

Southern California Gas Company

Draft 2024 Post-Forum Report on System Reliability Issues

Overview

Pursuant to D.09-11-006 and SoCalGas Rule No. 41, Southern California Gas Company (SoCalGas) holds an annual Utility Customer Forum (Forum) each year concerning Operational Flow Orders (OFOs) and Minimum Flow Requirements. SoCalGas and the Forum participants are to collaborate in good faith to develop a post-Forum report. The post-Forum report will summarize the matters discussed at the relevant Forum and identify any action items, tariff changes, and/or procedural modifications that were found to be necessary by parties participating in the Forum. The post-Forum report will include descriptions of the proposals presented by Forum participants.

Annual Report

SoCalGas posted its Fifteenth Annual Report of System Reliability Issues (Fifteenth Annual Report / 2024 Customer Forum Report) on its electronic bulletin board, SoCalGas ENVOY® (ENVOY), on April 24, 2024, addressing the matters described above. The report covered the 2024 Report Period from April 1, 2023, through March 31, 2024. A copy of the Fifteenth Annual Report is included as Appendix 1 to this post-Forum Report.

Customer Forum

SoCalGas held its 2024 Forum on May 8, 2024, in compliance with Section 22 of Rule No. 41, to address the following matters with interested parties:

- i. Review the timing, method, formulas, and all inputs to formulas by which OFO events are triggered;
- ii. Review requests for the System Operator to acquire additional supplies to meet minimum flow requirements;
- iii. Review System Operator purchases/actions to meet minimum flow requirements and plans for the coming year by providing information regarding the individual transactions, including transactions executed pursuant to the System Operator contractual arrangements. Transaction-specific information shall identify price, volume, date, delivery/receipt points, and any special terms;

- iv. Review the need for any additional minimum flow requirements on the Utility system beyond then-current defined requirements;
- v. Review potential additional tools to support system operations and potential system improvements to reduce or eliminate the need for any minimum flowing supply requirements.

SoCalGas provided a presentation at the meeting and made it available to meeting participants after its conclusion. The presentation contained the agenda, overview, and summary of the operational matters and proposals as outlined in SoCalGas' Fifteenth Annual Report. Specific operational matters discussed within the scope of the Customer Forum included: 1) Operational Flow Orders (OFOs); 2) Southern System Reliability; and 3) Scheduled Quantity Trades. Additional matters discussed included: 1) ENVOY updates; 2) Backbone Transportation Service (BTS); 3) Storage Inventory Update; 4) Warm Winter 2023-2024; 5) SB380 Proceeding Update; 6) System Reliability Developments; and 7) 2024 Cost Allocation Proceeding (CAP) Update – Service Modifications.

A copy of the presentation is included as Appendix 2 to this post-Forum Report.

Approximately 121 persons representing customers, gas suppliers, and other interested parties attended the Forum. The relevant issues from the Fifteenth Annual Report as well as other operational matters were discussed. No questions were submitted by customers prior to the meeting.

Responses to questions received during the meeting are presented below.

Operational Flow Orders (OFOs)

Question: Can you please explain why SoCalGas only allocates on Cycle 5 on Non-High OFO days when allocations are on Cycles 3-4-5 on High OFO days? Allocating on earlier cycles would provide shippers with the opportunity to fix cuts prior to the last cycle.

Response: The confirmation process to deal with nominations exceeding the total net system capacity can be found in the following sections of SoCalGas Rule No. 30.

F. Nominations in Excess of System Capacity

1. In the event customers fail to adequately reduce their transportation nominations, the Utility shall reduce the confirmed receipt point access nominations as defined in Section D.

D.3 ... The Utility will also use the following rules to confirm nominations to the system capacity limitation as defined in Section F for OFO events during the Intraday 1, Intraday 2, and Intraday 3 cycles; and during the Intraday 3 cycle when an OFO event is not called and nominations exceed system capacity.

SoCalGas consistently limits confirmations to net system capacity during the last gas transportation scheduling cycle (currently Intraday 3) for each Gas Day. This existing practice was discussed in the 2015 Customer Forum and added to Rule 30 with the approval of Advice No. 4835 effective August 9, 2015.

Limiting confirmations to net system capacity for high OFO days during an earlier scheduling cycle (currently Intraday 1 and Intraday 2) was implemented effective October 1, 2011, in compliance with Commission approval of Advice No. 4240 that implemented modifications to Firm Access Rights (FAR) service ordered by Commission Decision (D.) 11-04-032.

The preliminary estimated cost to modify Envoy to limit confirmations to net system capacity for Intraday Cycles 1, 2, and 3 for both OFO and non-OFO days is \$16,000.

Southern System Reliability

Question: Do you plan to seek continuation of the baseload program?

Response: Yes. Baseload Transactions are described in SoCalGas Rule No. 41 Section 19 which is presented below. SoCalGas will implement Baseload Transactions when system conditions require it.

19. Should the Operational Hub deem it necessary or advisable to enter into baseload contracts for Southern System support at one or more of the Southern System receipt points, the Operational Hub shall be deemed to have made reasonable baseload purchases if: (1) the total cumulative baseload volumes at any time are less than or equal to 255,000 Dth/day in the months of December through March and 200,000 Dth/day in the months of July through September; (2) the price is less than or equal to NGI's Bidweek average for "Southern Cal. Bdr. Avg." plus 8.2 cents/Dth for the relevant baseload month(s); (3) the term is for the December-March or the July-September periods, or any subset of those periods; and (4) the baseload contracts can only be made for one season at a time and only within the nine month period directly preceding that season. The Operational Hub shall be deemed to have made reasonable sales of such baseload gas if: (1) for baseload sales, the sale price is greater than or equal to 90% of NGI's Bidweek average for "SoCal Citygate" for the relevant baseload month(s); and (2) for spot sales, the sale price is greater than or equal to 90% of the NGI Avg Index for the relevant trading point and trading period. This provision shall expire on March 31, 2025, unless extended by the Commission. SoCalGas may seek extension or modification of this provision by standard advice filing or application.

Scheduled Quantity Trades

There were no questions asked regarding Scheduled Quantity Trades.

ENVOY Updates

Question: Are there any plans to incorporate Application Programming Interface (API) access in ENVOY so users can download information more easily?

Response: API is a set of rules or protocols that enables software applications to communicate with each other to exchange data, features, and functionalities. SoCalGas currently does not have plans to incorporate APIs into ENVOY. However, we are always interested in finding out what improved ENVOY capabilities customers would like to use if they become available.

Backbone Transportation Service (BTS)

Question: What are the mandated safety and inspection requirements? Were they known before auction?

Response: Yes. For reference, mandated safety and inspection requirements are described in the SoCalGas GRC testimony of [Bill Kostelnik \(Pipeline Safety Enhancement Program\)](#), [Amy Kitson and Travis Sera \(Gas Integrity Management Programs\)](#), and [Rick Chiapa, Steve Hruby, and Aaron Bell \(Gas Transmission Operations and Construction\)](#) and [Larry Bittleston and Steve Hruby \(Gas Storage Operations and Construction\)](#). These requirements were known before the open season but without the specificity required to remove them from the schedule of available firm capacity for the BTS term.

Question: Can we get an update on Needles work and planned L4000 hydro test?

Response: All the information we currently have regarding the Needles work and planned L4000 hydro test are posted either on ENVOY's Maintenance Schedules or contained in ENVOY's Maintenance Outlook.

Storage Inventory Update

There were no questions regarding Storage Inventory Updates.

Winter 2023-2024

There were no questions asked regarding Winter 2023-2024.

SB 380 Proceeding Update

There were no questions asked regarding the SB 380 Proceeding Update.

System Reliability Developments

There were no questions asked regarding System Reliability Developments.

2024 Cost Allocation Proceeding (CAP) Update – Service Modifications

There were no questions asked regarding the 2024 Cost Allocation Proceeding (CAP)– Service Modifications.

Additional Items

Question: Has SoCalGas looked at or compared the changes in the maintenance outages you are posting over time? Recently, it seems there have been dramatic changes in the northern region compared to the historical trend.

Response: A graph (Appendix 3) showing the availability of capacity in the SoCalGas Total North Desert and the Needles/Topock Area Zone dating back to April 1, 2016 indicates that SoCalGas has had periodic maintenance outages since 2016.

Question: When will this presentation be posted?

Response: The Forum Presentation was posted on ENVOY on May 8, 2024 at 12:54 PM PCT.

Conclusion

The next Forum will be scheduled for Q2 2025.