

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



May 8, 2017

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

**Subject: SoCalGas Summer Reliability and Storage Inventories**

Dear Mr. Lane:

Your letter of April 28, 2017 provided information regarding the current status of the Southern California Gas Company's (SoCalGas) storage inventory, SoCalGas' operating system and its ability to provide natural gas this summer and in the upcoming winter. Adequate natural gas inventory levels are necessary in order to maintain reliable delivery to customers during peak demand periods for both core and non-core customers. With the continued unavailability of Aliso Canyon, overall storage inventory remaining in the available storage fields is substantially lower than historical figures as confirmed in your letter. Storage inventory is a key factor in providing the flexibility to meet the gas demand this summer and in the upcoming winter. In our collective effort to ensure energy reliability for the region, SoCalGas should take immediate actions to increase storage injection at the remaining available storage facilities.

By this letter, I am directing SoCalGas to immediately begin maximizing storage injections using the procurement capabilities of the SoCalGas Acquisition Department to support SoCalGas' storage requirement for system reliability. Accordingly, SoCalGas should submit a Tier 2 advice letter proposing an agreement between the SoCalGas System Operator and the SoCalGas Gas Acquisition Department to support SoCalGas' storage requirements for system reliability similar to the Memorandum in Lieu of Contract approved by Resolution G-3485.

SoCalGas' advice letter filing should also include the following:

- Minimum month-end storage targets for the remaining months of 2017 beginning with June 2017;
- Forecasted monthly natural gas storage quantities 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;
- The advice letter shall be served to all applicable recipients including those on the service lists for I.17-03-002 (Aliso Canyon Order Instituting Investigation) and A.15-07-014 (SoCalGas Triennial Cost Allocation Proceeding Phase Two).

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SoCalGas is directed to file the Tier 2 advice letter no later than May 19, 2017 so that the Commission has enough time to process the information and render a resolution in advance of the high summer demand. Confidential information may be filed in accordance with Decision 16-08-024.

SoCalGas may also file a separate advice letter seeking the establishment of a memorandum account to track costs resulting from this requirement to maintain system reliability.

Thank you for your continued efforts to provide safe, reliable energy service.

Sincerely,



Timothy J. Sullivan  
Executive Director

cc: Stephen Berberich, President and CEO, California ISO  
Robert Weisenmiller, Chair, CEC  
Edward Randolph, Director, Energy Division  
Dan Skopec, SoCalGas Regulatory Affairs  
I.17-03-002  
A.15-07-014