

ATTACHMENT A



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I.23-03-008 Gas Utility and
Independent Storage Provider
Preparations for Winter 2023-24

Workshop Report

February 22, 2024

Contents

INTRODUCTION	3
BACKGROUND	3
WORKSHOP	4
Panel One: Current Market Conditions, Winter Outlook, and Customer Communications.....	4
Assigned Commissioner Karen Douglas's Opening Remarks	4
SoCalGas	4
SDG&E	5
PG&E	6
Southwest Gas	8
The Public Advocates Office (Cal Advocates)	10
Summary of Q&A	11
Panel Two: Storage Readiness and Enhanced Communications Regarding Inventory Levels	11
SoCalGas	11
PG&E	13
Rockpoint Gas Storage Services (Wild Goose Gas Storage and Lodi Gas Storage)	14
Caliche Development Partners (Central Valley Gas Storage)	15
Summary of Q&A	15
Summary of General Comment Period	17
APPENDIX A	18

INTRODUCTION

The California Public Utilities Commission (CPUC)¹ Energy Division hosted a workshop on October 26, 2023, for Investigation (I.) 23-03-008, which is focused on the causes of high natural gas and electric prices during winter 2022-23 and mitigations for the future.² The purpose of the workshop was to discuss preparations that the gas utilities and independent gas storage providers are taking to mitigate the potential impacts should there be price volatility during winter 2023-24, as well as communication protocols to alert customers of potential bill impacts. The intended outcome was for participants and attendees to have situational awareness regarding the outlook for the upcoming winter, customer communication efforts, and whether there are any immediate actions that can be taken to help mitigate price volatility.

BACKGROUND

The winter of 2022-2023 witnessed an unprecedented surge in natural gas prices in California and the Western United States, beginning in late November. While prices experienced a slight decline in February 2023, they remained considerably elevated compared to the same period in the previous year. The surge in gas prices has sparked concerns among California ratepayers, prompting inquiries to the CPUC seeking explanation and relief from soaring gas bills. State authorities, including Governor Gavin Newsom³, have reached out to the Federal Energy Regulatory Commission (FERC), urging an investigation into potential market manipulation, anticompetitive practices, and/or other irregularities that may have contributed to the region's exorbitant prices.

A range of factors has been identified as drivers for the gas price spikes, including below-normal temperatures, heightened gas consumption, pipeline constraints, diminished gas flows, and depleted storage inventories in the West. The CPUC, recognizing the multifaceted nature of the issue, conducted an *en banc* hearing on February 7, 2023, to gather insights into the reasons behind the elevated gas prices.⁴ Information related to the *en banc* hearing, along with other pertinent material can be found on the following page: <https://www.cpuc.ca.gov/industries-and-topics/natural-gas/winter-2023-natural-gas-prices>

The Order Instituting Investigation (OII) serves to continue the CPUC's fact-finding mission and to evaluate potential relief measures.

¹ This report contains party positions and other statements about what occurred during winter 2022-23, but is not intended to state the position of the CPUC on the matters set forth herein.

² Recording of the workshop: https://www.youtube.com/watch?v=vsuOqwVD_TA.

³ Letter to FERC from the Office of the Governor, Feb. 6, 2023: [GSS_9534-1E-20230206122140 \(ca.gov\)](https://www.cpuc.ca.gov/industries-and-topics/natural-gas/winter-2023-natural-gas-prices).

⁴ Recording of the En Banc: https://www.adminmonitor.com/ca/cpuc/en_banc/20230207. En Banc Panelist Presentations: https://www.cpuc.ca.gov/-/media/cpuc-website/industries-and-topics/meeting-documents/20230207-en-banc/gaselectricpricesenbanc_masterdeck-2022-02-07.pdf.

WORKSHOP

Panel One: Current Market Conditions, Winter Outlook, and Customer Communications

Assigned Commissioner Karen Douglas's Opening Remarks

Commissioner Karen Douglas framed the workshop as an important opportunity to analyze what actions and preparations the utilities have taken to prepare for the upcoming winter season given the previous year's gas price spikes. She expressed particular interest in measures that have been taken to prevent the recurrence of such challenges. She also focused on the importance of utilities improving their communication methods with customers.

SoCalGas

Ray Sasaki, Director of Gas Acquisition, the department at the Southern California Gas Company (SoCalGas) that purchases gas for residential and small commercial customers, began the presentation with an overview of forward curves for the upcoming winter season (Figure 1).⁵



Figure 1. SoCal Citygate Forward Curve Average, Comparison of 2022, 2023, and Five-Year Average

Mr. Sasaki emphasized the balance between supply and demand, anticipating a more balanced market compared to the previous winter. Despite this, Mr. Sasaki acknowledged uncertainties contributing to elevated prices, such as global market conditions and an increased demand for power generation (Figure 2).

⁵ A forward curve is a market estimate of what the future spot market price will be for a particular month at a particular location based on current information about supply and demand.

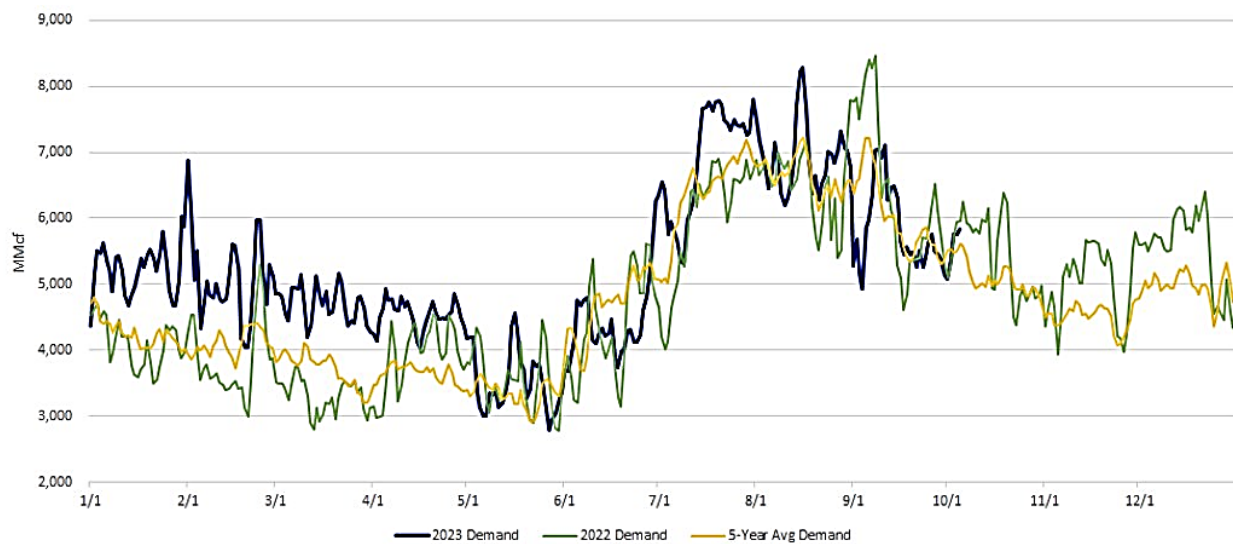


Figure 2. West and Rockies Gas Demand for Power Generation

Mr. Sasaki discussed the complexities of market conditions in the West, pointing out that global market prices are significantly lower than last year. He highlighted factors influencing the Western region, such as higher storage levels and increased supply availability. Additionally, he noted uncertainties related to demand, particularly in an El Niño year, which typically brings weather that is colder and wetter than average.

Despite the uncertainties, Mr. Sasaki concluded that the additional supply should support a less extreme pricing regime compared to the previous winter.

In the second portion of the presentation, Jennifer Walker, Vice President of Customer Services at SoCalGas, shared insights from a qualitative research study conducted on Winter 2022-23 communications protocols. The study identified key findings, including customers' interest in understanding payment options, practical tips for saving money on bills, and a preference for receiving information via email in advance. Ms. Walker outlined enhancements to communication strategies for the upcoming winter, emphasizing early engagement with customers. SoCalGas plans to promote energy-saving tools, share videos for energy-saving tips, and launch a new text notification system. Ms. Walker highlighted a commitment to providing assistance programs for customers struggling to pay their bills, ultimately aiming to increase winter preparedness through proactive communication.

SDG&E

Dana Golan, Vice President of Customer Service at San Diego Gas and Electric (SDG&E), discussed the company's winter outreach and communication strategies. She emphasized the importance of informing customers about gas pricing and market conditions, underscoring the need to ensure that customers are prepared to manage their energy bills. Ms. Golan highlighted the company's goal to over-communicate and build upon their robust customer education campaign from the previous year.

Ms. Golan detailed SDG&E's multifaceted winter campaign, which intends to help customers plan and better prepare for winter bills. Drawing from lessons learned in the previous winter, she emphasized the company's adaptability in responding to gas price spikes. Ms. Golan outlined

SDG&E's comprehensive communication plan, incorporating various channels such as digital advertisements, streaming, audio promotions, social media, and a texting channel to engage customers proactively. The campaign includes a call to action, encouraging customers to subscribe to text alerts and tailor their notification preferences.

The presentation highlighted SDG&E's continued efforts to improve customer communication, employing a range of tactics to engage diverse customer audiences. Ms. Golan concluded by reiterating the company's commitment to a robust winter campaign, aiming to assist customers in managing their energy bills while remaining ready and nimble when confronted with changing circumstances.

PG&E

Pete Koszalka, Director of Core Gas Supply at Pacific Gas and Electric (PG&E), presented insights on the current natural gas market conditions and an outlook on winter 2023-24. He provided insights into the company's gas procurement strategies and compared PG&E Citygate forward prices for the upcoming winter over the last three years. PG&E Citygate forward prices in 2021 and 2022 closely tracked Henry Hub futures. However, starting in October 2022, PG&E Citygate prices decoupled from Henry Hub prices due to supply and demand differentials (Figure 3).

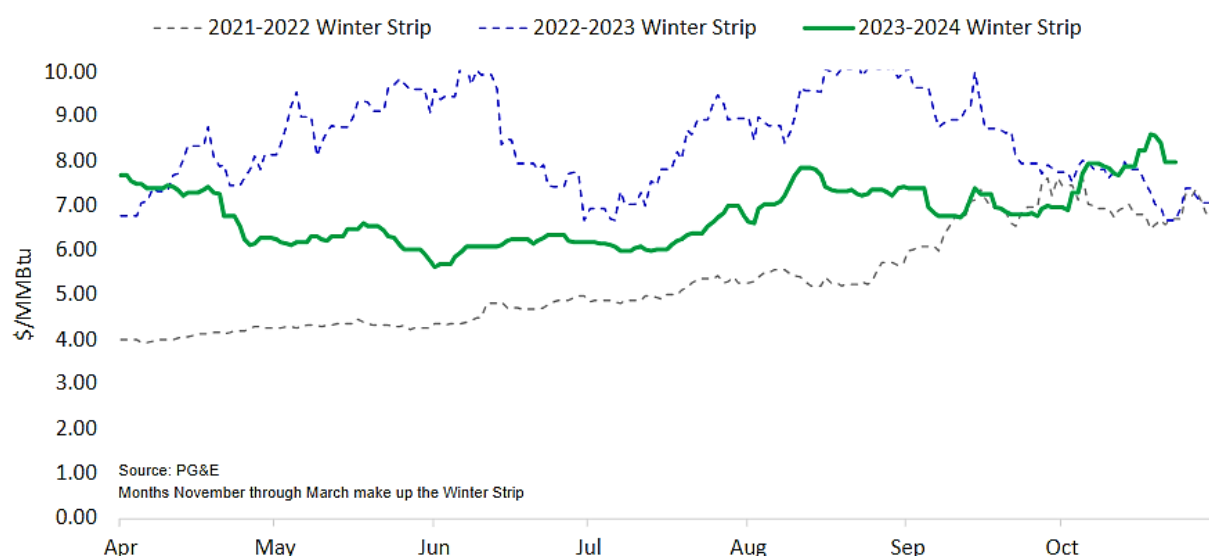


Figure 3. PG&E Citygate Forward Natural Gas Prices

Mr. Koszalka discussed the favorable storage inventories on the West Coast this year and explained that storage inventories are higher than the five-year average and much higher than the amount of gas in storage at this time last year. He compared the economic incentives for gas injection in storage between 2022 and the current year as shown in Figure 4 below. As shown in the figure, the spread between day ahead cash price (dark line) and the PG&E Citygate January forward price (blue line) determines whether there is an economic incentive to inject gas into storage. In 2022, there was little difference between the cash price during the injection season and the expectation of what the price would be in January, as indicated by the forward price. This made it seem like there wasn't much to gain by injecting gas into storage, so nonutility customers injected less than usual. This year, the difference between the spot prices and the forward prices, as indicated by the green shaded area, is much greater, which means there has been an economic incentive to inject gas into storage.

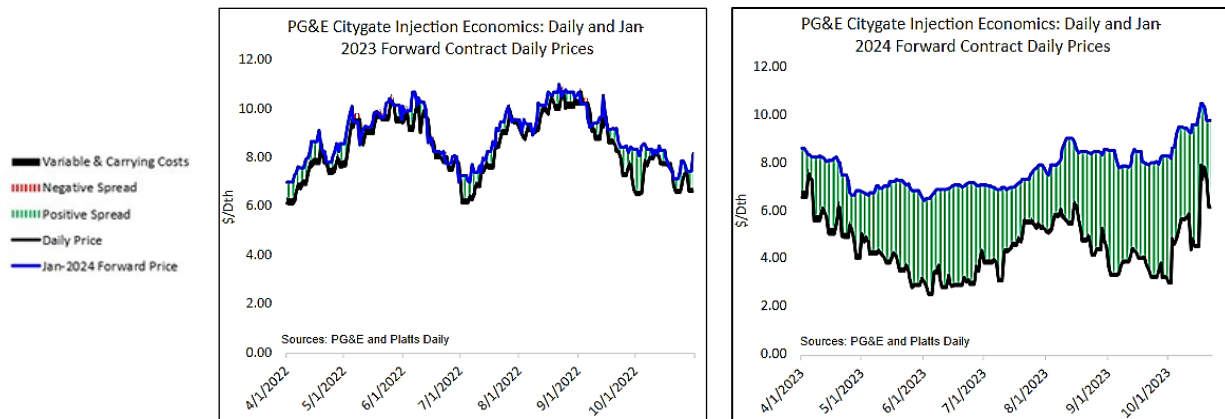


Figure 4. Gas Storage Economics

Additionally, Mr. Koszalka noted that the weather forecast for winter 2023-24 predicts milder weather than last year (Figure 6). He also discussed the potential impacts from drought conditions in the Pacific Northwest. Last year, both California and the Northwest saw extreme drought. While California is not experiencing a drought this year, it continues in the Pacific Northwest, which has impacted electric generation imports (Figure 5).

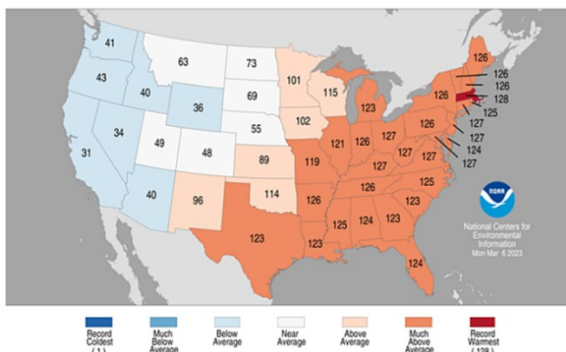


Figure 5. Statewide Average Temperature Ranks (December 2022 – February 2023)

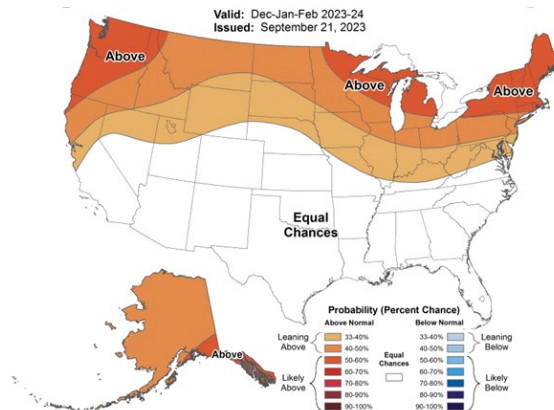


Figure 6. Seasonal Temperature Outlook

Kristi Wilkins, Senior Director of Solutions Markets and Advertising for PG&E, presented next on communication strategies that PG&E has been developing in response to the natural gas price surge last winter in case another event of similar scale were to occur. She emphasized that the company would leverage various forms of media including print, radio, television, and social media with coverage in approximately 12 languages to inform their customers. Wilkins highlighted the past success of the communications teams in coordinating live segments with local media to provide consistent and timely information during price fluctuations. Additionally, she outlined plans to improve coordination with community-based organizations and to leverage digital tools to inform consumers and help them better manage their bills. The presentation concluded with discussions on website enhancements, the incorporation of high natural gas price notifications into bill forecasts, and outreach efforts using mobile customer units.

Southwest Gas

Steve Williams, Director of Resource Planning and Analysis at Southwest Gas, provided an overview of market fundamentals, focusing on supply points that serve California (Figure 7).

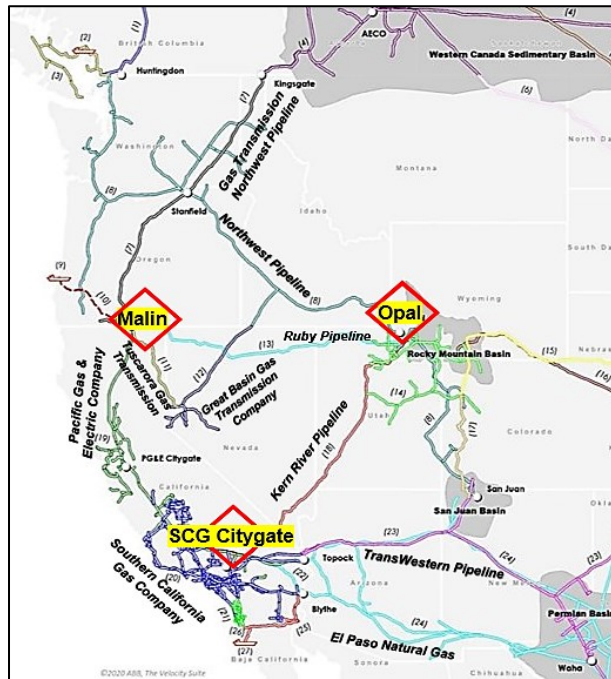


Figure 7. California Market Supply Points and Storage

Mr. Williams discussed forecasted and actual temperatures, noting the discrepancy between the forecast and the actual temperatures in December through February of winter 2022-23 and emphasizing the significant deviation from normal conditions (Figure 8). As an example of these deviations, Mr. Williams stated that California saw a 24 percent increase in Heating Degree Days (HDDs) compared to a typical normal weather year.

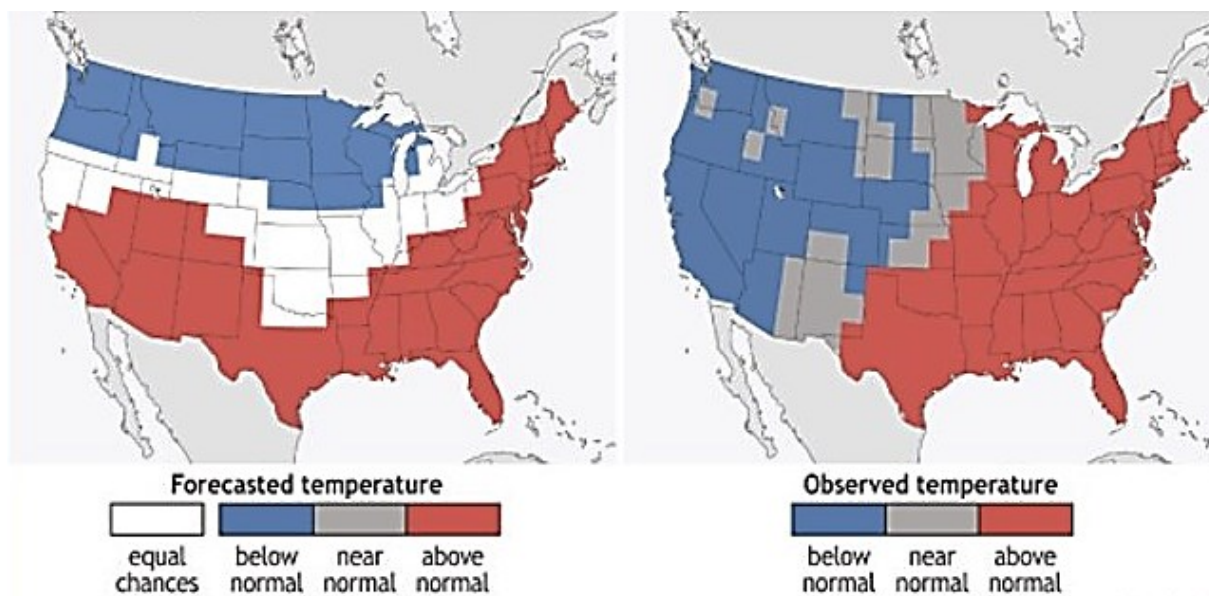


Figure 8. Forecasted Temperature Versus Actual, December 2022 – February 2023

Additionally, Mr. Williams addressed storage inventory levels, which show that there is more gas in storage this year compared to the previous year and the five-year average (Figure 9) (Figure 10).

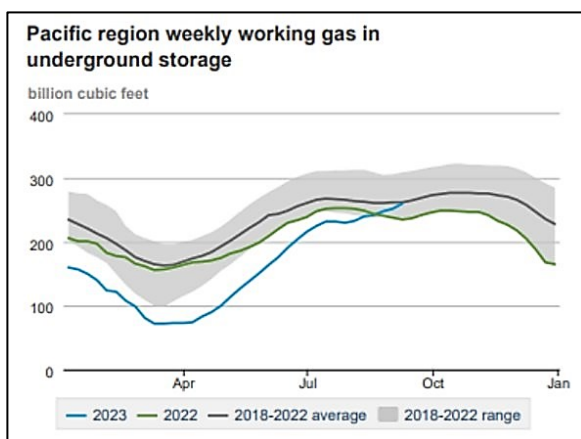


Figure 9. Pacific Region Weekly Working Gas in Underground Storage as of September 8th 2023

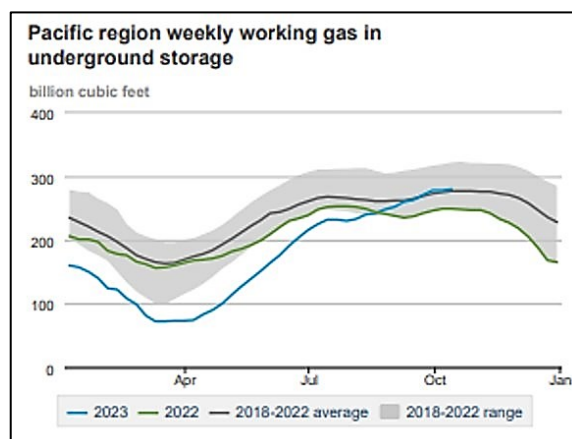


Figure 10. Pacific Region Weekly Working Gas in Underground Storage as of October 13th 2023

Mr. Williams then discussed the El Paso pipeline system's rupture in 2021, noting that it caused a substantial reduction in supply to the Western market until mid-February 2023. He stated that there are no indications of long-term interstate pipeline interruptions affecting supply procurement for the upcoming winter.

The presentation concluded with an analysis of November through March first-of-the-month winter strip forward prices that were settled between September 1 and the third week in October of both 2022 and 2023. Based on this trading period, the 2023 forward prices were 13 percent lower than the

previous winter (Figure 11). Despite an uptick in October 2023, Mr. Williams stated that the monthly forward prices were not indicating a repeat of last year's high prices.

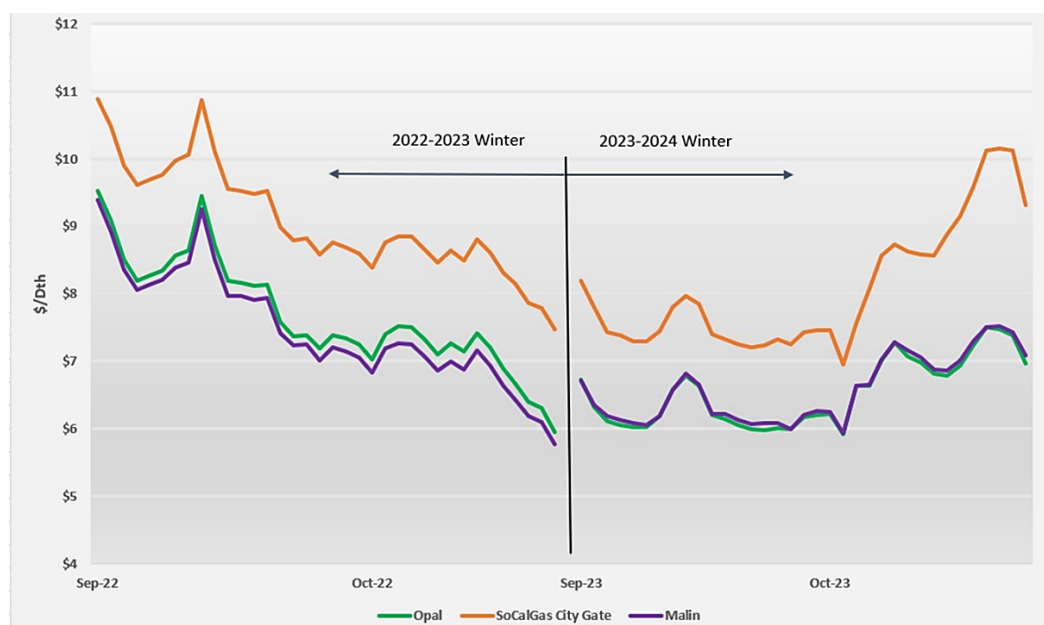


Figure 11. November Through March First of the Month Average Forward Prices

Sean Corbett, Manager of Corporate Relations, then detailed Southwest Gas's winter communication plans. The company will prioritize proactive communication with customers, particularly those in mountainous and cold regions, providing safety and energy conservation tips. Mr. Corbett discussed the communication mix, which will rely on owned, earned, and paid channels, with a focus on web-based communications. He emphasized the importance of making high bill information easily accessible and understandable for customers.

Mr. Corbett outlined triggers for enhanced communication, including short-term increases in natural gas costs, seasonal events, and extreme weather conditions. He provided examples of communication strategies, such as digital banner ads, paid search, and social media campaigns. Mr. Corbett concluded the presentation by underlining Southwest Gas's commitment to helping customers understand complex billing processes, consolidation of information on their website, and initiating proactive winter outreach campaigns earlier based on operational feedback.

The Public Advocates Office (Cal Advocates)

Robert M. Pocta, Program Manager for Cal Advocates, provided a brief overview of the natural gas landscape, focusing on both the positive and negative aspects. He highlighted the surplus in U.S. gas storage, particularly in California, which is at higher inventory levels compared to the previous year. This surplus is advantageous for utilities and customers who can withdraw gas optimally during the winter. He also noted the absence of major interstate pipeline interruptions, contributing to the overall positive outlook.

However, Mr. Pocta acknowledged challenges, including stronger prices at the California border compared to Henry Hub prices. Despite reasonably priced winter strips, the persistence of higher prices in California poses a concern. Lastly, he emphasized the unpredictable nature of weather conditions, labeling it the "great equalizer." He noted the recent temperature fluctuations in Northern California, emphasizing the inherent uncertainty associated with weather patterns.

Summary of Q&A

Commissioner Douglas directed the first question to both SoCalGas and PG&E regarding the discrepancy between elevated forward prices and underlying conditions that are better than last year. She also asked SoCalGas to discuss why forward prices remained high even after restrictions on Aliso Canyon had been lifted. Ray Sasaki stated that even though conditions are much better balanced for the upcoming winter compared to the previous winter, there is a lower tolerance in the market for an imbalance between supply and demand, which could put upward pressure on prices.

Pete Koszalka added that the ongoing drought in the Pacific Northwest is having a large impact on gas demand, particularly in Northern California as there is a reduction in electric generation exports from the region. He further stated that markets do not like uncertainty, and the unknown variable is weather. With a tight supply-demand balance, small events can trigger large price movements. There is very high volatility and high premiums for financial options in Western supply basins, which indicates nervousness about the coming winter. Suppliers are also demanding high premiums on top of the index price for sales of gas during bid-week, which is an indication that they believe we're in for some volatility this winter. There's even some reluctance to sell gas on a forward basis because suppliers want to be able to take advantage of that volatility. So elevated forward prices are partially about fundamentals related to supply and demand throughout the Northwest and partially due to market perceptions about the potential for a volatile price environment this winter.

Next, an attendee asked the utilities whether information about conservation tips would include estimates on what a typical bill would look like if people applied the tips both on a normal year and a year like last winter. Sean Corbett with Southwest Gas responded first, indicating that the idea is a good one. Next, Dana Golan with SDG&E stated that the utility incorporated automatic energy alerts last winter, which were tailored for customer usage and included forecasts of how usage would impact bills.

The last question was about whether the utilities use specific conditions as triggers for customer bill alerts and if not, whether the CPUC should require this practice going forward. Kristi Wilkins with PG&E indicated that PG&E's Energy Alerts program allows customers to set their own triggers.

Panel Two: Storage Readiness and Enhanced Communications Regarding Inventory Levels

SoCalGas

In the presentation by Rodger Schwecke, the focus was on system preparedness for winter 2023-24, particularly from an operational standpoint. Mr. Schwecke discussed three key issues: pipeline capacity, storage inventory levels, and SoCalGas' overall readiness to meet demand in Southern California. He outlined the seven receipt points that interconnect the SoCalGas system with intrastate, interstate, and international pipelines critical for gas supply. He also highlighted the various types of information that can be found on the SoCalGas Envoy website, including forecasted send-out, available receipt point capacity, storage capacity, and Unbundled Storage Program contract information.

Mr. Schwecke then provided a timeline of significant events in 2023 impacting supply availability, including the restoration of important pipelines, the interim increase in the Aliso Canyon gas storage limit, elimination of the Aliso Canyon Withdrawal Protocol, and the resumption of the Unbundled Storage Program (Figure 12).

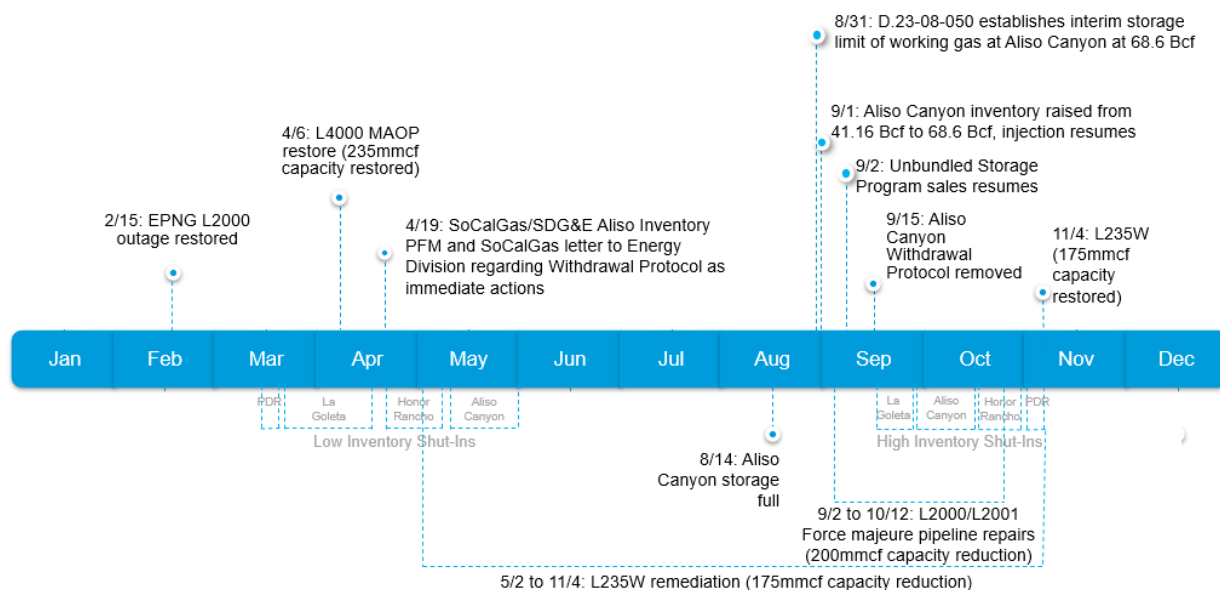


Figure 12. 2023 Timeline of Significant Events

Notably, he highlighted the significance of the Aliso Canyon facility for gas injection and withdrawal capacity. He discussed the increase in available pipeline capacity over the last several years on the SoCalGas system, emphasizing that there is a difference between the capacity made available by the SoCalGas system operator and its utilization, the latter of which is decided by customers. Mr. Schwecke also addressed storage inventory levels, indicating that they were currently at a seven-year high, positioning them well to meet peak winter demand (Figure 13). Mr. Schwecke also noted that the projected withdrawal capacity for the upcoming winter is also high.

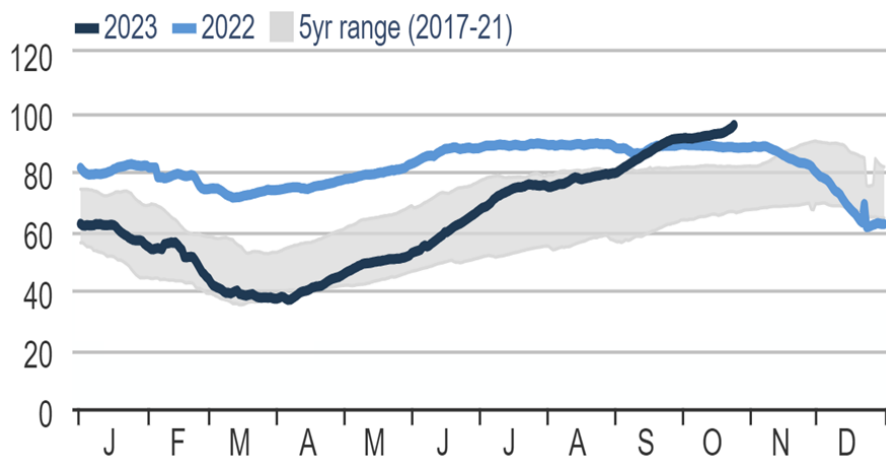


Figure 13. Daily Natural Gas Inventory (Billion Cubic Feet)

Then, Mr. Schwecke discussed the Unbundled Storage Program which resumed on September 1, 2023. He stated that sales increased when the Aliso Canyon Withdrawal Protocol was removed on **September 15, 2023**. He attributed the increase in sales after the removal of the Withdrawal Protocol to customer ability to access the gas they've stored and better plan their use of storage. Mr. Schwecke concluded his presentation by sharing a winter weather outlook chart. He stated that the forecast appears mild but cautioned that weather forecasts can be wrong.

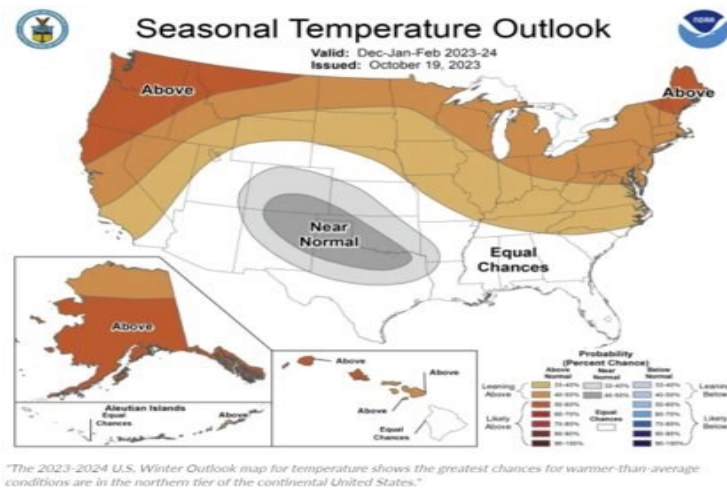


Figure 14: Winter Temperature Outlook

PG&E

In her presentation, Lucy Redmond, Director of Gas Facilities and Storage Engineering at PG&E, provided insights into two key areas related to gas storage. Firstly, she discussed the current storage levels, emphasizing that Northern California is better situated for the upcoming winter in comparison to the previous year, as shown in Figure 15.

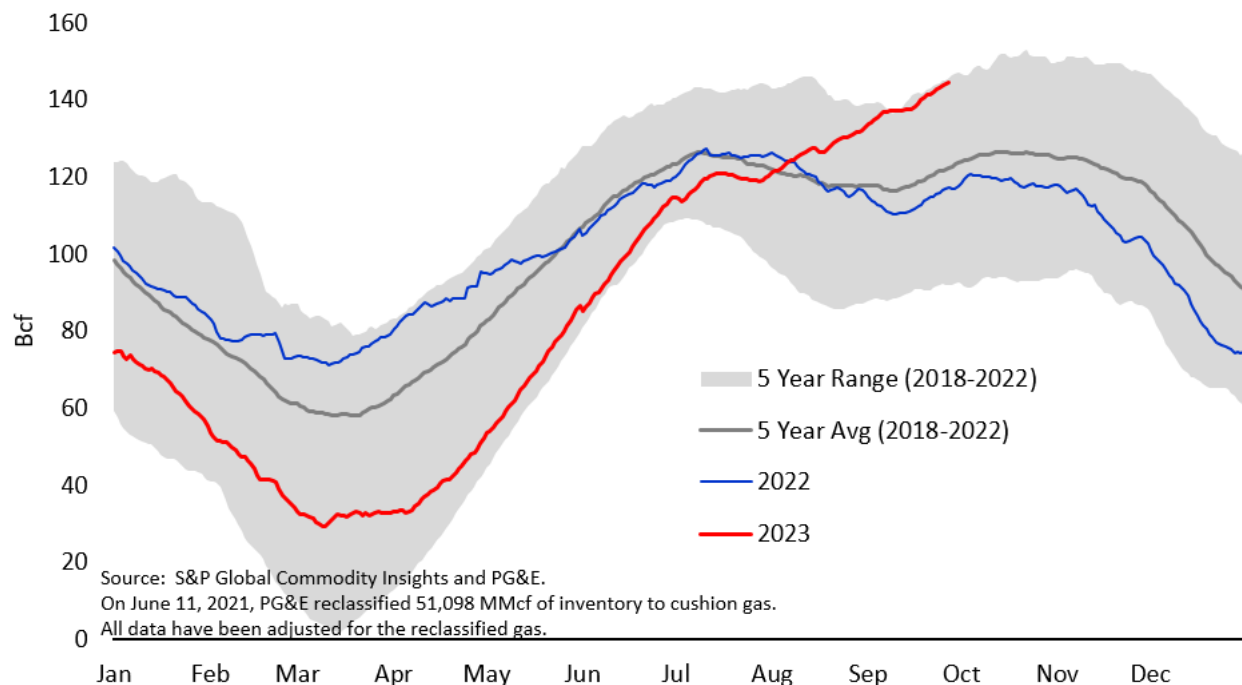


Figure 15. PG&E Service Area (PG&E and Independent Storage Providers)

The inventory at both PG&E's storage fields and those of the four independent storage providers are essentially at the maximum of the five-year range. This represents a better position compared to the middle of the range inventory observed at the same time last year.

Ms. Redmond then shifted the focus of the presentation to the enhanced communication tools available on PG&E's Pipe Ranger website concerning system storage inventory levels and various

components of the storage portfolio. She highlighted the implementation of the Natural Gas Storage Strategy, which went into effect in April 2020, and includes core firm storage services, inventory management services, and reserve capacity to ensure operational flexibility and system reliability. Ms. Redmond detailed the obligations associated with each service, emphasizing that they collectively create a requirement that PG&E maintain a withdrawal capacity of 857 million cubic feet per day (MMcfd) for winter.

In terms of communication transparency, Ms. Redmond pointed to the Pipe Ranger website as a public platform offering comprehensive daily data on injection and withdrawal activities, working gas inventory, system status, and forecasted information.

Rockpoint Gas Storage Services (Wild Goose Gas Storage and Lodi Gas Storage)

Jason Dubchak, the Vice President, General Counsel, and Corporate Secretary for Rockpoint Gas Services, which owns Wild Goose Gas Storage and Lodi Gas Storage, emphasized the company's experience operating six natural gas storage facilities across Canada and the United States. He highlighted the connectivity of these facilities to market and supply centers (Figure 16).

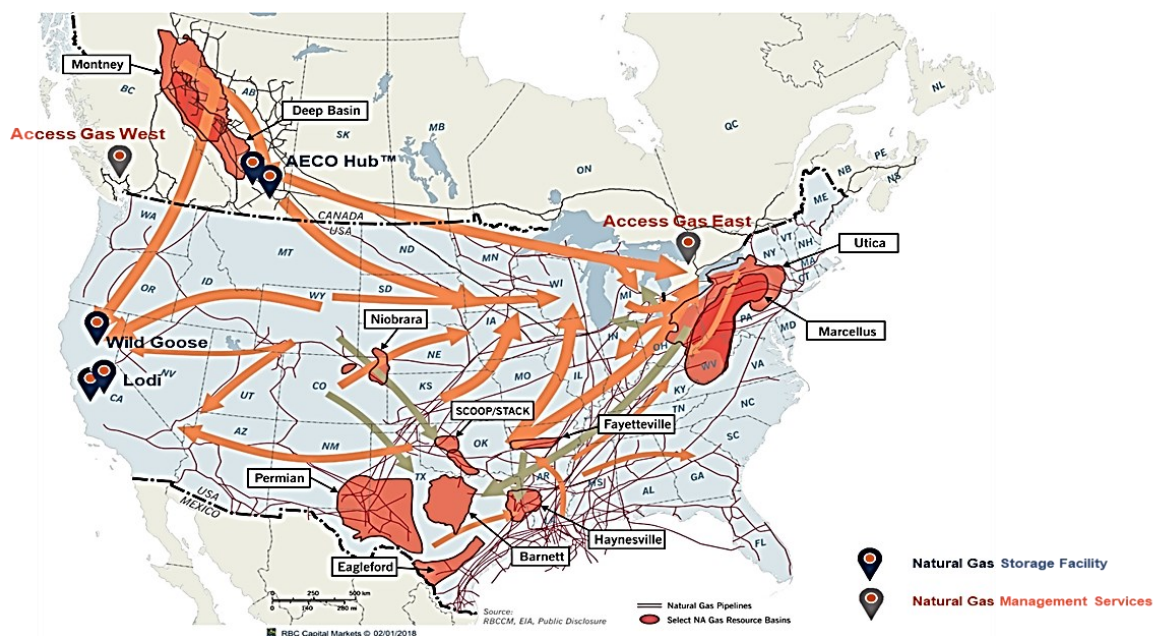


Figure 16. Rockpoint Connectivity

Mr. Dubchak then emphasized the differences between independent storage providers and investor-owned utilities (IOUs). He indicated that Independent Service Providers (ISPs) do not have “captive” ratepayers and therefore must charge market-based rates, which is a different model than that of IOUs. He underlined the transparency in their transactions, stating that copies of their contracts are provided monthly, both confidentially and non-confidentially, to the California Public Utilities Commission. Dubchak raised concerns about market distortions if ISPs publicly disclose inventory levels, cautioning that such transparency might inadvertently influence market prices. He also stressed the need for caution to avoid unintended consequences in market dynamics.

Furthermore, Dubchak addressed the lack of a ratebase for ISPs, contrasting them with the gas IOUs. He pointed out that ISPs don't have the same risk-free returns. Dubchak suggested that if utilities like PG&E have concerns about market prices, they should consider contracting more to secure their supply.

Caliche Development Partners (Central Valley Gas Storage)

Dave Marchese, CEO of Caliche Development Partners, which is an underground gas storage company located in Texas, with an office in Fairfield, California, highlighted its subsidiary's (Central Valley Gas Storage, LLC) 11 Bcf of working gas storage asset in Princeton, California. He also mentioned that the company continues to look for ways to lower its methane emissions.

Mr. Marchese then discussed the difference between “base gas” and “working gas,” indicating that the former is inventory that cannot be pulled out for use while the latter can be. He noted that inventory levels will change the deliverability of the gas, since withdrawal capacity declines when inventory and field pressure decline. There may be a point where pressure is so low that working gas becomes base gas, which cannot be pulled out for use. Inversely, higher inventory levels lead to higher pressures, and thus more deliverability. He then noted that last winter, customers contracted for 100 percent of Central Valley Gas Storage’s working gas in storage, and the storage field had the deliverability customers needed to access stored gas.

Furthermore, Mr. Marchese delved into the company’s reporting relationships, outlining the comprehensive reports submitted to state and federal regulators, including the CPUC, Cal Advocates, the California Geologic Energy Management Division (CalGEM), the Federal Energy Regulatory Commission (FERC), the Pipeline and Hazardous Materials Safety Administration (PHMSA), and the U.S. Energy Information Administration (EIA). He noted the company’s market-based rate status, emphasizing the importance of informing the market of how much storage is available for purchase.

Summary of Q&A

Commissioner Douglas directed the first question to SoCalGas, focusing on the unbundled storage program’s low purchase activity and prospects for increased sales. Rodger Schwecke of SoCalGas emphasized that market dynamics and gas prices are key factors influencing storage sales. He indicated that demand for storage varies year over year depending on the summer-winter price differential.

Commissioner Douglas directed the next question to PG&E, asking whether the market would benefit from seeing more granular information on the PG&E Pipe Ranger website regarding how much gas in storage is considered base versus working gas. Lucy Redmond from PG&E acknowledged the proposal, expressing a willingness to improve transparency.

Commissioner Douglas then asked Rockpoint whether it would be beneficial if ISPs increased transparency around how much storage capacity there is for purchase. Rockpoint indicated that there is a clear difference between the utilities and the ISPs in that the latter cannot recoup costs or losses from a ratebase. He then stated that publicly providing exactly how much capacity is available can tip the market and hurt or help the ISP.

Next, Tyson Siegle of Clean Energy Strategies on behalf of Sierra Club asked SoCalGas why Line 235’s return-to-service date is listed as TBD on its Envoy website and whether the website is inaccurate. Rodger Schwecke with SoCalGas stated that Envoy is not inaccurate because they do not have a specific return-to service date, but it is his expectation that the line will be back in service before the winter. Mr. Siegle further asked SoCalGas why extra capacity is beneficial if the utility still held 36.9 Bcf of storage capacity on March 31, 2023, the end of the 2022-23 withdrawal season. How does additional storage helps if it is withheld from customers? Rodger Schwecke indicated that, from the operational side, the capacity was not withheld and was available to be utilized. He stated that the lack of use may have been due to market dynamics.

Jean Spencer of the CPUC's Energy Division asked PG&E to discuss its park and loan program and how that program impacts storage capacity. Lucy Redmond with PG&E stated that the economics for storage injections have been favorable this year. Higher utilization of its park and loan program has helped provide pressure support for withdrawal needs. She further stated that this additional pressure support is critical in helping PG&E meet customer withdrawal needs through the end of the winter season due to pressure loss associated with CalGEM-required well changes.

Then, Mr. Siegele asked SoCalGas why SoCalGas' presentation focused on temperatures for the weather outlook as opposed to the composite weighted average temperature. He indicated that composite weighted average temperature data from SoCalGas' Envoy website shows it was colder in 2015-16 and 2016-17 winters than in winter 2022-23. In response, Rodger Schwecke stated that the utility uses composite weighted average temperature on its website as a data point because weather can be dramatically different in various parts of its territory. He added that Heating Degree Days (HDDs) are a more standard measurement, and that last winter's HDDs in the SoCalGas service territory were the highest in 40 years.

SoCalGas' Ray Sasaki was also asked to respond to an earlier question from Tyson Siegele regarding storage inventory levels on March 31, 2023. He stated that from a core customer perspective, inventory levels were the lowest in the last five years. Additionally, he stated that November was one of the coldest Novembers for the West which was followed by a cold December. Storage was used and drawn down earlier in the winter as a result. Additionally, there were concerns about how to refill storage and there were some injections made in March.

Next, Jean Spencer of Energy Division asked Rockpoint whether there are enough ISP suppliers to ensure robust competition given that Wild Goose is a large storage field and is owned by the same company that owns the Lodi-Kirby Hills facility. Jason Dubchak with Rockpoint stated that Northern California is one of the best supplied gas storage territories in the nation. Additionally, he stated that Lodi and Wild Goose are separately maintained, and there are four different ISPs in Northern California. He also indicated that bids are usually competitive, and several factors are considered and then approved by the CPUC.

Next Eileen Hlavka with the CPUC's Energy Division asked the panelists whether there are specific benefits to having ISP suppliers in PG&E's territory, for example, as opposed to the storage model in Southern California, which is limited to storage owned by SoCalGas. Dave Marchese with Caliche stated that a benefit of having ISPs is that the ISPs that have facilities in different parts of the country can bring best practices to California. Then, Jason Dubchak with Rockpoint stated that Rockpoint owns a gas plant facility in Oklahoma, and during Winter Storm Uri the company brought four senior workers from elsewhere to Oklahoma to ensure their plant kept running and was able to serve customers during the storm. Pete Koszalka with PG&E also responded and stated that there is a difference between utilities versus ISPs as the former charges cost-based rates and the latter charges market-based rates. If there is market volatility, it is typically reflected in the rates charged by ISPs, which affect the contract prices paid by core customers. Rodger Schwecke with SoCalGas stated that even though the utility only has storage fields in California, they do work with other organizations in the underground storage community to share best practices. Additionally, he stated that during the last several years, SoCalGas' storage capacity was allocated to core at cost. Last, Dave Marchese with Caliche stated that ISP costs are reflective of investments in underground storage and calculated on the risk of assuming market-based rates.

Next, Rob Nikolewski with the San Diego Tribune asked Rodger Schwecke whether he has a message for SDG&E customers that may be worried about rate increases like last winter. Mr. Schwecke noted that, from an operational standpoint, the utility is better situated than it was last year. However, weather is an unknown variable.

The last question was from Tyson Siegle who asked what utilities have done to educate customers about IOU dollars available for electrification. Kristi Wilkins with PG&E indicated that the utility does communicate with customers about electrification, as well as promote it in digital newsletters and energy action guides.

Summary of General Comment Period

The panel discussions were followed by a public comment period. The first comment by Rebecca⁶—a representative for NRG, a Core Transport Agent—indicated that consumers can shop for fixed rate gas supply options via Core Transport Agents (CTAs). A fixed rate option eliminates customers' exposure to gas price volatility. She added that the public is not aware of these options. To increase public awareness of Core Transport Agent options, the commenter asked whether the CPUC intends to improve its Core Transport Agent website, which includes a comparison of pricing options. Rebecca suggested that the CPUC use as an example the website it has for electric ratepayers or to look the websites provided by Pennsylvania and Maryland. In response, Jean Spencer of Energy Division indicated that at this time there is no funding available to create a more advanced website. Additionally, she noted that the pricing information posted on the CPUC website is provided by the CTAs, who tend to have complex rates. She stated that while there is an interest at the CPUC in simplifying the website, there is also a need to make it clear to consumers if a CTA has an introductory rate that will rise after two months or if there is a fee for quitting the service early. She indicated that the CPUC is looking into what it can do to improve the website with the resources available.

Eileen Hlava asked the last question during the General Comment Period regarding SDG&E's program to distribute warming items in partnership with local food banks and whether there are other programs to ensure customers stay warm during cold weather events. Kristi Wilkins with PG&E indicated that the utility works with local food banks and community-based organizations (CBOs) to extend outreach to customers. With regard to the distribution of warming items, she was not able to point to an existing PG&E program. Jennifer Walker of SoCalGas responded and indicated that she is not aware of efforts to distribute warming items, but the utility does work with local CBOs and other city agencies to participate in volunteer events.

⁶ The participant did not provide their last name or affiliation.

APPENDIX A



I.23-03-008 Workshop: Gas Utility and Independent Storage Provider Preparations for Winter 2023-24

October 26, 2023 | 9:00 a.m. – 12:00 p.m. | Remote participation only
Remote Participation Link

<https://cpuc.webex.com/cpuc/j.php?MTID=mb7063f74c9bff759b0e8a0dcf82c432b>

Meeting Password: Gasworkshop

Toll Free Call-in: 1-855-282-6330

Meeting Access Code: 2481 723 7220

Workshop Purpose: The purpose of the workshop is to discuss actions and preparations that the gas utility and independent gas storage providers are taking to identify and mitigate the potential impact should there be price volatility during winter 2023-24 as well as communication protocols to alert customers of potential bill impacts.

Intended Outcome: Participants and attendees will have situational awareness regarding the outlook for the upcoming winter, customer communication efforts, and whether there are any immediate actions that can be taken to help mitigate price volatility. Energy Division staff will publish a report summarizing the discussions held at the workshop.

WORKSHOP AGENDA

9:00 – 9:15

Welcome and Housekeeping

ALJ Brian Stevens

Commissioner Karen Douglas

Energy Division Staff

9:15 – 9:50

Current Market Conditions, Winter Outlook, and Customer Communications

This panel will assess current market conditions and discuss the outlook for the upcoming winter compared to winter 2022-23, including forward price trends, weather forecasts and interstate and intrastate pipeline capacity availability. The panelists will also discuss methods of communication to alert customers if there are potential gas price spikes during winter 2023-24. Utility panelists will share lessons learned from last winter's communications protocols, including what they plan to implement to increase, improve, or customize going into winter 2023-24. Ratepayer advocacy group will discuss customer concerns, what utilities did well, and what can be improved upon.

Ray Sasaki, Director of Gas Acquisition, SoCalGas and SDG&E

Jennifer Walker, VP of Customer Services, SoCalGas
Dana Golan, VP of Customer Services, SDG&E
Pete Koszalka, Director of Core Gas Supply, PG&E
Kristi Wilkins, Senior Director, Solutions Markets & Advertising, PG&E
Steve Williams, Director, Resource Planning and Analysis, Southwest Gas
Sean Corbett, Manager, Corporate Relations, Southwest Gas
Mark Pocta, Program Manager, Cal Advocates

9:50 – 10:05 Q&A

10:05 – 10:15 Break

10:15 – 11:05 Storage Readiness and Enhanced Communications Regarding Inventory Levels

This panel will discuss California gas storage. The utilities and independent storage providers will address current storage levels, noncore customer access to unbundled storage (SoCalGas only), transparency and enhanced communications regarding the inventory at each gas storage facility, and the relationship of cushion gas (having a specified amount of gas in storage to support withdrawal deliverability) to working gas (gas that is withdrawn for customer end use purposes) (PG&E only).

Rodger Schwecke, SoCalGas
Lucy Redmond, Director, Gas Facilities and Storage Engineering, PG&E
Alfred Musgrove, Director, Gas Control, PG&E
Jason Dubchak, Vice President, General Counsel, and Corporate Secretary for Rockpoint Gas Services, Wild Goose Gas Storage and Lodi Gas Storage
Dave Marchese, Central Valley Gas Storage

11:05-11:35 Q&A

11:35-11:50 Comments (Open to All)

11:50-12:00 Closing Remarks
Energy Division staff
Commissioner Karen Douglas

Note: It is expected that one or more CPUC Commissioners may attend and participate in the workshop but no formal Commission action will be taken. One or more advisors to the CPUC Commissioners, as well as other decision-makers, may also be in attendance. The agenda will be publicly noticed on the CPUC’s Daily Calendar 10 days in advance, so statements made at the workshop will not constitute a reportable *ex parte* contact. This agenda is subject to change. The workshop will be recorded.

(END ATTACHMENT A)