

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

Order Instituting Investigation pursuant to Senate Bill 380 to determine the feasibility of minimizing or eliminating the use of the Aliso Canyon natural gas storage facility located in the County of Los Angeles while still maintaining energy and electricity reliability for the region.

Investigation 17-02-002
(Filed February 9, 2017)

**INFORMAL COMMENTS OF THE INDICATED SHIPPERS
ON JUNE 20, 2019 ALISO CANYON WORKSHOP**

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June 28, 2019

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The Indicated Shippers appreciate the Energy Division’s June 20 presentation of its progress on modeling the cost impacts of constraints on Southern California Gas Company’s (SoCalGas’s) Aliso Canyon natural gas storage field. Going forward, the Indicated Shippers offer one major recommendation, as proposed in oral comments at the conclusion of the workshop.

The ruling adopting the “Scenarios Framework” for this investigation contemplated a study to “estimate the impact on SoCalGas’ core and noncore ratepayers (i.e. costs) of minimization in usage or elimination of Aliso Canyon.”¹ It further directs: “[t]he economic model will estimate the impacts of an elimination or minimization of Aliso Canyon on SoCalGas’ core and *noncore* natural gas ratepayers.”² The Scenarios Framework paper attached to the ruling further states that “[t]he purpose of the economic modeling is to estimate the impacts of eliminating or minimizing the use of Aliso gas storage on SoCalGas’ core and *noncore* natural gas ratepayers.”³ The detail of the Scenarios Framework paper, however, suggests that the assessment of commodity cost impact will apply only to core customers. It states that the analysis “is meant to quantify the effect of

¹ *Assigned Commissioner and Administrative Law Judge’s Ruling Adopting Scenarios Framework and Closing Phase 1 of Investigation 17-02-002*, January 4, 2019, at 6 (emphasis supplied).

² *Id.* at 11 (emphasis supplied).

³ *Id.*, Attachment 2, at 39.

storage availability on the gas commodity charge part of core customers' bills.”⁴ There is no mention of how Staff will extend this analysis to noncore customers, and Staff did not suggest at the workshop that a noncore analysis is being undertaken.

The Indicated Shippers are large, noncore end-use customers on the SoCalGas system and thus request that Staff clarify that it will assess cost impacts on both core and noncore customers in the course of its study. There has been substantial focus on the gas cost impacts on Southern California Edison Company (SCE) and the consequent power price impacts. SCE, however, is but one of many large noncore end-use customers. While other customers may not have an impact on power prices, they may have been affected, like SCE, by the higher natural gas prices at the citygate. Without this analysis, the economic assessment of Aliso Canyon constraints will present an incomplete picture.

For these reasons, the Indicated Shippers request that the Energy Division Staff include an analysis of all noncore customer impacts in the economic modeling in this proceeding.

Respectfully submitted,

Evelyn Kahl



Counsel to the Indicated Shippers

June 28, 2019

⁴ *Id.* at 42.