

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company for Approval of 2013 – 2014 Statewide Marketing, Education, and Outreach Program and Budget (U39M)	Application 12-08-007 (filed August 3, 2012)
And Related Matters	Application 12-08-008 Application 12-08-009 Application 12-08-010 (Filed August 3, 2012)

**REPLY COMMENTS OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

I. Introduction

Pursuant to Rule 14.3 of the Commission’s Rules of Practice and Procedure, the California Independent System Operator Corporation (CAISO) hereby files reply comments in response to the *Proposed Decision Authorizing Southern California Gas Company to Provide Up To \$11 Million For Aliso Canyon-Related Messaging* (Proposed Decision). The Proposed Decision directs Southern California Gas Company (SoCalGas) to provide additional funding for marketing, education, and outreach activities to reduce the risk of natural gas and electricity curtailments in the Los Angeles basin this summer, due to the ongoing effects of the recent natural gas leak at SoCalGas’ Aliso Canyon storage facility. The CAISO’s reply comments focus on stakeholder oversight of SoCalGas’ planned media campaign, as recommended by the Office of Ratepayer Advocates (ORA) and funding the Flex Alert portion of the media campaign.

II. Program Oversight

The CAISO agrees with ORA’s recommendation that SoCalGas’ planned media campaign should be subject to program oversight. In particular, the CAISO recommends that the Commission direct oversight from the agencies involved in ensuring gas and

electric reliability in southern California; namely the Commission, the CAISO and the Energy Commission. The oversight committee should be consulted regarding content, proposed expenditures and message deployment for the SoCalGas media campaign.

III. Funding for Flex Alert Advertising

The CAISO does not take a position on the exact level of funding the Commission should authorize for Flex Alert advertising, but continues to believe that significant funding is necessary to pre-condition customers to be prepared to conserve when called upon during Flex Alert events. While the Commission is in the best position to balance the interests of ratepayers and shareholders, the CAISO believes that additional funds invested in Flex Alert advertising will significantly increase consumer participation, thereby improving program performance. Prior to 2016, the Flex Alert program was supported with an annual paid advertising budget of approximately \$10 million per year. Based on that previous experience, the CAISO believes that the funding level in the Proposed Decision is adequate to support consumer participation and urges SoCalGas to focus a portion of funds on Flex Alert brand development as provided in the Proposed Decision. In addition, the CAISO believes that the oversight committee discussed above should have the discretion to modify overall Flex Alert expenditures from the amount approved in Proposed Decision if it is determined that a lesser amount is adequate to support reliability needs.

IV. Conclusion

The Proposed Decision properly provides additional funding for Flex Alert advertising to address the unique challenges presented by the loss of the Aliso Canyon storage facility. The CAISO looks forward to working with the Commission, SoCalGas and stakeholders to effectively administer the Flex Alert program in a manner that is both effective and cost-efficient.

Respectfully submitted,

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