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March 2, 2018

Edward Randolph
Director of the Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: Southern California Gas Company (SoCalGas) Underground Natural Gas Storage and System Reliability Assessment for the Week of March 5, 2018.

SoCalGas requests the ability to *immediately* begin using Aliso Canyon to manage gas storage inventory and preserve withdrawal deliverability at SoCalGas' non-Aliso storage fields. The recent two weeks of below average temperatures, and the current forecast outlook for the weekend and early part of the following week indicates that conditions will continue to require extensive use of gas supplies from storage to meet customer demand. As further explained below, preserving storage inventories at the non-Aliso storage fields will be critical to meeting forecasted customer daily and hourly demand and mitigate the risk of more extensive gas curtailments in the coming weeks.

Due to the heavy reliance on the non-Aliso storage fields since the week of February 19th, SoCalGas currently has approximately 28.2 billion cubic feet (Bcf) of natural gas inventory, a drop of 6.1 Bcf, at Playa del Rey, Honor Rancho, and La Goleta. This reduction in inventory results in 0.240 billion cubic feet per day (Bcf/d) of withdrawal deliverability loss, lowering withdrawal deliverability from 1.12 to 0.880 Bcf/d, and does not include the use of Aliso Canyon inventory to support reliability, which totaled 0.93 Bcf over the last week. Without greater use of Aliso Canyon to manage inventory and subsequent deliverability, SoCalGas expects further reductions in inventory and withdrawal capacity at the non-Aliso storage fields, in addition to significantly increasing the risk of fully depleting the inventory at the Playa del Rey storage field. Moreover, SoCalGas projects the deliverability at the non-Aliso storage fields to further be reduced to approximately 0.600 Bcf/d by March 7th.

Per the Aliso Withdrawal Protocol, SoCalGas has been working with the Balancing Authorities to reduce electric generation demand through voluntary curtailments. SoCalGas expects this to continue into next week, with the need for potentially greater reductions due to

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the lower levels of withdrawal deliverability. Using Aliso Canyon to “baseload” some withdrawals at lower, constant rates for longer periods of time will help avoid customer curtailment, preserve inventory and deliverability at Honor Rancho, La Goleta, and Playa del Rey enabling system inventory to be recovered with Aliso, while the withdrawal at the fields can be reduced or shut in. This proposed flexibility in the protocol will not eliminate the communication and coordination with the Balancing Authorities regarding voluntary curtailments.

With these conditions in mind, as a prudent operator, SoCalGas requests *immediate* permission to use Aliso Canyon as described above to minimize the inventory reductions and preserve withdrawal deliverability for all its storage fields in order to mitigate supply shortfalls and any other unplanned outages.

Sincerely,



Rodger R. Schwecke
Senior Vice President
Gas Transmission, Storage and System Operations