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Secretary

David Balen,
Signer

Asaad Alnajjar

Jason Hector

Alex Kim

Becky Leveque

Hassan Memarian

June 27, 2018

submitted via email to: Aliso@cpuc.ca.gov

Mr. Ed Randolph
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102

Re: Comments on Draft 715 Report issued on June 18, 2018¹

Dear Mr. Randolph:

The Porter Ranch Neighborhood Council (PRNC) appreciates the opportunity to submit to the California Public Utilities Commission (CPUC) our comments on the Draft 715 Report dated June 18, 2018. The primary objective of the report is to determine the range of working gas to be stored in the Aliso Canyon gas storage facility (Aliso) that is necessary to ensure safety and reliability, as well as just and reasonable rates.

Since the start of the 715 Report process, our community has seen the gas storage volume go up from 15 Bcf, to 23.6 Bcf, to 24.6 Bcf, and now to the proposed 34 Bcf (a 38% increase). This is clearly in direct conflict with Governor Brown's directive to work towards the permanent closure of the Aliso Canyon facility by July 2027. In spite of the Governor's directive, SoCalGas continues to put roadblocks in the way of achieving this goal. By allowing SoCalGas to increase the storage volume yet again, the CPUC is unfortunately enabling SoCalGas to continue its push against the Governor's directive and the ultimate goal of our community.

The main driver behind the CPUC's proposed increase in the Aliso storage volume is the fact that three SoCalGas transmission pipelines continue to be out of service resulting in a significant reduction in the gas receipts into the LA Basin. One wonders if the Gas Company has been dragging its feet on the repairs of these pipelines in order to pressure the CPUC to do exactly what the 715 Report does, which is to increase the gas storage volume in Aliso Canyon. The comments by the Gas Company representative at the recent Energy Workshop

¹ The opinions expressed in this letter are those of the Porter Ranch Neighborhood Council, and not necessarily those of the City of Los Angeles.

on May 8 suggest to us that the Gas Company is in absolutely no hurry to repair these pipelines and put them back in service.² The comments of the California Energy Commission’s Chairman at the workshop and your own letter to the Gas Company’s CEO dated June 18, 2018, indicate that the CEC and the CPUC are also suspicious of the Gas Company’s tactics. Yet, with the allowed increase in the gas volume at Aliso, the Gas Company has met its objective.

The PRNC respectfully disagrees with the approach used by the CPUC in determining the storage volume requirements and urges the CPUC not to increase the gas volume in Aliso Canyon yet beyond the current allowance of 24.6 Bcf. The rationale behind this request is twofold: First, the CPUC is using the gas volume calculation to fix a SoCalGas problem, which is its unwillingness or inability to fix its own pipelines and meet its obligations to its customers. This is demonstrated in the Scenarios A & B tables presented in the Appendix to the 715 Report. In these tables, the CPUC relies on storage alone to balance the system while keeping the full demand of the non-core customers, as well as that of wholesale and international customers, untouched. It is the job of SoCalGas to meet its commitments to its customers per its business agreements with them, and not the job of the CPUC, nor the burden of our community, to do that for them. If SoCalGas does not wish to curtail its gas deliveries to its non-core customers or its wholesale and international customers (whoever they are), then they can, and should, fix their own pipelines and restore their gas supply capacity. It should be made clear to SoCalGas that the availability of the gas supply in Aliso Canyon has been relegated to the CPUC authority under SB 380 and is not available to it as a replacement to its failed conveyance system. The Gas Company is a privately held company that must carry the burden of its own failures just like it reaps the benefits of its own successes. We urge the CPUC to hold the line and not allow the Gas Company to shed its responsibility and force the CPUC into increasing the gas volume in Aliso Canyon to serve its purposes and add unnecessary health and safety risk to our community.

Second, even if the CPUC is concerned about the winter demand and decides to fix the Gas Company’s own problem by putting 34 Bcf into Aliso Canyon,

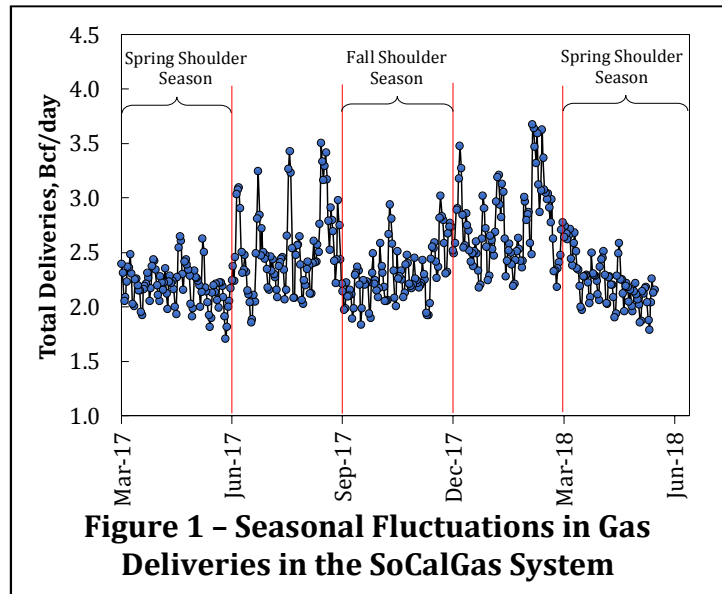


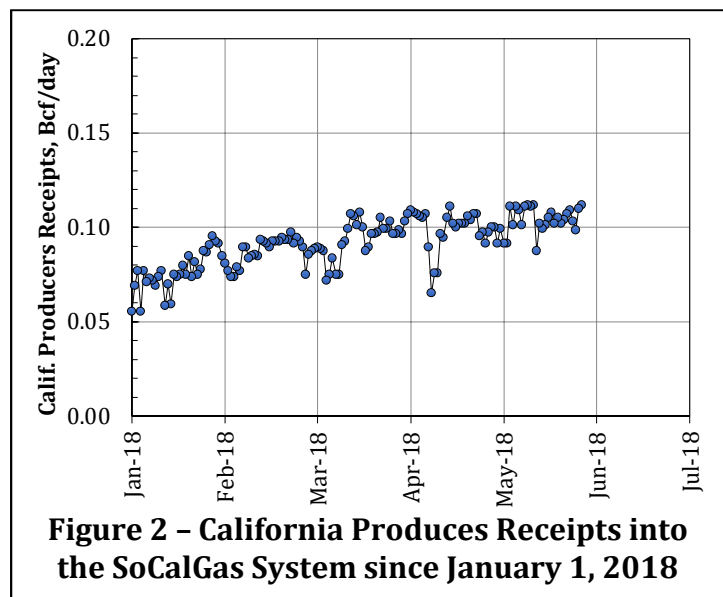
Figure 1 - Seasonal Fluctuations in Gas Deliveries in the SoCalGas System

² <https://efiling.energy.ca.gov/GetDocument.aspx?tn=223640> Pdf page 143, line 24: Mr. Schwecke noted that they moved crews away from Line 3000 repairs to work on the Montecito line repairs resulting in delays in Line 3000 work. We find it difficult to believe that SoCalGas does has enough crews to work on two pipeline outages at the same time.

there is absolutely no reason to do that before the summer season begins. The 715 Report notes the CPUC's desire to take advantage of the low demand during this spring shoulder season. We wish to remind the CPUC that there is also a fall shoulder season with equally low gas demand. Figure 1 is a profile of the seasonal fluctuations in gas deliveries in the SoCalGas system since March 2017. Just like this spring shoulder season replicates the 2017 spring shoulder season, there will be another low-demand shoulder in the fall season. At the start of that season, the CPUC will have more reliable information about the storage inventory at that time and will know if SoCalGas has done its job of fixing its failed transmission system resulting in a more informed decision about Aliso storage needs. If it determines then that additional gas needs to be stored in Aliso, the CPUC will still have sufficient time to instruct SoCalGas to achieve the inventory target before the start of the winter season.

The PRNC recalculated the gas balancing tables in the Appendix to the Draft 715 Report, and the revised tables are attached to this letter. In these calculations, we are able to balance the system under all scenarios while maintaining Aliso Canyon at 24.6 Bcf. Under the two "B" scenarios, which assume that the Gas Company will fix its own pipeline, the system is balanced without withdrawing any gas from Aliso Canyon or curtailing supply to any customer. Under the two "A" scenarios, which assume that the Gas Company does not fix its pipeline by September 2018 as they have committed to, the system can still be balanced by curtailing up to 500 MMcfd of gas deliveries to non-core, wholesale, and/or international customers during the winter months. Again, if SoCalGas does not want to curtail deliveries to its customers, it just needs to keep its schedule of fixing its pipeline and restoring its supply. This is their burden, not the CPUC's.

In making the calculations in the attached tables, we increased the California Producers (CP) deliveries from the 60 MMcfd value assumed in the draft 715 Report to 100 MMcfd based on the ENVOY data as shown in Figure 2. The data demonstrate that, when SoCalGas asks for more than 60 MMcfd, it gets it. Since March of this year, the CP receipts have been, and continue to be, at or above 100 MMcfd. Based on these data, there is no reason to keep the CP receipts value at 60 MMcfd in the 715 Report calculations.



Porter Ranch Neighborhood Council


We recognize that the task of predicting the required storage volume is challenging, and it is certainly easier to simply maximize it. However, any increase in volume increases the risk and magnitude of leaks from the facility and prolongs the exposure of our community to the chemicals contained in those leaks. A higher volume also increases the potential consequences of another facility failure in which a larger volume must be contained. For these reasons, it is imperative that the comfort of a larger volume from a supply perspective be balanced against the grave concern over the impact of this facility on the health and safety of our community. It is within the perspective of this balance that we ask the CPUC to hold the storage volume at 24.6 Bcf.

In closing, it is the opinion of the PRNC that SoCalGas will continue this “cat-and-mouse” game with the CPUC as long as they know that using Aliso Canyon can be an option. We strongly urge the CPUC to close that door once and for all, and adopt a motion supporting Governor Brown’s directive to permanently close Aliso Canyon before July 2027, and then develop a clear plan and a timeline to implement it. Only then will the CPUC staff be able to focus on a clear end-goal, and it will send an unambiguous message to SoCalGas that it needs to figure out how to do its business without Aliso Canyon.

We thank you for the opportunity to provide our comments and urge you to modify the 715 Report and maintain the Aliso Canyon storage volume at 24.6 Bcf. In the meantime, we hope that the CPUC will exercise its maximum regulatory authority and use all means available to force SoCalGas to repair its pipelines and secure the gas supply to Southern California without compromising the health and safety of the community by putting more gas in Aliso Canyon.

Respectfully Yours,

Porter Ranch Neighborhood Council



Issam Najm, Ph.D.
President

Encl: Scenario Calculations (A-Ave, A-Cold, B-Ave, & B-Cold)

cc: Mr. Saul Gomes – Deputy Cabinet Secretary, Office of California State Governor
Dr. Robert Weisenmiller – Chairman, California Energy Commission
California Senator Henry Stern – District 27
California Assemblymember Dante Acosta – District 38
Supervisor Kathryn Barger – Los Angeles County, District 5
Councilmember Mitchel Englander – City of Los Angeles, District 12
Distribution List – CPUC Proceeding I.17-02-002

Adjusted Balancing Calculations - Scenario A-Average

Adjusted - SoCalGas Month-End Gas Balance, May 2018-March 2019: Average Temperature Year

CGR Demand (MMcfd)	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Days per Month	31	30	31	31	30	31	30	31	31	28	31
Core	751	692	630	608	628	714	1,072	1,483	1,420	1,379	1,143
Noncore including EG	1,063	1,089	1,362	1,408	1,526	1,270	1,100	1,136	1,151	1,112	1,031
Wholesale & International	358	377	374	374	392	391	422	521	501	486	414
Co. Use and LUAF	27	27	30	30	32	30	33	40	39	38	33
Curtailed Demand	0	0	0	0	0	0	(50)	(200)	(200)	(150)	(100)
Subtotal Demand	2,199	2,185	2,396	2,420	2,578	2,405	2,577	2,980	2,911	2,865	2,521
Storage Injection (other three fields)	130	220	85	60	0	0	0	0	0	0	0
Storage Injection (Aliso)	0	70	0	0	0	0	0	0	0	0	0
Storage Injection Total	130	290	85	60	0	0	0	0	0	0	0
System Total Throughput	2,329	2,475	2,481	2,480	2,578	2,405	2,577	2,980	2,911	2,865	2,521
Supply (MMcfd)											
California Line 85 Zone	100	100	100	100	100	100	100	100	100	100	100
Wheeler Ridge Zone	765	765	765	765	765	765	765	765	765	765	765
Blythe (Ehrenberg) into Southern Zone	700	980	980	980	800	800	800	800	800	800	800
Otay Mesa into Southern Zone	30	30	200	200	200	200	200	200	200	200	200
Kramer Junction into Northern Zone	600	600	600	600	600	600	600	600	600	600	600
North Needles into Northern Zone	270	270	270	270	270	270	270	270	270	270	270
Topock into Northern Zone	0	0	0	0	0	0	0	0	0	0	0
Subtotal Pipeline Receipts	2,465	2,745	2,915	2,915	2,735	2,735	2,735	2,735	2,735	2,735	2,735
Storage Withdrawal (other three fields)	0	0	0	0	100	0	110	275	275	200	50
Storage Withdrawal (Aliso)	0	0	0	0	0	0	0	50	50	50	0
Total Supply	2,465	2,745	2,915	2,915	2,835	2,735	2,845	3,060	3,060	2,985	2,785
DELIVERABILITY BALANCE (MMcfd)											
Reserve Margin	136	270	434	435	257	330	268	80	149	120	264
	6%	11%	17%	18%	10%	14%	10%	3%	5%	4%	10%
Non-Aliso Month-End Storage Inventory (Bcf)	32.4	39.0	41.7	43.5	40.5	40.5	37.2	28.7	20.2	14.6	13.0
Aliso Month-End Storage Inventory (Bcf)	22.2	24.3	24.3	24.3	24.3	24.3	24.3	22.8	21.2	19.8	19.8
Total Storage Inventory (Bcf)	50.6	63	66	68	65	65	62	51	41	34	33

Adjusted Balancing Calculations - Scenario B-Average

Adjusted - SoCalGas Month-End Gas Balance, May 2018-March 2019: Average Temperature Year

CGR Demand (MMcfd)	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Days per Month	31	30	31	31	30	31	30	31	31	28	31
Core	751	692	630	608	628	714	1,072	1,483	1,420	1,379	1,143
Noncore including EG	1,063	1,089	1,362	1,408	1,526	1,270	1,100	1,136	1,151	1,112	1,031
Wholesale & International	358	377	374	374	392	391	422	521	501	486	414
Co. Use and LUAF	27	27	30	30	32	30	33	40	39	38	33
Curtailed Demand	0	0	0	0	0	0	0	0	0	0	0
Subtotal Demand	2,199	2,185	2,396	2,420	2,578	2,405	2,627	3,180	3,111	3,015	2,621
Storage Injection (other three fields)	130	220	85	60	0	0	0	0	0	0	0
Storage Injection (Aliso)	0	70	0	0	0	0	0	0	0	0	0
Storage Injection Total	130	290	85	60	0	0	0	0	0	0	0
System Total Throughput	2,329	2,475	2,481	2,480	2,578	2,405	2,627	3,180	3,111	3,015	2,621
Supply (MMcfd)											
California Line 85 Zone	100	100	100	100	100	100	100	100	100	100	100
Wheeler Ridge Zone	765	765	765	765	765	765	765	765	765	765	765
Blythe (Ehrenberg) into Southern Zone	700	980	980	980	980	980	980	980	980	980	980
Otay Mesa into Southern Zone	0	30	30	30	30	30	200	200	200	200	200
Kramer Junction into Northern Zone	600	600	600	600	550	550	550	550	550	550	550
North Needles into Northern Zone	270	270	270	270	740	740	740	740	740	740	740
Topock into Northern Zone	0	0	0	0	0	0	0	0	0	0	0
Subtotal Pipeline Receipts	2,435	2,745	2,745	2,745	3,165	3,165	3,335	3,335	3,335	3,335	3,335
Storage Withdrawal (other three fields)	0	0	0	0	100	0	50	150	100	100	50
Storage Withdrawal (Aliso)	0	0	0	0	0	0	0	0	0	0	0
Total Supply	2,435	2,745	2,745	2,745	3,265	3,165	3,385	3,485	3,435	3,435	3,385
DELIVERABILITY BALANCE (MMcfd)											
Reserve Margin	106	270	264	265	687	760	758	305	324	420	764
	5%	11%	11%	11%	27%	32%	29%	10%	10%	14%	29%
Non-Aliso Month-End Storage Inventory (Bcf)	28.4	39.0	41.7	43.5	40.5	40.5	39.0	34.4	31.3	28.5	26.9
Aliso Month-End Storage Inventory (Bcf)	22.2	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3
Total Storage Inventory (Bcf)	50.6	63	66	68	65	65	63	59	56	53	51

Adjusted Balancing Calculations - Scenario B-Cold

Adjusted - SoCalGas Month-End Gas Balance, May 2018-March 2019: Average Summer / Cold Winter

CGR Demand (MMcfd)	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Days per Month	31	30	31	31	30	31	30	31	31	28	31
Core	751	692	630	608	628	714	1,183	1,696	1,619	1,559	1,274
Noncore including EG	1,063	1,089	1,362	1,408	1,526	1,270	1,150	1,188	1,218	1,159	1,061
Wholesale & International	358	377	374	374	392	391	453	577	560	551	451
Co. Use and LUAF	27	27	30	30	32	30	35	44	43	41	35
Curtailed Demand	0	0	0	0	0	0	0	0	0	0	0
Subtotal Demand	2,199	2,185	2,396	2,420	2,578	2,405	2,821	3,505	3,440	3,310	2,821
Storage Injection (other three fields)	130	100	85	80	50	40	0	0	0	0	50
Storage Injection (Aliso)	0	70	0	0	0	0	0	0	0	0	0
Storage Injection Total	130	170	85	80	50	40	0	0	0	0	50
System Total Throughput	2,329	2,355	2,481	2,500	2,628	2,445	2,821	3,505	3,440	3,310	2,871
Supply (MMcfd)											
California Line 85 Zone	100	100	100	100	100	100	100	100	100	100	100
Wheeler Ridge Zone	765	765	765	765	765	765	765	765	765	765	765
Blythe (Ehrenberg) into Southern Zone	700	980	980	980	980	980	980	980	980	980	980
Otay Mesa into Southern Zone	0	30	30	30	30	30	200	200	200	200	200
Kramer Junction into Northern Zone	600	600	600	600	550	550	550	550	550	550	550
North Needles into Northern Zone	270	270	270	270	740	740	740	740	740	740	740
Topock into Northern Zone	0	0	0	0	0	0	0	0	0	0	0
Subtotal Pipeline Receipts	2,435	2,745	2,745	2,745	3,165	3,165	3,335	3,335	3,335	3,335	3,335
Storage Withdrawal (other three fields)	0	0	0	0	0	0	0	400	300	150	0
Storage Withdrawal (Aliso)	0	0	0	0	0	0	0	0	0	0	0
Total Supply	2,435	2,745	2,745	2,745	3,165	3,165	3,335	3,735	3,635	3,485	3,335
DELIVERABILITY BALANCE (MMcfd)											
Reserve Margin	106	390	264	245	537	720	514	230	195	175	464
	5%	17%	11%	10%	20%	29%	18%	7%	6%	5%	16%
Non-Aliso Month-End Storage Inventory (Bcf)	28.4	32.4	35.4	40.5	42.0	43.3	43.3	30.9	21.6	17.4	18.9
Aliso Month-End Storage Inventory (Bcf)	22.2	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3	24.3
Total Storage Inventory (Bcf)	50.6	60	62	65	66	68	68	55	46	42	43