

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



March 13, 2018

Bret Lane, Chief Operating Officer  
Southern California Gas Company  
555 W. Fifth Street, GT14D6  
Los Angeles, CA 90013-1011

SUBJECT: Injection Required for SoCalGas Summer Reliability and Storage Inventories

Dear Mr. Lane:

The California Public Utilities Commission (CPUC) is concerned about the current status of the Southern California Gas Company's (SoCalGas) storage inventory, system operations, and ability to provide natural gas this summer and in winter 2018-2019. Given the withdrawals from all storage fields during winter 2017-18 and the limited availability of the Aliso Canyon storage field due to the Public Utilities Code Section 715 Report requirements adopted December 11, 2017,<sup>1</sup> overall storage inventory is critically low. Adequate natural gas inventory levels are necessary to maintain reliable delivery to both core and noncore customers during 1-in-10-year peak demand periods. SoCalGas should take immediate action to increase injections at all available storage facilities.

By this letter, I am directing SoCalGas to immediately begin maximizing storage injections at all storage fields using the procurement capabilities of the SoCalGas Acquisition Department to support SoCalGas' storage requirement for system reliability. Accordingly, SoCalGas should submit an expedited Tier 2 Advice Letter proposing an agreement between the SoCalGas System Operator and SoCalGas Gas Acquisition Department to support SoCalGas' storage requirements for system reliability similar to the Injection Plan and Injection Enhancement Memorandum process approved by Resolution G-3529 (June 29, 2017).

SoCalGas' expedited advice letter filing should also include the following:

- An Injection Plan based on rapidly achieving storage withdrawal capacity at the non-Aliso storage fields of 1,320 MMcfd per the Aliso Canyon Technical Assessment Group's<sup>2</sup> assumptions for the hydraulic modeling conducted to support the 2018 Summer Technical Assessment;<sup>3</sup>

<sup>1</sup> "Aliso Canyon Working Gas Inventory, Production Capacity, Injection Capacity, and Well Availability for Reliability: Final Supplemental Report for Winter 2017-18: Public Utilities Code Section 715."

<sup>2</sup> The Aliso Canyon Technical Assessment Group consists of staff from the CPUC, the California Energy Commission, the California Independent System Operator, and the Los Angeles Department of Water and Power.

<sup>3</sup>Note: The CPUC does not require SoCalGas to maintain the aforementioned level of withdrawal capacity at all times. SoCalGas is authorized to use storage as necessary to meet demand, even if that means withdrawal capacity at the non-Aliso fields temporarily falls below 1,320 MMcfd. However, if such conditions occur, the CPUC expects

- Minimum month-end storage targets for the remaining months of 2018 beginning with May 2018;
- Forecasted monthly natural gas storage quantities to be procured by the Gas Acquisition Department solely for the purpose of ensuring system reliability outside of its normal business as usual procurement for core customers;
- An estimated cost for the Gas Acquisition Department to provide these support services;
- A request for expedited treatment by proposing a shortened protest period and time to reply to the protest; and
- The advice letter shall be served to all applicable recipients including those on the service lists for the following CPUC Proceedings: I.17-02-002 (Aliso Canyon Order Instituting Investigation); I.17-03-002 (Aliso Canyon Order Instituting Investigation); and A.14-12-017 (SoCalGas Triennial Cost Allocation Proceeding Phase One).

SoCalGas is directed to file an expedited Tier 2 Advice Letter with the CPUC's Energy Division no later than March 20, 2018. Confidential information may be filed in accordance with Decision D.16-08-024. SoCalGas may also file a separate Advice Letter seeking establishment of a memorandum account to track costs resulting from the operational changes described in this letter.

Thank you for your continued attention to this matter.

Sincerely,



Alice Stebbins  
Executive Director

cc: Roger Schwecke, Senior Vice President, SoCalGas  
Stephen Berberich, President and CEO, California ISO  
Robert Weisenmiller, Chair, CEC  
Edward Randolph, Director, CPUC Energy Division  
Dan Skopec, Regulatory Affairs, SoCalGas  
Service List for CPUC Proceeding I.17-03-002  
Service List for CPUC Proceeding A.14-12-017

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SoCalGas to make every effort to rapidly return storage inventory at the non-Aliso fields to the level needed to support this withdrawal capacity.