



California Public Utilities Commission
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PRESS RELEASE

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**CPUC TO REVIEW SOCALGAS PIPELINE OUTAGES
THAT CONTRIBUTE TO RECOMMENDATION TO INCREASE
ALISO CANYON GAS STORAGE VOLUME**

SAN FRANCISCO, June 18, 2018 - The California Public Utilities Commission (CPUC) today took two actions to address continuing pipeline outages in Southern California, recommending an increase in the natural gas storage volume at Southern California Gas Company's (SoCalGas) Aliso Canyon Natural Gas Storage Facility, and asking SoCalGas for detailed information about some of its still out-of-service pipelines.

The information from SoCalGas, which owns and operates Aliso, is needed to determine if pipelines not in operation should remain part of the rates that consumers pay or if the CPUC should reduce cost recovery to SoCalGas for pipelines that are not serving customers.

In a letter sent today from the CPUC's Energy Division Director to Bret Lane, President and Chief Operating Officer of SoCalGas, the company was informed that the CPUC requires more information about the extent to which certain SoCalGas pipelines remain out of service and how the facilities are accounted for in the company's finances and rate structure.

The CPUC's recommendation to increase natural gas storage at Aliso is due in large part to the continuing pipeline outages on the SoCalGas system. CPUC staff has recommended increasing the natural gas storage volume from the current 24.6 Bcf to 34 Bcf. Historically, the maximum amount of gas that could be stored in Aliso was 86.2 Bcf, but state law passed after the Aliso leak requires the CPUC to determine the range of gas necessary at the facility to ensure safety, reliability, and just and reasonable rates.



In its draft Aliso Canyon Working Gas Inventory, Production Capacity, Injection Capacity, and Well Availability for Reliability Supplemental Report for Summer 2018 (715 Report) issued today, the CPUC cites SoCalGas pipeline outages as a main factor in its recommendation to increase the natural gas storage volume at Aliso. Other factors cited in the report are the impact to SoCalGas' withdrawal capacity caused by season-long declines in natural gas storage at the non-Aliso storage fields; the limited injection capacity at the non-Aliso fields; and concern that natural gas demand cannot be met with forecasted storage inventory levels.

The draft report and recommended increase to the natural gas storage volume at Aliso are forward-looking to this summer and next winter and were prompted by results of the Aliso Canyon Risk Assessment Technical Report Summer 2018. That report found that extensive pipeline outages on the SoCalGas system may make it difficult for the utility to fill its gas storage fields to a level sufficient to ensure energy reliability this winter.

The deadline for comment on the draft 715 Report is June 25, 2018. Comments can be submitted to Aliso@cpuc.ca.gov. After public comment, the CPUC may revise the report. Per statute, any change in the inventory levels at Aliso Canyon will be directed by the CPUC's Executive Director.

The draft 715 Report and the letter to SoCalGas are at: www.cpuc.ca.gov/Aliso.

The CPUC regulates services and utilities, safeguards the environment, and assures Californians' access to safe and reliable utility infrastructure and services. For more information on the CPUC, please visit www.cpuc.ca.gov.

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