

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 20, 2020

Advice Letter 5542-G

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

SUBJECT: 2019 Annual Compliance Report on Utility System Operator's Southern System Reliability Purchases and Sales (September 1, 2018, Through September 30, 2019).

Dear Mr. van der Leeden:

Advice Letter 5542-G is approved as of April 16, 2020, per resolution G-3569 Ordering Paragraphs.

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

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November 1, 2019

Advice No. 5542
(U 904 G)

Public Utilities Commission of the State of California

Subject: 2019 Annual Compliance Report on Utility System Operator's Southern System Reliability Purchases and Sales (September 1, 2018, through September 30, 2019)

Southern California Gas Company (SoCalGas) hereby submits to the California Public Utilities Commission (Commission) its 2019 Annual Compliance Report (ACR) to demonstrate that activities to maintain Southern System reliability from September 1, 2018, through September 30, 2019, 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 November 1 of each year regarding its Southern System reliability procurement activities:

On November 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.¹

In Resolution G-3480, the Commission provided additional direction regarding what information should be included in future ACRs:

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 41.²

Discussion

In accordance with Rule No. 41, SoCalGas hereby submits its ACR for the period September 1, 2018, through September 30, 2019. SoCalGas had no procurement activity for this period. Prolonged pipeline outages and maintenance on the SoCalGas northern system have resulted in customers increasing utilization of southern system receipt points in order to deliver an appropriate volume of gas to match their consumption. Therefore, SoCalGas had sufficient supplies at the southern system every day during the reporting period, and no spot purchases were required. For the same reasons, SoCalGas did not find it necessary to enter into either winter or summer baseload contracts during this period.

¹ 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)." Resolution G-3542 (p. 1, Proposed Outcomes) approved SoCalGas' request to submit future Annual Compliance Reports by November 1st – rather than October 1st – in order to fully reflect all the summer baseload contracts that SoCalGas enters into through September 30th. While Section 26 still refers to the ACR covering "activities during the preceding twelve months ending August 31," pursuant to Resolution G-3542, this tariff provision should refer to September 30. SoCalGas will correct Section 26 in a future clean-up Advice Letter submission. This ACR covers 13 months because it is the first since the Commission approved the submission date change.

² Resolution G-3480 (June 27, 2013), pp. 12-13. After the issuance of this resolution, SoCalGas added new sections to Rule No. 41 (effective July 12, 2012), and the existing Section 13, 14, and 15 were changed to Sections 14, 15, and 16 in Rule No. 41 (effective June 1, 2018).

A. Transaction Overview

No transactions because there was no procurement during this period.

B. Transaction Detail

No transaction detail because there was no procurement during this period.

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 observed impact on other receipt points.³ The referenced over-nomination event information is provided below.

a. Frequency

Because there was no procurement activity for additional supplies on SoCalGas' Southern System, a frequency analysis of events where over-nominations occurred system-wide, yet the System Operator was required to maintain minimum flows to the Southern System, is not applicable.

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

Because there was no procurement activity for additional supplies on SoCalGas' Southern System, the margin of error and impact analysis is not applicable.

Conclusion

Because no procurement activity was required for the period September 1, 2018 through September 30, 2019, SoCalGas does not request any transaction approval from the Commission.

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

³ See Resolution G-3486, Ordering Paragraph No. 2.

be received within 20 days of the date of this Advice Letter, which is November 21, 2019. 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 the Energy Division Tariff Unit (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@socalgas.com

Effective Date

The Settlement Agreement in A.08-02-001, which was approved by Decision 09-11-006, directed that this submittal be classified as Tier 3 pursuant to General Order (GO) 96-B. Therefore, SoCalGas respectfully requests that this submittal be approved on or before the Commission meeting of December 19, 2019.

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.18-07-024, the most recent SoCalGas/SDG&E TCAP. Address change requests to the GO 96-B service list should be directed via e-mail to tariffs@socalgas.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 via e-mail at process_office@cpuc.ca.gov.

Ronald van der Leeden
Director- Regulatory Affairs



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 proposed¹:

Pending advice letters that revise the same tariff sheets:

¹Discuss 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

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: