



**Bret Lane**  
Chief Operating Officer

555 W. 5<sup>th</sup> Street, GT21C1  
Los Angeles, CA 90013-1011

Tel: 213.244.2100  
Fax: 213.244.8293  
JLane@SempraUtilities.com

June 29, 2016

Dear XXXX:

I am writing to share the actions SoCalGas took in cooperation with the California Independent System Operator (CAISO), the Los Angeles Department of Water and Power (LADWP), and others to provide safe and reliable natural gas and electric service during the two recent heat waves in Southern California and the Southwest.

As I shared previously, whenever heat waves cause dramatic increases in demand for electricity, SoCalGas must carefully coordinate with CAISO, LADWP, and electric generators in our region. This is even more important now due to the limited availability of our Aliso Canyon storage facility. 61 percent of the electricity used in California comes from power plants that run on natural gas. During severe heat, electric Balancing Authorities such as CASIO must call upon local generation plants to meet the higher electric demand levels. Historically, natural gas from Aliso Canyon has been one of the important tools used to support this critical peaking generation needs. When the Aliso Canyon facility is not in service, the region is at particular risk of power outages.

While DOGGR has authorized SoCalGas to withdraw gas from Aliso Canyon wells that have passed Phase 1 mechanical integrity testing<sup>1</sup>, withdrawals were not necessary to meet demand during these past two heat waves. In addition, no electric outages occurred due to supply constraints, despite high demand peaks. We believe this was due in part to the preventive actions SoCalGas took. These included:

- Leading up to the heat waves, SoCalGas worked in very close coordination with CAISO, LADWP, and our electric generation customers to monitor demand forecasts and incoming gas supplies, and prepare our operations to support electric reliability needs.
- We asked customers who buy their own gas from out-of-state to closely match their purchased supplies deliveries with their usage, and to carefully monitor our Envoy Electronic Bulletin Board (<https://envoy.sempra.com/>), where system and other information is posted for public dissemination.
- SoCalGas issued a Gas Curtailment Watch for customers from Sunday, June 19 to Monday, June 20 at 8:30 a.m. This allowed our customers to prepare for potential curtailment during the period of high demand.
- We worked with a new coalition of twelve utilities, the Energy Providers of Southern California, to launch an energy conservation campaign that encourages customers to reduce energy use at peak times. The campaign features paid advertising as well as a new [www.ConserveEnergySoCal.com](http://www.ConserveEnergySoCal.com) website and social media accounts to promote conservation. The effort has been effective thus far,

---

<sup>1</sup> DOGGR's June 15, 2016 authorization letter is attached for convenience.

especially with communicating CAISO's June 20<sup>th</sup> Flex Alert, and it will continue to engage additional consumers as we move through summer and the remainder of the year.

Our region's natural gas and electric delivery systems are complex, and their interdependence will continue to become even more marked under heat wave conditions. Demand increases caused by severe weather also underscore the importance of large, well-located storage reservoirs like Aliso Canyon. SoCalGas is continuing its work to safely bring the facility back online in compliance with the DOGGR established requirements, and we are working toward resuming injections and operations by late summer.

I will continue to keep you informed throughout the summer about the status of the Aliso Canyon and our efforts to support energy reliability this year.

Sincerely,

A handwritten signature in black ink, appearing to read "Bret Lane". The signature is fluid and cursive, with the first letter of each word being capitalized and prominent.

Bret Lane  
Chief Operating Officer  
SoCalGas