

PUBLIC UTILITIES COMMISSION

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Aliso Canyon Withdrawal Protocol **REDLINE** July 23, 2019

This Withdrawal Protocol replaces the November 2, 2017, version in its entirety.

Southern California Gas Company (SoCalGas) may withdraw gas from the Aliso Canyon natural gas storage facility (Aliso Canyon) consistent with the protocol defined below.

Aliso Canyon may be used for withdrawals only if any of the following conditions are met:

1. Preliminary¹ low Operational Flow Order (OFO) calculations for any cycle result in a Stage 2 low OFO or higher for the applicable gas day;
2. Aliso Canyon is above 70% of its maximum allowable inventory between February 1 and March 31; in such case, SoCalGas may withdraw from Aliso Canyon until inventory declines to 70% of its maximum allowable inventory;²
3. The Honor Rancho and/or La Goleta fields decline to 110% of their month-end minimum inventory requirements (shown in Table 1 below) during the winter season;³ and/or
4. There is an imminent and identifiable risk of gas curtailments created by an emergency condition that would impact public health and safety or result in curtailments of electric load that could be mitigated by withdrawals from Aliso Canyon.

Table 1: Month-End Minimum Inventory (Bcf)

	Nov.	Dec.	Jan.	Feb.	March
Aliso Canyon	5.7	5.1	4.4	3.8	2.1
Honor Rancho	13.9	13.2	12.6	7.5	5.0
La Goleta	8.0	7.9	7.7	7.6	7.5
Playa del Rey	1.9	1.9	1.5	1.1	0.7
Total	29.5	28.1	26.2	20.0	15.3

¹ Preliminary low OFO calculations for a Gas Day shall be made: 1) prior to Cycle 1 using previous day's receipts, previous day's prices, and forecasted sendouts; 2) prior to Cycle 2; and 3) prior to Cycle 3.

² This measure is designed to ensure that there is enough systemwide injection capacity by April 1 (the start of the injection season) to fill the non-Aliso fields to a sufficient inventory level to meet summer demand.

³ This measure is designed to ensure that adequate inventory levels remain at the non-Aliso fields before the end of each winter month. SoCalGas' Aliso Canyon Risk Assessment Technical Report 2018-19 Supplement identified month-end minimum inventory requirements needed to preserve withdrawal rates for core reliability. The report can be found here:

[http://cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/News_Room/NewsUpdates/2018/2018%2011%2002%20SoCalGas%20\(R.%20Schwecke\)%20letter%20to%20CEC%20enclosing%20WINTER%202018-19%20TECHNICAL%20ASSESSMENT.PDF](http://cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/News_Room/NewsUpdates/2018/2018%2011%2002%20SoCalGas%20(R.%20Schwecke)%20letter%20to%20CEC%20enclosing%20WINTER%202018-19%20TECHNICAL%20ASSESSMENT.PDF)

The CPUC may update the Withdrawal Protocol if it determines that a modification of the month-end minimum inventory requirements is necessary.

Withdrawals shall be made in a manner that ensures safety, maintains the integrity of the wells and storage facility, and is consistent with all rules and regulations concerning the safe use of Aliso Canyon.

If Aliso Canyon is used for withdrawals based on the conditions stipulated above, Aliso Canyon's inventory and withdrawal capacity shall be made available for balancing and for scheduling to entities who both serve core customers and own storage rights.

SoCalGas and the California Independent System Operator (CAISO) and the Los Angeles Department of Water and Power (LADWP) shall continue to coordinate to maintain gas and electric system reliability.

Curtailments

If curtailments are required despite Aliso Canyon withdrawals, SoCalGas shall consult with the CAISO and the LADWP before and during any curtailment. In the event of a curtailment, the priority of service under SoCalGas Rule No. 23 shall remain in place.⁴

Noticing

Prior to withdrawing gas from Aliso Canyon **under Conditions 1-3**, SoCalGas shall post a Critical Notice to Envoy informing customers and the public that a withdrawal will take place and providing the reason for initiating the withdrawal as defined above. Whenever Aliso Canyon's inventory and withdrawal capacity are made available for balancing and for scheduling by customers who own storage rights, customers will be notified through the auto-generated notification in SoCalGas' Envoy system, which includes the OFO calculation and capacity utilization.

If withdrawal is anticipated under emergency conditions pursuant to Condition 4, SoCalGas shall post a Critical Notice to Envoy as soon as practicable. Additionally, SoCalGas shall send a detailed explanation of the risk as soon as practicable to the CPUC's Energy Division, including any confidential information that could not be posted to Envoy.

Reporting

Within 24 hours after the start of a withdrawal period, SoCalGas shall notify the CPUC's Energy Division (Energy Division) about the withdrawal event and state which of the above condition(s) led to the withdrawal event. If Condition 1 led to withdrawals from Aliso Canyon, SoCalGas shall provide all information included in the preliminary low OFO calculations, including price information. If Condition 4 led to withdrawals, SoCalGas shall provide all relevant information about the emergency event and what other options were considered in addition to use of Aliso Canyon.

⁴ Rule 23: <https://www.socalgas.com/regulatory/tariffs/tm2/pdf/23.pdf>

In a monthly report to be provided on the third business day after each month in which withdrawals from Aliso Canyon occurred,⁵ SoCalGas shall provide the CPUC's Energy Division both a confidential and public report with a full description of the events and conditions leading up to the Aliso Canyon withdrawal(s). The report shall include:

1. the total and hourly withdrawals from the field;
2. the pre- and post-withdrawal Aliso Canyon working gas inventory;
3. the inventory of the non-Aliso fields before and after the Aliso Canyon withdrawal(s);
4. the geographical and/or the time price spread used in determining the OFO stages for the day(s) of the withdrawal(s) and the two days immediately preceding and following;
5. weather conditions in the SoCalGas service territory for the day(s) of the withdrawal(s) and the day immediately preceding the initiation of withdrawal(s);
6. the hourly pipeline receipts for the calendar day(s) on which a withdrawal was made and the day immediately preceding the initiation of withdrawal(s);
7. the hourly withdrawals by field from non-Aliso storage facilities for the calendar day(s) on which a withdrawal was made and the day immediately preceding the initiation of withdrawal(s);
8. the hourly system sendout for the calendar day(s) on which a withdrawal was made and the day immediately preceding the initiation of withdrawal(s);
9. demand response activations and Dial It Down Alerts; and
10. information concerning any anomalies experienced during the operation of the field.

Effective Date

This protocol is effective beginning July 23, 2019. The protocol shall remain in effect, subject to modification, through the completion of the CPUC Investigation (I.) 17-02-002 or such time as determined based on conditions.

Revisions

The Noticing and Reporting sections of this protocol were updated on April 1, 2020.

⁵ The report would include the gas day starting on the first day of the month and include the gas day that ends on the first day of the subsequent month. A gas day is from 7am to 7am the following day.