

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



Southern California Gas Company
GAS (Corp ID 904)
Status of Advice Letter 5749G
As of February 4, 2021

Subject: Information-Only Biannual Report on Cost Impacts Resulting from Decision (D.) 19-08-002
(Core Balancing / Advanced Meter Data Aggregation System)

Division Assigned: Energy

Date Filed: 12-31-2020

Date to Calendar: 01-06-2021

Authorizing Documents: D1908002

Disposition:	Accepted
Effective Date:	12-31-2020

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Ray B. Ortiz

(213) 244-3837

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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



Joseph Mock
Business Manager
Regulatory Affairs

555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011
Tel: 213.244.3718
Fax: 213.244.4957
JMock@socalgas.com

December 31, 2020

Advice No. 5749
(Southern California Gas Company U 904 G)

Advice No. 2941-G
(San Diego Gas & Electric Company U 902 G)

Public Utilities Commission of the State of California

Subject: Information-Only – Biannual Report on Cost Impacts Resulting from Decision (D.) 19-08-002 (Core Balancing / Advanced Meter Data Aggregation System)

Purpose

Pursuant to Ordering Paragraph (OP) 4 of D.19-08-002, Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E) collectively submit this Tier 1 Information-Only Advice Letter (AL) providing a biannual report on cost impacts to core customers as a result of requiring core customers to balance to estimated actual consumption, including number of Operational Flow Order (OFO) days and Gas Acquisition's mitigation measures.

Background

D.19-08-002 required the SoCalGas Gas Acquisition department to balance core deliveries to estimated actual consumption instead of a forecast, beginning April 1, 2020.¹ In support of this objective, D.19-08-002 directed SoCalGas and SDG&E to begin building an "Advanced Metering Infrastructure Data Aggregation System" (AMI DAS) as described within the decision.² While D.19-08-002 stated that SoCalGas and SDG&E should make all reasonable efforts to ensure the AMI DAS was completed by April 1, 2020,³ the decision also adopted a formula for use in estimating retail core consumption starting April 1, 2020, should the AMI DAS not be completed by that date.⁴

¹ D.19-08-002 at p. 32, (OP 2).

² *Id.* at p. 33, (OP 5).

³ *Id.* at p. 34, (OP 9).

⁴ *Id.* at pp. 32-33, (OP 3).

On September 3, 2019, SoCalGas submitted Advice No. 5511, providing its roadmap (on behalf of SoCalGas and SDG&E) for completing the AMI DAS. SoCalGas stated that the AMI DAS could not be completed until August 1, 2020, and further explained how SoCalGas would comply with D.19-08-002's requirement for Gas Acquisition to balance to estimated actual consumption starting April 1, 2020, while the AMI DAS was still being completed. SoCalGas' AMI DAS roadmap was approved by Resolution (Res.) G-3563 on March 12, 2020.⁵ The AMI DAS was fully implemented effective November 1, 2020.

In requiring Gas Acquisition to balance to estimated actual consumption rather than a forecast starting April 1, 2020, the Commission in D.19-08-002 also noted that "the cost impact to core customers remains an important consideration."⁶ The Commission sought to monitor the situation to ensure that core customers are not significantly impacted, and in doing so, required SoCalGas and SDG&E to "biannually submit an Information-Only AL that reports any cost impacts to core customers as a result of balancing to actual usage, including number of OFO days and Gas Acquisition mitigation measures taken." This report includes data and analysis through November 30, 2020.

⁵ On June 25, 2020, SoCalGas submitted a letter to Executive Director Alice Stebbins seeking an extension of time to comply with OP 1 of Res. G-3563 due to implementation delays resulting from the COVID-19 emergency condition. The request was subsequently approved postponing DAS full implementation to November 1, 2020.

⁶ D.19-08-002 at p. 17.

Report on Cost Impacts to Core Customers

Operational Flow Order (OFO) Dates and Noncompliance Charges

For the reporting period June 1 through November 30, 2020, there were 72 OFOs declared by SoCalGas' System Operator. The following table provides the number of OFOs by month for each of the balancing tolerances:

	Number of Declared OFOs	Tolerances of Declared OFOs
<u>Low OFOs⁷</u>		
June	0	N/A
July	1	-5% (1)
August	0	N/A
September	2	-5% (2)
October	2	-14% (1), -5% (1)
November	17	-5% (17)
<u>High OFOs</u>		
June	4	17%, 16%, 15% (2)
July	9	17%, 16%, 5%, 4% (5), 3%
August	8	14%, 12% (2), 5% (4), 4%
September	12	12%, 11%, 9%, 5% (8), 4%
October	14	5% (3), 4% (3), 3% (5), 2% (2), 1%
November	3	7%, 2%, 1%

⁷ Low OFO non-compliance charges were waived for October 27th, and November 2nd, 3rd, 4th, and 5th, per Rule No. 30, Section G.1.h.

SoCalGas' Gas Acquisition Department incurred noncompliance charges totaling \$287,314 as summarized in the following table:

<u>Date</u>	Event	Stage / Tolerance	Noncompliance Charges (\$)
Apr 10, 2020 ⁸	Low OFO	1 / -5%	1,975
Sep 27, 2020	High OFO	3 / 5%	38,590
Sep 28, 2020	High OFO	2 / 5%	2,535
Oct 3, 2020	High OFO	3 / 3%	19,348
Oct 4, 2020	High OFO	2 / 3%	8,958
Nov 5, 2020	High OFO	3.1 / 1%	32,078
Nov 8, 2020	High OFO	3 / 7%	109,897
Nov 10, 2020	Low OFO	1 / -5%	11,036
Nov 11, 2020	Low OFO	1 / -5%	12,855
Nov 12, 2020	Low OFO	1 / -5%	23,178
Nov 15, 2020	Low OFO	1 / -5%	26,864

Mitigation Measures Taken

SoCalGas' Gas Acquisition Department took several mitigation measures to minimize its exposure to noncompliance charges on OFO days which Gas Acquisition believes resulted in lost opportunities for reducing procurement costs against benchmark for the benefit of bundled core customers. These cost impacts are not calculable without making significant assumptions, which affect their usefulness.

1. Gas Acquisition continued to use daily Usage Guidelines to address observed uncertainty in forecast core demand. These Usage Guidelines reflected observed deviations between historical same day usage forecasts provided by the Regulatory Forecasting Group and estimated actual usage. Additional usage uncertainties resulted from COVID-19 virus-related business impacts first observed in mid-March. Changes to both core residential and core commercial and industrial (C&I) usages occurred quickly and were somewhat unpredictable given historical usage data. Gas Acquisition and the Regulatory Forecasting Group communicated frequently regarding these observations and established formal bi-weekly meetings to discuss trend observations and changes to forecast assumptions. Gas Acquisition's Usage Guidelines were modified to reflect improved forecasts as changes to core usage stabilized and temperature impacts to core burn fell with the arrival of seasonally warmer weather. When the weather turned cooler towards the end of the reporting period, Gas Acquisition modified its Usage Guidelines again due to increased temperature-related impacts to core burn.

⁸ Subsequent to submitting Advice No. 5659, Gas Acquisition incurred a retroactive noncompliance charge after consumption volumes reported in Envoy were restated for the period March 1 through September 30, 2020. The restatement resulted from the correction of an inadvertent exclusion of a BTU factor adjustment that should have been applied to volumes in the AMI data warehouse (source for the volumes reported in Envoy) consistent with Advice No. 5403. Customer billed volumes were not impacted.

2. Gas Acquisition's Usage Guidelines assisted in determining the likelihood of whether planned daily deliveries would result in daily OFO non-compliance charges. Use of the Usage Guideline resulted in Gas Acquisition reducing its deliveries on days when High OFOs were anticipated or observed and increasing its deliveries on days when Low OFOs were observed.
3. Gas Acquisition met its July 31st mid-season and November 1st Gas Cost Incentive Mechanism storage targets.
4. Gas Acquisition looked at available injection and withdrawal capacity remaining after Cycle 6, on days in which Gas Acquisition incurred noncompliance charges. Gas Acquisition observed that there was enough available withdrawal capacity remaining to fully mitigate noncompliance volumes on all 5 Low OFO days. Additionally, on one of the High OFO days in which Gas Acquisition incurred a noncompliance charge, there was enough injection capacity remaining to entirely offset the amount by which Gas Acquisition was out of compliance. Had Gas Acquisition been able to schedule this capacity after the flow day, Gas Acquisition could have avoided \$185,805 of the \$287,314 non-compliance charges incurred. Starting February 1st 2021⁹, the nomination deadline for Cycle 6 will be moved to the day after flow. This change will allow Gas Acquisition the opportunity to adjust its nominations into and out of its storage account after receiving preliminary usage data from DAS. If sufficient injection or withdrawal capacity remains on the system, then Gas Acquisition will be able to reduce or avoid noncompliance charges it would have otherwise incurred.

Protest and Reply

This is an Information-Only AL submittal. Pursuant to General Order (GO) 96-B Section 6.2, Joint Investor-Owned Utilities are not seeking relief through this AL and thus this AL is not subject to protest.

Effective Date

Pursuant to OP 4 of D.19-08-002, SoCalGas and SDG&E request that this Tier 1 Information-Only AL become effective upon the date of submittal, which is December 31, 2020.

Notice

A copy of this AL is being sent to SoCalGas' GO 96-B service list and the Commission's service list in A.17-10-002. 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.

⁹ Envoy critical notice, "Changes to Deadline for C6, Sched Qty Trades, & CP Daily Deliveries Trades," issued 12/1/2020.

/s/ Joseph Mock
Joseph Mock
Business Manager – 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:
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: