



U.S. Department of Transportation  
**Pipeline and Hazardous Materials  
Safety Administration**

1200 New Jersey Ave, S.E.  
Washington, D.C. 20590

July 14, 2017

Mr. Bret Lane  
President and Chief Operating Officer  
Southern California Gas Company  
555 W. 5<sup>th</sup> St., M.L. GT-21C1  
Los Angeles, CA 90013-1011

Dear Mr. Lane:

Thank you for your June 16, 2017, letter summarizing the safety and restoration efforts by Southern California Gas Company (SoCal) at the Aliso Canyon natural gas storage facility, in coordination with multiple state and federal regulatory agencies. Safety is the U.S. Department of Transportation's top priority, so we appreciate your efforts to restore the safety and integrity of the facility in preparation for its return to service.

We understand SoCal is making considerable progress to validate the integrity of each well and deploying many new facility-wide monitoring and operating practices to enhance safety. We also understand the critical role played by the Aliso Canyon facility to the energy supply in California, and the need to address the safety impacts of potential disruptions to regional energy reliability in a timely manner.

We share the U.S. Department of Energy's concern for the risk of energy disruptions without the broader use of Aliso Canyon's storage capabilities. That is why we hope that the Aliso Canyon facility receives all the necessary approvals to begin service again as soon as possible, once it has been verified that all mandated safety conditions have been met. We understand you will continue to focus on those actions that will result in the greatest safety impact and to communicate and coordinate with the California Public Utilities Commission (CPUC), the Division of Oil, Gas, and Geothermal Resources (DOGGR), and the broader public interest.

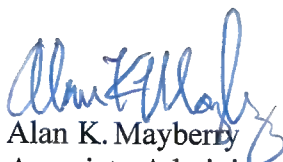
All of this effort is clearly aligned with restoring and enhancing the safety and integrity of the Aliso Canyon facilities, and has spurred a broader national safety agenda for underground natural gas storage. As you are aware, the Pipeline and Hazardous Materials Safety Administration (PHMSA) issued an Interim Final Rule (IFR) for Underground Natural Gas Storage regulations on December 18, 2016.

On June 20, 2017, we published a response to a petition for reconsideration from the Interstate Natural Gas Association of America (INGAA), the American Gas Association (AGA), and the American Petroleum Institute (API) to reconsider certain provisions in the rule. We have been

aggressively building the inspection, compliance, and state agency certification programs keyed on the IFR's primary effective date of January 18, 2018. We are also preparing a Final Rule for the IFR, which is forecast to publish in January 2018.

If you have any questions or would like to discuss how PHMSA can further promote the safety of the Aliso, and all other underground natural gas storage facilities, please contact Byron Coy by email at [Byron.Coy@dot.gov](mailto:Byron.Coy@dot.gov) or by phone at 609-771-7810, or me, at 202-366-5124.

Sincerely,



Alan K. Mayberry  
Associate Administrator for Pipeline Safety

cc: Mr. Ken Harris, State Oil and Gas Supervisor, State of California Department of Oil,  
Gas, and Geothermal Resources  
Mr. Michael Picker, President, California Public Utilities Commission