

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



September 28, 2016

Rodger Schwecke, Vice President
Transmission and Storage
Southern California Gas Company 555 West 5th Street, GT21C3
Los Angeles, CA 90013
RSchwecke@semprautilities.com

Re: Aliso Canyon Natural Gas Storage Facility

Dear Mr. Schwecke:

On June 2, 2016, the California Public Utilities Commission (CPUC) enabled withdrawals of the remaining 15 billion cubic feet of working gas in the Aliso Canyon Natural Gas Storage Facility in order to prevent electric curtailments if it is safe to do so and strict protocols are met. My letter of June 15, 2016 directed you to continue completing testing of all wells within Aliso Canyon under the facility's required Comprehensive Safety Review while retaining adequate gas withdrawal capacity during the review. Specifically, that letter ordered that SoCalGas maintain a minimum withdrawal capability of 17.5 Mmcf per hour (420 Mmcf per day) in Aliso Canyon, in a manner consistent with SB 380 (Pavley, 2016), Public Utilities Code Section 451, and other applicable regulations and directives from the State Oil and Gas Supervisor. Consistent with the required withdrawal capacity of 17.5 Mmcf per hour withdrawal capacity, the letter instructed SoCalGas to maintain an adequate balance of gas volume in the facility and a sufficient number of wells with adequate withdrawal capacity to reduce the risks of electricity curtailments. Such risks were identified in the *Aliso Canyon Action Plan to Preserve Gas and Electric Reliability for the Los Angeles Basin* and the accompanying *Aliso Canyon Risk Assessment Technical Report*.

By this letter, the required minimum withdrawal capability of 17.5 Mmcf is revised to 8.6 Mmcf. This new reduced requirement reflects a lower risk as a result of the effective use of mitigation measures and moderating weather as the end of the summer season is approached. SoCalGas should take action to maintain a minimal withdrawal capability of 8.6 Mmcf per hour (207 Mmcf per day) in Aliso Canyon, in a manner consistent with SB 380 (Pavley, 2016), Public Utilities Code Section 451, and other applicable regulations and directives from the State Oil and Gas Supervisor. In Particular, you must maintain – with proper authorization – an adequate balance of gas volume in the facility and a sufficient number of wells with adequate withdrawal capacity to reduce the risks of electric curtailments.

In addition, this letter grants authorization to isolate/remove from service Phase I tested wells identified in my letter of June 15 to be used for withdrawal to the extent that the total withdrawal capacity of the field is maintained at a level of 8.6 Mmcf per day or more.

Thank you for your continued efforts to complete comprehensive safety testing of all wells at Aliso Canyon to comply with SB 380 while working to minimize any energy reliability risks to southern California.

Sincerely,

Handwritten signature of Timothy J. Sullivan in blue ink.

Timothy J. Sullivan
Executive Director

Cc.: Edward Randolph
Dan Skopec