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June 30, 2023

Advice No. 6159-G
(Southern California Gas Company U 904 G)

Advice No. 3210-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) for the Period December 1, 2022, to May 31, 2023

Purpose

Pursuant to Ordering Paragraph (OP) 4 of D.19-08-002 (decision), 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 SoCalGas's 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 p. 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's 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 advice letter 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..."⁷

Report on Cost Impacts to Core Customers

Operational Flow Order Dates and Noncompliance Charges

For the reporting period December 1, 2022, through May 31, 2023, there were 89 OFOs declared by SoCalGas's System Operator. The following table provides the number of OFOs by month for each of the balancing tolerances:

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 pp. 17-18.

⁷ *Id.* at p. 33, (OP 4).

	Number of Declared OFOs	Tolerances of Declared OFOs
<u>Low OFOs</u> ⁸		
December	10	-5% (10)
January	15	-5% (15)
February	13	-5% (13)
March	12	-5% (12)
April	0	N/A
May	1	-5% (1)
<u>High OFOs</u>		
December	1	10% (1)
January	0	N/A
February	0	N/A
March	0	N/A
April	13	10% (1), 11% (6), 13% (2), 15% (4)
May	24	4% (5), 5% (11), 8% (2), 9% (1), 11% (3), 13% (1), 14% (1)

SoCalGas's Gas Acquisition Department did not incur noncompliance charges for the reporting period December 1, 2022, through May 31, 2023.

Mitigation Measures Taken

SoCalGas's Gas Acquisition Department took several mitigation measures to minimize its exposure to noncompliance charges on OFO days. Gas Acquisition believes these mitigation measures have 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 which were periodically monitored. Gas Acquisition and the Regulatory Forecasting Group communicated periodically regarding these observations to discuss trend observations and changes to forecast assumptions.
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 Guidelines may have resulted in Gas Acquisition reducing its deliveries on days when High OFOs were anticipated or observed

⁸ Low OFO non-compliance charges were waived for May 4th, per Rule No. 30, Section G.1.h.

and increasing its deliveries on days when Low OFOs were observed. Gas Acquisition's Usage Guidelines were modified when deemed appropriate.

3. Gas Acquisition met its winter season storage level minimums identified in the "Southern California Gas Company Winter 2022-23 Technical Assessment".

Protest and Reply

This is an information-only AL submittal. Pursuant to General Order (GO) 96-B Section 6.2, Joint IOUs 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 June 30, 2023.

Notice

A copy of this AL is being sent to SoCalGas's 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 213-244-2424. 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.

/s/ Joseph Mock

Joseph Mock

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: 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: