

ALISO CANYON STORAGE FACILITY UPDATE

DECEMBER 1, 2015



BACKGROUND

On October 23, SoCalGas® crews discovered a leak at one of the natural gas storage wells at our Aliso Canyon storage field. After conducting our normal procedures to stop the leak, we realized that additional expertise and equipment were needed in this situation. We brought in a team of world-class experts to help us, and have since been working as quickly as safety will allow us to stop the leak. We

have been working closely with all of the appropriate public agencies, including the L.A. City and County Fire Departments and Hazmat Departments, the L.A. County Department of Health, the California Division of Oil, Gas & Geothermal Resources, and the South Coast Air Quality Management District. We sincerely apologize for any concern this odor is causing the neighboring communities. However, the leak does not pose an imminent threat to health or public safety. The Los Angeles County Department of Public Health issued a fact sheet stating, "Methane level readings in Porter Ranch are substantially lower than flammable limits, and do not pose a health concern to residents in the area." They also stated, "Odors are not associated with long-term health effects, but they may cause recurrent symptoms on a daily basis in some individuals as long as the odors remain."

The well is located in an isolated, mountain area more than a mile away from and more than 1,200 feet higher than the closest home or public area. Scientists agree natural gas is not toxic and that its odorant is not toxic at the minute levels at which it is added to natural gas.

We apologize for how this incident may be affecting you, and we appreciate the community's ongoing patience as we work as quickly and safely as possible to resolve this situation. If you feel you have suffered harm or injury as a result of this incident, please call us at 213.244.5151 and one of our claims processors will help you. To receive temporary housing accommodations, please call us at 404.497.6808 and indicate that you are a SoCalGas customer calling about an Aliso Canyon claim. This call center is staffed 24 hours a day, 7 days a week.

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"We recognize the discomfort that some people have experienced due to the odor. Stopping the leak as quickly and safely as possible is our company's highest priority."
Bret Lane, Chief Operating Officer



A  Sempra Energy utility

SITUATION UPDATE

As of November 28, the SoCalGas team of well-management experts has been attempting to pump fluid directly down the well to outweigh the natural pressure pushing the gas up from the ground. At the same time, we have been preparing to construct a relief well, which is an established approach, but complex and time consuming.

We are making steady progress on the relief well operations. This requires a list of sequential steps in preparation for drilling to begin, including building out of the relief well site with the installation of the cellar wall. It is anticipated that drilling will begin taking place the week of November 30. While the relief well is built, we will continue to try to stop the flow of gas by pumping fluids down the well.

As work continues there may be intermittent noises and additional odors. In addition, some of this fluid may come back up and spray into the air. We expect any mist to stay within our facility. The leak site is in a localized area more than a mile away from homes and businesses and remains safe. As we reevaluate the odor mitigation system, taking the community's input into consideration, we are consulting with AQMD and Public Health. We will continue to monitor the air in the community and results to date, which will be posted regularly on <https://www.socalgas.com/newsroom/aliso-canyon-updates/air-sample-results>.

We are committed to – and we will – stop the flow of gas, and are working with some of the world's best well management experts to seal the leak as quickly – and as safely – as possible.

HEALTH QUESTIONS

Once again, we apologize to our neighbors and residents who may be affected by the odor of natural gas. Although natural gas is not considered to be toxic or a hazardous air pollutant, it does smell bad. There have been no changes in the natural gas constituents or our methodology, although we realize odors affect everyone differently and some people may feel ill from the smell. We encourage people to call a doctor if necessary. We apologize for any discomfort the odors may be causing you or your family.

According to the County of Los Angeles Department of Public Health, "these exposures do not constitute an immediate danger to life, and

permanent or long term health effects are not expected. Daily, short-term symptoms are expected to continue, as long as the odors remain." A team of our environmental specialists and retained experts will continue conducting daily air sampling and monitoring at several representative sites both within our facility and your community.

Air sampling results are available at socalgas.com/newsroom/aliso-canyon-updates/air-sample-results. To-date, the analysis of air samples continues to show the components of natural gas, and the odorant that can be detected remains below levels of concern.

CLAIMS INFORMATION

For residents in neighboring communities who wish to relocate, we are providing free, temporary housing accommodations, including locations that can accommodate residents with disabilities and people with access and functional needs. And for residents with pets, we have arranged pet-friendly locations. To receive temporary housing accommodations, please call us at 404-497-6808 and indicate that you are a SoCalGas customer calling about an Aliso Canyon claim. This call center is staffed 24 hours a day, 7 days a week.

If you feel you have suffered harm or injury as a result of this incident, please call 213-244-5151 and one of our claims processors will help you.

You can also download a Claims Form at: socalgas.com/about-us/claims.

Mail or fax the form to:
Southern California Gas Company
Attention: Claims Department
P.O. Box 60980
Los Angeles, California 90060-0980
Fax number: 213-244-8214

SOCALGAS' COMMITMENT TO THE ENVIRONMENT

We are committed to resolving the situation quickly, not only to alleviate our neighbors' concern, but also to reduce the environmental impact. We're working hard to reduce the flow of natural gas and stop the leak as quickly as possible. Reducing what are called "fugitive emissions" that contribute to climate change has been an extremely high priority for SoCalGas for many years. We genuinely care about the environment, and we are presently working with our team of experts and regulatory agencies to reduce the impact of the leak to the environment and surrounding community. Once the leak is stopped, we will work with the appropriate agencies to evaluate and address the environmental impact of this leak.

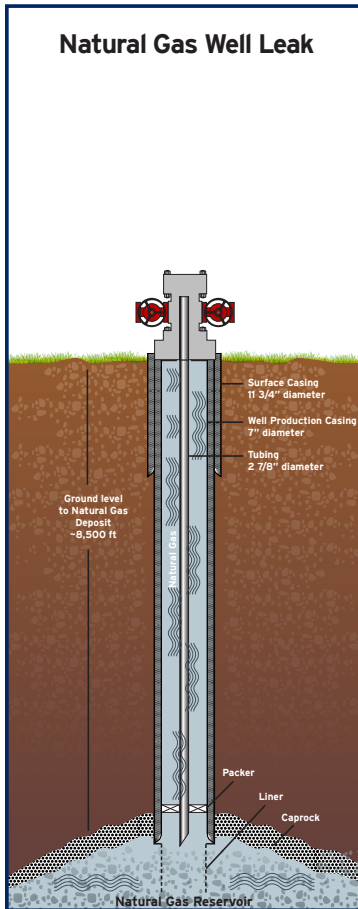


FIGURE 1
Leak Indicators

Indicators are that natural gas is leaking from the well pipe casing into the ground near the well.

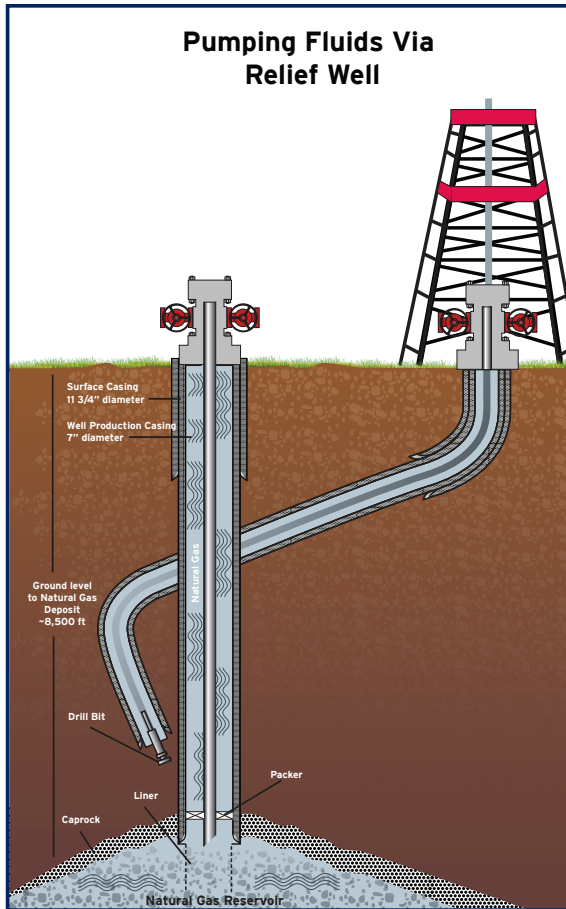


FIGURE 2

Current Efforts to Remedy the Leak

SoCalGas is constructing a relief well in efforts to stop the natural gas leak. This new relief well will connect to the leaking well and create an entry point through which we will pump fluid to seal the bottom of the leaking well. The relief well is flawless in casing and piping and large in diameter allowing more fluids and cement to be pumped into the well more quickly.

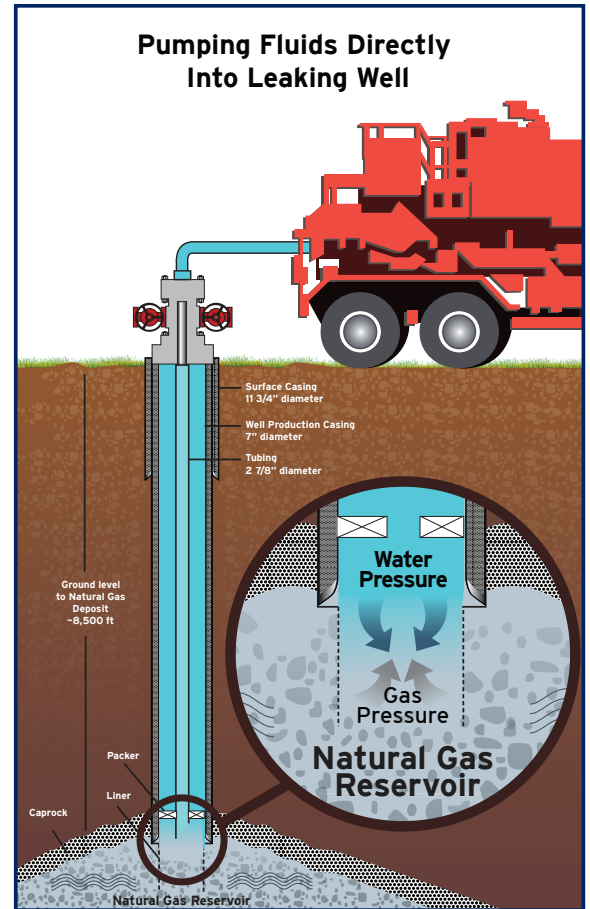


FIGURE 3

Continuing Efforts to Remedy the Leak

SoCalGas' team of experts will fill the well pipe with enough brine solution to outweigh the pressure of the natural gas, thus stopping the flow of the natural gas from the leak.

* Graphic is for informational purposes only. Scale and technical detail are not accurate.

ALISO CANYON SITUATION TIMELINE



Aliso Canyon Turbine Replacement Project (ACTRP)
Porter Ranch Neighborhood Council (PRNC)
L.A. County Board of Supervisors (LABOS)

Due to unfavorable wind conditions, there were several occasions when well-management experts were unable to perform operations as originally scheduled. As conditions improved, operations were able to proceed as normal.

SoCalGas will continue to keep the community updated by posting updates and information on our website socalgas.com under the title "Aliso Canyon Updates."

We have also set up a special call-in number (818) 435-7707 and email address, AlisoCanyon@socalgas.com, where customers can contact us.

In addition, we welcome neighbors to stop by our public information booth, open 7 days a week from 10 a.m. to 5 p.m., near the entrance to our facility 12801 Tampa Avenue.

Thank you to our customers and the community for your cooperation, patience and understanding.