STATE OF CALIFORNIA EDMUND G. BROWN

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

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April 13, 2017 Agenda ID #15667
Ratesetting

TO PARTIES OF RECORD IN APPLICATION 12-08-007 ET AL.:

This is the proposed decision of Administrative Law Judge Stephen C. Roscow. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's May 11, 2017 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Upon the request of any Commissioner, a Ratesetting Deliberative Meeting (RDM) may be held. If that occurs, the Commission will prepare and publish an agenda for the RDM 10 days beforehand. When the RDM is held, there is a related ex parte communications prohibition period. (See Rule 8.3(c)(4).)

Pursuant to Rule 14.6(a), comments on the proposed decision must be filed by May 2, 2017. Reply comments are due 5 days after the last day for filing comments.

/s/ KAREN V. CLOPTON
Karen V. Clopton, Chief
Administrative Law Judge

KVC:ek4
Attachment

Decision **PROPOSED DECISION OF ALJ ROSCOW** (Mailed 4/13/2017)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Approval of 2013-2014 Statewide Marketing, Education and Outreach Program and Budget. (U39M)	Application 12-08-007 (Filed August 2, 2012)
And Related Matters.	Application 12-08-008 Application 12-08-009 Application 12-08-010

DECISION AUTHORIZING SOUTHERN CALIFORNIA GAS COMPANY TO PROVIDE UP TO $11 MILLION FOR ALISO CANYON-RELATED MESSAGING

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DECISION AUTHORIZING SOUTHERN CALIFORNIA GAS COMPANY TO PROVIDE UP TO $11 MILLION FOR ALISO CANYON-RELATED MESSAGING

Summary

This decision authorizes Southern California Gas Company (SoCalGas) to provide up to $11 million of funding for marketing, education and outreach activities in the Los Angeles Basin in 2017, for the purpose of reducing the risk of natural gas and electricity curtailments in the Los Angeles area this year. Of this funding, $5 million shall be used to support paid Flex Alert advertising by the California Independent System Operator, focused on customers in the Los Angeles area. SoCalGas is authorized to utilize up to an additional $6 million to continue to implement the targeted marketing, education, and engagement (ME&E) campaign that it developed in 2016 pursuant to Commission authorization and direction in Decision (D.) 16-04-039. We take this action due to the ongoing effects of the 2015 natural gas leak at SoCalGas' Aliso Canyon storage facility.

SoCalGas shall continue to track all costs associated with the Flex Alert, ME&E activities in the memorandum account approved in D.16-04-039. The Commission shall determine at a later time whether the balance in the memorandum account should be incorporated into the rates of SoCalGas customers.

This decision also provides direction to SoCalGas and Commission staff regarding continued oversight and evaluation of the implementation of SoCalGas' customer engagement campaign.

1. Procedural Background

The scope of this proceeding encompasses the Flex Alert program and the Commission's Statewide marketing education and outreach program (ME&O).

These broadly interrelated programs concern the ME&O messages that are directed toward the energy consumers served by the gas and electric utilities regulated by the Commission.

First, the Flex Your Power brand and its associated brand Flex Alert was created during the California energy crisis of 2000 and 2001, inspired by emergency energy shortages necessitating emergency conservation by consumers. Today, the Flex Alert program continues to support emergency efforts for summer preparedness in the event of system emergencies or power shortages.

In D.15-11-033, the Commission approved a proposal by the California Independent System Operator (CAISO) to begin to administer and fund the Flex Alert program in 2016. Up until that point, the program was funded by ratepayers of the regulated electric utilities, and administered by one of those utilities in collaboration with the CAISO. The Commission agreed that as part of the 2016 transfer of responsibilities: (1) the CAISO would not continue the paid media program that had previously been funded by ratepayers of the investor-owned utilities; (2) the CAISO will maintain the Flex Alert brand in order to ensure that the Flex Alert program is an effective tool to maintain grid reliability; and (3) the CAISO shall maintain the ability to revise, modify, expand or discontinue Flex Alert activities as necessary to ensure reliable operation of the electric transmission grid.

Second, in D.13-12-038, the Commission adopted a statewide ME&O plan, intended primarily to foster increased and more effective energy management by residential and small business customers. In D.16-03-029 and D.16-09-020, the Commission authorized continued implementation of statewide ME&O. Cost responsibility for the total 2017 budget was allocated to the ratepayers of

SoCalGas, Southern California Edison Company, San Diego Gas & Electric Company, and Pacific Gas & Electric Company.

Acting within this broad scope, in D.16-04-039 the Commission authorized SoCalGas to provide up to $11 million of funding for ME&O activities in the Los Angeles Basin in 2016, for the purpose of reducing the risk of natural gas and electricity curtailments in the Los Angeles area. Of this funding, $5 million was used to support paid Flex Alert advertising by the CAISO, focused on customers in the Los Angeles area. SoCalGas was authorized to utilize up to an additional $6 million to implement the targeted marketing education and ME&E campaign it proposed in its March 25, 2016 comments in this proceeding. The Commission took this action due to the effects of the natural gas leak at SoCalGas' Aliso Canyon storage facility.

2. The Natural Gas Leak at the Aliso Canyon Storage Facility

SoCalGas owns and operates the Aliso Canyon gas storage facility (Aliso Canyon). A major gas leak was discovered at Aliso Canyon natural gas storage facility on October 23, 2015. On January 6, 2016, the Governor ordered SoCalGas to maximize withdrawals from Aliso Canyon to reduce the pressure in the facility. The Commission subsequently required SoCalGas to leave 15 billion cubic feet of working gas in the facility that could be withdrawn in an emergency. On May 10, 2016, Senate Bill (SB) 380 was approved, which prohibited the reinjection of gas into the facility until a comprehensive safety review was completed.

SoCalGas uses gas storage to meet peak daily and seasonal gas demand and to hedge against price volatility in natural gas commodity markets. Aliso Canyon is an integral part of the SoCalGas system and is essential for meeting demand in the Los Angeles Basin. In addition to ensuring a reliable supply of natural gas for space heating, hot water, cooking and other essential uses, Aliso Canyon storage is the only source available to meet the gas supply needed for gas-fired electric generators in the Los Angeles Basin during summer hot days when electric demand increases to meet cooling needs that are met by electric air conditioning.

The reduced availability of Aliso Canyon threatened gas and electric reliability in Southern California. In response, the Commission enacted a series of policies to increase reliability by reducing demand for natural gas. As of the date of today's ruling, it is uncertain if or when Aliso Canyon will resume normal operations. For these reasons, as was the case in 2016, beginning this summer it may be difficult for SoCalGas to respond to increases in electric generation demand, in particular, and therefore it is possible that electric generation in the Los Angeles Basin relying on gas from Aliso Canyon could be curtailed on days of high peak demand for electricity.

In his declaration of a state of emergency, the Governor directed this Commission and the California Energy Commission, in coordination with the CAISO, to take all actions necessary to ensure the continued reliability of natural gas and electricity supplies in the coming months during the moratorium on gas injections into the Aliso Canyon storage facility. Customer conservation could make a significant contribution to the reliability of available supplies. The Flex Alert program and other ME&O efforts that focus on the Los Angeles area could encourage increased conservation efforts.

3. The 2016 Marketing, Education, and Engagement Campaign

SoCalGas, working in coordination with the CAISO and local municipal energy agencies and local governments, led a short-term "marketing, education, and engagement" campaign in 2016 to raise awareness of the connection between natural gas and electricity, and to drive down energy usage. The campaign employed two main tactics:

1. **Flex Alerts**: $5 million of the funding authorized in D.16-04-039 was allocated for Flex Alert messaging. Flex Alerts were called by the CAISO on anticipated high use days. Alerts were broadcast by the news media, advertised, and sent directly to people who signed up for them through the Flex Alert website. The alerts asked people to reduce their electricity usage, especially in the late afternoon and early evening. There were three Flex Alert days called in summer 2016. The CAISO reported the following results:

    - 530 MW estimated savings on June 20.
    - 490 MW estimated savings on July 27.
    - 540 MW estimated savings on July 28.

2. **Marketing, Education, and Engagement**: $6 million of the funding authorized in D.16-04-039 was allocated for a general campaign to encourage reduction of electric and gas usage "Conserve Energy SoCal"). SoCalGas was ordered to lead an advisory committee of 10 local governments and utilities on a coordinated campaign. Strategies included social media, earned media (news coverage), and event outreach. Information can be found at: www.conserveenergysocal.com.

Campaign tactics included the above-referenced website; outreach on social media; promotion at events such as outdoor movie screenings; sponsoring a weekly energy conservation theme at Pacific Park on the Santa Monica Pier; and "Hot Days, Hot Deals" and "Cool Days, Cool Deals" promotions that encouraged people to get out of their homes and into local businesses offering special deals. Outreach materials were made "open source" for local governments and public utilities to use. In D.16-04-039, the Commission also directed its Energy Division to lead an evaluation of the 2016 Flex Alert messaging and the ME&E campaign. That evaluation is underway but has not yet been completed.

4. Implications of the Aliso Canyon Natural Gas Leak for this Proceeding

As noted above, the Commission has previously determined that ratepayer funds would not be used to pay for Flex Alert messaging from 2016 onward. The Commisson has also already established the 2017 budgets for each utility with respect to statewide ME&O, designated how that funding should be used, and allocated the costs to ratepayers of each utility. Thus, additional funds for Flex Alert and other ME&O cannot be dedicated to Aliso Canyon-related messaging without further Commission action.

In light of the Governor's emergency declaration, the assigned Commissioner in this proceeding determined that the Commission should consider whether or not to authorize SoCalGas to once more provide additional funds to encourage conservation in response to anticipated supply shortages during the Aliso Canyon injection moratorium. On March 29, 2017, the assigned Commissioner issued a ruling (Assigned Commissioner's Ruling or ACR) asking parties to respond to the following questions:

1. Should the Commission direct SoCalGas to provide another round of funding for 2017 marketing, education and outreach to encourage customer response to

anticipated supply shortages during the Aliso Canyon injection moratorium?

2. If another round of funding is provided, is $11 million an appropriate amount? Why or why not? What changes from last year's program are needed?

3. In the 2016 campaign, local governments and public utilities were asked to participate in the campaign. However, no funding was provided for their work. Should the Commission direct that some portion of the budget in 2017 be directed to local governments and utilities for this purpose (e.g., via grants or some other mechanism)? If so, what portion would be reasonable? What process should be used to direct these funds to local governments and utilities?

4. If another round of funding is provided, should SoCalGas continue to use a memorandum account to track the funds that SoCalGas provides, as was done in 2016, or should the funding be accounted for in another manner? By what means should the Commission determine whether, and to what extent, funding tracked by a memorandum account or other means is reasonable and should subsequently be included in the rates paid by SoCalGas customers?

5. The 2016 campaign ran from May 2016 to the end of the calendar year. That period of time encompassed the peak hot temperature days of the summer, and provided some autumn cold weather messaging which ended before the coldest days of winter, 2017. Was this the right span of time to run the campaign? Or should it have extended farther into 2017?

Comments responding to these questions were filed and served on April 6, 2017 by SoCalGas, the CAISO, the Office of Ratepayer Advocates (ORA), and The Utility Reform Network (TURN).[1]

5. Positions of the Parties

5.1. 2017 Funding

SoCalGas does not recommend that the Commission order another round of funding for a summer campaign. SoCalGas maintains that extending the messaging campaign is not the recommended means to enhance system reliability this summer. Because Aliso Canyon is ready, upon approval, to resume injection and support system reliability, the facts and circumstances as they exist today do not support the need for an additional summer campaign. SoCalGas also states that its customers and the public have been apprised of the situation and the need for conservation through prior Commission-ordered campaigns and efforts, such as the Energy Savings Assistance Program, existing energy efficiency programs, and demand-side management programs that encourage customers to reduce their energy usage throughout the year, and deploy additional conservation on peak demand days.

The CAISO recommends that the Commission direct SoCalGas to provide additional funding to support paid advertisements for the Flex Alert campaign. The CAISO estimates that these Flex Alert calls resulted in approximately 250-500 MW in capacity savings during hours of critical need. Because of the continuing limitations on using the Aliso Canyon storage facility and potentially limited capacity at other natural gas storage facilities due to new safety

[1] TURN states that due to resource constraints, it provides a response only to Question 4 of the Ruling.

programs, the CAISO believes that additional paid advertising remains necessary.

ORA supports additional ME&O funding for natural gas demand reduction in Southern California due to the Aliso Canyon moratorium, reiterating its position from its comments on this matter in 2016:

> The risk of natural gas and electricity curtailments due to the moratorium on injections at SoCalGas' Aliso Canyon storage facility presents an opportunity to reach out directly to customers and encourage greater energy use management and reductions through targeted marketing and outreach in the affected communities.

5.2. Is $11 million an appropriate amount for future funding?

SoCalGas states that if the Commission determines that additional marketing efforts are necessary, another $11 million is excessive, because any messaging and outreach for the upcoming summer should focus on an "earned media" approach, as well as leverage the 2016 ME&E efforts. According to SoCalGas, funding Flex Alert advertising is unnecessary given the use of existing traditional, social, and digital media channel resources already in place. SoCalGas believes that Flex Alert is best supported through an earned media approach, which SoCalGas suggests has been the primary focus of the CAISO's post-2015 Flex Alert program.

With respect to the "Conserve Energy SoCal" program that it led in 2016, SoCalGas states that the same level of funding would not be necessary for 2017 marketing activities, because SoCalGas could leverage the established key assets and campaign tactics acquired and developed as part of its 2016 ME&E efforts:

> By using 2016 assets (*e.g.,* infographics, videos, social media posts, and email templates), using earned media, and implementing cost efficiencies, SoCalGas predicts that up to

> $2.5 million would be a more reasonable estimate, if summer messaging is deemed necessary by the Commission.

The CAISO states that the five million dollars that the Commission authorized for paid Flex Alert advertising in 2016 was sufficient for the CAISO to prepare and connect with customers when it called Flex Alerts.

5.3. Funds for Local Governments and Public Utilities

SoCalGas states that if a 2017 marketing campaign is deemed necessary by the Commission, allocating funds or issuing grants to local governments and utilities is not advisable since SoCalGas or the Commission could not ultimately control or manage whether those funds are ultimately used for their intended purpose.

SoCalGas also suggests that based on its experience with the 2016 ME&E campaign, such allocation or grant of funds would not be necessary:

> That campaign was designed to create a neutral "Conserve Energy SoCal" brand that could be leveraged by any municipality, utility, or agency; participating entities provided input and feedback via an ME&E advisory group.
>
> A cornerstone of the "Conserve Energy SoCal" messaging campaign is the close coordination with CAISO and other local investor-owned, publicly-owned, and municipal utility partners. Marketing materials developed for 2016 were created in collaboration with local governments and utilities through the ME&E advisory group, and shared broadly with local partners to promote consistent conservation messaging throughout Southern California, and to avoid customer confusion through disparate messaging tactics.

SoCalGas states that if a 2017 marketing campaign is required by the Commission, SoCalGas will again work with its local partners to share and promote a consistent energy conservation message.

5.4. Tracking of Expenditures and Future Cost Recovery

SoCalGas states that if the Commission requires additional funding for a 2017 campaign, SoCalGas recommends that it continue to use the existing Marketing, Education and Outreach Memorandum Account (MEOMA) approved by the Commission in D.16-04-039 because recording any additional required expenses in this memorandum account is consistent in practice and will aid in the determination of ratemaking treatment.

With respect to future cost recovery, SoCalGas repeats its previously stated position that "these Commission-directed expenses should be found reasonable if they are implemented in accordance with the transparent, collaborative processes outlined and authorized by D.16-04-039."[2]

ORA states that the ME&E and FlexAlert campaigns contemplated in this ACR are a direct result of reliability concerns arising from the gas leak at the Aliso Canyon storage facility and the subsequent moratorium on new injections. Therefore, all costs associated with funding for Flex Alert or other ME&E expenses approved as a result of this ACR should be tracked. However, ORA recommends tracking these costs in the Aliso Canyon Revenue Cost Memorandum Account authorized by D.16-03-031, not the MEOMA.

With respect to future cost recovery, ORA recommends that the Commission determine whether these expenses should be included in the rates paid by SoCalGas customers or covered by shareholders at a later date.

TURN asserts that the need for these additional ME&E activities is the direct result of the Aliso Canyon leak and closure, the costs should be considered

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[2] SoCalGas Comments at 9.

with all the other associated costs. TURN recommends that the Commission continue to require SoCalGas to track any additional ME&E costs approved for 2017 in a memorandum account so that they may be considered in the future, as appropriate, when the Commission addresses Aliso Canyon-related ratemaking issues more globally, and that the Commission again specify that it is not approving ratepayer funding for these costs. Like ORA, TURN recommends that the costs be tracked in the existing Aliso Canyon Revenue Cost Memorandum Account ordered by D.16-03-031.

5.5. Extension of the campaign into winter

Only SoCalGas addressed this question. According to SoCalGas, an extended ME&E campaign into the winter is unnecessary, because it would be duplicative of existing conservation efforts. For example, SoCalGas will continue to run its annual winter communications campaign (January to Mid-April), which educates customers through "consistent awareness", building on the need to conserve natural gas. SoCalGas also notes that it implemented Winter Demand Response pilot programs in December 2016 to promote reductions in gas consumption on peak use days, which it may continue or update, pending evaluation results. For these reasons, SoCalGas concludes that no extended winter marketing effort is needed.

6. Discussion

We appreciate the effort undertaken by parties to prepare and submit comments, on short notice, in response to the March 29 ACR. These comments, as well as parties' opening and reply comments on the Proposed Decision of the assigned ALJ, provide the record foundation for our determinations in this decision.

Due to the ongoing uncertainties regarding the impact of the Aliso Canyon well leak and subsequent injection curtailment on gas supplies and the effect of that curtailment on electricity supply and reliability in the Los Angeles Basin, we determine that SoCalGas should be authorized to provide up to $11 million in funding for customer awareness activities in Southern California for the remainder of 2017 and, if necessary, during the colder months of January – March, 2018. Of the $11 million total, $5 million shall be used to support paid Flex Alert advertising by the CAISO. SoCalGas is authorized to use up to an additional $6 million to continue to implement the ME&E campaign that it developed in 2016 pursuant to Commission authorization and direction in D.16-04-039. We leave in place the provisions for regular reporting by SoCalGas regarding its implementation of this decision, as well as the advisory group that shall continue to act as a partner with the utility throughout its implementation efforts. We explain our determinations below.

First, regarding whether funding should be continued at all, we acknowledge SoCalGas' opposing recommendation, but we view the current situation in Southern California differently. As SoCalGas itself notes, Aliso Canyon has not yet received approval to resume injection and that is the situation to which we must respond. The CAISO does support 2017 funding of Flex Alerts and those alerts do appear to have been effective in 2016, leading to real capacity savings. And while SoCalGas customers and the public have certainly been apprised of the situation through the 2016 ME&E campaign, we have no evidence that this messaging will remain in the public mind without additional reinforcement in 2017. Therefore, we find that funding a 2017 ME&E campaign and Flex Alerts would be prudent.

Second, regarding the proper level of 2017 funding, we find that the authorized level should remain at $11 million. Five million dollars should be provided to the CAISO for Flex Alerts. For SoCalGas, we authorize spending up to $6 million. We are encouraged that SoCalGas believes that up to $2.5 million would be a more reasonable estimate, but we will leave our authorization "capped" at the higher level of $6 million. SoCalGas is not required to spend up to that amount, but we expect that sufficient funding will be used to ensure that 2017 results are similar to the results achieved by the program in 2016.

Third, regarding the question of allocating funds or issuing grants to local governments and utilities, we accept SoCalGas' recommendation that we refrain from doing so. No comments supported this idea, and SoCalGas provides a useful description of the 2016 campaign that convinces us that such funding is not necessary.

Fourth, regarding tracking of expenditures and future cost recovery, we will leave in place the current memorandum account authorized in D.16-04-039, the Marketing, Education and Outreach Memorandum Account (MEOMA). We reiterate our conclusion in that decision that the Commission should determine at a later time whether, and to what extent, the balance in the MEOMA should be incorporated into the rates of SoCalGas' customers.

We note that ORA and TURN recommended tracking these costs in a different account, the Aliso Canyon Revenue Cost Memorandum Account authorized by D.16-03-031. Neither ORA nor TURN provide any explanation or support for their recommendations that these costs be tracked in that account rather than the MEOMA, and we decline to make that change.

Fifth, regarding whether the Commission should authorize extension of the ME&E campaign into winter, we are sensitive to SoCalGas' argument that this would be duplicative of existing conservation efforts. SoCalGas made similar arguments in 2016 with respect to the 2016-2017 winter and the Commission did not authorize further spending. Nevertheless, we will authorize--but not require--SoCalGas to spend part of the $6 million that we authorize in today's decision to extend its ME&E campaign into January through March 2018. If SoCalGas is correct that it will not need to expend the entire $6 million that we have authorized during the summer and fall of 2017, it should have funds left over for any needed messaging in 2018, and will not have to return to the Commission for this authorization.

7. Reduction of Comment Period

As noted above, on January 6, 2016, Governor Brown declared a state of emergency due to the Aliso Canyon leak. Pursuant to Rule 14.6(a) of the Commission's Rules of Practice and Procedure, in an unforeseen emergency situation the Commission may reduce or waive the period for public review and comment on proposed decisions, draft resolutions, and their alternates. "Unforeseen emergency situation" means a matter that requires action or a decision by the Commission more quickly than would be permitted if advance publication were made on the regular meeting agenda. The Commission finds that the possibility that electric generation in the Los Angeles Basin relying on gas from Aliso Canyon could be curtailed on days of high peak demand for electricity this summer falls within the definition of "unforeseen emergency situation" contemplated by Rule 14.6(a). Therefore, the proposed decision (PD) of the ALJ in this matter was mailed to the parties on April 13, 2017, and the deadlines for comments and reply comments on the PD were determined to be May 2, 2017 and May 8, 2017, respectively. Comments were filed on May 2, 2017 by _____________. Reply comments were filed on May 8, 2017 by _____________.

8. Assignment of Proceeding

Carla J. Peterman is the assigned Commissioner and Stephen C. Roscow is the assigned ALJ in this proceeding.

Findings of Fact

1. SoCalGas owns and operates the Aliso Canyon gas storage facility. A massive gas leak was discovered at the facility on October 23, 2015. On February 18, 2016, California state officials announced that the leak was permanently sealed.

2. On January 6, 2016, Governor Brown declared a state of emergency due to the Aliso Canyon leak, and directed this Commission and the California Energy Commission, in coordination with the CAISO, to take all actions necessary to ensure the continued reliability of natural gas and electricity supplies in the coming months during the moratorium on gas injections into the Aliso Canyon storage facility.

3. As of the date of today's decision, natural gas is not being injected into the Aliso Canyon gas storage field, and it is uncertain if or when Aliso Canyon will resume normal operations.

4. In the upcoming summer, electric generation in the Los Angeles Basin that relies on gas from Aliso Canyon could be curtailed on days of high peak demand for electricity.

5. Increased customer conservation of natural gas and electricity in the Los Angeles Basin in 2017 could make a significant contribution to ensuring reliability of gas and electric supplies.

6. The Flex Your Power brand, and its associated brand Flex Alert, were created during the California energy crisis of 2000 and 2001 when emergency energy shortages necessitated emergency conservation by consumers.

7. The Flex Alert program supports the State's and the CAISO's emergency efforts for summer preparedness in the event of system emergencies or power shortages.

8. The CAISO began to administer and fund the Flex Alert program in 2016. The CAISO maintains the ability to revise, modify, expand or discontinue Flex Alert activities as necessary to ensure reliable operation of the transmission grid. The CAISO-administered Flex Alert program does not include paid media, but the CAISO continues its earned media Flex Alert activities, such as issuing notifications via the CAISO website and its smart phone application, news releases, and social media.

9. In D.13-12-038, the Commission adopted a statewide ME&O plan, intended primarily to foster increased and more effective energy management by residential and small business customers.

10. The Commission has already established the 2017 budgets for each utility with respect to statewide ME&O, designated how that funding should be used, and allocated the costs to ratepayers of each utility.

11. SoCalGas' current rates and charges do not include any costs incurred by SoCalGas in response to the recent gas leak in Aliso Canyon because the Commission has not authorized SoCalGas to recover such costs.

Conclusions of Law

1. Additional funds for Flex Alert and other ME&O cannot be dedicated to Aliso Canyon-related messaging without further Commission action.

2. Due to the ongoing uncertainties regarding the impact of the Aliso Canyon leak and injection curtailment on summertime gas supply and the effect of that curtailment on electricity supply and reliability in the Los Angeles Basin,

SoCalGas should provide funding for customer awareness activities in Southern California for the remainder of 2017.

3. SoCalGas should provide $5 million in funding to support paid Flex Alert advertising by the CAISO in 2017.

4. SoCalGas should provide up to $6 million in 2017 to continue to implement the targeted ME&E campaign that it developed in 2016 pursuant to Commission authorization and direction in D.16-04-039.

5. SoCalGas should use the ME&O Memorandum Account established pursuant to D.16-04-039 to continue to track all costs associated with the Flex Alert ME&E activities approved in this decision. The tracked costs should accrue interest.

6. The Commission should determine at a later time whether, and to what extent, the balance in the Marketing, Education and Outreach Memorandum Account should be incorporated into the rates of SoCalGas' customers.

7. SoCalGas should establish an advisory group that will act as a partner with the utility throughout its implementation efforts.

8. SoCalGas should provide reports to the Commission's Energy Division that document its implementation of this decision.

9. The Energy Division should lead an evaluation of the 2017 Flex Alert messaging and of SoCalGas' ME&E campaign.

10. SoCAL Gas Public necessity requires reduction of the 30-day public review and comment period for today's order so that SoCalGas may begin implementing additional ME&E efforts for affected communities as soon as possible.

11. The 30-day period for public review and comment on today's order should be reduced pursuant to Rule 14.6(a).

O R D E R

IT IS ORDERED that:

1. Southern California Gas Company shall provide $5 million in funding to support paid Flex Alert advertising by the California Independent System Operator in 2017.

2. Southern California Gas Company (SoCalGas) is authorized to spend up to $6 million in 2017 to continue to implement the targeted marketing, education, and engagement campaign that it developed in 2016 pursuant to Commission authorization and direction in Decision 16-04-039. SoCalGas may use any unexpended funding to continue the campaign through March, 2018.

3. Southern California Gas Company shall use the Marketing, Education and Outreach Memorandum Account established pursuant to Decision 16-04-039 to continue to track all costs associated with the Flex Alert marketing, education, and engagement activities approved in this decision. The tracked costs shall accrue interest. The Commission shall determine at a later time whether the balance in the Marketing, Education and Outreach Memorandum Account should be incorporated into the rates of Southern California Gas Company customers.

4. Southern California Gas Company (SoCalGas) shall consult and coordinate with the Commission's Energy Division throughout the implementation process, as follows:

a. SoCalGas shall submit monthly progress reports to the Commission's Energy Division and to the energy providers of Southern California stakeholders, including available documentation of its efforts to implement our decision today.

b. SoCalGas shall submit monthly reports beginning on June 1, 2017. SoCalGas shall consult with Energy Division staff regarding the format and content of these reports.

c. The initial report submitted by SoCalGas shall include a detailed budget that maps the $6 million in funding authorized in this decision to the activities included in the marketing, education, and engagement campaign authorized in this decision.

5. Southern California Gas Company (SoCalGas) shall continue to host an advisory group that shall act as a partner with the utility throughout its implementation efforts. SoCalGas shall convene regular meetings of this advisory group and, to the extent practicable, SoCalGas shall implement the recommendations made at these meetings. SoCalGas shall summarize the results of these meetings in the monthly reports that it submits to the Energy Division in compliance with this decision.

6. The Commission's Energy Division shall lead an evaluation of the 2017 Flex Alert messaging and the marketing, education, and engagement campaign authorized in this decision, to be funded at a level no higher than 2% of the total $11 million budget established in this decision for those activities.

7. The comment period for today's order is reduced pursuant to Rule 14.6(a) of the Commission's Rules of Practice and Procedures.

8. Application (A.) 12-08-007, A.12-08-008, A.12-08-009, and A.12-08-010 remain open.

This order is effective today.

Dated ____________________, at Merced, California.