

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



March 3, 2020

Advice Letter 5577-G

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

SUBJECT: Advice letter Providing Information Pursuant to Resolution G-3560

Dear Mr. van der Leeden:

Advice Letter 5577-G is effective as of January 30, 2020.

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@socalgas.com

January 30, 2020

Advice No. 5577
(U 904 G)

Public Utilities Commission of the State of California

Subject: Advice Letter Providing Information Pursuant to Resolution G-3560

Southern California Gas Company (SoCalGas) hereby provides the following information requested in California Public Utilities Commission (Commission or CPUC) Resolution (Res.) G-3560.

Background

On September 19, 2019, the Executive Director of the CPUC sent a letter¹ to SoCalGas directing its System Operator to make temporary modifications to allow more underground gas storage injection capacity to be available to storage customers. The Executive Director Letter was sent because of concerns that the amount of gas in underground storage inventory was low compared to the prior year, which could lead to reliability concerns in Southern California during the 2019-2020 winter.

On December 5, 2019, the Commission issued Res. G-3560 which ratified the Executive Director Letter directing SoCalGas to make available to customers up to 100 MMcf/d of Cycle 1 firm injection capacity prior to Bidweek for customers to use in the coming month. Res. G-3560 also ratified the Executive Director Letter directive requiring the SoCalGas System Operator to determine whether any additional injection capacity could be released to customers on Cycle 1 on the day before the gas flow day. Res. G-3560 stated that these modifications, which shall end on December 31, 2019, will increase the amount of gas in storage in preparation for the peak winter season when gas storage is critical for meeting customer demand.

Res. G-3560 further ordered that:

Within 30 days of the expiration of the temporary modifications, SoCalGas shall file

¹ The letter was sent to SoCalGas on September 19, 2019 and is dated September 17, 2019.

a Tier 1 advice letter containing a status report of storage inventory and an analysis of the effectiveness of these temporary modifications in increasing storage inventory.

SoCalGas' status report of storage inventory and an analysis of the effectiveness of the temporary modifications in increasing storage inventory is provided below.

Status Report of Storage Inventories

The following table provides the September 2019 and October 2019, best case, month-end minimum storage inventories stated in SoCalGas' Summer 2019 Technical Assessment² and compares them to the actual, September 2019 and October 2019, month-end storage inventories. As the table shows, SoCalGas did not meet its best-case inventory levels for both September 2019 and October 2019.

Best Case, Month-End Inventory (Bcf) September 2019	Actual Month-End Inventory (Bcf) September 2019	Best Case, Month-End Inventory (Bcf) October 2019	Actual Month-End Inventory (Bcf) October 2019
75.64	73.39	82.12	76.80

The following table provides the November 2019 and December 2019, month-end minimum storage inventory requirements for core reliability, stated in SoCalGas' Winter 2019-20 Technical Assessment³ and compares these minimums to the actual, November 2019 and December 2019, month-end storage inventories. The non-Aliso Canyon month-end minimum storage inventory requirements and the non-Aliso actual storage inventories are shown in aggregate. As the table shows, at the end of November 2019 and December 2019, SoCalGas' storage inventories, in aggregate, were above their minimum requirements to maintain core reliability.

	Month-End Min Inventory (Bcf) for Core Reliability November 2019	Actual Month-End Inventory (Bcf) November 2019	Month-End Min Inventory (Bcf) for Core Reliability December 2019	Actual Month-End Inventory (Bcf) December 2019
Aliso Canyon	5.7	32.6	5.1	25.3
Non-Aliso Canyon (Aggregated)	23.8	42.6	23	41.7
Total	29.5	75.2	28.1	66.9

² See Table 5, p. 7.

https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/News_Room/NewsUpdates/2019/SoCalGas%20Summer%202019%20Technical%20Assessment%20040219.pdf

³ See Table 6, p. 7.

https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/News_Room/NewsUpdates/2019/SOCALGAS%20WINTER%202019-20%20TECHNICAL%20ASSESSMENT.pdf

As the data shows, month-end October storage inventory at the beginning of the Winter 2019-20 Season was, approximately 7.6 Bcf below total maximum storage capacity of 84.4 Bcf. However, the ensuing month-end November and December storage inventories were well above minimum requirements to maintain winter core reliability. As stated in SoCalGas' Winter 2019-20 Technical Assessment, SoCalGas planned to use supply from Aliso Canyon and curtailment procedures (as necessary) to preserve minimum inventory levels at all four storage fields throughout the winter season, in accordance with the Aliso Canyon Withdrawal Protocol, SoCalGas Rule No. 23, and San Diego Gas and Electric Company Gas Rule No. 14.

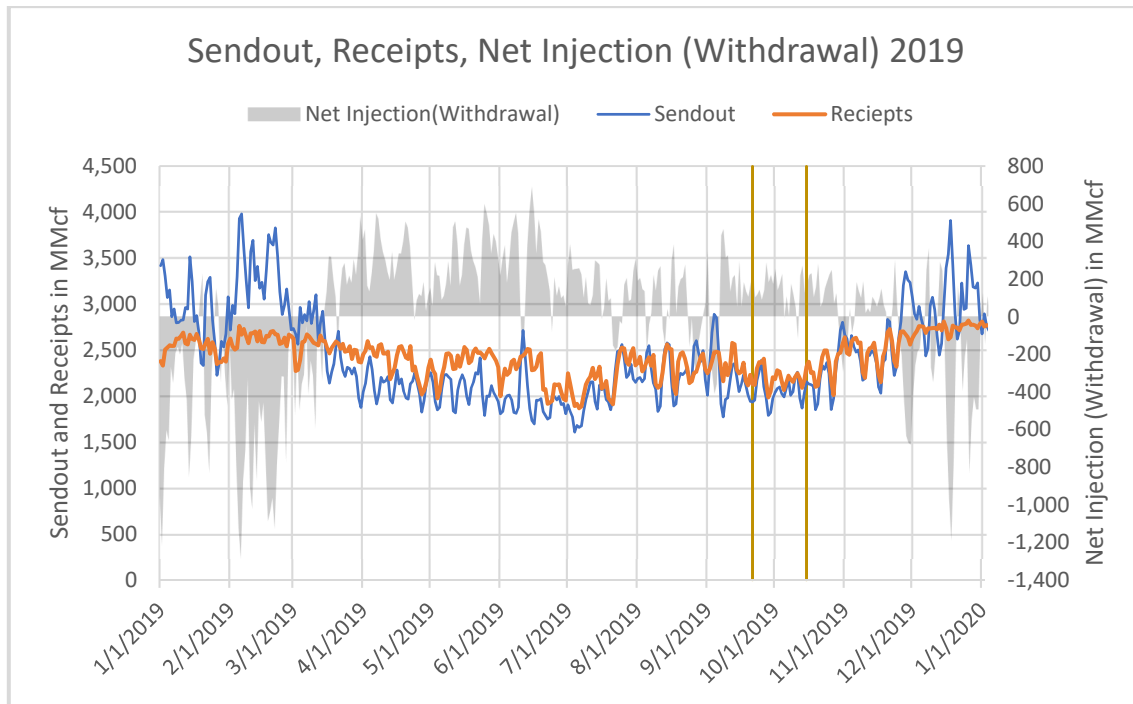
Analysis of Effectiveness of Temporary Modifications in Increasing Storage Inventory

SoCalGas' assessment pertains only to the temporary modifications pursuant to the Executive Director Letter and Res. G-3560 during the relevant time period and system conditions. Specifically, the assessment pertains to the time period when the temporary modifications were ordered to be effective, beginning September 21, 2019 (prior to October Bidweek), through December 31, 2019, and the system conditions (maintenance impacts) effective within this time period. Although SoCalGas' assessment references other time periods, SoCalGas does not speculate on what effect the temporary modifications would have during any other time period and under any other system conditions.

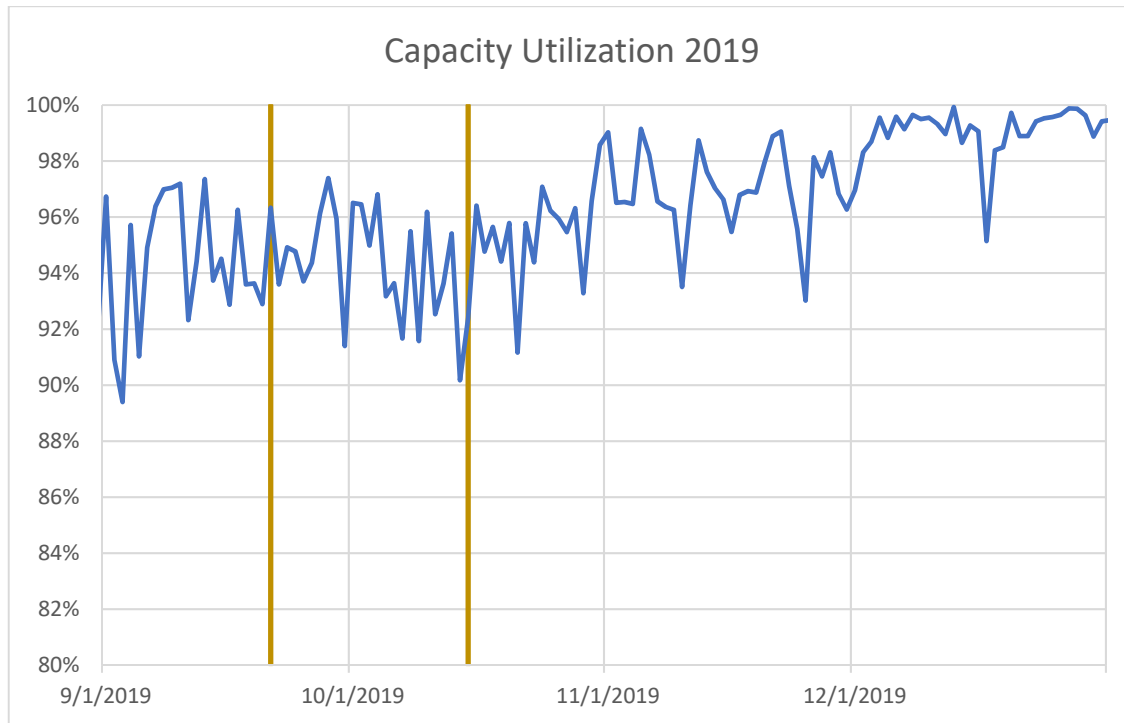
From the System Operator's analysis, it cannot be stated with certainty that these temporary modifications, which made more injection capacity available for scheduling, had an effect in increasing storage inventory. SoCalGas provides data below to support this analysis.

The chart below shows the sendout, receipts, net injections (positive), and net withdrawals (negative) in 2019. Similar to other years, the system is generally on withdrawal in the winter season and generally on injection during the summer season. The withdrawal season in 2019 did not begin until the latter part of November because the first few weeks of November were relatively warm.

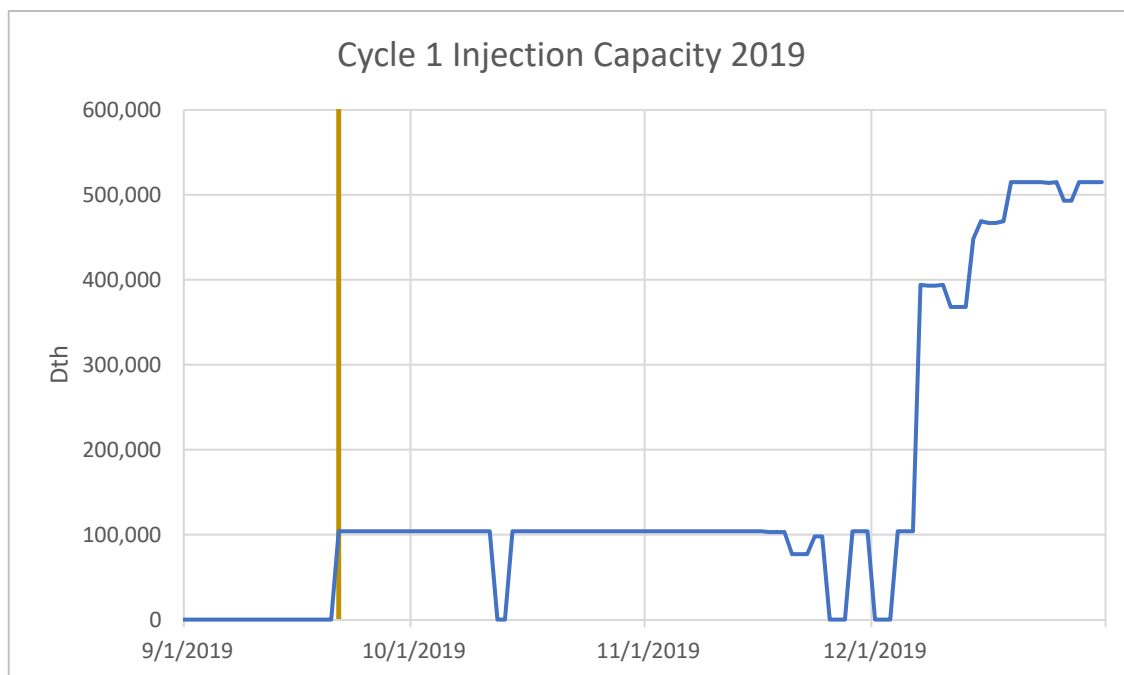
In the chart below, there are two dates highlighted by two vertical lines. The first date is September 21, 2019, which represents when the temporary modifications went into effect. The second date is October 15, 2019, which represents when Line 235-2 returned to service at a reduced pressure. There are no significant changes in storage activity after the temporary modifications went into effect.



The chart below shows the percent pipeline capacity utilization from September 2019 through December 2019. Utilization, for the most part, remains above 90% for the last four months of the year. There was no significant change in pipeline capacity utilization when the temporary modifications were implemented as this utilization was already approaching its maximum, and only increased in November as demand increased. Therefore, SoCalGas cannot be certain whether scheduled receipts (and the resulting scheduled injection following those scheduled receipts) were a result of shippers using the available Cycle 1 injection capacity or a result of shippers maximizing capacity on a constrained system.

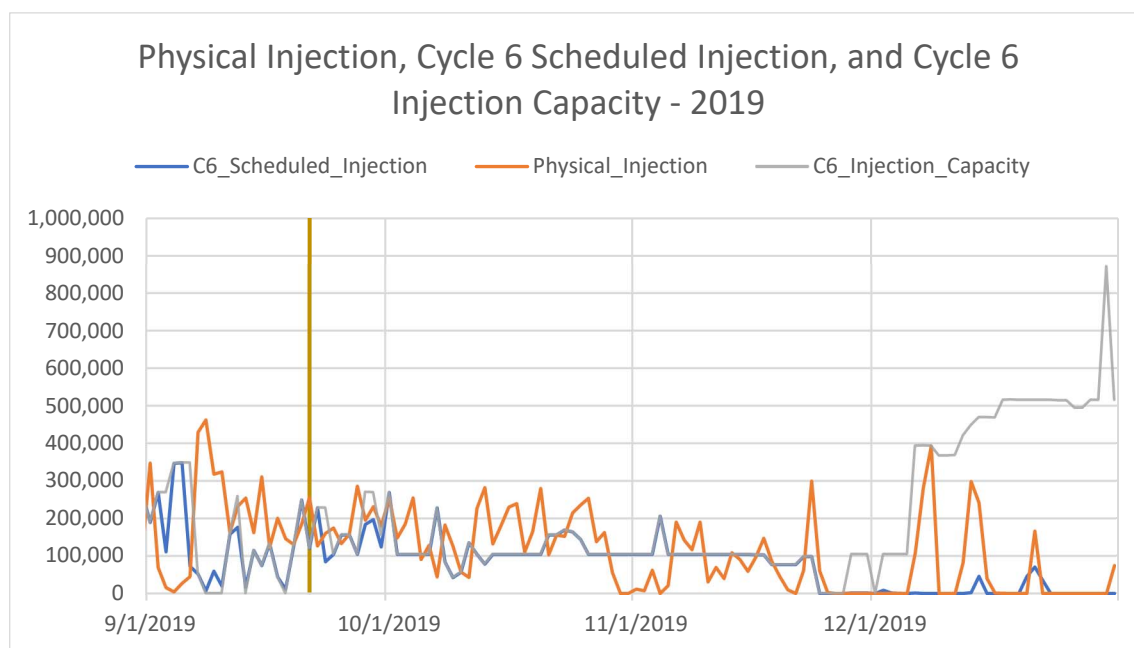


The chart below demonstrates that the System Operator made up to 100 MMcf/d of firm injection capacity available on Cycle 1 beginning on September 21, 2019, except during some days when the System Operator determined that operational and/or maintenance conditions reduced available injection capacity.



The charts in confidential Attachment A (All Storage Customers – Aggregated Cycle 1 Nominations vs. Scheduled; Gas Acq Cycle 1 Nominations vs. Scheduled; All Storage Customers – Aggregated Cycle 6 Nominations vs. Scheduled; Gas Acq Cycle 6 Nominations vs. Scheduled) show storage injection nominations vs. scheduled quantities for Cycle 1 and for Cycle 6. Gas Acquisition appears to have consistently nominated their full storage rights every day on Cycle 1, during the summer season. After the implementation of the temporary modifications, scheduled storage injection volumes increased from 0 Dth per day to approximately 100,000 Dth per day on Cycle 1 beginning in late-September and for most of October and November. Thus, the temporary modifications increased the amount of Gas Acquisition’s Cycle 1 scheduled volumes and therefore, increased the amount of inventory in Gas Acquisition’s storage account. However, as the system physical injection vs. scheduled injection chart demonstrates below, scheduled injections do not necessarily equate to physical injections. This is due primarily to daily system imbalances created by differences between shippers’ deliveries and usages.

The chart below shows scheduled vs. physical injections in 2019. As shown, system scheduled injections do not necessarily match physical injections in magnitude or direction. It is not unusual for scheduled injections to increase in magnitude while physical injections decrease in magnitude, and vice versa. This is a consequence of the flexibility provided by the system. Shippers may overschedule on the system, relative to their gas usage. If, in aggregate, the amount of gas into the system is greater than the amount of gas usage, the System Operator will inject the excess gas into storage (after linepack is full). The amount of excess gas the System Operator physically injects into storage may be different from the amount scheduled into shippers’ storage accounts.



To reiterate what was stated earlier, this assessment pertains only to the time period when the temporary modifications were ordered to be effective, beginning September 21, 2019

(prior to October Bidweek), through December 31, 2019, and the system conditions (maintenance impacts) effective within this time period. SoCalGas does not speculate on what effect the temporary modifications would have had if they were implemented earlier in 2019 or implemented under different system conditions.

Storage inventory is increased by physical injection and the availability of physical injection is increased with more storage inventory capacity. SoCalGas' ability to physically inject is dependent on sendout being lower than pipeline flowing supplies (and linepack being full). Once flowing supplies pack the pipeline and all sendout is met/supplied, excess deliveries must be injected into storage. Therefore, the most effective solution for increasing storage injections and inventory is to increase the authorized storage field inventory at Aliso Canyon, which in turn increases system injection capabilities and helps maximize systemwide injections.

Increasing the authorized inventory of Aliso Canyon would provide/result in greater system injection capacity and allow increased receipt point capacity utilization when system sendouts are low. Also, when system conditions later allow, SoCalGas could use this additional inventory in Aliso Canyon to reduce withdrawals from and/or move the gas into the non-Aliso Canyon storage fields to help maintain acceptable withdrawal capacity levels for core reliability and enhance system balancing capacity relied on by all customers including noncore customers. As evidenced by the 2018-2019 winter season, all four storage fields were required to sustain hourly peaks on extremely high sendout days in the later part of the winter season.

Confidentiality

Due to the confidential nature of Attachment A, a declaration requesting confidential treatment is included. Attachment A is only being provided to Energy Division under the confidentiality provisions of California Public Utilities Code § 583, General Order (GO) 66-D, and D.17-09-023.

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 from the date of this advice letter, which is February 19, 2020. 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 the Energy Division Tariff Unit (EDTariffUnit@cpuc.ca.gov). 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: 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

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. This submittal is in compliance with Res. G-3560. Therefore, SoCalGas respectfully requests that this submittal be made effective January 30, 2020, the date submitted.

Notice

A copy of this advice letter is being sent to SoCalGas' GO 96-B service list and the Commission's service lists for I.17-02-002, I.19-06-016, and A.18-07-024. 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:

ATTACHMENT A

Advice No. 5577

Charts – All Storage Customers

**Confidential and Protected Materials
Pursuant to Public Utilities Code Section 583,
General Order 66-D, and D.17-09-023**

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

**DECLARATION OF JENNIFER WALKER
REGARDING CONFIDENTIALITY OF CERTAIN DATA**

I, Jennifer Walker, declare as follows:

1. I am Director, Gas Control & System Planning in the Transmission, Storage, and System Operations Department for Southern California Gas Company (“SoCalGas”).

I have reviewed the confidential information in Advice No. 5577, submitted concurrently herewith. 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 provide this Declaration in accordance with Decision 17-09-023 and General Order 66-D to demonstrate that the following confidential information (“Protected Information”), highlighted in yellow in Appendix A submitted concurrently herewith, falls within the scope of data protected as confidential under applicable laws, and pursuant to Public Utilities Code § 583, GO-66(D), as described below:

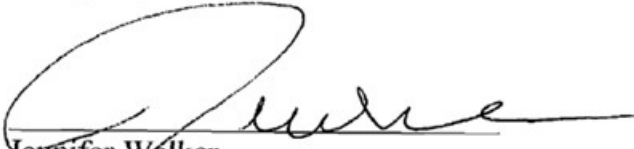
**BEFORE THE PUBLIC UTILITIES
COMMISSION OF THE STATE OF CALIFORNIA**

Location of Data	Applicable Confidentiality Provisions	Basis for Confidentiality
Charts in Appendix A	CPRA Exemption, Gov't Code § 6254.7(d) (Trade Secrets) CPRA Exemption, Gov't Code § 6254(k) ("Records, the disclosure of which is exempted or prohibited pursuant to federal or state law") <ul style="list-style-type: none"> • Cal. Evid. Code § 1060 Cal. Civil Code §§ 3426 <i>et seq.</i>	Market-sensitive gas procurement information, if disclosed could provide market participants and SoCalGas' competitors with insight into SoCalGas' procurement activities, plans and strategies, which would place SoCalGas at an unfair business disadvantage. This could ultimately result in increased cost to core ratepayers. If disclosed, SoCalGas' competitors and market participants could also derive economic value from this information.

3. I have been delegated authority to sign this declaration by Rodger Schwecke, Senior Vice President of Gas Operations and Construction.

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.

Executed this 30th day of January, 2020, at Los Angeles, California.


 Jennifer Walker
 Director, Gas Control and System Planning