





Record of Proactive Steps to Manage Reliability

EXTERNAL EVENTS

1/2012

San Onofre Nuclear Generating System (SONGS) offline



The Renewables Portfollo Standard (RPS) was established in 2002.



RPS The most recent achieved goal - 2014 at 25%.



8/2012

Obtained authorization to begin using baseload contracts to help system operator manage the Southern System minimum flow requirements.



11/2013

Requested and was granted authority to enter into contracts with core to help meet the Southern System minimum flow requirement.



6/2014

Requested and granted authority to adopt low Operational Flow Order (OFO) and Emergency Flow Order (EFO) to balance supply and demand.



6/2015

SoCalGas seeks an update to 20 year old curtallment rules recognizing gas/ electric interdependencies.



3/2016

SoCalGas recommends spearheading a conservation campaign during Aliso moratorium.



4/2016

SoCalGas, SDGE, CAISO, ORA, and 22 cutomers and customer groups proposed a package of reliability/ enhancement measures to the CPUC.

SOCALGAS ACTIONS



Physical reliability projects.

N16K0094A 050716 v2



Actions Underway to Safely Restore Aliso

WELL INSPECTION PROCESS

PRIORITIZE

ASSESS:

 Configured for injection and withdrawal through tubing only

PRIORITIZE:

- · Locations with highest capacity
- · Condition of surface hardware

ASSESS

- Temperature & Noise Tests
- Additional DOGGR required tests:
 - Casing Wall Inspection
 - Cement Bond Log
 - Multi-Arm Caliper Inspection
 - Pressure Test

RETURN TO SERVICE

RETURN TO SERVICE:

- Diagnostics complete; well certified by DOGGR to return to service
- Diagnostics complete; well to be temporarily plugged
- Aliso Canyon field receives overall certification from DOGGR to return to service



Winter Reliability

- The primary focus so far has been on summer electric reliability
- But winter natural gas reliability is also extremely important
- The potential customer impacts of natural gas curtailment during winter could be significant
- In particular, should curtailments impact core customers, restoration of service could be a significant issue



Summary

- We strive to provide safe and reliable service at reasonable rates to all customers including large commercial and industrial customers such as electric generators and refineries
- Our primary obligation, as directed by the CPUC, is to core customers
- We prioritize to meet core demand with special consideration towards reliability during winter months
 - Core customers include residential customers, small businesses and providers of fuel for natural gas vehicles