

Energy Division Central Files Document Coversheet

A. Document Name

Today's Date (Date of Submittal) 11/12/2019

Name: Catastrophic Event Memorandum Account – October 2019 Wildfires

1. Utility Name: Southern California Gas Company (SoCalGas)
2. Document Submission Frequency: Ad Hoc
3. Report Name: Catastrophic Event Memorandum Account – October 2019 Wildfires
4. Reporting Interval (the date(s) covered by the data): November 2019
5. Name Suffix: Ltr
6. Document File Name (format as 1 + 2 + 3 + 4 + 5): SoCalGas Ad Hoc Catastrophic Event Memorandum Account – October 2019 Wildfires November 2019 Ltr
7. Identify whether this submittal is original or revision to a previous submittal.
 - a. If revision, identify date of the original submittal: N/A

B. Documents Related to a Proceeding

All submittals should reference both a proceeding and a decision, if applicable. If not applicable, leave blank and fill out Section C.

1. Proceeding Number (starts with R, I, C, A, or P plus 7 numbers): Resolution E-3238
2. Decision Number (starts with D plus 7 numbers): N/A
3. Ordering Paragraph (OP) Number from the decision: Page 3

C. Documents Submitted as Requested by Other Requirements

If the document submitted is in compliance with something other than a proceeding, (e.g. Resolution, Ruling, Staff Letter, Public Utilities Code, or sender's own motion), please explain: N/A

D. Document Summary

Provide a Document Summary that explains why this report is being filed with the Energy Division. This information is often contained in the cover letter, introduction, or executive summary, so you may want copy if from there and paste it here.

On February 21, 2019, Governor Gavin Newsom issued an emergency proclamation for twenty-one counties, including Santa Barbara, Ventura, and San Diego counties, to help communities respond to and recover from severe winter storms that have caused flooding, mudslides, erosion, and damage to critical infrastructure. As noted in the proclamation, an atmospheric river swept across California beginning on January 5, 2019, continued through January into February, with another significant atmospheric river system beginning on February 12, 2019. The proclamation notes that these winter storms caused, among other things, flash flooding, erosion, and mud and debris flows.

E. Sender Contact Information

1. Sender Name: SoCalGas Regulatory Affairs - Tariffs
2. Sender Organization: SoCalGas
3. Sender Phone: 213-244-2837
4. Sender Email: Tariffs@socalgas.com

F. Confidentiality

1. Is this document confidential? No Yes
 - a. If Yes, provide an explanation of why confidentiality is claimed and identify the expiration of the confidentiality designation (e.g. Confidential until December 31, 2020.)

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G. CPUC Routing

Energy Division's Director, Edward Randolph, requests that you not copy him on submittals sent to Energy Division Central Files. Identify below any Commission staff that were copied on the submittal of this document.

1. Names of Commission staff that sender copied on the submittal of this Document: Marybel Batjer, Martha Guzman Aceves, Clifford Rechtschaffen, Liane M. Randolph, Genevieve Shiroma, and Edward Randolph.



Ronald van der Leeden
Director
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November 12, 2019

Ms. Alice Stebbins
Executive Director
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: Catastrophic Event Memorandum Account – October 2019 Wildfires

Dear Ms. Stebbins:

Pursuant to California Public Utilities Commission (CPUC or Commission) Resolution E-3238, Southern California Gas Company (SoCalGas) is providing notice that its Catastrophic Event Memorandum Account (CEMA) has been invoked due to recent catastrophic events of multiple wildfires and extreme fire conditions in Southern California which led to multiple proclamations of States of Emergency by Governor Gavin Newsom. This letter is provided in accordance with SoCalGas' tariff book Preliminary Statement, Part VI, CEMA,¹ which requires SoCalGas to notify the Commission regarding the CEMA, and to provide information concerning the catastrophic event, its impact to facilities, and an estimate of costs that have been or will be incurred in response to the catastrophic event.

Catastrophic Event Declared – October 2019 Wildfires

On October 11, 2019, Governor Newsom issued an emergency proclamation for Los Angeles and Riverside counties due to the Saddleridge, Eagle, Sandalwood, Reche, and Wolf fires, which started on October 10, 2019.² As noted in the proclamation, the fires destroyed homes and other structures, threatened critical infrastructure and caused the evacuation of residents.

¹ Preliminary Statement – Part VI – CEMA. Available at <https://www.socalgas.com/regulatory/tariffs/tm2/pdf/CEMA.pdf>.

² See Governor Newsom's Proclamation of State of Emergency for Los Angeles and Riverside County. Available at <https://www.gov.ca.gov/wp-content/uploads/2019/10/10.11.19-State-of-Emergency-Due-to-Fires-attested.pdf>.

On October 25, 2019, Governor Newsom issued a second emergency proclamation for Los Angeles County due to the Tick fire, which started on October 24, 2019.³ Likewise, this proclamation noted that the fire destroyed structures, threatened critical infrastructure and caused the evacuation of residents.

Additionally, on October 27, 2019, Governor Newsom issued a third emergency proclamation, this time extending the state of emergency condition to exist in the entire State of California due to the extreme fire conditions.⁴ In this declaration, Governor Newsom identified at least 43 counties as experiencing fire weather conditions and affiliated red flag warnings. Most notable among the various fires resulting from those conditions, the Getty and Easy fires began burning in SoCalGas' service territory on October 28 and October 30, respectively.

CEMA Background

The CEMA requires that, if possible, within thirty (30) days after the catastrophic event SoCalGas is to provide the Executive Director of the CPUC information concerning the catastrophic event, including the impact on its facilities and a preliminary estimate of the costs that have been or will be incurred in response to the catastrophic event.⁵ The costs eligible for entry into the CEMA include costs associated with: 1) restoring utility services to customers; 2) repairing, replacing, or restoring damaged utility facilities; and 3) complying with government agency orders associated with events declared disasters. Costs recorded in the CEMA shall be restricted to those incremental costs incurred by SoCalGas in response to the catastrophic event. Before recovery of any costs recorded in CEMA in jurisdictional customer rates, SoCalGas will make a formal increase request and recommendation by an application to the CPUC.

Costs Associated with Impacts on Service and Facilities from the October 2019 Wildfires

SoCalGas worked closely with first responders and other authorities in the areas affected by the wildfires. In some cases, the fires destroyed and severely damaged customers' homes to the point that gas service abandonment was necessary. Additionally, the Saddleridge fire damaged certain facilities at SoCalGas' Aliso Canyon storage field, however, the damage did not impact operations at the field.

³ See Governor Newsom's Proclamation of State of Emergency for Sonoma and Los Angeles County. Available at <https://www.gov.ca.gov/2019/10/25/governor-newsom-declares-state-of-emergency-in-sonoma-and-los-angeles-counties-due-to-fires/>.

⁴ See Governor Newsom's Proclamation of State of Emergency for California. Available at <https://www.gov.ca.gov/wp-content/uploads/2019/10/2019-17-Fire-weather-conditions-State-of-Emergency-Signed-10.27.19.pdf>.

⁵ This notification is timely submitted, occurring on the first business day following the 30-day requirement.

Alice Stebbins
Executive Director
California Public Utilities Commission

November 12, 2019

Preliminary estimates of the costs anticipated to be incurred in response to these catastrophic events are approximately \$2 million in Operations & Maintenance (O&M) costs and \$2 million in capital costs, for a total direct cost estimate of approximately \$4 million. The majority of these costs are anticipated to be incurred as a result of the October 10 wildfires (i.e., Saddleridge, Eagle, Sandalwood, Reche, and Wolf) with a cost estimate of \$3.5 million.

SoCalGas may incur additional costs beyond these preliminary estimates associated with repairing damaged utility facilities and properties. Because some costs have yet to be incurred and/or quantified, the preliminary cost estimate may change. SoCalGas understands that all costs may be recovered in rates only upon SoCalGas' formal request and subsequent approval by the Commission as to the reasonableness of such costs.

Questions should be directed to SoCalGas Tariffs by email to Tariffs@Socalgas.com.


FOR: Ronald van der Leeden
Director – Regulatory Affairs

cc: CPUC President Marybel Batjer
Commissioner Martha Guzman Aceves
Commissioner Clifford Rechtschaffen
Commissioner Liane M. Randolph
Commissioner Genevieve Shiroma
Edward Randolph, Energy Division Director
Service List, R.18-03-011