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May 10, 2017

## DRAFT PENDING BOARD APPROVAL

Mr. Stephen Berberich, President and CEO, California Independent System Operator  
Mr. Michael Picker, President, California Public Utilities Commission  
Mr. Rober Weisenmiller, Chair, California Energy Commission

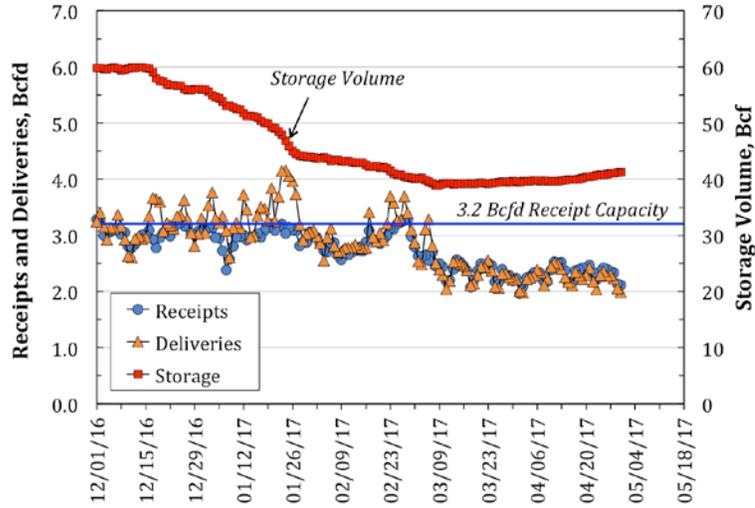
Dear Messrs. Berberich, Picker, and Weisenmiller<sup>1</sup>:

In an April 28, 2017 letter to you, the president and COO of the Southern California Gas Company (SoCalGas), Mr. Bret Lane, expressed a number of concerns about gas supply reliability for Southern California over the upcoming summer and winter seasons. The Porter Ranch Neighborhood Council (PRNC) is greatly disappointed in the approach used by SoCalGas in responding to the challenge facing them, and wishes to bring to your attention specific facts regarding the claims made by SoCalGas in their letter to you.

SoCalGas is raising concern over the fact that their current storage volume in La Goleta, Honor Rancho, and Playa del Rey is 40 percent lower than it was this time last year. They claim that the lower volume is due to *"...increased utilization of these fields last winter as a result of the restrictions on the use of Aliso Canyon."*

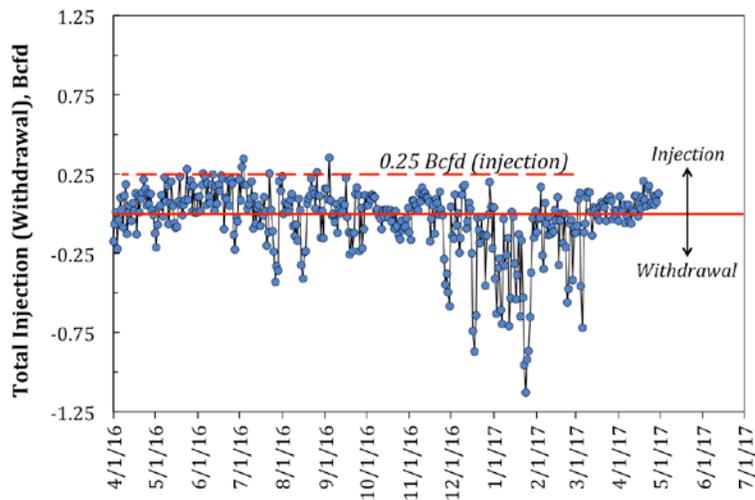
Unfortunately, this is only a "half-truth". It is correct that the available storage volume decreased from 60 Bcf on December 15, 2016, to as low as 39 Bcf in April 2017. However, what SoCalGas is not telling you is that they made no effort to replenish that storage when their demand was significantly less than their receipt capacity. We draw your attention to Figure 1 below, which shows a profile of the gas receipts, deliveries, and storage from December 1, 2016 through April 30, 2017. Beginning on December 15, 2016, when demand exceeded their stated maximum receipt capacity of 3.2 Bcfd, SoCalGas relied on the stored gas to meet demand. However, when the deliveries were below 3.2 Bcfd, they simply reduced their receipts to just match the demand as shown by the overlap between receipts and deliveries. Even since the beginning of March 2017 when the demand was significantly lower than their receipt capacity, they made no effort to replenish their stored supply.

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

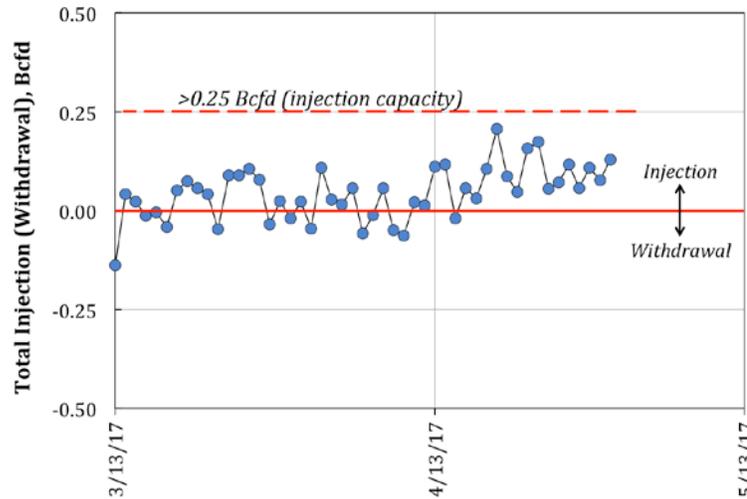


**Figure 1 – Profiles of Gas Receipts, Deliveries, and Storage since December 1, 2016**

In the event that SoCalGas says that our analysis is incorrect because they have limited injection capacity at their three storage fields, Figures 2 and 3 shed light on this matter. Figure 2 shows a profile of the daily injection and withdrawal from all three storage fields beginning on April 1, 2016. As evident from the periods of injection (positive values), SoCalGas is able to inject at least 0.25 Bcfd in the three fields. Then, Figure 3 shows the same profile but only since mid March 2017. The data clearly show that, for the last month and a half, the gas injection rates into the three fields have been far lower than the demonstrated capacity of 0.25 Bcfd. Looking at these profiles, it is evident that the urgency expressed by Mr. Lane’s in his letter to you was clearly not felt by his staff during the course of daily operation of the fields.



**Figure 2 – Total Gas Injection and Withdrawal from the three Currently Operated Storage Fields since April 1, 2016**



**Figure 3 – Total Gas Injection and Withdrawal from the three Currently Operating Storage Fields Since March 13, 2017**

Only SoCalGas knows why they did not make any serious effort to replenish their storage, and address the concern they are now expressing to you. However, this is purely their decision and, therefore, their responsibility. We find it disappointing that as they make no good-faith effort to replenish their storage volume, they come to the State with the “threat” of gas supply shortage unless they get back their ability to inject gas into Aliso Canyon. We encourage you to ask SoCalGas why they made no effort to replenish their storage volume when they were clearly able to do so. We also hope you will make it clear to the leadership of SoCalGas that it is their responsibility to secure the gas supply they are contracted for, and that they are responsible for the outcome of their actions, be it intentional or negligent.

We are disappointed that SoCalGas does not seem to be interested in finding a workable solution to a problem that it created in the first place. It appears that its sole objective is to do whatever it takes to convince you to return to the old way and pretend that nothing has happened. Our community trusts that you will not allow them to do so.

Respectfully,  
Porter Ranch Neighborhood Council

Issam Najm, President

cc: Kevin De Leon, President Pro Tempore, California State Senate  
Anthony Rendon, Speaker of the Assembly, California State Assembly  
Henry Stern, State Senator, District 27  
Nancy McFadden, Executive Secretary to California Governor Edmund G. Brown, Jr.  
Edward Randolph, Energy Division Director, CPUC  
Mark Roethleder, Vice President, Market Quality and Renewable Integration, CAISO  
Kathryn Barger, Los Angeles County Supervisor  
Mitchell Englander, Los Angeles City Councilman, District 12