Application:A.23-11-XXXWitness:Larry AndrewsChapter:1

PREPARED TESTIMONY OF LARRY ANDREWS ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY (NON-COVID-19 CEMA EVENTS OVERVIEW)

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA



November 3, 2023

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PREPARED TESTIMONY OF LARRY ANDREWS (NON-COVID-19 CEMA EVENTS OVERVIEW)

I. PURPOSE

The purpose of this testimony is to present the factual background of the wildfire and storm, or the non-COVID-19, catastrophic events (CEMA events) recorded in SoCalGas's Catastrophic Event Memorandum Account (CEMA) and included in this application as well as SoCalGas's response to each event. The factual background of and SoCalGas's response to COVID-19 is provided separately in the prepared testimony of Christopher Bissonnette, Bonnie Burns, Ralf Balzer, Orlando Carrasquillo, and Ernie Cervantes (Chapter 2). Further, the associated costs and accounting procedures of all CEMA events included in this application are provided in the prepared testimony of Leslie Hayles (Chapter 3).

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II. SOCALGAS'S CEMA INVOCATIONS

The California Public Utilities Commission (Commission) authorized the establishment of the CEMA under Resolution No. (Res.) E-3238, dated July 24, 1991, for each public utility defined in Section 216 of the Public Utilities Code (the utilities) to record the cost of "(a) restoring utility service to its customers; (b) repairing, replacing or restoring damaged utility facilities; and (c) complying with government agency orders in connection with events declared disasters by competent state or federal authority."¹ Pursuant to Ordering Paragraph (OP) 2 of Res. E-3238, the utilities "shall, if possible, inform the Executive Director by letter within 30 days after the catastrophic event if it has started booking costs in the Catastrophic Event Memorandum Account." The letter shall specify the declared disaster, date, time, location, service area affected, impact on the utility's facilities, and an estimate of the extraordinary costs expected to be incurred, with costs due to expenses and capital items shown separately.²

On April 5, 2017, SoCalGas notified the Commission's Executive Director by letter that it had invoked its CEMA for an atmospheric river storm (2017 winter storms) to record incremental costs it incurred to restore utility services to customers and repair, replace, and restore damaged utility facilities. A copy of the April 5, 2017, CEMA letter is attached to this testimony as Exhibit 1-1.

¹ Res. E-3238 at OP 1.

² Res. E-3238 at OP 2.

On January 4, 2018, SoCalGas notified the Commission's Executive Director by letter that it had invoked its CEMA for the Thomas Fire, the Creek and Rye Fires, and the Skirball Fire (the December 2017 fires) to record incremental costs it incurred to restore utility services to customers and repair, replace, and restore damaged utility facilities. A copy of the January 4, 2018, CEMA letter is attached to this testimony as Exhibit 1-2.

On January 24, 2018, a supplemental notice was provided to the Commission's Executive Director to clarify that the CEMA was tracking remediation, replacement, and repair costs of the continuing impacts of the December 2017 fires, including mudslides caused by rain and other weather conditions. A copy of the January 24, 2018, supplemental notice is attached to this testimony as Exhibit 1-3.

On December 10, 2018, SoCalGas notified the Commission's Executive Director by letter that it had invoked its CEMA for the Hill and Woolsey Fires to record incremental expenses it incurred to restore utility services to customers and repair, replace, and restore damaged utility facilities. A copy of the December 10, 2018, CEMA letter is attached to this testimony as Exhibit 1-4.

On March 25, 2019, SoCalGas notified the Commission's Executive Director by letter that it had invoked its CEMA in response to severe winter storms in January and February 2019 (2019 winter storms) to record incremental expenses it incurred to restore utility services to customers and repair, replace, and restore damaged utility facilities. A copy of the March 25, 2019, CEMA letter is attached to this testimony as Exhibit 1-5.

On November 12, 2019, SoCalGas notified the Commission's Executive Director by letter that it had invoked its CEMA for the Saddleridge, Eagle, Sandalwood, Reche, Wolf, Tick, Getty, and Easy fires to record incremental expenses it incurred to restore utility services to customers and repair, replace, and restore damaged utility facilities. A copy of the November 12, 2019, CEMA letter is attached to this testimony as Exhibit 1-6.

III. 2017 EVENTS

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A. Background of the 2017 Winter Storms

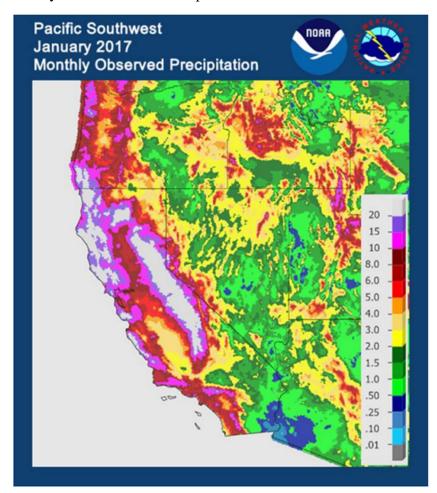
Beginning on January 3, 2017, and continuing into February, a storm system resulting from an atmospheric river swept across California bringing high winds and substantial precipitation, severely impacting several counties throughout the State. Due to the extreme

LA-2

1 drought conditions in California, the storm system caused dangerous flash flooding, erosion, and 2 substantial mud and debris flows as well as damage to roads and highways. Some of the biggest 3 concerns about the storm came from the communities hit by wildfires in 2016. Heavy rains 4 causing mudslides in burn areas led to evacuation orders for Glendora, Duarte, Silverado Canyon 5 in Orange County and parts of Santa Barbara County. A State of Emergency was proclaimed by Governor Brown on January 23, 2017.³ The proclamation was issued for several counties in 6 7 SoCalGas's service territory including Los Angeles, San Bernardino, Orange, Tulare, Kings, San 8 Luis Obispo, Kern, Santa Barbara, Ventura, and Fresno.



January 2017 Observed Precipitation



³ Office of Governor Edmund G. Brown Jr., "Governor Brown Declares State of Emergency in Counties Across California Following Severe Winter Storms" (January 23, 2017). Available at: <u>https://www.ca.gov/archive/gov39/2017/01/23/news19668/index.html</u>.

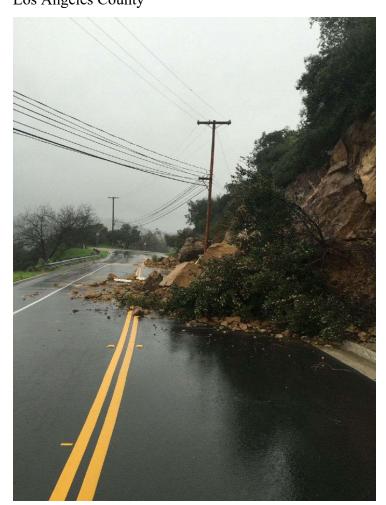
Storm Flooding on January 22, 2017, on the Southbound 110 Freeway Los Angeles County⁴



Record breaking rainfall occurred throughout the service territory. A record rainfall of 70.61 mm (2.78 inches) was set at the Los Angeles Airport on Sunday, January 22, 2017. This broke the old record of 49.27 mm (1.94 inches) set in 1983. Camarillo also broke its record with 70.86 mm (2.79 inches). The previous record was 26.92 mm (1.06 inches) set in 1997. In Orange County, many places received between 50.8 and 88.9 mm (2 and 3.5 inches) of rain within 6 hours. The strongest wind gusts were reported in Camp Nine 133.6 km/h (83 mph), Chilao 101.4 km/h (63 mph), Grass Mtn 99.8 km/h (62 mph), and Lake Palmdale 95 km/h (59 mph).

⁴ Christina House, "Newsletter: Today: California's Monster Storm, 'Alternative Facts' and the Women's March", Los Angeles Times (January 23, 2017). *Available at*: <u>https://www.latimes.com/newsletters/la-me-todays-headlines-20170123-story.html</u>.

Mulholland Closed Due to Rockslide at Summit Circle Los Angeles County⁵



B.

SoCalGas's Response to the 2017 Winter Storms

Due to the need for immediate repairs and emergency services, SoCalGas incurred extraordinary and substantial costs for pipeline exposures and storage field operations, which required pipe inspection, excavation, coating, drainage, repair work, and other road work, as well as standby time and emergency response.

Damage to portions of SoCalGas's distribution and transmission systems and storage facilities resulted from the multiple rainstorms experienced in January and February 2017. SoCalGas's pipelines and facilities sustained numerous mudslides, fallen trees, heavy flooding,

LA City Emergency Alerts, Photo: Mulholland closed due to rock slide at Summit Circle (January 22, 2017). Available at: https://twitter.com/notifyla/status/823346219636301824.

and severe road damage. The damage caused disruption to field operations by restricting road access to field equipment, such as piping, well sites, and processing plants. Emergency response was required to keep onsite personnel safe and continue with normal operations. Restoration efforts included the use of SoCalGas employees as well as contract crews working around the clock to inspect and repair pipeline exposure, backfill and culvert rainwater, and add soil over shallow pipe to protect assets from heavy equipment.

C. Background of the 2017 Wildfires (Thomas, Creek and Rye, and Skirball)

8 <u>Thomas Fire</u>

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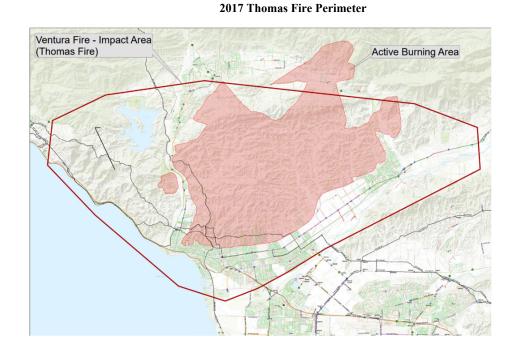
Structure Destroyed in Thomas Fire

Ventura County⁶



⁶ Hans Gutknecht, "These photos show how the Thomas fire in Ventura County has destroyed more than 150 structures", Whittier Daily News (December 5, 2017). *Available at:* <u>https://www.whittierdailynews.com/2017/12/05/photos-thomas-fire-rages-in-ventura-countydestroying-more-than-150-structures/amp/.</u>

The Thomas Fire began on December 4, 2017, and was extinguished on January 12, 2018. The fire burned terrain from the Los Padres National Forest in the Santa Ynez Mountains on the north to the Pacific coast on the south and in the western part of Ventura County to the eastern part of Santa Barbara County. The burn area covered approximately 281,893 acres, making the Thomas Fire the largest known historic California wildfire. According to a CNN web article, "On December 23, 2017, the fire officially became the largest since the California Department of Forestry and Fire Protection – also known as Cal Fire – began compiling its list in 1932."⁷ The blaze consumed more than 1,000 structures throughout Southern California before it became 100% contained. It also led to devastating mudslides in Montecito that killed 17 people and destroyed dozens of homes. The fire, fueled by strong Santa Ana winds and dry conditions, devastated portions of Ventura and Santa Barbara counties. Governor Brown proclaimed a State of Emergency for Ventura County due to the Thomas Fire on December 5, 2017, and for Santa Barbara County on December 7, 2017.⁸



⁷ Dakin Andone, "The largest wildfire in California's modern history is finally out, more than 6 months after it started", CNN (June 2, 2018). *Available at*: <u>https://www.cnn.com/2018/06/02/us/thomas-fire-officially-out/index.html</u>.

⁸ Office of Governor Edmund. G. Brown Jr., "Governor Brown Declares State of Emergency in Santa Barbara County, Requests Presidential Emergency Declaration for Southern California Fires" (December 7, 2017). Available at: https://www.ca.gov/archive/gov39/2017/12/07/news20090/index.html.

1 Creek and Rye Fires

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Structure Damage – Creek Fire⁹



The Creek Fire began on December 5, 2017, and burned in Kagel Canyon and the Angeles National Forest north of Sylmar, a neighborhood in Los Angeles. It burned 15,619 acres and destroyed 123 structures, including 60 homes, before being fully contained on August 6, 2018. The fire threatened the communities of Santa Clarita, Glendale, Olive View, Lake View Terrace, Sunland-Tujunga, Shadow Hills, Sylmar, Pacoima, Lopez Canyon, and Kagel Canyon, as well as the University of California, Los Angeles's (UCLA) Olive View– UCLA Medical Center. During the wildfire, 115,000 residents were forced to evacuate their homes.

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⁹ Wes Woods II, "Creek fire above Sylmar remains at 98 percent containment", San Bernardino Sun (December 12, 2017). *Available* at: <u>https://www.sbsun.com/2017/12/12/creek-fire-above-sylmar-remains-at-98-containment/amp/</u>.

Rye Fire - Santa Clarita¹⁰



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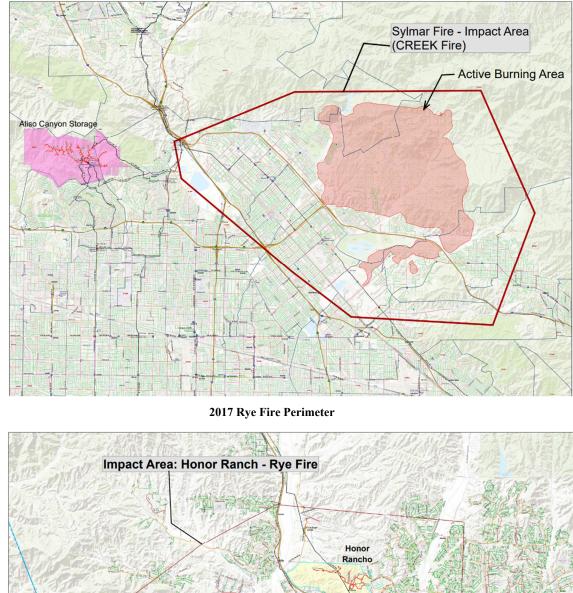
The Rye Fire, which also began on December 5, 2017, burned in Santa Clarita and threatened over 5,000 structures, including the Six Flags Magic Mountain theme park, and impacted traffic on Interstate 5. It burned a total of 6,049 acres before it was fully contained on December 12, 2017. The fire destroyed six buildings, including minor structures located at the Peter J. Pitchess Detention Center.

Governor Brown proclaimed a State of Emergency for Los Angeles County due to the effects of the Creek and Rye Fires on December 5, 2017.¹¹

¹⁰ Beatriz Valenzuela, "Rye Fire leads to Santa Clarita road closures, evacuations", Daily News (December 5, 2017). Available at: <u>https://www.dailynews.com/2017/12/05/rye-fire-leads-to-santaclarita-road-closures-evacuations/amp/</u>.

¹¹ Office of Governor Edmund G. Brown Jr., "Governor Brown Declares State of Emergency in Los Angeles County Due to Creek and Rye Fires" (December 5, 2017). *Available at*: <u>https://www.ca.gov/archive/gov39/2017/12/05/news20085/index.html</u>.

2017 Creek Fire Perimeter



Impact Area: Honor Ra

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1 Skirball Fire



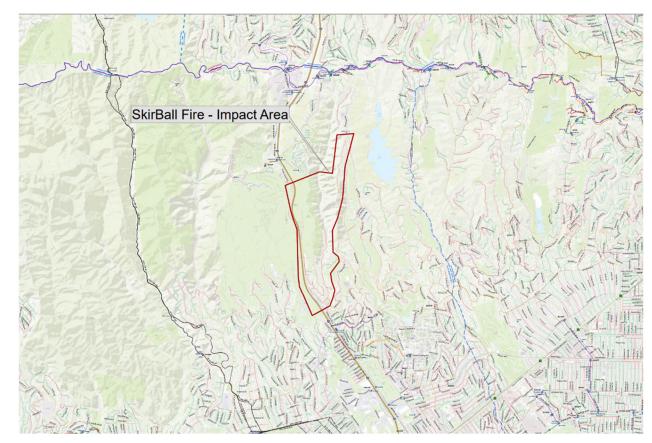
Home Structure Damage - Skirball Fire in Los Angeles¹²



The Skirball Fire began on December 6, 2017, and burned in the Bel Air neighborhood of Los Angeles. The fire burned 422 acres on the slopes of the Sepulveda Pass on its east or Bel Air side, causing the closure of Interstate 405 (as well as the parallel Sepulveda Boulevard), a major traffic artery in the city. The Skirball Cultural Center, Bel-Air Country Club, Getty Center, Santa Monica-Malibu Unified School District, and various private schools were closed because of the fire. Classes were cancelled at UCLA and Santa Monica College, while Mount Saint Mary's University evacuated from its Brentwood campus to its downtown Los Angeles location. The fire destroyed six structures and damaged 12 others. When the Skirball Fire began, the County of Los Angeles was already under a State of Emergency, effective December 5, 2017, due to the Creek and Rye Fires.

¹² Timothy Guy, "This map shows where the Skirball fire is burning in Los Angeles", Los Angeles Daily News (December 6, 2017). *Available at*: <u>https://www.dailynews.com/2017/12/06/this-map-shows-where-the-skirball-fire-is-burning-in-los-angeles/</u>.

2017 Skirball Fire Perimeter



D. SoCalGas's Response to the 2017 Wildfires

Strong and highly erratic Santa Ana winds approached the service territory creating severe fire weather conditions. The National Weather Services issued Red Flag Warning and Wind Advisories and Air Quality Alerts throughout Southern California. SoCalGas monitored its pipeline facilities and coordinated response efforts with Fire Unified Command. Apart from the La Conchita community, gas customer service restorations were on hold until evacuations orders were lifted and first-responders declared areas "safe to return."

The 2017 Wildfires required activation of SoCalGas's Emergency Operation Center
(EOC), field response and restoration work. The EOC helps establish an enterprise-wide
common operating picture, as well as facilitates and coordinates long-term support and recovery.
The EOC was staffed with representatives from key positions including executive leadership for
an Incident Commander, Emergency Management who led Planning, Regulatory Liaison, Safety,
Human Resources, Public Information Officer, Finance, Logistics, and operational groups
including Storage, Customer Service Field, Transmission and Gas Distribution. The EOC

coordinated responses from the field and managed the overall mitigation and recovery of the incident. Regional Public Affairs established information booths in the affected communities to assist customers.

The 2017 Wildfires damaged critical infrastructure, destroyed hundreds of homes, and caused the evacuation of several hundred thousand residents. SoCalGas worked closely with first responders and other authorities in the areas affected by the wildfires and responded by shutting off gas service to approximately 1,500 customers. Over 1,000 customers' homes required service restoration. In support of the restoration and recovery efforts, more than 350 of SoCalGas's field representatives worked alongside first responders to quickly restore service to homes directly affected by the fires.

For the Thomas Fire, over 300 gas operations and customer services field representatives closed over 200 service valves at gas meters and abandoned over 200 services in the case where homes or structures had been burned, in close coordination with first responders.

The wildfires also damaged portions of SoCalGas's distribution and transmission systems, storage facilities, and caused disruption to field operations. The Honor Rancho Storage Facility in Santa Clarita received minimal damage by the Rye Fire including surrounding brush being burned and some damage to vehicles and other mobile equipment. However, the facility was still operational with only a slight capacity impact. Emergency response teams were responsible for keeping onsite personnel safe and continuing with normal operations. SoCalGas provided efforts to repair, replace, and/or restore utility facilities damaged by the wildfires throughout the service territory.

- IV. **2018 EVENTS**
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Background of the 2018 Wildfires (Woolsey and Hill) A.

Woolsey Fire

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The Woolsey Fire approaches homes on November 9, 2018, in Malibu, California¹³

¹³ Alexandra Meeks, "California utility will not be prosecuted over the deadly 2018 Woolsey fire" CNN (August 13, 2021). Available at: https://www.cnn.com/2021/08/13/us/california-utilitywoolsey-fire/index.html.



The destructive Woolsey Fire started on November 8, 2018, near the Santa Susana Field Laboratory above Simi Valley, near the boundary between Los Angeles and Ventura counties. Santa Ana winds pushed the fire in a southerly direction the first day. It then crossed the 101 Freeway between the San Fernando Valley and the Conejo Valley and traveled into the Santa Monica Mountains. The Woolsey Fire burned a total of 96,949 acres in Ventura and Los Angeles counties. Fire officials ordered mandatory evacuations in areas of Ventura County and Los Angeles County. A total of approximately 1,500 structures were destroyed, 341 structures were damaged, and three civilian fatalities were attributed to the fire. The fire was contained on January 4, 2019. **Woolsey Fire Perimeter**



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Hill Fire

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Hill Fire - Ventura County¹⁴



¹⁴ Brian Rokos, "Hill fire in Ventura County now 92 percent contained" Los Angeles Daily News (November 13, 2018). Available at: <u>https://www.dailynews.com/2018/11/13/hill-fire-in-venturacounty-now-90-percent-contained/</u>.

The Hill Fire also started on November 8, 2018, at Hill Canyon Road and Santa Rosa Road near the community of Camarillo in Ventura County. The fire burned 4,381 acres, destroyed four structures, and damaged four others. The fire was contained January 4, 2019.

Governor Newsom issued an emergency proclamation for Los Angeles and Ventura counties due to the effects of the Woolsey and Hill Fires on November 9, 2018.¹⁵ Howling Santa Ana winds were driving the Woolsey and Hill Fires. The Santa Anas are strong, dry winds that high-pressure systems push from east to west, from the mountains and desert areas down into the Los Angeles area.

2018 Hill Fire Perimeter



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¹⁵ Office of Governor Edmund G. Brown Jr., "Acting Governor Newsom Declares State of Emergency in Los Angeles and Ventura Counties Due to Fires" (November 9, 2018). Available at: <u>https://www.ca.gov/archive/gov39/2018/11/09/state-of-emergency-in-los-angeles-and-venturacounties/index.html#:~:text=SACRAMENTO%20%E2%80%93%20Acting%20Governor%20Gavin %20Newsom,caused%20the%20evacuation%20of%20residents.</u>

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B. SoCalGas's Response to the 2018 Wildfires

SoCalGas had over 200 company field employees working alongside first responders to make the impacted areas safe and provide assistance to the communities affected by the 2018 Wildfires. This included assessing damage, performing abandonments of service lines at destroyed buildings, and restoring gas services in repopulated areas. SoCalGas's EOC was activated in response to the 2018 Wildfires.

SoCalGas worked closely with first responders and other authorities in the areas affected by the wildfires and responded by shutting off gas service to almost 1,400 customers. The fires destroyed and severely damaged at least 500 customers' homes to the point that gas service abandonment was necessary. In addition, approximately 900 customers' homes required service restoration. In support of the restoration and recovery efforts, SoCalGas field representatives worked alongside first responders to quickly restore service to homes directly affected by the fires.

The wildfires also damaged portions of SoCalGas's distribution system and caused disruption to field operations. Emergency response teams were responsible for keeping onsite personnel safe while also continuing with normal operations. SoCalGas incurred costs as a result of the Woolsey and Hill fires related to service replacement, meter replacement, main repair and paving. SoCalGas provided efforts to repair, replace, and/or restore utility facilities damaged by the wildfires throughout the service territory.

V. 2019 EVENTS

A. Background of the 2019 Wildfires (Sandalwood, Saddleridge, Eagle, Reche, Wolf, Tick, Getty, and Easy)

Sandalwood Fire

74 Structures Destroyed during Sandalwood Fire in Calimesa¹⁶

¹⁶ Jonah Valdez, "74 structures destroyed by 500-acre Sandalwood fire in Calimesa" Redlands Daily Facts (October 10, 2019). *Available at*: <u>https://www.redlandsdailyfacts.com/2019/10/10/1000-acres-burning-in-calimesa-destroys-mobile-homes-prompts-evacuations/</u>.



During a Santa Ana wind event, the Sandalwood Fire broke out on October 10, 2019, along Calimesa Boulevard and Sandalwood Drive. The fire immediately raced into nearby brush burning in a southwesterly direction due to the strong winds. The fire impacted the Villa Calimesa mobile home park, where most of the damage occurred. The fire also threatened the nearby railway, power grid, and a second mobile home park in the area. In all, six air tankers and eight helicopters assisted in the firefighting operation. The fire was fully contained as of October 14, 2019, after consuming 1,011 acres, destroying 74 structures, and damaging 16 structures. 1

2019 Sandalwood Fire Perimeter



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¹⁷ Eric Licas, "Saddleridge fire in Sylmar burns at least 1,600 acres, forces evacuations; flames leap over 5 Freeway", The Mercury News (October 10, 2019). *Available at*: <u>https://www.mercurynews.com/2019/10/10/sylmar-homes-evacuated-as-fire-burns-near-210-freeway/</u>.

The Saddleridge Fire also began on October 10, 2019, during a Santa Ana wind event. Igniting in Sylmar off Interstate 210 and Yarnell Street, the blaze immediately began pushing predominantly west as it burned in all directions. The fire burned in a mixture of wild land and urban interface and firefighters were tasked with protecting structures. The high winds blew embers half a mile west of the main fireline, jumping Interstate 5, and triggered spot fires in the foothills above Porter Ranch where the fire continued to burn. The fire threatened thousands of structures throughout the Sylmar, Porter Ranch, and Granada Hills communities as well as forcing the closure of both Interstate 210 and Interstate 5. Additionally, the Saddleridge Fire caused an evacuation at the Aliso Canyon Storage Facility, as well as damaged certain facilities. However, the damage did not impact operations at the field. The fire was fully extinguished on Thursday, October 31, 2019, twenty days after first igniting. The fire burned 8,799 acres and resulted in eight injuries and one fatality.

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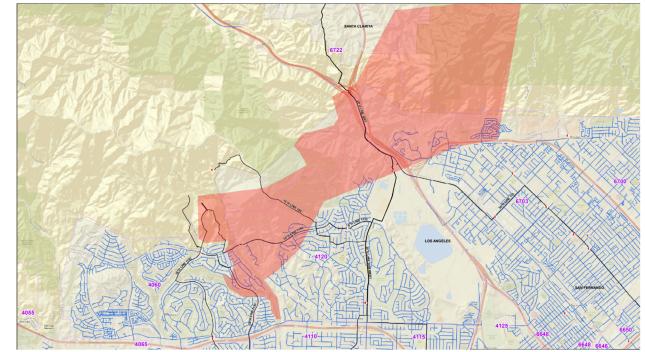
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2019 Saddleridge Fire Perimeter



Eagle Fire

October 10, 2019.

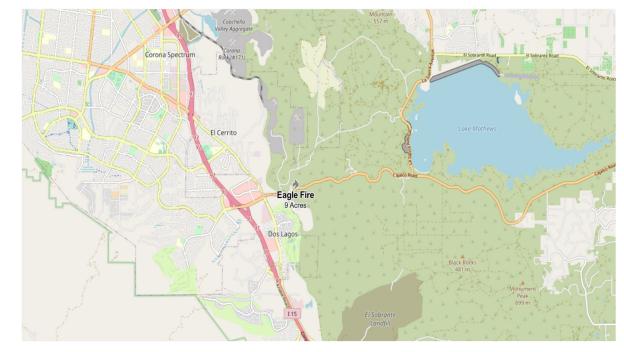
The Eagle Fire started October 10, 2019, at Eagle Canyon Road and Cajalco Road, southwest of Corona in Riverside County. The fire burned 9 acres and was contained on

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2019 Eagle Fire Perimeter



Reche Fire

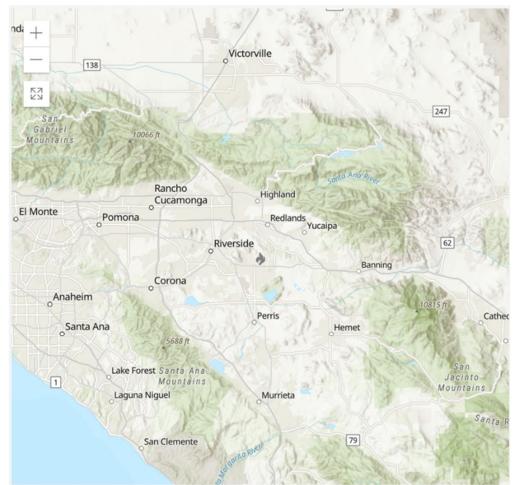
Reche Fire near Moreno Valley¹⁸



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¹⁸ Nathaniel Percy, "Reche fire near Moreno Valley now 60% contained", The Press-Enterprise (October 11, 2019). Available at: <u>https://www.pressenterprise.com/2019/10/11/reche-fire-near-moreno-valley-now-40-percent-contained-all-evacuations-lifted/</u>.

On October 10, 2019, a wind-driven blaze broke out just north of Moreno Valley burning acres, threatening homes and high-tension power lines and prompting evacuations. The Reche Fire was reported near Reche Vista Drive. The fire burned 350 acres and was contained on October 13, 2019.



²⁰¹⁹ Reche Fire Perimeter

Wolf Fire

The Wolf Fire started October 10, 2019, off Wolfskill Truck Road near Silver Creek Drive, south of Banning in Riverside County. Target shooting caused a vegetation fire 4 miles south of Banning that burned 75 acres. Evacuation warnings were issued for South Highland Springs, south of Interstate 10 and west of South Highland Home Road, including the Sun Lakes and Four Seasons communities. Due to the inhospitable terrain, crews encountered difficulties reaching the location and a Cal Fire air tanker was initially alone in trying to contain the winddriven brush fire. At least 140 firefighters from Riverside County, the Bureau of Land

Esri, CGIAR, USGS | Loma Linda University, UC Riverside, City of Moreno Valley, County of ... Powered by Esri

Management and San Bernardino National Forest and four air tankers worked to contain the fire.The fire was contained on October 12, 2019.

Governor Newsom issued an emergency proclamation for Los Angeles and Riverside counties due to the Sandalwood, Saddleridge, Eagle, Reche, and Wolf fires on October 11, 2019.¹⁹

2019 Wolf Fire Perimeter

Victorville 247 22 Rancho Cucamonga Highland Pomona Redlands Yucaipa Riverside Banning oCorona Perris Cathedral City Hemet Palm Desert 5688 ft Lake Forest Santa Ana Jacinto Mountains Mountains Laguna Niguel Murrieta Torres-Martin Reservation Santa Rosa A 79 San Clemente Oceanside Esri, CGIAR, USGS | Loma Linda University, UC Riverside, County of Riverside, California St... Powered by Esri

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¹⁹ Office of Governor Gavin Newsom, "Governor Newsom Declares State of Emergency in Los Angeles and Riverside Counties Due to Fires" (October 11, 2019). *Available at*: <u>https://www.gov.ca.gov/2019/10/11/governor-newsom-declares-state-of-emergency-in-los-angeles-and-riverside-counties-due-to-fires/.</u>

Tick Fire Tick Fire Evacuations²⁰



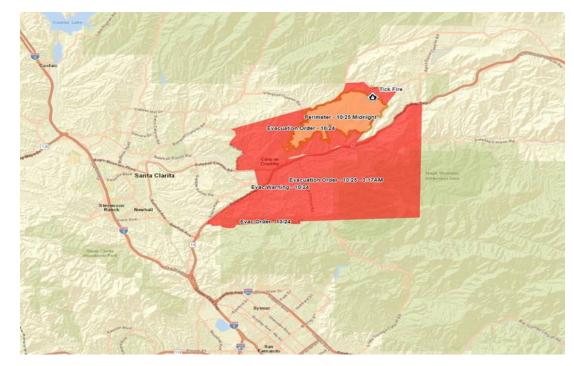
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On October 24, 2019, the Tick Fire started near Tick Canyon Road and Summit Knoll Road in Santa Clarita. The fire spread rapidly due to Santa Ana wind conditions and jumped over State Route 14 causing the evacuation of 40,000 residents in Canyon Country. The Tick Fire was fully contained as of October 31, 2019, after consuming 4,615 acres, destroying 22 structures, and damaging an additional 27 structures. Governor Newsom issued an emergency proclamation for Los Angeles County due to the Tick Fire on October 25, 2019.²¹

²⁰ Bay Area News Group, "Map: Tick Fire evacuations and perimeter, updated", The Mercury News (October 25, 2019). *Available at: <u>https://www.mercurynews.com/2019/10/25/map-tick-fire-</u> <u>evacuations-after-flames-jump-highway/</u>.*

Office of Governor Gavin Newsom, "Governor Newsom Declares State of Emergency in Sonoma and Los Angeles Counties Due to Fires" (October 25, 2019). Available at: <u>https://www.gov.ca.gov/2019/10/25/governor-newsom-declares-state-of-emergency-in-sonoma-andlos-angeles-counties-due-to-fires/</u>.

2019 Tick Fire Perimeter



Getty Fire

The Getty Fire burns next to the 405 freeway in the hills of West Los Angeles, Calif. Oct. 28, 2019²²



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²² "Photo Gallery: Crews Battle Easy Fire In Simi Valley", CBS News (October 30, 2019). *Available at*: <u>https://www.cbsnews.com/losangeles/pictures/easy-fire-simi-valley-photos/4/</u>.

The Getty Fire began burning in SoCalGas's service territory on October 28, 2019, and burned 745 acres in Brentwood before being contained on November 5, 2019. Per the Los Angeles Fire Department, "The fire was deemed an accidental start, caused by a tree branch that broke off and subsequently landed in nearby powerlines during high wind conditions."²³ More than 1,000 firefighters along with Aerial firefighting fixed-wing aircraft and helicopters battled the blaze in steep and challenging terrain. Due to 50+ mph Santa Ana winds, flames quickly moved along Interstate 405, triggering the closure of all southbound lanes, and moved west into the canyons. Thousands of people were forced to flee, 10 homes were destroyed and 15 residences were damaged.

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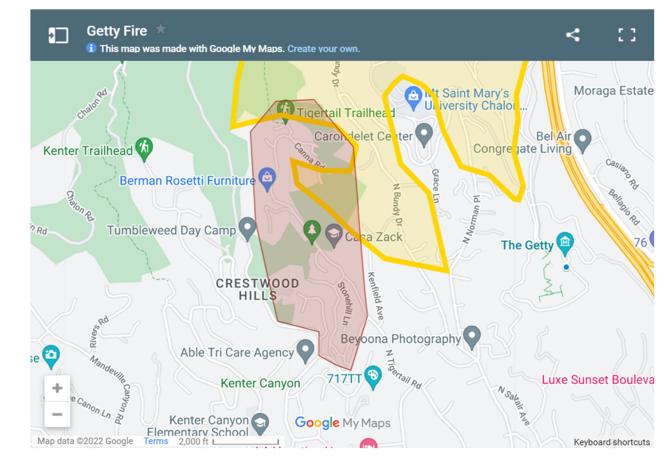
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2019 Getty Fire Perimeter

²³ "Getty Fire News", Los Angeles Fire Department (November 2, 2019). Available at: <u>https://www.lafd.org/news/getty-fire#:~:text=and%20physical%20evidence.-</u> <u>,The%20fire%20was%20deemed%20an%20accidental%20start%2Ccaused%20by%20a,on%20the%20pole%20remained%20intact.</u>

Easy Fire

A major brush fire swept by gusts of Santa Ana winds up to 65 mph raced through Simi Valley hillsides toward neighborhoods on October 30, 2019, threatening 7,000 homes and forcing thousands of residents to flee. The Easy Fire, which started near Easy Street and Madera Road, quickly burned toward Tierra Rejada Road before it leaped across the street and made a run toward the Ronald Reagan Presidential Library. There were school closures due to concerns over air quality and power outages. The Easy Fire burned 1,806 acres in Simi Valley and was contained on November 2, 2019.

On October 27, 2019, Governor Newsom issued an emergency proclamation for the entire State of California due to the extreme fire conditions, identifying 43 counties as experiencing fire weather conditions and affiliated red flag warnings. The Getty and Easy fires were among the various fires resulting from those conditions.²⁴

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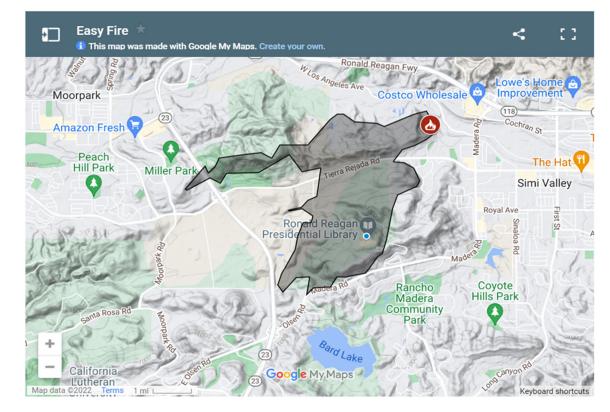
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2019 Easy Fire Perimeter

²⁴ Office of Governor Gavin Newsom, "Governor Newsom Declares Statewide Emergency Due to Fires, Extreme Weather Conditions" (October 27, 2019). *Available at*: <u>https://www.gov.ca.gov/2019/10/27/governor-newsom-declares-statewide-emergency-due-to-firesextreme-weather-conditions/.</u>

Flames from the Easy Fire approach the Ronald Reagan Presidential Library in Simi Valley, Calif. on Wednesday, Oct. 30, 2019.²⁵



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B. SoCalGas's Response to the 2019 Wildfires

Once made aware of the fires, contingency plans were created and ready to be implemented if called upon, and all on-call operational teams were notified and ready to respond. SoCalGas's human resources team contacted employees who were impacted by the fires and SoCalGas worked in coordination with first responders to support public safety.

SoCalGas worked closely with first responders and other authorities in the areas affected by the wildfires. In some cases, SoCalGas crews responded to isolate gas service to severely damaged or destroyed homes and were on standby ready to isolate portions of its system at the request of the fire department. Personnel were also prepared to support customer needs as they

²⁵ Bay Area News Group, "Map: Easy Fire updated evacuations, perimeter", The Mercury News (October 30, 2019). *Available at*: <u>https://www.mercurynews.com/2019/10/30/map-easy-fire-evacuations-include-reagan-library/</u>.

were raised. The operational teams completed assessments, including at the Aliso Canyon
Storage Facility which was under evacuation order due to the Saddleridge Fire. Gas Operations
conducted special leak surveys on all streets that were impacted by the fires. Crews also worked
with first responders and customers to conduct restores in affected areas. SoCalGas's EOC was
activated in response to the 2019 Wildfires to assist with the coordination of key internal
departments and external agencies.

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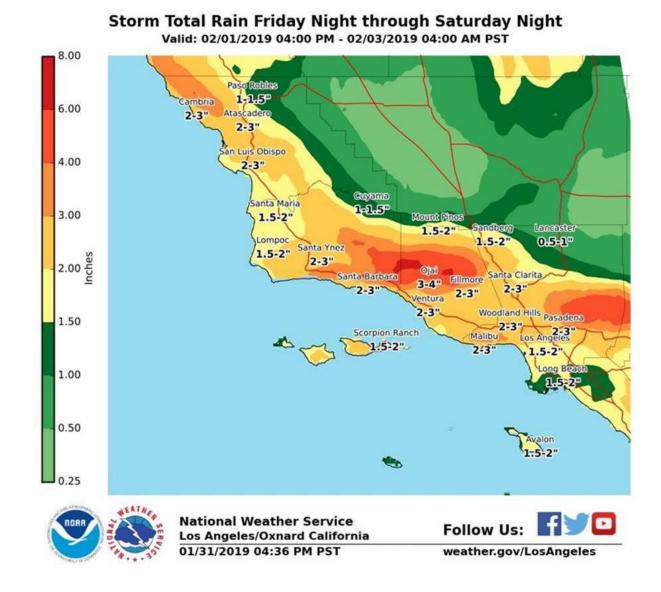
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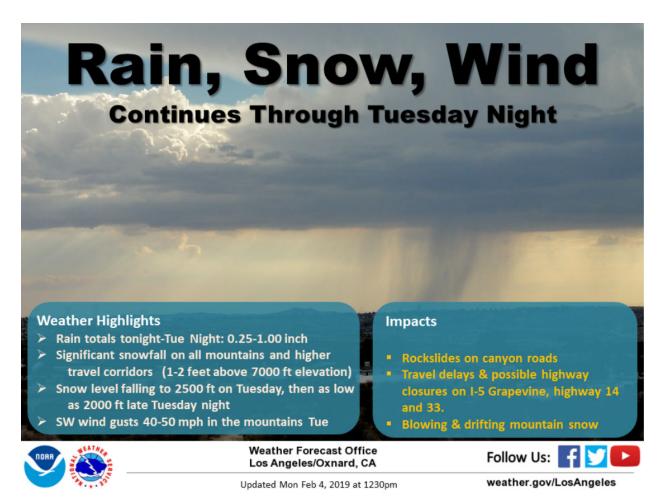
C. Background of the 2019 Winter Storms

An atmospheric river swept across California beginning on January 5, 2019, and
continued through January into February, with another significant atmospheric river system
beginning on February 12, 2019. These winter storms caused, among other things, flash
flooding, erosion, and mud and debris flows. There were also evacuation and road closures in
Riverside, Burbank, parts of Ventura County and Santa Barbara County. Governor Newsom
issued an emergency proclamation for 21 counties, including Santa Barbara, Ventura, and San
Diego, due to the 2019 winter storms on February 21, 2019.²⁶

²⁶ Office of Governor Gavin Newsom, "Governor Newsom Declares State of Emergency in Counties Across California Due to Winter Storms" (February 21, 2019). *Available at*: <u>https://www.gov.ca.gov/2019/02/21/governor-newsom-declares-state-of-emergency-in-countiesacross-california-due-to-winter-storms/</u>.



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D.

SoCalGas's Response to the 2019 Winter Storms

The 2019 Winter Storms required activation of SoCalGas's EOC, field response and restoration work. The EOC activated due to the mandatory evacuation of the Holy Fire burn area²⁷ and the heavy rain that was expected throughout the service territory. Emergency Management partnered with other departments to monitor the affected burn areas. Plans were developed and enacted to minimize potential impacts to SoCalGas's gas system.

The significant rain from these winter storms caused earth movement in several locations along SoCalGas's rights-of-way that resulted in pipeline exposure. In Santa Barbara County, two locations along Line 1005 were identified. SoCalGas partnered with the Santa Barbara County Office of Emergency Management to implement the operational response protocol for

²⁷ The Holy Fire was an approximately 23,000-acre fire that began in August 2018 and burned in the Cleveland National Forest in Orange County. During the 2019 winter storms, some areas of the Holy Fire burn scar were at risk for mudslides and major flooding, thus prompting mandatory evacuations.

Line 1005 to minimize potential impacts to the gas system during inclement weather. Due to weather conditions in Santa Barbara County, SoCalGas enacted plans to minimize risk to the 3 natural gas transmission system that runs near the coast in the county. As part of the plan, 4 SoCalGas reduced pressure along a 14-mile stretch of transmission pipeline that runs from 5 roughly Santa Barbara to Carpinteria. 6

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Additionally, in Ventura County, two additional locations were identified, one along each of Lines 1003 and 1004. In San Diego County, Line 1026 was also identified. Each location required exposure remediation and erosion mitigation, while some locations required relocating pipelines at lower depths.

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VI. WITNESS QUALIFICATIONS

My name is Larry Andrews and I am currently employed by the Southern California Gas Company. My business address is 555 West Fifth Street, Los Angeles, CA, 90013. I presently hold the position of Director of Emergency Management.

In this position I am responsible for providing strategic direction to plan for, respond to,
and recover from incidents to protect our employees, the public, and the gas system
infrastructure. I hold a Bachelor of Science degree in Organizational Management from the
University of La Verne, and an Emergency Management Homeland Security certificate from the
University of California Los Angeles extension program. I have held numerous positions within
the Company with increasing responsibility.

I have not testified previously before the Commission.

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EXHIBIT 1-1

Letter Sent to CPUC to Invoke CEMA - 2017 Winter Storms



555 W. Fifth Street, GT14D6 Los Angeles, CA 90013-1011 Tel: 213.244.2009 Fax: 213.244.4957 <u>RvanderLeeden@semprautilities.com</u>

April 5, 2017

Timothy Sullivan Executive Director California Public Utilities Commission 505 Van Ness Avenue San Francisco, CA 94102

Re: State of Emergency Proclamation – January 2017 Storms

Dear Mr. Sullivan,

Pursuant to California Public Utilities Commission (CPUC) Resolution E-3238, Southern California Gas Company (SoCalGas) is providing notice that its Catastrophic Event Memorandum Account (CEMA) has been invoked as a result of a recent State of Emergency declared by government authorities. This letter is being provided in accordance with SoCalGas' tariffs, which requires SoCalGas to provide information concerning the impact of the catastrophic event on its facilities and an estimate of costs that have been or will be incurred in response to the catastrophic event.

Catastrophic Event Declared – January-February 2017 Rainstorms

On March 7, 2017 Governor Edmund Brown proclaimed a State of Emergency due to an atmospheric river storm that started on January 18, 2017 that swept across California. Because of the need for immediate repairs and emergency services, SoCalGas incurred extraordinary and substantial costs for pipeline exposures and storage field operations, which requires pipe inspection, excavation, coating, drainage, repair work, and other road work, as well as standby time and emergency response. The damage, some of which became apparent only upon return to normal operations, and the related costs were unforeseeable.

Background

The CEMA requires that within 30 days of the event SoCalGas provide the Executive Director of the CPUC information concerning the catastrophic event including the impact on its facilities and a preliminary estimate of the costs that have been or will be incurred in response to the catastrophic event. The costs eligible for entry into the CEMA account are those costs associated with 1) restoring utility services to customers, 2) repairing, replacing, or restoring damaged utility facilities, and 3) complying with governmental agency orders in connection with events declared

disasters. Costs recorded in the CEMA shall be restricted to those incremental costs incurred by SoCalGas in response to the catastrophic event declared a disaster by government authorities. Before recovery in jurisdictional rates of any costs recorded in the CEMA, SoCalGas will make a formal increase request and recommendation by application to the CPUC.

Impacts to Distribution, Transmission, and Storage Operations

Damage to portions of SoCalGas' distribution and transmission systems and storage facilities resulted from the multiple rainstorms experienced in January and February 2017. SoCalGas' pipelines and facilities sustained numerous mudslides, fallen trees, heavy flooding, and severe road damage. The damage caused disruption to field operations by restricting road access to field equipment, such as piping, well sites, and processing plants. Emergency response was required to keep onsite personnel safe and continue with normal operations. SoCalGas is continuing its ongoing efforts to repair, replace, and/or restore damaged utility facilities throughout the service territory. The most significant impacts occurred in Ventura, San Bernardino, Los Angeles, and Riverside counties.

Restoration efforts have included the use of SoCalGas employees as well as contract crews working around the clock to inspect and repair pipeline exposure, backfill and culvert rain water, and add soil over shallow pipe to protect assets from heavy equipment. Preliminary estimates of the total costs incurred by SoCalGas in response to the event, associated with the repair and restoration of facilities due to the storms are anticipated to be in the range of \$5 to \$6 million in capital costs, and an additional \$2 to \$2.5 million in O&M, for total costs estimated to be in the range of \$7 to \$8.5 million. Even after the rainstorms ended, the saturated ground and hillsides could continue to move for an additional timeframe and potentially cause further damage to SoCalGas' facilities. To alleviate any further damages by these rainstorms, SoCalGas is taking preventive action by monitoring its key pipeline facilities and, if necessary, clearing debris that could cause additional damage to pipeline segments or performing additional wrapping or backfill to protect these key pipeline areas. A complete cost estimate, separated by capital and expense items, will be provided when those numbers are more certain. Consistent with previous orders, SoCalGas understands that all recorded costs can be recovered in rates only upon SoCalGas' request and subsequent approval by the Commission as to the reasonableness of such costs.

Questions should be directed to SoCalGas Tariffs by email to Tariffs@Socalgas.com.

Timothy Sullivan California Public Utilities Commission April 5, 2017

Ronald van der Leeden

Director – Regulatory Affairs

cc: CPUC President Michael Picker Commissioner Martha Guzman Aceves Commissioner Clifford Rechtschaffen Commissioner Carla J. Peterman Commissioner Liane M. Randolph Edward Randolph, Energy Division

Letter Sent to CPUC to Invoke CEMA - December 2017 Fires



555 W. Fifth Street, GT14D6 Los Angeles, CA 90013-1011 Tel: 213.244.2009 Fax: 213.244.4957 *RvanderLeeden@semprautilities.com*

January 4, 2018

Mr. Timothy Sullivan Executive Director California Public Utilities Commission 505 Van Ness Avenue San Francisco, CA 94102

Re: Catastrophic Event Memorandum Account – December 2017 Wildfires

Dear Mr. Sullivan:

Pursuant to California Public Utilities Commission (CPUC or Commission) Resolution E-3238, Southern California Gas Company (SoCalGas) is providing notice that its Catastrophic Event Memorandum Account (CEMA) has been invoked due to recent catastrophic events of several wildfires in Southern California which led to proclamations of State of Emergency by Governor Edmund Brown, Jr. This letter is provided in accordance with SoCalGas' tariff book Preliminary Statement, Part VI, CEMA,¹ which requires SoCalGas to notify the Commission regarding the CEMA, and to provide information concerning the catastrophic event, its impact to facilities, and an estimate of costs that have been or will be incurred in response to the catastrophic event.

Catastrophic Events Declared – December 2017 Wildfires

On December 5, 2017, Governor Brown proclaimed a State of Emergency for Ventura County due to the effects of the Thomas Fire which started on December 4, 2017.² In a separate proclamation, Governor Brown proclaimed a State of Emergency for Los Angeles County due to the effects of the Creek and Rye fires which started on December 5, 2017.³ Additionally, on December 6, 2017, the Skirball Fire began in Los Angeles County.⁴

https://www.socalgas.com/regulatory/tariffs/tm2/pdf/CEMA.pdf.

¹ Preliminary Statement – Part VI – CEMA. *Available* at

² See Governor Brown's Proclamation of State of Emergency for Ventura Country. *Available* at <u>https://www.gov.ca.gov/news.php?id=20081</u>.

³ See Governor Brown's Proclamation of State Emergency for Los Angeles County. *Available* at <u>https://www.gov.ca.gov/news.php?id=20085</u>.

⁴ There was no separate Proclamation of State of Emergency issued for the Skirball Fire. However, Los Angeles County was already under a State of Emergency when the Skirball Fire

On December 7, 2017, Governor Brown proclaimed a State of Emergency for Santa Barbara County due to the effects of the Thomas Fire which was then threatening homes and other structures, forcing the evacuation of residents in Santa Barbara County.⁵

These wildfires have damaged critical infrastructure, destroyed hundreds of homes and caused the evacuation of several hundred thousand residents.

CEMA Background

The CEMA requires that if possible, within thirty (30) days after the catastrophic event that SoCalGas provide the Executive Director of the CPUC information concerning the catastrophic event including the impact on its facilities and a preliminary estimate of the costs that have been or will be incurred in response to the catastrophic event. The costs eligible for entry into the CEMA include costs associated with: 1) restoring utility services to customers; 2) repairing, replacing, or restoring damaged utility facilities; and 3) complying with government agency orders associated with events declared disasters. Costs recorded in the CEMA shall be restricted to those incremental costs incurred by SoCalGas in response to the catastrophic event. Before recovery of any costs recorded in CEMA in jurisdictional customer rates, SoCalGas will make a formal increase request and recommendation by an application to the CPUC.

Impacts on Service and Facilities from the December 2017 Wildfires

SoCalGas worked closely with first responders and other authorities in the areas affected by the wildfires in shutting off gas service to approximately 1,500 customers. The fires destroyed and severely damaged hundreds of customers' homes, while over one thousand customers' homes required service restoration. In support of the restoration and recovery efforts, more than 350 SoCalGas field representatives worked alongside first responders to quickly restore service to homes directly affected by the fires.

The wildfires also damaged portions of SoCalGas' distribution and transmission systems, storage facilities, and caused disruption to field operations. Emergency response teams were responsible for keeping onsite personnel safe and continuing with normal operations. SoCalGas' ongoing efforts to repair, replace, and/or restore utility facilities damaged by the wildfires continue throughout the service territory.

Preliminary estimates of the total costs anticipated to be incurred in response to these catastrophic events are in the range of \$2 to \$3 million in Operations & Maintenance

began. Several other smaller fires also burned in Los Angeles County during the first week of December.

⁵ See Governor Brown's Proclamation of State of Emergency for Santa Barbara County. *Available* at https://www.gov.ca.gov/news.php?id=20091.

Timothy Sullivan California Public Utilities Commission

costs, and \$6 to \$8 million in capital costs, for a total cost estimate in the range of \$8 to \$11 million.

SoCalGas may incur additional costs beyond these preliminary estimates associated with restoring services and repairing damaged utility facilities and properties, and anticipates that the remediation work may result in substantial costs. Due to the ongoing nature of the Thomas Fire and costs that have yet to be incurred and/or quantified, the preliminary cost estimate may change. SoCalGas understands that all costs may be recovered in rates only upon SoCalGas' formal request and subsequent approval by the Commission as to the reasonableness of such costs.

Questions should be directed to SoCalGas Tariffs by email to Tariffs@Socalgas.com.

/s/ Ronald van der Leeden

Ronald van der Leeden Director – Regulatory Affairs

cc: CPUC President Michael Picker Commissioner Martha Guzman Aceves Commissioner Clifford Rechtschaffen Commissioner Carla J. Peterman Commissioner Liane M. Randolph Edward Randolph, Energy Division Director

Supplemental Letter Sent to CPUC – December 2017 Fires



555 W. Fifth Street, GT14D6 Los Angeles, CA 90013-1011 Tel: 213.244.2009 Fax: 213.244.4957 *RvanderLeeden@semprautilities.com*

January 24, 2018

Mr. Timothy Sullivan Executive Director California Public Utilities Commission 505 Van Ness Avenue San Francisco, CA 94102

<u>Re: Catastrophic Event Memorandum Account – December 2017 Wildfires</u> (Supplemental Notice)

Dear Mr. Sullivan:

On January 4, 2018, Southern California Gas Company (SoCalGas) sent a letter to the California Public Utilities Commission (Commission) providing notice that its Catastrophic Event Memorandum Account (CEMA) had been invoked due to recent catastrophic events of several wildfires in Southern California (December 2017 Wildfires). This second letter is to clarify for the Commission that the CEMA is tracking remediation, replacement, and repair costs of the continuing impacts of those same wildfires, including mudslides caused by rain and other weather conditions. The CEMA will track any of these continuing impacts from the December 2017 Wildfires that may occur in the future.

The aforementioned fires led to proclamations of State of Emergency by California's Governor. While those proclamations did not specifically mention mudslides resulting from land burned in those fires, on January 12, 2018, Governor Edmund Brown, Jr. issued an executive order to continue expediting recovery efforts in communities impacted by Southern California wildfires and mudslides. Additionally, Governor Brown announced that the Federal Emergency Management Agency granted the State's request for expanded federal assistance in areas affected by the wildfires to include damage caused by flooding and mudslides.¹

¹ See Governor Brown's Executive Order B-46-18. Available at

https://www.gov.ca.gov/news.php?id=20138. See also Governor Brown's Executive Order B-47-18, which orders the Office of Emergency Services to provide local government assistance to Los Angeles County, if appropriate, under various California laws. *Available* at https://www.gov.ca.gov/news.php?id=20143.

Timothy Sullivan January 24, 2018 California Public Utilities Commission

There is a direct and undeniable nexus between the fires which burned significant acreage and floods, mudslides, debris flow, and other land-related damage caused by subsequent rain or weather conditions.

Therefore, as indicated in its January 4 letter, SoCalGas is recording to its CEMA all the continuing costs of the December 2017 Wildfires associated with: 1) restoring utility services to customers; 2) repairing, replacing, or restoring damaged utility facilities; and 3) complying with government agency orders associated with events declared disasters which will include damage caused by fire-related disasters and hazardous conditions.

Questions should be directed to SoCalGas Tariffs by email to Tariffs@Socalgas.com.

<u>/s/ Ronald van der Leeden</u> Ronald van der Leeden Director – Regulatory Affairs

cc: CPUC President Michael Picker Commissioner Martha Guzman Aceves Commissioner Clifford Rechtschaffen Commissioner Carla J. Peterman Commissioner Liane M. Randolph Edward Randolph, Energy Division Director

Letter Sent to CPUC to Invoke CEMA - Woolsey and Hill Fires



555 W. Fifth Street, GT14D6 Los Angeles, CA 90013-1011 Tel: 213.244.2009 Fax: 213.244.4957 <u>RvanderLeeden@semprautilities.com</u>

December 10, 2018

Ms. Alice Stebbins Executive Director California Public Utilities Commission 505 Van Ness Avenue San Francisco, CA 94102

Re: Catastrophic Event Memorandum Account – November 2018 Wildfires

Dear Ms. Stebbins:

Pursuant to California Public Utilities Commission (CPUC or Commission) Resolution E-3238, Southern California Gas Company (SoCalGas) is providing notice that its Catastrophic Event Memorandum Account (CEMA) has been invoked due to recent catastrophic events of two wildfires in Southern California which led to a proclamation of a State of Emergency by Acting Governor Gavin Newsom. This letter is provided in accordance with SoCalGas' tariff book Preliminary Statement, Part VI, CEMA,¹ which requires SoCalGas to notify the Commission regarding the CEMA, and to provide information concerning the catastrophic event, its impact to facilities, and an estimate of costs that have been or will be incurred in response to the catastrophic event.

Catastrophic Event Declared – November 2018 Wildfires

On November 9, 2018, Acting Governor Gavin Newsom issued an emergency proclamation for Los Angeles and Ventura counties due to the effects of the Hill and Woolsey fires,² which had begun burning on November 8, 2018. As noted in the proclamation, the fires destroyed homes, threatened critical infrastructure and caused the evacuation of residents.

¹ Preliminary Statement – Part VI – CEMA. Available at

https://www.socalgas.com/regulatory/tariffs/tm2/pdf/CEMA.pdf.

² See Acting Governor Newsom's Proclamation of State of Emergency for Los Angeles and Ventura County. *Available* at <u>https://www.gov.ca.gov/2018/11/09/state-of-emergency-in-los-angeles-and-ventura-counties/</u>.

December 10, 2018

Alice Stebbins California Public Utilities Commission

CEMA Background

The CEMA requires that if possible, within thirty (30) days after the catastrophic event SoCalGas is to provide the Executive Director of the CPUC information concerning the catastrophic event, including the impact on its facilities and a preliminary estimate of the costs that have been or will be incurred in response to the catastrophic event. The costs eligible for entry into the CEMA include costs associated with: 1) restoring utility services to customers; 2) repairing, replacing, or restoring damaged utility facilities; and 3) complying with government agency orders associated with events declared disasters. Costs recorded in the CEMA shall be restricted to those incremental costs incurred by SoCalGas in response to the catastrophic event. Before recovery of any costs recorded in CEMA in jurisdictional customer rates, SoCalGas will make a formal increase request and recommendation by an application to the CPUC.

Impacts on Service and Facilities from the November Wildfires

SoCalGas worked closely with first responders and other authorities in the areas affected by the wildfires including shutting off gas service to almost 1,400 customers. The fires destroyed and severely damaged at least 500 customers' homes to the point that gas service abandonment was necessary, while approximately 900 customers' homes required service restoration. In support of the restoration and recovery efforts, SoCalGas field representatives worked alongside first responders to quickly restore service to homes directly affected by the fires.

The wildfires also damaged portions of SoCalGas' distribution system and caused disruption to field operations. Emergency response teams were responsible for keeping onsite personnel safe while also continuing with normal operations. SoCalGas has incurred costs as a result of the Woolsey and Hill fires related to service replacement, meter replacement, main repair, and paving. SoCalGas' efforts to repair, replace, and/or restore utility facilities damaged by the wildfires continues throughout the affected counties. Preliminary estimates of the total direct costs anticipated to be incurred in response to these catastrophic events are in the range of \$1 to \$2 million in Operations & Maintenance costs and \$1.5 to \$3 million in capital costs, for a total direct cost estimate in the range of \$2.5 to \$5 million.

SoCalGas may incur additional costs beyond these preliminary estimates associated with restoring services and repairing damaged utility facilities and properties. Because some costs have yet to be incurred and/or quantified, the preliminary cost estimate may change. SoCalGas understands that all costs may be recovered in rates only upon SoCalGas' formal request and subsequent approval by the Commission as to the reasonableness of such costs.

Questions should be directed to SoCalGas Tariffs by email to Tariffs@Socalgas.com.

December 10, 2018

Alice Stebbins California Public Utilities Commission

Ronald van der Leeden

Director – Regulatory Affairs

cc: CPUC President Michael Picker Commissioner Martha Guzman Aceves Commissioner Clifford Rechtschaffen Commissioner Carla J. Peterman Commissioner Liane M. Randolph Edward Randolph, Energy Division Director Service List, R.18-03-011

Letter Sent to CPUC to Invoke CEMA - 2019 Winter Storms



555 W. Fifth Street, GT14D6 Los Angeles, CA 90013-1011 Tel: 213.244.2009 Fax: 213.244.4957 <u>RvanderLeeden@semprautilities.com</u>

March 25, 2019

Ms. Alice Stebbins Executive Director California Public Utilities Commission 505 Van Ness Avenue San Francisco, CA 94102

Re: Catastrophic Event Memorandum Account – 2019 Winter Storms

Dear Ms. Stebbins:

Pursuant to California Public Utilities Commission (CPUC or Commission) Resolution E-3238, Southern California Gas Company (SoCalGas) is providing notice that its Catastrophic Event Memorandum Account (CEMA) has been invoked due to recent catastrophic events of winter storms in Southern California which led to a proclamation of a State of Emergency by Governor Gavin Newsom. This letter is provided in accordance with SoCalGas' tariff book Preliminary Statement, Part VI, CEMA,¹ which requires SoCalGas to notify the Commission regarding the CEMA, and to provide information concerning the catastrophic event, its impact to facilities, and an estimate of costs that have been or will be incurred in response to the catastrophic event.

Catastrophic Event Declared – 2019 Winter Storms

On February 21, 2019, Governor Gavin Newsom issued an emergency proclamation for twenty-one counties, including Santa Barbara, Ventura, and San Diego counties, to help communities respond to and recover from severe winter storms that have caused flooding, mudslides, erosion, and damage to critical infrastructure.² As noted in the proclamation, an atmospheric river swept across California beginning on January 5, 2019, continued through January into February, with another significant atmospheric river system beginning on February 12, 2019. The proclamation notes that these

https://www.socalgas.com/regulatory/tariffs/tm2/pdf/CEMA.pdf.

¹ Preliminary Statement – Part VI – CEMA. Available at

² See Governor Newsom's Proclamation of State of Emergency in Counties Across California Due to Winter Storms. *Available* at <u>https://www.gov.ca.gov/wp-</u> content/uploads/2019/02/2.21.19-Emergency-Proclamation.pdf.

Alice Stebbins Executive Director California Public Utilities Commission

winter storms caused, among other things, flash flooding, erosion, and mud and debris flows.

CEMA Background

The CEMA requires that if possible, within thirty (30) days after the catastrophic event SoCalGas is to provide the Executive Director of the CPUC information concerning the catastrophic event, including the impact on its facilities and a preliminary estimate of the costs that have been or will be incurred in response to the catastrophic event. The costs eligible for entry into the CEMA include costs associated with: 1) restoring utility services to customers; 2) repairing, replacing, or restoring damaged utility facilities; and 3) complying with government agency orders associated with events declared disasters. Costs recorded in the CEMA shall be restricted to those incremental costs incurred by SoCalGas in response to the catastrophic event. Before recovery of any costs recorded in CEMA in jurisdictional customer rates, SoCalGas will make a formal increase request and recommendation by an application to the CPUC.

Impacts on Service and Facilities from the Winter Storms

The significant rain from these winter storms caused earth movement in several locations along SoCalGas' rights-of-way that resulted in pipeline exposure. Two locations were identified in Santa Barbara County along Line 1005, two additional locations were identified in Ventura County, one along each of Lines 1003 and 1004, and a fifth location was identified in San Diego County along Line 1026. Each location required exposure remediation and erosion mitigation, while some locations required relocating pipeline at lower depths. Preliminary estimates of the total costs anticipated to be incurred in response to these catastrophic events are estimated as approximately \$0.6 million in Operations & Maintenance costs, and \$3.6 million in capital costs, for a total cost estimate of \$4.2 million.

SoCalGas may incur additional costs beyond these preliminary estimates associated with the winter storms. Because some costs have yet to be incurred and/or quantified, the preliminary cost estimate may change. SoCalGas understands that all costs may be recovered in rates only upon SoCalGas' formal request and subsequent approval by the Commission as to the reasonableness of such costs.

Questions should be directed to SoCalGas Tariffs by email to Tariffs@Socalgas.com.

Ronald van der Leeden Director – Regulatory Affairs

Alice Stebbins Executive Director California Public Utilities Commission

cc: CPUC President Michael Picker Commissioner Martha Guzman Aceves Commissioner Clifford Rechtschaffen Commissioner Liane M. Randolph Commissioner Genevieve Shiroma Edward Randolph, Energy Division Director

Letter Sent to CPUC to Invoke CEMA - October 2019 Fires



555 W. Fifth Street, GT14D6 Los Angeles, CA 90013-1011 Tel: 213.244.2009 Fax: 213.244.4957 <u>RvanderLeeden@socalgas.com</u>

November 12, 2019

Ms. Alice Stebbins Executive Director California Public Utilities Commission 505 Van Ness Avenue San Francisco, CA 94102

Re: Catastrophic Event Memorandum Account – October 2019 Wildfires

Dear Ms. Stebbins:

Pursuant to California Public Utilities Commission (CPUC or Commission) Resolution E-3238, Southern California Gas Company (SoCalGas) is providing notice that its Catastrophic Event Memorandum Account (CEMA) has been invoked due to recent catastrophic events of multiple wildfires and extreme fire conditions in Southern California which led to multiple proclamations of States of Emergency by Governor Gavin Newsom. This letter is provided in accordance with SoCalGas' tariff book Preliminary Statement, Part VI, CEMA,¹ which requires SoCalGas to notify the Commission regarding the CEMA, and to provide information concerning the catastrophic event, its impact to facilities, and an estimate of costs that have been or will be incurred in response to the catastrophic event.

Catastrophic Event Declared – October 2019 Wildfires

On October 11, 2019, Governor Newsom issued an emergency proclamation for Los Angeles and Riverside counties due to the Saddleridge, Eagle, Sandalwood, Reche, and Wolf fires, which started on October 10, 2019.² As noted in the proclamation, the fires destroyed homes and other structures, threatened critical infrastructure and caused the evacuation of residents.

https://www.socalgas.com/regulatory/tariffs/tm2/pdf/CEMA.pdf.

¹ Preliminary Statement – Part VI – CEMA. *Available* at

² See Governor Newsom's Proclamation of State of Emergency for Los Angeles and Riverside County. *Available* at <u>https://www.gov.ca.gov/wp-content/uploads/2019/10/10.11.19-State-of-Emergency-Due-to-Fires-attested.pdf</u>.

Alice Stebbins Executive Director California Public Utilities Commission

On October 25, 2019, Governor Newsom issued a second emergency proclamation for Los Angeles County due to the Tick fire, which started on October 24, 2019.³ Likewise, this proclamation noted that the fire destroyed structures, threatened critical infrastructure and caused the evacuation of residents.

Additionally, on October 27, 2019, Governor Newsom issued a third emergency proclamation, this time extending the state of emergency condition to exist in the entire State of California due to the extreme fire conditions.⁴ In this declaration, Governor Newsom identified at least 43 counties as experiencing fire weather conditions and affiliated red flag warnings. Most notable among the various fires resulting from those conditions, the Getty and Easy fires began burning in SoCalGas' service territory on October 28 and October 30, respectively.

CEMA Background

The CEMA requires that, if possible, within thirty (30) days after the catastrophic event SoCalGas is to provide the Executive Director of the CPUC information concerning the catastrophic event, including the impact on its facilities and a preliminary estimate of the costs that have been or will be incurred in response to the catastrophic event.⁵ The costs eligible for entry into the CEMA include costs associated with: 1) restoring utility services to customers; 2) repairing, replacing, or restoring damaged utility facilities; and 3) complying with government agency orders associated with events declared disasters. Costs recorded in the CEMA shall be restricted to those incremental costs incurred by SoCalGas in response to the catastrophic event. Before recovery of any costs recorded in CEMA in jurisdictional customer rates, SoCalGas will make a formal increase request and recommendation by an application to the CPUC.

Costs Associated with Impacts on Service and Facilities from the October 2019 Wildfires

SoCalGas worked closely with first responders and other authorities in the areas affected by the wildfires. In some cases, the fires destroyed and severely damaged customers' homes to the point that gas service abandonment was necessary. Additionally, the Saddleridge fire damaged certain facilities at SoCalGas' Aliso Canyon storage field, however, the damage did not impact operations at the field.

³ See Governor Newsom's Proclamation of State of Emergency for Sonoma and Los Angeles County. *Available* at <u>https://www.gov.ca.gov/2019/10/25/governor-newsom-declares-state-of-emergency-in-sonoma-and-los-angeles-counties-due-to-fires/</u>.

⁴ See Governor Newsom's Proclamation of State of Emergency for California. *Available* at <u>https://www.gov.ca.gov/wp-content/uploads/2019/10/2019-17-Fire-weather-conditions-State-of-Emergency-Signed-10.27.19.pdf</u>.

⁵ This notification is timely submitted, occurring on the first business day following the 30-day requirement.

November 12, 2019

Alice Stebbins Executive Director California Public Utilities Commission

Preliminary estimates of the costs anticipated to be incurred in response to these catastrophic events are approximately \$2 million in Operations & Maintenance (O&M) costs and \$2 million in capital costs, for a total direct cost estimate of approximately \$4 million. The majority of these costs are anticipated to be incurred as a result of the October 10 wildfires (i.e., Saddleridge, Eagle, Sandalwood, Reche, and Wolf) with a cost estimate of \$3.5 million.

SoCalGas may incur additional costs beyond these preliminary estimates associated with repairing damaged utility facilities and properties. Because some costs have yet to be incurred and/or quantified, the preliminary cost estimate may change. SoCalGas understands that all costs may be recovered in rates only upon SoCalGas' formal request and subsequent approval by the Commission as to the reasonableness of such costs.

Questions should be directed to SoCalGas Tariffs by email to Tariffs@Socalgas.com.

COP- Ronald van der Leeden

Director – Regulatory Affairs

cc: CPUC President Marybel Batjer Commissioner Martha Guzman Aceves Commissioner Clifford Rechtschaffen Commissioner Liane M. Randolph Commissioner Genevieve Shiroma Edward Randolph, Energy Division Director Service List, R.18-03-011