



A  Sempra Energy utility

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Dear Policymaker/Community Leader:

As we head into another warm weekend, this letter is to update you on SoCalGas' actions to support regional energy reliability and to provide you with the latest information about our efforts to safely resume operations at the Aliso Canyon natural gas storage facility.

### **Summer Energy Reliability**

As noted in the [\*Joint Agency Aliso Canyon Action Plan to Preserve Gas and Electric Reliability for the Los Angeles Basin\*](#) report, the limited availability of the Aliso Canyon storage facility this summer could still present challenges for the electric grid for Los Angeles and parts of Orange County. We continue to work closely with the California Independent System Operator (CAISO) and other agencies, as well as our electric generation customers, to manage the region's energy systems. The California Public Utilities Commission (CPUC) has authorized SoCalGas, under certain criteria, to utilize Aliso to meet reliability needs by withdrawing natural gas from wells at the facility. Those withdrawals will first take place utilizing wells that have passed both phases of the ongoing testing being supervised by the Division of Oil, Gas, and Geothermal Resources (DOGGR). If the capacity from those wells is not sufficient to meet the reliability needs, DOGGR approved, with CPUC concurrence, the use of a limited number of wells that have passed only the first phase of testing. So far, we have not needed to withdraw from Aliso Canyon this summer.

Additionally, through a joint coalition of southern California natural gas and electric utilities, in partnership with the California Public Utilities Commission, CAISO, and local city governments, we are continuing to support a regional conservation campaign. The conservation campaign features a website in both English and Spanish at [www.ConserveEnergySoCal.com](http://www.ConserveEnergySoCal.com), as well as social media and advertising that offer tips and education to help customers conserve.

Thanks to your constituents and our customers, efforts to encourage conservation are already paying off. In the month of June alone, more than 2,000 people signed up for Flex Alert notifications, a 16 percent increase over the prior year's sign-ups. And, according to CAISO, the region's Flex Alert, conservation and demand response actions during June's heat wave reduced 1,100 megawatts of electricity demand.

### **Winter Energy Reliability**

As we work to manage summer energy reliability, we are also looking towards the winter heating season and making plans to address energy reliability with a limited availability of the Aliso Canyon storage facility. SoCalGas is providing technical support to the Joint Agency Team, similar to the summer technical assessment group, to determine potential issues in meeting winter gas demands.

## Aliso Canyon Well Inspection and Safety Update

Well inspections at Aliso Canyon continue, in compliance with DOGGR's Order 1109 and as required by SB 380. The multi-stage well testing, combined with the ongoing monitoring, provide a technically sound approach to assess the integrity of all wells at the facility. Test results are submitted by SoCalGas, reviewed by DOGGR staff, and then [posted bi-weekly here](#). As of Friday, July 15, 2016:

- 114 (or 100 percent) of the active wells at Aliso Canyon have completed Phase One inspections.
- 93 of those wells (or 82 percent) have moved on to Phase Two testing.
- 18 wells have completed all of the required tests, and 15 have received final DOGGR approval.

At the start of the inspection process, we prioritize wells based on their ability to meet the new DOGGR requirements of tubing-flow only and to provide the highest possible flow capability to support summer and winter reliability needs. As part of the DOGGR Order 1109 requirements, wells that will not complete the Phase Two testing prior to SoCalGas resuming injections are being isolated from the gas reservoir. Phase Two inspections of those wells will be continuing, as required by DOGGR's Order 1109.

To help the public better understand the inspection process, SoCalGas recently released a video that demonstrates the required testing for each of the storage wells. Animation of a well's components and demonstrations of the eight required tests to bring an Aliso Canyon well back into service are shown in the video, which is available at: [Well Inspection Video](#). I encourage you to share this video with your constituents or others who have questions about the inspection process.

In addition, we continue to use several tools to monitor and provide enhanced levels of safety for field operations, including daily infrared video scanning and continuous pressure monitoring to detect possible leaks.

Please feel free to contact me or my team with questions or concerns about our actions to safely provide reliable energy to our region.

Sincerely,



Bret Lane  
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SoCalGas