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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 electric reliability for the region.

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

**SCOPING MEMO AND RULING OF ASSIGNED
COMMISSIONER AND ADMINISTRATIVE LAW JUDGE**

Summary

This Scoping Memo and Ruling sets forth the category, issues, need for hearing, schedule, and other matters necessary to scope this investigation pursuant to Public Utilities Code § 1701.1 and Article 7 of the Commission's Rules of Practice and Procedure.¹

1. Background

On February 9, 2017, the California Public Utilities Commission (CPUC or Commission) opened an Order Instituting Investigation (OII) pursuant to Senate Bill (SB) 380 (Statutes of 2016, Chapter 14) and Rule 5.1. The purpose of this OII is to determine the feasibility of minimizing or eliminating the use of the Aliso Canyon Natural Gas Storage Facility (Aliso Canyon) while still maintaining

¹ California Code of Regulations, Title 20, Division 1, Chapter 1; hereinafter, Rule or Rules.

energy and electric reliability for the Los Angeles region and just and reasonable rates in California. Southern California Gas Company (SoCalGas), the operator of Aliso Canyon, was named as a respondent to the OII.

On May 10, 2016, Governor Brown signed into law SB, which, among other actions, creates a new Section 714 and 715 of the California Public Utilities Code.

Of particular relevance to this proceeding, Section 714(a) states:

The commission, no later than July 1, 2017, shall open a proceeding 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 electric reliability for the region. This determination shall be consistent with the Clean Energy and Pollution Reduction Act of 2015 (Ch. 547, Stats. 2015) and Executive Order B-30-2015. The commission shall consult with The State Energy Resources Conservation and Development Commission, the Independent System Operator, the local publicly owned utilities that rely on natural gas for electricity generation, the Division of Oil Gas and Geothermal Resources in the Department of Conservation, affected balancing authorities and other relevant government entities, in making its determination.

1.1 Aliso Canyon Leak

On October 23, 2015, Aliso Canyon operated by SoCalGas began to leak natural gas from its underground storage facility located near Porter Ranch, California. Upon discovery and reporting of the well failure, multiple agencies began to work with SoCalGas to remedy the situation and investigate its cause. The well failure resulted in the release of large quantities of natural gas into the atmosphere, and nearby residents were exposed to the natural gas that leaked from the failed well. Residents within a certain radius were temporarily relocated from their homes while SoCalGas undertook efforts to abate the well failure. Since the time of the leak, many residents have complained to SoCalGas

about health impacts, including nose bleeds and headaches, which they attribute to the well failure. Numerous residents vocalized these concerns at the April 17, 2017, public participation hearing (PPH) held by the assigned Commissioner and assigned Administrative Law Judge (ALJ).

On January 6, 2016, Governor Brown issued a proclamation declaring the gas leak an emergency and setting forth several orders to mitigate damage, including requiring SoCalGas to maximize daily withdrawals of gas for use or storage elsewhere, a prohibition of any further injection into the storage facility until comprehensive review of the safety of the wells and the air quality of the surrounding community was completed, ensuring that SoCalGas bears responsibility for the costs related to the natural gas leak, and strengthening oversight.

A wide range of interested entities filed responses to the OII providing input on the proposed scope, schedule and procedural mechanisms set forth in the OII. On April 17, 2017, the assigned ALJ and the assigned Commissioner convened a prehearing conference (PHC) in Los Angeles to discuss the proper course of the investigation in order to fulfill the mandates of SB 380.

2. Public Outreach

In an effort to maximize transparency as well as to benefit from the input of communities affected by the Aliso Canyon well failure in developing the scope of this investigation, on April 17, 2017, the assigned Commissioner and assigned ALJ convened a PPH in Northridge, California.² Two hundred thirty members of

² Pursuant to SB 512 (Stats of 2016, ch. 808), the Commission undertook a broad public outreach effort to ensure that members of the public and interested entities were aware of this investigation. Outreach efforts included the issuance of a press release upon opening of the OII,

Footnote continued on next page

the public attended the hearing and fifty-eight individuals provided public comment. Numerous members of the public submitted written comments to the Public Advisor's office following the PPH. The members of the public that spoke at the PPH and filed comments mainly focused on health and safety concerns associated with reopening Aliso Canyon. The overwhelming response of the community was a recommendation to shut down the facility.

3. Public Health and Safety

In the subsequent sections, this Scoping Memo and Ruling sets forth the issues that are within the scope of this proceeding as well as issues that are currently being addressed or are best addressed in other proceedings or venues. However, the issue of public health and safety is important and warrants additional discussion to accurately frame such issues as they pertain to this investigation.

As a result of the Aliso Canyon well failure that began on October 23, 2015, many residents of nearby communities were evacuated while SoCalGas worked to seal the well failure and leak. At the PPH, many residents expressed great concern that the OII as written ruled outside of the scope acute public health concerns as a result of the Aliso Canyon Natural Gas Storage Facility well failure. In addition, residents raised issues of safety given the facility's location on a fault line and in a fire zone.

The Commission, in considering whether to reduce or eliminate the use of Aliso Canyon, must find that any continued operation of the facility is deemed safe. Public Utilities Code Section 451 requires that public utilities "shall furnish

issuance of a press release noticing the PHC and PPH, and direct contact to community groups, government entities, and other organizations that may have an interest in the proceeding.

and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment and facilities... as necessary to promote the safety, health, comfort and convenience of its patrons, employees and the public.” Such a finding in this case would mean the Commission must determine whether safety regulations are in place that set standards for safe operation and maintenance of the facility and that the record does not show that SoCalGas is unable to comply with all safety and air quality regulations. Future operation of Aliso Canyon must ensure the health and safety of the customers it serves and communities surrounding the facility. The Commission holds safety to be paramount to operation of public utilities services.

In this case, the California Department of Conservation, Division of Oil, Gas, and Geothermal Resources (DOGGR), the agency with primary jurisdiction over the mechanical and operational condition of the wells, is reviewing the safety of the wells. DOGGR must deem each well safe prior to the commencement of any future injections. In addition, the Commission’s Safety and Enforcement Division (SED) and DOGGR are overseeing an investigation into the root cause of the leak. SED is also investigating the actions taken before and after the well leak was discovered on October 23, 2015, including whether proper public notification was provided. Finally, SED is investigating issues related to the maintenance of the Aliso Canyon gas storage field in general.

The Commission, in its jurisdictional authority, is prohibited from awarding damages to individuals resulting from health or property impacts as a result of the well failure. Such damages must be pursued through civil litigation. The Commission, however, may, and indeed often does, impose penalties upon public utilities for failure to provide safe and reliable services. Such penalties may be conferred after the investigations are complete and, often, a Commission

proceeding to determine what, if any, violations occurred and the appropriate penalties.

The SED investigation and resulting proceeding will occur separately from the investigation that is the subject of this Scoping Memo and Ruling. That is to say, in this proceeding, the Commission will take a forward-looking approach to the continued operation (or elimination) of Aliso Canyon, while the SED investigation and subsequent proceedings will address the leak itself, including issues of culpability and cost responsibility.

In regards to seismic activity, DOGGR, in its Comprehensive Safety Review Findings³ regarding Aliso Canyon, states as requirement #4 that SoCalGas “Provide a Risk Management Plan in accordance with DOGGR’s emergency regulations that includes an effective facility-wide emergency response plan, and effective geologic and geotechnical hazard mitigation protocols.” In response to this requirement, DOGGR found that SoCalGas submitted a Risk Management Plan and the inspection team found the required check-list and on-site conditions to be compliance, “conditioned upon further study as recommend by subject matter experts at the Berkeley, Sandia and Lawrence Livermore National Laboratories (National Laboratories). Additional study in conjunction with the National Laboratories to evaluate seismic risk mitigation measures will be undertaken beginning in 2017.”⁴

The Commission understands that DOGGR is undertaking further study on the seismic risks associated with operation of the Aliso Canyon facility. The Commission, in making any finding regarding the safety of Aliso Canyon, would

³ <http://www.conservation.ca.gov/dog/Pages/AlisoCanyon.aspx>.

⁴ *Id.*

take into account the results of any seismic activity study undertaken by or reported to DOGGR.

If the Commission were to determine that Aliso Canyon is needed to maintain energy and electric reliability for the region at just and reasonable rates, the Commission will require that SoCalGas follow all rules and regulations, including any new rules imposed upon SoCalGas through SB 380, to ensure safe operation of the well field. The Commission will include the costs of adherence to any rules necessary to maintain the public health and safety of residents and patrons in its scenarios analysis in this investigation.

4. Scope

The scope of this proceeding addresses two overarching questions:

- 1) Is it feasible to reduce or eliminate the use of the Aliso Canyon Natural Gas Storage Facility while still maintaining electric and energy reliability for the region?
and
- 2) Given the outcome of Question 1, should the Commission reduce or eliminate the use of the Aliso Canyon Natural Gas Storage Facility, and if so, under what parameters?

The Commission intends to address this proceeding in two phases in order to streamline participation by interested parties. In Phase 1, the Commission will undertake a comprehensive effort to develop the appropriate analyses and scenarios to evaluate the impact of reducing or eliminating the use of Aliso Canyon. The intent of Phase 1 is to involve all interested parties in developing a transparent and vetted list of assumptions, scenarios, and reduction or elimination timelines.

The goal of Phase 1 is to develop models that, to the extent possible, may be used by interested parties to understand the impacts of reduction or elimination of the facility. However, much of the input data may be confidential and/or certain models may not be able to be licensed to the general public. Phase 1 will uncover and address these limitations and develop a path forward. Phase 1 will be resolved by the issuance of an Assigned Commissioner's Ruling (ACR) providing guidance on the scenarios and assumptions that will be evaluated in Phase 2.

It is not the intent of the Commission to eliminate from consideration scenarios other than those included in the Phase 1 ACR. However, given the infinite number of scenarios and assumptions and combinations thereof, the Commission finds it necessary to choose representative scenarios that will provide the most useful information in making a determination in Phase 2. If a party has the resources to present analysis of scenarios outside those selected in Phase 1, parties may do so in Phase 2.

A limited list of scenarios allows parties without the resources and time necessary to develop and run their own analyses to participate fully by providing feedback on the representative list of scenarios and assumptions (Phase 1) as well as the outcome of the models used to test the scenarios and assumptions (Phase 2). In this way, the Commission seeks to maximize transparency as well as the meaningful participation of all parties. In addition, using a predetermined set of scenarios allows for the Commission and parties to conduct an apples-to-apples comparison of outcomes.

As set forth in the schedule later in this Scoping Memo and Ruling, the procedural mechanism by which the Commission will develop the appropriate scenarios and assumptions for evaluation will occur mainly through the

workshop process. This is to ensure the free flow of ideas and open dialogue necessary to develop assumptions and scenarios.

To begin Phase 1 scenario development, the Commission's Energy Division will release a document, incorporated into the record via ALJ ruling, with high-level proposed scenarios as well as a description of the appropriate types of models to evaluate the reliability and rate impacts of each scenario. In that document, Energy Division will include a list of questions for input from parties. Parties will have an opportunity to provide feedback through a comment and workshop process. Ultimately, upon conclusion of the workshop process, Energy Division will issue a final report containing recommended scenarios and assumptions, which will be incorporated into the record via ALJ ruling. Parties will have an opportunity to provide comment prior to issuance of the ACR adopting final scenarios and assumptions for evaluation in Phase 2.

In Phase 2 of this investigation, the Commission will evaluate the impacts of reducing or eliminating the use of Aliso Canyon using the scenarios and models adopted in Phase 1. Furthermore, the Commission will decide on the appropriate usage of the storage field on a going-forward basis. If the Commission determines that closure of Aliso Canyon is warranted, the Phase 2 decision will, if possible, adopt a timeline for closure and set forth the procedures and mechanisms necessary to ensure a safe closure while maintaining electric and gas reliability for the region.

After careful review and consideration of the responses to the OII as well as the feedback received at the April 17, 2017, PHC and PPH, the detailed Phase 1 and Phase 2 scope and preliminary schedule are set forth below:

Phase 1 Scope

1. What scenarios should the Commission analyze in order to determine the impact on electric and gas rates and reliability of the reduction or elimination of the use of the Aliso Canyon Natural Gas Storage Facility?
 - a. Scenarios should allow the Commission and the public to understand the cost and reliability implications of reduction or elimination at both the system-side and local level and in the short-run and long-run as well as the greenhouse gas impacts. While this Scoping Memo and Ruling leaves open the exact scenarios and assumptions that must be used in Phase 1, a scenario of complete closure of the facility must be considered.
 - i. What assumptions should the Commission use in each scenario?

Phase 2 Scope

1. What are the impacts to electric and gas rates and reliability of the reduction or elimination of the use of the Aliso Canyon Natural Gas Storage Facility?
2. Given the results of Question 1, should the Commission authorize the reduction or elimination of the use of the Aliso Canyon Natural Gas Storage Facility, and if so, under what timeframe and parameters?
 - a. In making this determination, the Commission will consider the safety of the facility and the results of

the SB 826⁵ study, as well as how any decision comports with the Clean Energy and Pollution Reduction Act of 2015 and SB 32.⁶

5. Issues Addressed in Other Proceedings or Venues

The issues involved in the Aliso Canyon well failure are complex, and this Commission and multiple other agencies have undertaken or will undertake various actions to address the many facets of the failure. As such, it is useful to note particular issues that are or will be addressed in other proceedings or venues.

- (1) Air quality concerns or impacts as a result of the well failure. It is expected that SoCalGas will comply with all air quality regulations on a going forward basis, and the costs of that compliance should be included in any

⁵ Stats 2016, ch 23. The legislation, in relevant portion, states “\$2,500,000 shall be allocated for a contract with the California Council on Science and Technology to conduct an independent study. The Public Utilities Commission, in consultation with the State Energy Resources Conservation and Development Commission, the State Air Resources Board, and the Division of Oil, Gas, and Geothermal Resources within the Department of Conservation, shall request the California Council on Science and Technology to undertake a study in accordance with Provision 14 of the Governor’s Proclamation of a State Emergency issued on January 6, 2016. The study shall... assess the long-term viability of natural gas storage facilities in California. Specifically, the study shall address operational safety and potential health risks, methane emissions, supply reliability for gas and electricity demand in the state, and the role of storage facilities and natural gas infrastructure in the state’s long-term greenhouse gas reduction strategies. The study shall be completed by December 31, 2017.”

⁶ The Clean Energy and Pollution Reduction Act of 2015 codifies SB 350, which directs, among other actions, the Commission to increase the amount of renewable electricity generated and sold to retail customers per year to 50% by December 31, 2030. SB 380 requires that the Commission’s consideration of the continued operation of Aliso Canyon also analyze consistency with Executive Order B-30-2015, which sought to reduce greenhouse gas emissions in the State of California to 40 percent below 1990 levels by 2030. Senate Bill 32 (stats 2016, ch. 249) codifies this mandate.

modeling efforts to determine rate impacts. Air quality violations as a result of the well failure are outside of the Commission's jurisdiction and are being addressed by the appropriate air quality districts. However, it is expected that SoCalGas will comply with all air quality rules and regulations.

- (2) Any issues related to the cause of the natural gas well failure, including issues of culpability. Investigations into the cause of the leak are being conducted by the Commission's SED as well as DOGGR, the agency with primary jurisdiction over the mechanical and operational condition of the wells. The Commission continues to work closely with DOGGR in undertaking its own investigation.
- (3) Any costs associated with the discovery, damage, and resolution of the well failure, including responsibility for costs associated with the well failure. As noted above, such costs will be addressed in a future Commission proceeding following the conclusion of the SED investigation.
- (4) Public health concerns associated with the well failure. As noted above, damages for public health impacts as a result of the well failure must be addressed in other venues. The Commission must make a finding in this proceeding, however, that the facility can be operated in a safe manner if the Commission decides to order SoCalGas to maintain continued operation of Aliso Canyon.

- (5) Issues related to Pub. Util. Code § 455.5(b), which requires a utility to notify the Commission if any portion of a major facility has been out of service for nine consecutive months. This is being addressed by the Commission in Investigation 17-03-002.
- (6) Issues related to mitigation measures taken by any utility to address the reduced availability of Aliso Canyon since the well failure, including the application of Southern California Edison Company for recovery of Aliso Canyon Utility Owned Energy Storage Costs, Application 17-03-020.
- (7) Any and all other issues outside of the jurisdiction of the Commission or that are, or will be, addressed through other Commission actions or proceedings.

6. Categorization

The Order Instituting Investigation categorized this proceeding as ratesetting. No party appealed this designation pursuant to Rule 7.6 and that categorization is upheld.

7. Need for Hearing

It is determined that hearings will be needed in Phase 2 of this investigation. Phase 1 is primarily focused on a policy decision regarding appropriate scenarios; therefore, it is anticipated that Phase 1 can be resolved primarily through a combination of the Energy Division proposal, workshops, and comments.

If any party contends that hearings are needed in Phase 1 of this proceeding to address any issues within the scope of Phase 1, such party shall, no

later than the date outlined in the schedule below, file a motion requesting evidentiary hearings. The motion shall:

- (1) Identify each material contested issue of fact on which hearings should be held (explaining, as necessary, why the issue is material);
- (2) State why a hearing is legally required;
- (3) State whether and why briefs are required, and if so, provide an explanation of issues that are appropriate for briefing; and
- (4) Include a proposed schedule for the service of testimony, evidentiary hearings, and opening and reply briefs (if requested).

If any party formally requests evidentiary hearings and/or briefing as specified here, we will consider that request and inform parties of whether such hearings or briefing will be scheduled, and, if so, the dates for those activities.⁷

8. Assigned Commissioner, Presiding Officer

Liane M. Randolph is the assigned Commissioner and Melissa K. Semcer is the assigned ALJ. Pursuant to Public Utilities Code § 1701.3 and Rule 13.2, ALJ Semcer is designated as the Presiding Officer.

9. Discovery

Discovery may be conducted by the parties consistent with Article 10 of the Commission's Rules. Any party issuing or responding to a discovery request shall serve a copy of the request or response simultaneously on all parties. Electronic service under Rule 1.10 is sufficient, except Rule 1.10(e) does not apply to the service of discovery, and discovery shall not be served on the Judge.

⁷ If hearings are granted, Phase 1 will be resolved via issuance of a proposed decision.

Deadlines for responses may be determined by the parties. Motions to compel or limit discovery shall comply with Rule 11.3.

It is anticipated that this proceeding will require that SoCalGas furnish sensitive and confidential data in order to sufficiently model the impacts of reducing or eliminating the use of the Aliso Canyon facility. SoCalGas, by July 7, 2017, is directed to develop, with the input of parties, a non-disclosure agreement (NDA) that may be executed by interested non-market participants to provide access to data necessary to address the scope of this proceeding. SoCalGas is directed to maintain a list of all parties with whom NDAs have been executed and to serve notice of executed NDAs on the service list of this proceeding within ten days of execution.

10. Ex Parte Communications

In a ratesetting proceeding such as this one, *ex parte* communications with the assigned Commissioner, other Commissioners, their advisors, and the Judge are governed by Pub. Util. Code § 1701.1 *et seq.* and Article 8 of the Rules of Practice and Procedure. Communications with the assigned ALJ shall occur only through formal filing or via written electronic mail copied to the entire service list of this proceeding.

11. Intervenor Compensation

Pursuant to Public Utilities Code Section 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation within 30 days from the PHC, or May 17, 2017.

12. Filing, Service and Service List

The official service list has been created and is on the Commission's website. Parties should confirm that their information on the service list is

correct and serve notice of any errors to the Commission's Process Office, the service list, and the Judge. Persons may become a party pursuant to Rule 1.4.

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocols set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Parties are reminded, when serving copies of documents, the document format must be consistent with the requirements set forth in Rules 1.5 and 1.6. Additionally, Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents.

Rules 1.9 and 1.10 govern service of documents only and do not change the Rules regarding the tendering of documents for filing. Parties can find information about electronic filing of documents at the Commission's Docket Office at www.cpuc.ca.gov/PUC/efiling. All documents formally filed with the Commission's Docket Office must include the caption approved by the Docket Office, and this caption must be accurate.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the "Information Only" category of the official service list pursuant to Rule 1.9(f). Discovery.

13. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or who has questions about the electronic filing procedures is encouraged to obtain more information at

<http://consumers.cpuc.ca.gov/pao/> or to contact the Commission's Public Advisor at 866-849-8390 or 415-703-2074 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

14. Schedule

The Commission is unable at this time to adopt a complete schedule for this proceeding. In order to undertake appropriate modeling of the effects of reducing or eliminating the use of the Aliso Canyon facility, the Commission intends to engage the services of appropriate subject matter experts. As of issuance of this Scoping Memo, the Commission has not yet finalized contracts with these consultants. It is expected that the consultants retained by the Commission will offer feedback on the appropriate timelines for finalizing scenarios in Phase 1 and running models in Phase 2.

Therefore, we adopt a high-level schedule in this Scoping Memo. Beyond the first workshop, all dates are set forward in month only (*italicized*) and are considered to be tentative. The procedural schedule will be updated via ALJ ruling as the proceeding progresses.

The high-level schedule does not include any dates for service of testimony, evidentiary hearings, or briefs. Should a Phase 1 motion for evidentiary hearings be granted, the assigned ALJ will issue a ruling updating the procedural schedule. If hearings are granted, Phase 1 will be resolved through issuance of a proposed decision.

All official hearings and workshops will be held in the Los Angeles area unless otherwise noted in this or a subsequent ruling.

Phase 1

EVENT	DATE
Prehearing Conference	April 17, 2017
Public Participation Hearing	April 17, 2017
ALJ Ruling noticing workshop and requesting feedback on Energy Division's initial proposed Phase 1 scenarios and questions.	June 29, 2017
Deadline for SoCalGas to develop NDA for execution by non-market participants	July 7, 2017
Informal comments on Energy Division's initial proposed Phase 1 scenarios and questions served (but not filed)	July 24, 2017
Workshop # 1 on assumptions, scenarios and models	August 1, 2017
ALJ Ruling updating procedural schedule issued	<i>August 2017</i>
ALJ Ruling noticing workshop #2 and requesting feedback on Energy Division's second draft proposed Phase 1 scenarios and questions	<i>September 2017</i>
Informal comments on draft Energy Division's second draft proposed Phase 1 scenarios and questions served (but not filed)	<i>October 2017</i>
Workshop # 2 on assumptions, scenarios and models (Energy Division consultants present)	<i>October 2017</i>
Deadline to file requests for Phase 1 hearings.	<i>October 2017</i>

EVENT	DATE
Public Participation Hearing	<i>October 2017</i>
Energy Division’s Final Staff Proposal on scenarios, assumptions and models incorporated into record by ALJ ruling.	<i>November 2017</i>
Concurrent Opening Comments on Energy Division’s Final Staff Proposal	<i>November 2017</i>
Concurrent Reply Comments on Energy Division’s Final Staff Proposal	<i>December 2017</i>
Assigned Commissioner’s Ruling adopting scenarios, assumptions and models and concluding Phase 1	<i>December 2017/January 2018</i>

Phase 2

EVENT	DATE
Phase 2 PHC	<i>Within 30 days of issuance of Phase 1 ACR</i>

The assigned Commissioner or assigned ALJ may modify this schedule as necessary to promote the efficient management and fair resolution of this proceeding. As stated in the OII, pursuant to the authorization conferred by Pub. Util. Code § 1701.5(b), Phase 1 and Phase 2 of this proceeding should extend for 24 months beyond the date of initiation of the OII (February 9, 2017). This OII presents many complex issues and may require extensive coordination across multiple agencies.

Notice of workshops in this proceeding will be posted on the Commission's Daily Calendar to inform the public that a decision-maker or an advisor may be present at those meetings or workshops. Parties shall check the Daily Calendar regularly for such notices.

IT IS RULED that:

1. The category of this investigation is ratesetting. Pursuant to Rule 7.6(a), the deadline to file an appeal has passed.
2. ALJ Semcer is designated as the Presiding Officer.
3. The scope of the issues for this investigation is as stated in "Section 4. Scope" of this ruling.
4. Hearings may be necessary in Phase 1 of this proceeding, but they have not been scheduled at this time. Hearings are anticipated in Phase 2.
5. Any party requesting a hearing in Phase 1 must file a motion by the date adopted by the Administrative Law Judge in a subsequent ruling updating the schedule and according to the parameters set forth in "Section 7. Hearing" of this ruling.
6. Southern California Gas Company must develop a non-disclosure agreement by July 7, 2017 and make that NDA available to non-market participants. SoCalGas must maintain a list of all parties with whom NDAs have been executed. SoCalGas must serve a list of executed NDAs on the service list of this proceeding within 10 days after execution.
7. The schedule for the proceeding is set in "Section 14. Schedule" of this ruling. The assigned Commissioner or ALJ may adjust this schedule as necessary for efficient management and fair resolution of this proceeding.

8. With limited exceptions that are subject to reporting requirements, *ex parte* communications are prohibited. (See Public Utilities Code § 1701.1 *et seq.*; Article 8 of the Commission's Rules of Practice and Procedure.)

9. Parties shall adhere to the instructions provided in Appendix A of this ruling for submitting any supporting documents such as testimony and workshop reports (if workshop reports are ordered).

Dated June 20, 2017 at San Francisco, California.

/s/ LIANE M. RANDOLPH
Liane M. Randolph
Assigned Commissioner

/s/ MELISSA K. SEMCER
Melissa K. Semcer
Administrative Law Judge

APPENDIX A

1. Electronic Submission and Format of Supporting Documents

The Commission's web site now allows electronic submittal of supporting documents (such as testimony and work papers).

Parties shall submit their testimony or workpapers in this proceeding through the Commission's electronic filing system.⁸ Parties must adhere to the following:

- The Instructions for Using the "Supporting Documents" Feature, (<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&DocID=158653546>) and
- The Naming Convention for Electronic Submission of Supporting Documents (<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&DocID=100902765>).
- The Supporting Document feature does not change or replace the Commission's Rules of Practice and Procedure. Parties must continue to adhere to all rules and guidelines in the Commission's Rules of Practice and Procedures including but not limited to rules for participating in a formal proceeding, filing and serving formal documents and rules for written and oral communications with

⁸ These instructions are for submitting supporting documents such as testimony and work papers in formal proceedings through the Commission's electronic filing system. Parties must follow all other rules regarding serving testimony.

Any document that needs to be formally filed such as motions, briefs, comments, etc., should be submitted using Tabs 1 through 4 in the electronic filing screen.

Commissioners and advisors (i.e. “ex parte communications”) or other matters related to a proceeding.

- The Supporting Document feature is intended to be solely for the purpose of parties submitting electronic public copies of testimony, work papers and workshop reports (unless instructed otherwise by the Administrative Law Judge), and does not replace the requirement to serve documents to other parties in a proceeding.
- Unauthorized or improper use of the Supporting Document feature will result in the removal of the submitted document by the CPUC.
- Supporting Documents should not be construed as the formal files of the proceeding. The documents submitted through the Supporting Document feature are for information only and are not part of the formal file (i.e. “record”) unless accepted into the record by the Administrative Law Judge.

All documents submitted through the “Supporting Documents” Feature shall be in PDF/A format. The reasons for requiring PDF/A format are:

- Security - PDF/A prohibits the use of programming or links to external executable files. Therefore, it does not allow malicious codes in the document.
- Retention - The Commission is required by [Resolution](#) L-204, dated September 20, 1978, to retain documents in formal proceedings for 30 years. PDF/A is an independent standard and the Commission staff anticipates that programs will remain available in 30 years to read PDF/A.

- Accessibility – PDF/A requires text behind the PDF graphics so the files can be read by devices designed for those with limited sight. PDF/A is also searchable.

Until further notice, the “Supporting Documents” do not appear on the “Docket Card”. In order to find the supporting documents that are submitted electronically, go to:

- Online documents, choose: “[E-filed Documents](#)”,
- Select “Supporting Document” as the document type, (do not choose testimony)
- Type in the proceeding number and hit search.

Please refer all technical questions regarding submitting supporting documents to:

- Kale Williams (kale.williams@cpuc.ca.gov) 415 703- 3251 and
- Ryan Cayabyab (ryan.cayabyab@cpuc.ca.gov) 415 703-5999

(END OF APPENDIX A)