



SoCalGas Announces Framework to Safely Bring Aliso Canyon Storage Facility Back Online in Compliance with Newly Issued Regulations

LOS ANGELES – April 7, 2016 – Southern California Gas Co. (SoCalGas) today announced a framework to safely bring the Aliso Canyon storage facility back online, in compliance with newly issued regulations. The Division of Oil, Gas, and Geothermal Resources' (DOGGR) comprehensive Safety Review Testing Regime for the Aliso Canyon Natural Gas Facility requires “that each of the active injection wells in the Aliso Canyon Storage facility either pass a thorough battery of tests in order to resume gas injection or be taken out of operation and isolated from the underground gas reservoir.” DOGGR’s testing regime was developed in coordination with the U.S. Department of Energy’s National Labs. In compliance with DOGGR’s testing regime, work is already underway to test wells at the field and SoCalGas is working toward being able to operate the Aliso Canyon storage facility by late summer.

“We have said all along that we will not re-open Aliso Canyon until we are confident it is safe to operate,” said SoCalGas Chief Operating Officer, Bret Lane. “Following both the spirit and letter of new guidelines established by the state, we have started work that should allow us to partially restore operations at the field by the end of the summer. We look forward to working with regulators, elected officials, and our customers to address concerns about reliability this summer and during next winter’s heating season.”

“We encourage the state regulatory agencies, legislators, and SoCalGas to work with impacted stakeholders to urgently evaluate the possibility of phasing-in the safe operation of those wells that are deemed safe by the Division of Oil, Gas, and Geothermal Resources and independent experts,” said the Southern California Public Power Authority. “Further evaluation may determine that this approach supports the highest priority of ensuring public safety – both safety for local residents near the facility and safety concerns associated with impacting power supply reliability for the broader region this summer and beyond.”

SoCalGas’ framework to safely bring the Aliso Canyon storage facility back-online with the goal that the field can continue to support gas and electric reliability in the region during the fall and winter months will be executed in three phases.

Phase One:

- Every active well at the Aliso Canyon storage facility will undergo diagnostic noise and temperature testing.
- The data from each of these tests will be reviewed and confirmed by DOGGR.

Phase Two:

- Based on the outcome of diagnostic testing in Phase One, wells will either be temporarily taken off-line and isolated from the underground reservoir or undergo a battery of four additional diagnostic tests to determine if they are safe to operate.

Phase Three:

- After every well has successfully completed these two phases, DOGGR will confirm the field can be safely put back into operation. In concert with DOGGR, the Executive Director of the California Public Utilities Commission must also make a determination about whether the field is safe to operate.

The natural gas and electricity grids are complicated and interdependent. During periods of peak gas and electricity demand or when weather conditions diminish the reliability of renewable power sources, natural gas powered electric generation facilities fill the gap to meet consumers' energy demands. Because natural gas travels relatively slowly in pipelines, local storage facilities like Aliso Canyon are critical to maintaining reliable gas and electricity services.

Since October 25, no natural gas has been injected into the Aliso Canyon storage facility and all injection activity into the facility remains suspended until SoCalGas complies with DOGGR's Safety Review Testing Regime. Withdrawals from the facility were also stopped at the direction of the California Public Utilities Commission unless needed to meet energy reliability requirements.

SoCalGas continues to support the efforts of the California Public Utilities Commission Safety Enforcement Division and DOGGR onsite at the Aliso Canyon storage facility in their investigation of the incident. SoCalGas is also continuing to working closely with other agencies on the issues related to the incident.

The Aliso Canyon storage facility is an important part of interdependent natural gas and electricity systems in Southern California. SoCalGas is committed to working with regulators, lawmakers, customers, and other service providers to bring the facility back online safely, expeditiously, and in compliance with all new regulations.

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About Southern California Gas Co: [Southern California Gas Co.](https://www.socalgas.com) (SoCalGas) has been delivering clean, safe and reliable natural gas to its customers for more than 145 years. It is the nation's largest natural gas distribution utility, providing service to 21.6 million consumers connected through 5.9 million meters in more than 500 communities. The company's service territory encompasses approximately 20,000 square miles throughout central and Southern California, from Visalia to the Mexican border. SoCalGas

is a regulated subsidiary of [Sempra Energy](#) (NYSE: SRE), a Fortune 500 energy services holding company based in San Diego.

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Forward-looking statements are necessarily based upon various assumptions involving judgments with respect to the future and other risks, including, among others: local, regional, and national economic, competitive, political, legislative, legal, and regulatory conditions, decisions, and developments; actions and the timing of actions, including general rate case decisions, new regulations, issuances of permits to construct, operate and maintain facilities and equipment and to use land, franchise agreements, and licenses for operation, by the California Public Utilities Commission, California State Legislature, U.S. Department of Energy, California Division of Oil, Gas and Geothermal Resources, Federal Energy Regulatory Commission, California Energy Commission, U.S. Environmental Protection Agency, Pipeline and Hazardous Materials Safety Administration, California Air Resources Board, South Coast Air Quality Management District, cities and counties, and other regulatory, governmental and environmental bodies in the United States; the timing and success of business development efforts and construction, maintenance and capital projects, including risks in obtaining, maintaining or extending permits, licenses, certificates and other authorizations on a timely basis and risks in obtaining adequate and competitive financing for such projects; deviations from regulatory precedent or practice that result in a reallocation of benefits or burdens among shareholders and ratepayers and delays in regulatory agency authorization to recover costs in rates from customers; the availability of electric power and natural gas, and natural gas pipeline and storage capacity, including disruptions caused by failures in the North American transmission grid, moratoriums on the ability to withdraw natural gas from or inject natural gas into storage facilities, pipeline explosions and equipment failures; energy markets; the timing and extent of changes and volatility in commodity prices, the impact on the value of our natural gas storage assets from low natural gas prices, low volatility of natural gas prices and the inability to procure favorable long-term contracts for natural gas storage services; the resolution of civil and criminal litigation and regulatory investigations; risks that our partners or counterparties will be unable or unwilling to fulfill their contractual commitments; capital markets conditions, including the availability of credit and the liquidity of our investments, and inflation and interest rates; cybersecurity threats to the energy grid, natural gas storage and pipeline infrastructure, the information and systems used to operate our businesses and the confidentiality of our proprietary information and the personal information of our customers and employees; terrorist attacks that threaten system operations and critical infrastructure; wars; weather conditions, natural disasters, catastrophic accidents, equipment

failures and other events that may disrupt our operations, damage our facilities and systems, cause the release of greenhouse gasses and harmful emissions, and subject us to third-party liability for property damage or personal injuries some of which may not be covered by insurance; the inability or determination not to enter into long-term supply and sales agreements or long-term firm capacity agreements due to insufficient market interest, unattractive pricing or other factors; and other uncertainties, all of which are difficult to predict and many of which are beyond our control.

These risks and uncertainties are further discussed in the reports that the company has filed with the Securities and Exchange Commission. These reports are available through the EDGAR system free-of-charge on the SEC's website, www.sec.gov. Investors should not rely unduly on any forward-looking statements. These forward-looking statements speak only as of the date hereof, and the company undertakes no obligation to update or revise these forecasts or projections or other forward-looking statements, whether as a result of new information, future events or otherwise.