

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



March 3, 2018

Rodger Schwecke, Vice President
Transmission and Storage
Southern California Gas Company
555 West 5th Street, GT21C3
Los Angeles, CA 90013
RSchwecke@semprautilities.com

Re: Southern California Gas Company (SoCalGas) Underground Natural Gas Storage and System Reliability Assessment for the Week of March 5, 2018.

Mr. Schwecke:

Based on information provided to Energy Division in your letter dated March 2, 2018 and SoCalGas' ongoing data request responses regarding the volume of gas in storage, it appears that inventories in all of SoCalGas' non-Aliso storage facilities have dropped below or are very near minimum levels needed to support withdrawal rates at the levels forecasted in the 2017-2018 Winter Technical Assessment. This drop in inventory is the result of the heavy reliance on the non-Aliso storage facilities since February 19, 2018 to meet high gas demand in Southern California. In that same time period, SoCalGas has coordinated with California's electric Balancing Authorities to reduce natural gas demand for electric generation purposes in Southern California.

The Aliso Canyon Withdrawal Protocols provide that Aliso Canyon should only be used after withdrawals from all other storage facilities have been maximized. In the current circumstance where the non-Aliso storage facilities have been used at or close to their maximum capacity for multiple days and are now at critically low levels, the request in your March 2, 2018 letter to operate Aliso in a manner that allows SoCalGas to maintain or restore storage levels and withdrawal capacity in the non-Aliso facilities is consistent with the protocols provided that SoCalGas continues to also follow the provisions in the protocol to coordinate with the Balancing Authorities to reduce overall natural gas demand. However, the ability to operate Aliso in this manner to support the other storage facilities should be limited to the conditions detailed above. Once natural gas demand in Southern California returns to average levels, rather than the high demand levels seen over the last 12 days, SoCalGas should act to rapidly restore inventories in all storage facilities.

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SoCalGas must notify the CPUC if the need to operate Aliso Canyon as described in your March 2, letter goes beyond March 13, 2018.

Sincerely,

A handwritten signature in dark ink, reading "Edward Randolph". The signature is written in a cursive, flowing style.

Edward Randolph
Director, Energy Division

Cc: Alice Stebbins