

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



Southern California Gas Company
GAS (Corp ID 904)
Status of Advice Letter 5703G
As of October 27, 2020

Subject: Biennial Report on Backbone Transmission and Slack Capacity in Compliance with Decision (D.) 06-09-039

Division Assigned: Energy

Date Filed: 10-01-2020

Date to Calendar: 10-05-2020

Authorizing Documents: D0609039

Disposition:	Accepted
Effective Date:	10-31-2020

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Ray B. Ortiz

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ROrtiz@socalgas.com

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to
edtariffunit@cpuc.ca.gov



Ronald van der Leeden
Director
Regulatory Affairs

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October 1, 2020

Advice No. 5703
(U 904 G)

Public Utilities Commission of the State of California

Subject: Biennial Report on Backbone Transmission and Slack Capacity in Compliance with Decision (D.) 06-09-039

Southern California Gas Company (SoCalGas) hereby submits its biennial report to demonstrate that it holds adequate backbone transmission capacity and has slack capacity consistent with its proposals in the Gas Market Rulemaking (R.04-01-025).

Purpose

This Advice Letter (AL) complies with Ordering Paragraph (OP) 3 of D.06-09-039 which states:

The Pacific Gas and Electric Company and the Southern California Gas Company shall demonstrate in biennial advice letter filings [submittals] to the Commission's Energy Division starting 2008 that they hold adequate backbone transmission capacity and have slack capacity consistent with their proposals presented herein. The first filing [submittal] is due July 1, 2008.

Background

In response to reports and ongoing changes in the natural gas market which indicated that there may not be sufficient natural gas supplies or infrastructure to meet the long-term needs of the state's residential and business customers, the Commission initiated R.04-01-025. In the Assigned Commissioner's Scoping Memo of February 28,

2005, the Commission identified the following question for consideration in Phase 2 of this proceeding.¹

Can the California gas utilities' existing infrastructure and operations adequately protect California from short-term or long-term natural gas shortages caused by the interruptions in natural gas supply?

Most of the natural gas transported via the interstate pipelines, as well as some of the California produced natural gas, is delivered into the Pacific Gas and Electric Company (PG&E) and SoCalGas intrastate natural gas transmission pipeline systems (commonly referred to as California's "backbone" natural gas pipeline system). Natural gas on the utilities' backbone pipeline systems is then delivered into the local transmission and distribution pipeline systems, or natural gas storage fields. In D.06-09-039, the Commission determined that it was "comfortable with the total amount of firm backbone transmission capacity on both the PG&E and SoCalGas systems."² In an effort to continue to monitor the continuing sufficiency of backbone capacity on the PG&E and SoCalGas systems, the Commission also required PG&E and SoCalGas to demonstrate in AL submittals with the Commission's Energy Division that they hold adequate backbone transmission capacity. These AL submittals are to be made on a biennial basis, beginning July 1, 2008.³

Capacity Information

In R.04-01-025, SoCalGas explained to the Commission that it held a 49% annual reserve margin at the time and that, historically, its reserve margins have been between 40%-50%.⁴ Several pipelines in the SoCalGas Northern Zone have been operating at reduced pressures for safety remediation, reducing the Northern Zone receipt capacity. SoCalGas is working expeditiously on these pipelines but at this time has not determined when Northern Zone receipt capacity will be restored, and at what level. Due to this uncertainty, SoCalGas has not included these losses in the calculation of its reserve margin for the purposes of this report, except in the near term.

Table 1 and Figure 1 below illustrate the SoCalGas receipt capacity and reserve margin through 2035. SoCalGas calculates a 26% reserve margin to be available in 2020. The reserve margin will increase to 54%-72% with the restoration of the Northern Zone pipelines.

¹ Phase 1 of this proceeding was limited to issues related to the utilities' acquisition of interstate capacity and was resolved in D.04-09-022.

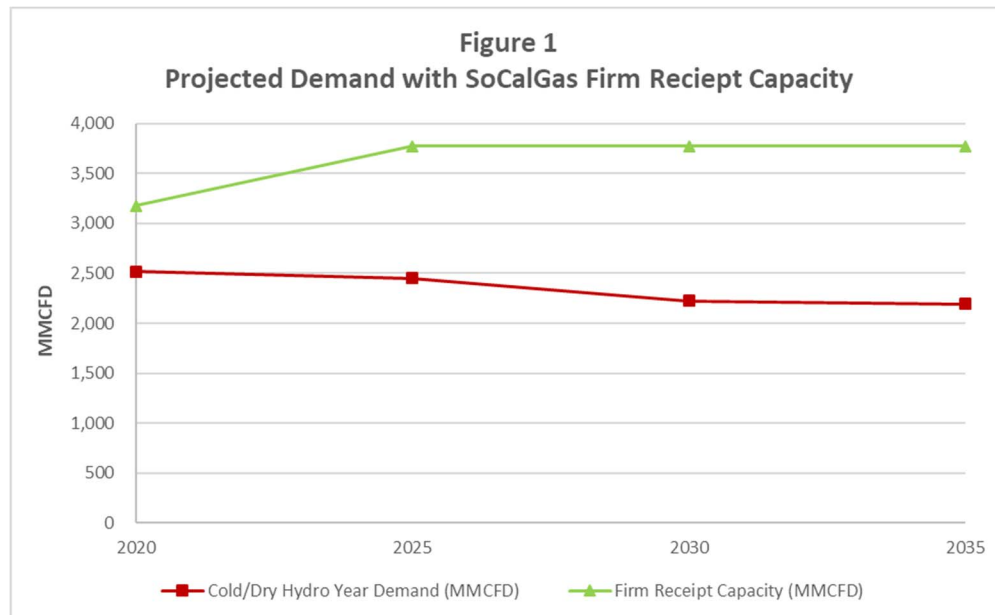
² D.06-09-039, mimeo., at 172 (Finding of Fact 12).

³ D.06-09-039, mimeo., at 27.

⁴ D.06-09-039, mimeo., at 171 (Finding of Fact 8). The Reserve Margin of backbone capacity in excess of demand on the SoCalGas system is derived by the formula: Reserve Margin = (Firm Daily Receipt Capacity – Average Daily Demand)/ Average Daily Demand.

Table 1⁵
SoCalGas Reserve Margin
1-in-10 Cold and Dry-Hydroelectric Condition

Year	Average Daily Demand: 1-in-10 Cold/Dry Year (MMCFD)	Reserve Margin (%)
2020	2,515	26%
2025	2,449	54%
2030	2,224	70%
2035	2,194	72%



⁵ Demand source: SoCalGas 2020 California Gas Report. Reserve margin relative to SoCalGas receipt capacity of 3,175 MMcf for 2020, and 3,775 MMcf for 2025 and beyond assuming the full recovery of Northern Zone receipt capacity, though as stated earlier, SoCalGas has not determined when Northern Zone receipt capacity will be restored, and at what level. Note that all figures are estimated theoretical receipt capacities. Actual receipt capacity is usually somewhat lower for a variety of reasons, including lower deliveries from California producers, and economic and practical factors that result in less than full utilization of certain receipt points.

Protest

Anyone may protest this AL 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 AL, which is October 21, 2020. 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). Due to the COVID-19 pandemic and the shelter at home orders, SoCalGas is currently unable to receive protests or comments to this AL via U.S. mail or fax. Please submit protests or comments to this AL via e-mail to the e-mail address shown below on the same date it is mailed or e-mailed 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 AL is subject to Energy Division disposition and should be classified as a Tier 2 (effective after staff approval) pursuant to General Order (GO) 96-B. SoCalGas respectfully requests that this submittal be approved on October 31, 2020, which is 30 calendar days from the date submitted.

Notice

A copy of this AL is being sent to SoCalGas' GO 96-B service list and the Commission's service list in R.04-01-025, Gas Market OIR. Address change requests to the GO 96-B service list should be directed by e-mail to tariffs@socalgas.com, or call 213-244-3387. For changes to all other service lists, please contact the Commission's Process Office at 415-703-2021 or by e-mail at Process_Office@cpuc.ca.gov.

/s/ Ronald van der Leeden
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 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: Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

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