$0.18 <sup>8</sup>	\$0.34
Net Benefit/(Cost)		\$0.18	

The 2.97 MMDth baseload purchases allowed SoCalGas to avoid purchasing 0.54 MMDth of spot gas at a higher net cost of \$0.34/dth. The net of Summer (September 2017) base periods generated a net overall savings of \$0.18 Mill.

On July 8, 2016, the Commission approved SoCalGas' Advice No. 4970 thereby authorizing a three-year extension of preauthorization of winter baseload contracts to support the Southern System through March 31, 2019. The Commission determined that preauthorized baseload contracts have acted as an effective insurance policy protecting ratepayers from volatility in the spot market.<sup>9</sup>

Confidential Attachment H provides the same information as Attachment B - details of the purchases and sales summarized in Attachment A - and adds counterparty names. These counterparty names are confidential and being submitted only to the Energy Division pursuant to General Order (GO) 66-D and D.17-09-023.

<sup>4</sup> See Attachment B, cell S15.

<sup>5</sup> See Attachment B, cell S31.

<sup>6</sup> See Attachment B, cell S35.

<sup>7</sup> See Attachment F, Tab <ACR SSR Summary (Sep17-Aug18)> cell E8.

<sup>8</sup> See Attachment F, Tab <ACR SSR Summary (Sep17-Aug18)> cell E9.

<sup>9</sup> See page 3 of the Disposition Letter approving Advice No. 4970.

### C. Over-nomination Event Information

In Resolution G-3486, the Commission approved a proposed revision to SoCalGas' Rule No. 30 to clarify the procedures used in situations where there is a system-wide over-nomination, yet additional supplies are needed on SoCalGas' Southern System. The Commission required that SoCalGas provide information concerning the impact of the Rule No. 30 revision in future ACRs. This information includes: a) the frequency of events where over-nominations occurred system-wide, yet the System Operator was required to maintain minimum flows to the Southern System; b) the effectiveness of the 10% margin of error and any need to increase or decrease the margin; and c) the impact on deliveries to other receipt points.<sup>10</sup>

The referenced over-nomination event information is provided below.

#### *a. Frequency*

This analysis is included as Attachment G to this advice letter. In the reporting period, there were a total of four days where a Southern System reliability spot or baseload purchase coincided with a High Operational Flow Order (Hi-OFO).<sup>11</sup>

#### *b. and c. Margin of Error and Impact on Other Receipt Points*

In the reporting period, there were a total of four days where a Southern System reliability purchase coincided with a Hi-OFO. On two of these days, scheduled volumes at the Southern System when the Hi-OFO was declared were much higher (between 10,000 dth and 95,000 dth) than 110% of the posted minimum.

For the other two Hi-OFO days, the scheduled volumes at the Southern System were less than 110%. For one of these two days, scheduled volumes in the Southern System were lower than 100% of the minimum after the Hi-OFO was declared and remained below the minimum throughout the day. Since supplies could not even meet 100% of the minimum on these days, the 10% margin of error was not binding and had no effect on the Southern System or other receipt points.

For the other of these two days, the scheduled volumes at the Southern System were higher than 100% of the Southern System minimum by 9,000 dth, or just 1.3%. Supplies at other receipt points on those days declined by 84,000 dth, or 4%. Had the minimum been 100%, rather than 110%, the supplies at the other receipt points would have decreased by 75,000 dth or 3.5%.

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<sup>10</sup> See Resolution G-3486, Ordering Paragraph No. 2.

<sup>11</sup> This is out of 30 days, see Attachment G.

In summary, there was one day on which the 110% minimum affected other receipts points; supplies at this point were reduced by 9,000 dth more than if there had been no 10% margin of error. This impact of the Rule No. 30 revision seems negligible, and even if that were not the case, SoCalGas believes that a 110% margin is necessary to hedge against the possibility that supplies nominated into the Southern System are reduced for any number of reasons.

### **Conclusion**

For the reasons set forth above, SoCalGas respectfully requests that the Commission approve the ACR and determine that all the transactions entered into the SRMA balance for September 1, 2017, through August 31, 2018, are reasonable and subject to amortization in customer transportation rates during 2020.

### **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 must be received within 20 days of the date of this advice letter, which is October 21, 2018. The address for mailing or delivering a protest to the Commission is given below.

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 Energy Division Tariff Unit ([EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)). A copy of the protest should 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: Ray B. Ortiz  
Tariff Manager - GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-1011  
Facsimile No.: (213) 244-4957  
E-mail: [ROrtiz@SempraUtilities.com](mailto:ROrtiz@SempraUtilities.com)

### **Effective Date**

The Settlement Agreement in A.08-02-001, which was approved by D.09-11-006, directed that this submittal be classified as Tier 3 pursuant to GO 96-B. Therefore, SoCalGas respectfully requests that this submittal be approved on or before the Commission meeting of December 13, 2018.

**Notice**

A copy of this advice letter is being sent to SoCalGas' GO 96-B service list and the Commission's service list in A.15-07-014, the most recent SoCalGas/SDG&E TCAP. Address change requests to the GO 96-B service list should be directed by electronic mail to [tariffs@socialgas.com](mailto:tariffs@socialgas.com) or call 213-244-2837. For changes to all other service lists, please contact the Commission's Process Office at 415-703-2021 or by electronic mail at [process\\_office@cpuc.ca.gov](mailto:process_office@cpuc.ca.gov).

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Ronald van der Leeden  
Director- Regulatory Affairs

Attachments





# ADVICE LETTER SUMMARY

## ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.:

Utility type:

ELC       GAS       WATER  
 PLC       HEAT

Contact Person:

Phone #:

E-mail:

E-mail Disposition Notice to:

EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas      WATER = Water  
PLC = Pipeline      HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #:

Tier Designation:

Subject of AL:

Keywords (choose from CPUC listing):

AL Type:  Monthly     Quarterly     Annual     One-Time     Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested?  Yes     No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required?  Yes     No

Requested effective date:

No. of tariff sheets:

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected:

Service affected and changes proposed<sup>1</sup>:

Pending advice letters that revise the same tariff sheets:

<sup>1</sup>Discuss in AL if more space is needed.

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:**

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102  
Email: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Name:  
Title:  
Utility Name:  
Address:  
City: State:  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

Name:  
Title:  
Utility Name:  
Address:  
City: State:  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

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

**DECLARATION OF MICHELLE DANDRIDGE  
REGARDING CONFIDENTIALITY OF CERTAIN DATA  
PURSUANT TO DECISION (D.) 17-09-023**

I, M. Michelle Dandridge, do declare as follows:

1. I am the Manager of Transmission and Storage Strategy for Southern California Gas Company (“SoCalGas”). I have been delegated authority to sign this declaration by Rodger R. Schwecke, Senior Vice President—Gas Transmission, Storage, and Engineering. I have reviewed Attachment E and Attachment H to Advice No. 5360, 2018 Annual Compliance Report on Utility System Operator’s Southern System Reliability Purchases and Sales (September 1, 2017 through August 31, 2018), submitted concurrently herewith (AL 5360 Attachments). I am personally familiar with the facts and representations in this Declaration and, if called upon to testify, I could and would testify to the following based upon my personal knowledge and/or belief.

2. I hereby provide this Declaration in accordance with D. 17-09-023.

3. For the reasons set forth in Attachment A to this Declaration, the information identified as confidential in AL 5360 Attachment E and Attachment H should receive confidential treatment and be protected from public disclosure under applicable statutory provisions including, but not limited to, General Order (GO) 66-D, Section 2.2(b), and Public Utilities Code Section 583.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

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

Executed this 1<sup>st</sup> day of October 2018, at Los Angeles, California.

A handwritten signature in black ink, appearing to read "M. Michelle Dandridge", written over a horizontal line.

M. Michelle Dandridge  
Manager of Transmission and  
Storage Strategy

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

**ATTACHMENT A**

**SoCalGas Request for Confidentiality**

<b>Location of Data</b>	<b>Description of Data</b>	<b>Applicable Confidentiality Provisions</b>	<b>Basis for Confidentiality</b>
AL 5360 Attachment H	Counterparty names	Gov't Code 6254(k), 6254.7 (d); Evid. Code 1060; Civil Code 3426 et set.  GO 66-D Section 2.2(b), 2.8  D.09-08-018, 2011 WL 660568 (2011)	Specific trade information on volume and price in connection with the correlated counterparty (seller or buyer) must be kept confidential pursuant to the confidentiality provisions within our trading agreements (NAESB) with third parties.  This data is market sensitive and disclosure of it would place SoCalGas at an unfair business disadvantage. Since the net costs of these transactions (purchases and sales) are recovered in customer's rates, SoCalGas' unfair business disadvantage would also be against the public interest. If the Commission mandates the release of this information, it would expose SoCalGas' trading parties and impact all future negotiations. Thus, the release of this non-public, confidential information would allow market participants to utilize this information to SoCalGas' business disadvantage, and thus ratepayer disadvantage.

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

**ATTACHMENT A (CONT.)**

**SoCalGas Request for Confidentiality**

<b>Location of Data</b>	<b>Description of Data</b>	<b>Applicable Confidentiality Provisions</b>	<b>Basis for Confidentiality</b>
AL 5360 Attachment E	Baseload Index Prices – Natural Gas Intelligence (NGI) Bidweek Average	Decision (D.) 11-01-036, 2011 WL 660568 (2011)	Bidweek information on monthly price indices for SoCal-Border and SoCal- Citygate must be kept confidential pursuant to the provisions within SoCalGas’ license agreement with NGI.

**ATTACHMENT A**

**Advice No. 5360**

**SUMMARY OF PURCHASES/SALES**

**Southern System Minimum Flow Purchases  
September 2017 through August 2018**

**Southern System Minimum Flow Purchases  
Summary Sept 2017 thru August 2018**

Month	Request (Dth)	Purchases				Sales		Sub-Total Net Cost \$	Transport \$ amt	Total Net Cost \$
		Quantity (Dth)	In-Kind (Dth)	Net (Dth)	\$ Amt	Quantity (Dth)	\$ Amt			
Sep-17	3,060,000	3,030,323	4,668	3,025,655	\$8,959,536	3,025,655	(\$9,836,239)	-\$876,703	\$934,674	\$57,971
Oct-17	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0
Nov-17	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0
Dec-17	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0
Jan-18	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0
Feb-18	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0
Mar-18	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0
Apr-18	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0
May-18	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0
Jun-18	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0
Jul-18	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0
Aug-18	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0
Sep-18	0	0	0	0	\$0	0	\$0	\$0	\$0	\$0
<b>Total =&gt;</b>	<b>3,060,000</b>	<b>3,030,323</b>	<b>4,668</b>	<b>3,025,655</b>	<b>\$8,959,536</b>	<b>3,025,655</b>	<b>(\$9,836,239)</b>	<b>(\$876,703)</b>	<b>\$934,674</b>	<b>\$57,971</b>



**ATTACHMENT B**

**Advice No. 5360**

**TRANSACTIONS, PUBLIC**

**Southern System Reliability Purchase/Sale**

**SPOT PURCHASES:**

Notification Minimum Flow				PURCHASE								SALE				Net \$ \$Purchase minus \$Sale		
Date notified	Flow Date	Cycle	Amt needed (Dths)	TC#	Amt (Dths)	BTS inkind	Net Amt flowed	Purchase Price \$/dth	Rule 41 Limit \$/dth	\$Amt	BTS Charge	Flow Date	TC#	Amt (Dths)	Sale Price \$/dth		Rule 41 Limit \$/dth	\$Amt
8/31/17	9/1/17	3	40,000	3316	25,000	39	24,961	\$4.0000	14(b)	\$100,000.00	\$7,636	9/1/17	3318	15,000	\$3.6000	14(b)	\$54,000.00	
				3317	15,000	23	14,977	\$5.1000	17	\$76,500.00	\$4,582	9/7/17	3319	24,938	\$3.2350	14(a)	\$80,674.43	
9/10/17	9/11/17	3	20,000	3320	20,000	31	19,969	\$2.9500	14(b)	\$59,000.00	\$6,109	9/15/17	3321	19,969	\$3.0600	14(a)	\$61,105.14	
<b>Total</b>			60,000		60,000	93	59,907			\$235,500	\$18,327			59,907			\$195,780	<b>\$58,047</b>

Net Spot Cost ( \$/Dth) ==> \$0.97

**BASELOAD PURCHASES:**

Notification Minimum Flow				PURCHASE								SALE				Net \$ \$Purchase minus \$Sale		
Date notified	Flow Date		Amt needed (Dths)	TC#	Amt (Dths)	BTS inkind	Net Amt flowed	Purchase Price \$/dth	Rule 41 Limit \$/dth	\$Amt	BTS Charge	Flow Date	TC#	Amt (Dths)	Sale Price \$/dth		Rule 41 Limit \$/dth	\$Amt
September 2017	Daily		3,000,000	3237	2,098,966	3,238	2,095,728	\$2.9400	Sec 19	\$6,170,960.04	\$641,440.82	Daily	3238	2,095,728	\$3.2550	Sec 19	\$6,821,594.64	
	Daily			3239	871,357	1,337	870,020	\$2.9300	Sec 19	\$2,553,076.01	\$274,905.83	Daily	3240	870,020	\$3.2400	Sec 19	\$2,818,864.80	
<b>Total</b>			3,000,000		2,970,323	4,575	2,965,748			<b>\$8,724,036</b>	<b>\$916,347</b>			2,965,748			<b>\$9,640,459</b>	<b>(\$77)</b>

Net Baseload Cost ( \$/Dth) ==> (\$0.00)

**Grand Total (Spot and Baseload)**

3,060,000	3,030,323	4,668	3,025,655			<b>\$8,959,536</b>	<b>\$934,674</b>			3,025,655			<b>\$9,836,239</b>	<b>\$57,971</b>
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Spot & Baseload Cost ( \$/Dth) \$0.02

Rule 41	# Transactions	Transaction %	Purchase \$	Purchase %
Section 14	2	40	\$ 159,000	2%
Section 17	1	20	\$ 76,500	1%
Section 19	2	40	\$ 8,724,036	97%
<b>Total</b>	<b>5</b>	<b>100</b>	<b>\$ 8,959,536</b>	<b>100%</b>

**ATTACHMENT C**

**Advice No. 5360**

**ICE PRICES**

<u>Date</u>	PURCHASE (SoCal - Ehrenberg)			SALE (SoCal - Citygate)		
	<b>Rule 41, Sec 14 a/b</b>	<b><u>ICE \$/dth</u></b>	<b><u>110%</u></b>	<b>Rule 41, Sec 14 a/b</b>	<b><u>ICE \$/dth</u></b>	<b><u>90%</u></b>
9/1/2017	Sec 14 (a) Wtd Avg		\$0.0000	Sec 14 (a) Wtd Avg		\$0.0000
	Sec 14 (b) High	<b>\$3.9300</b>	\$4.3230	Sec 14 (b) Low	<b>\$4.0000</b>	\$3.6000
9/7/2017	Sec 14 (a) Wtd Avg		\$0.0000	Sec 14 (a) Wtd Avg	<b>\$3.2462</b>	\$2.9216
	Sec 14 (b) High		\$0.0000	Sec 14 (b) Low		\$0.0000
9/11/2017	Sec 14 (a) Wtd Avg		\$0.0000	Sec 14 (a) Wtd Avg		\$0.0000
	Sec 14 (b) High	<b>\$2.7500</b>	\$3.0250	Sec 14 (b) Low		\$0.0000
9/15/2017	Sec 14 (a) Wtd Avg		\$0.0000	Sec 14 (a) Wtd Avg	<b>\$3.0731</b>	\$2.7658
	Sec 14 (b) High		\$0.0000	Sec 14 (b) Low		\$0.0000

Sec 14 (a) applies to purchases/sales made in the day-ahead market

Sec 14 (b) applies to purchases/sales made in the same-day market

**ATTACHMENT D**

**Advice No. 5360**

**REQUESTS TO THE OPERATIONAL HUB FOR ADDITIONAL  
SUPPLIES TO MEET SOUTHERN SYSTEM  
MINIMUM FLOW REQUIREMENTS**



## **Southern System Reliability Request**

**Purpose:** SoCalGas' Gas Control Department requested the Operational Hub to acquire gas supplies for system reliability.

**Location:** Southern System (Ehrenberg)

**Quantity Requested:** 40,000 Dth

**Flow Date(s) Requested:** September 1<sup>st</sup>, 2017

**Time of Request:** 19:42:00 August 31, 2017

**Reason for Request:** Southern System scheduled quantities are 40,000 Dth below the southern system minimum flowing supply requirement.



## **Southern System Reliability Request**

**Purpose:** SoCalGas' Gas Control Department requested the Operational Hub to acquire gas supplies for system reliability.

**Location:** Southern System (Ehrenberg)

**Quantity Requested:** 20,000 Dth

**Flow Date(s) Requested:** September 11, 2017

**Time of Request:** 22:30:00 September 10, 2017

**Reason for Request:** Southern System scheduled quantities are 20,000 Dth below the southern system minimum flowing supply requirement.

**ATTACHMENT E**

**Advice No. 5360**

**BASELOAD INDEX PRICES - NGI BIDWEEK AVERAGE**

**CONFIDENTIAL AND PROTECTED MATERIALS  
PURSUANT TO PUC GO 66-D AND D.17-09-023**



**ATTACHMENT F**

**Advice No. 5360**

**CALCULATION OF SPOT PURCHASES  
IN THE ABSENSE OF WINTER BASELOAD CONTRACTS**

		SSR Base Purchases		
		Summer (Sep-17)	Winter (Dec-17 to Mar-18)	Total
Base:	Baseload (MMDth)	2.97	0.0	3.0
	Net Cost (\$Millions)	(\$0.00)	\$0.0	(\$0.00)
	Average Net cost (\$/Dth)	(\$0.000)	\$0.000	(\$0.000)
Spot:	Additional Spot Purchases required in absence of Baseload (MMDth)	0.54	0.0	0.5
	Net Cost (\$Millions)	\$0.18	\$0.0	\$0.18
	Average Net cost (\$/Dth)	\$0.337	\$0.000	\$0.337

Net Benefit/(Cost) \$ 0.18

2017-18 ACR Year			
	Sep17-Aug18 Volume (MMDth)	Net Cost (\$Millions)	Average Net Cost (\$/Dth)
Baseload	2.97	(\$0.00)	(\$0.00)
Additional Spot Purchases required if Baseload is Absent	0.54	\$0.18	\$0.34
Net Benefit/(Cost)		<u>\$ 0.18</u>	

Net Scheduled from Pipelines (Gross Deliveries - Inkind Fuel)

SSR Baseload Analysis for : 2017 Summer Season

Net Scheduled to Blythe :

(EHR-OTAY-NBP)

Flow Date	Actual HUB Delivery		(A)	(B)	(A)-(B)	Filter	Ehrenberg Index (\$)	Ehrenberg Purchase Price (Spot Index X 1.100)	Full BTS Transport Charge	SCG CityGate Index (\$)	City Gate Sales Price (Spot Index X 0.995)	Spot Purchase Cost [Blythe\$+BTS X DeliveryReq (w/Fuel)]	Daily Sales Price	Net Spot Cost
	Baseload	Spot	Total Core, Noncore, & Spot Purchases (Excluding Baseload)	Southern System Minimum Requirement	Deliveries Over/Under Requirement									
Fri-9/1/17	99,846	39,938	795,401	886,365	(90,964)	X	\$ 3.8387	\$ 4.2226	0.30592	\$ 4.1700	\$ 4.1492	(\$412,521)	\$ 377,423	(\$35,097)
Sat-9/2/17	99,846	-	748,753	790,217	(41,464)	X	\$ 3.4954	\$ 3.8449	0.30592	\$ 3.8100	\$ 3.7910	(\$172,357)	\$ 157,188	(\$15,169)
Sun-9/3/17	99,846	-	782,491	711,095	71,396		\$ 3.4954		0.30592	\$ 3.8100				
Mon-9/4/17	99,846	-	718,745	741,141	(22,396)	X	\$ 3.4954	\$ 3.8449	0.30592	\$ 3.8100	\$ 3.7910	(\$93,097)	\$ 84,902	(\$8,195)
Tue-9/5/17	99,846	-	763,304	786,211	(22,907)	X	\$ 3.4954	\$ 3.8449	0.30592	\$ 3.8100	\$ 3.7910	(\$95,218)	\$ 86,839	(\$8,379)
Wed-9/6/17	99,846	-	702,336	718,106	(15,770)	X	\$ 3.0029	\$ 3.3032	0.30592	\$ 3.3700	\$ 3.3532	(\$56,995)	\$ 52,879	(\$4,116)
Thu-9/7/17	99,846	-	672,593	689,061	(16,468)	X	\$ 2.9355	\$ 3.2291	0.30592	\$ 3.2500	\$ 3.2338	(\$58,295)	\$ 53,253	(\$5,041)
Fri-9/8/17	99,846	-	660,174	692,066	(31,892)	X	\$ 2.8900	\$ 3.1790	0.30592	\$ 3.1800	\$ 3.1641	(\$111,297)	\$ 100,909	(\$10,387)
Sat-9/9/17	98,565	-	548,031	504,777	43,254		\$ 2.7132		0.30592	\$ 3.0300				
Sun-9/10/17	99,846	-	564,351	659,015	(94,664)	X	\$ 2.7132	\$ 2.9845	0.30592	\$ 3.0300	\$ 3.0149	(\$311,922)	\$ 285,398	(\$26,524)
Mon-9/11/17	99,846	19,969	740,397	721,111	19,286		\$ 2.7132		0.30592	\$ 3.0300				
Tue-9/12/17	99,846	-	723,241	710,094	13,147		\$ 2.7789		0.30592	\$ 3.0800				
Wed-9/13/17	71,689	-	557,703	556,858	845		\$ 2.8713		0.30592	\$ 3.1700				
Thu-9/14/17	99,846	-	488,738	549,847	(61,109)	X	\$ 2.8700	\$ 3.1570	0.30592	\$ 3.1500	\$ 3.1343	(\$211,912)	\$ 191,531	(\$20,381)
Fri-9/15/17	99,846	-	409,007	552,851	(143,844)	X	\$ 2.8037	\$ 3.0841	0.30592	\$ 3.0700	\$ 3.0547	(\$488,314)	\$ 439,393	(\$48,921)
Sat-9/16/17	99,846	-	595,740	427,659	168,081		\$ 2.6725		0.30592	\$ 2.8700				
Sun-9/17/17	99,846	-	605,581	428,660	176,921		\$ 2.6725		0.30592	\$ 2.8700				
Mon-9/18/17	99,846	-	762,937	480,740	282,197		\$ 2.6725		0.30592	\$ 2.8700				
Tue-9/19/17	99,846	-	769,894	568,876	201,018		\$ 2.9018		0.30592	\$ 3.2300				
Wed-9/20/17	99,846	-	756,246	568,876	187,370		\$ 2.9268		0.30592	\$ 3.1000				
Thu-9/21/17	99,846	-	728,504	565,871	162,633		\$ 2.7373		0.30592	\$ 3.0400				
Fri-9/22/17	99,846	-	809,677	565,871	243,806		\$ 2.6911		0.30592	\$ 2.9900				
Sat-9/23/17	99,846	-	615,485	463,714	151,771		\$ 2.5596		0.30592	\$ 2.8100				
Sun-9/24/17	99,846	-	611,994	486,750	125,244		\$ 2.5596		0.30592	\$ 2.8100				
Mon-9/25/17	99,846	-	737,986	628,969	109,017		\$ 2.5596		0.30592	\$ 2.8100				
Tue-9/26/17	99,846	-	893,365	580,895	312,470		\$ 2.7405		0.30592	\$ 3.0800				
Wed-9/27/17	99,846	-	873,499	603,930	269,569		\$ 2.6603		0.30592	\$ 3.0000				
Thu-9/28/17	99,846	-	855,900	611,942	243,958		\$ 2.6518		0.30592	\$ 2.9800				
Fri-9/29/17	99,846	-	823,206	575,887	247,319		\$ 2.5162		0.30592	\$ 2.8700				
Sat-9/30/17	99,652	-	734,941	469,723	265,218		\$ 2.5162		0.30592	\$ 2.8700				

Season Total	>0	Cuml. Customer Delivery	<0
Daily Avg	2,965,748	Total Below So. Syst. Min :	(541,478) Dth
	59,907		10 out of 30 Days Cust Deliveries Under Req.

All days were short without baseload purchases.

Purchases	Sales	Net Cost
\$ (2,011,929)	\$ 1,829,716	\$ (182,212)
		\$ 0.337 \$/dth

Implied Incremental Purchase Cost without 100k Baseload in place : **\$ (182,212)**

Actual Baseload Costs:

Baseload :	Amt(Dths)	In-kind 0.154%	Net Amt flowed	\$PurchAmt	BTS Charge
Summer Total (Aug17-Sep18) :	2,970,323	4,575	2,965,748	\$ 8,724,036	\$ 916,347

Amt(Dths)	\$PurchAmt	\$SaleAmt	Net Cost
Summer Total :	2,965,748	\$ (9,640,383)	\$ 9,640,459
			\$ 77

Actual Incremental Purchase Cost with 100k Baseload : **\$ 77**  
 \$ (0.00) \$/dth

(Cost)/Benefit : **\$ 182,289**

**ATTACHMENT G**

**Advice No. 5360**

**OVERNOMINATION EVENT INFORMATION ANALYSIS**



**ATTACHMENT H**

**Advice No. 5360**

**TRANSACTIONS, CONFIDENTIAL**

**CONFIDENTIAL AND PROTECTED MATERIALS  
PURSUANT TO PUC GO 66-D AND D.17-09-023**