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PRESS RELEASE

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CPUC TO CONSIDER FUTURE OF ALISO CANYON NATURAL GAS STORAGE FACILITY

SAN FRANCISCO, February 9, 2017 - The California Public Utilities Commission (CPUC) today said it will determine the feasibility of minimizing or eliminating the use of Southern California Gas Company's Aliso Canyon Natural Gas Storage Facility while still maintaining energy and electric reliability for the Los Angeles region.

The CPUC opened a proceeding (called an Order Instituting Investigation) at its public Voting Meeting today. The proceeding has two phases. Phase 1 will undertake a thorough analysis of whether it is feasible to reduce or eliminate the use of Aliso Canyon while still maintaining electric and gas reliability for the region. This includes an assessment of the impact of reducing or eliminating the use of the Aliso Canyon facility on rates. The CPUC anticipates that the scope of the analysis will be developed with participation of parties and the public in public workshops. In Phase 2, the CPUC will take into consideration the results of the Phase 1 analysis to answer the question of whether the CPUC should reduce or eliminate the use of Aliso Canyon, and if so, under what conditions and parameters and in what time-frame. A final decision in the matter is expected mid-2018, but the CPUC has slated a 24-month timeframe from opening of the proceeding to complete all work.

"We have acted quickly and innovatively in the past 15 months to address reliability in the region impacted by the closure of Aliso Canyon, including staff analyses of reliability for winter and summer needs and fast-tracking the approval of energy storage units at key locations, all while conducting our investigation of the leak," said Commissioner Liane M. Randolph. "I appreciate the fact that Senate Bill 380 and now this proceeding provide us an opportunity to step back and take a

more long-term, measured look at the reliability and rate impacts of potential closure or minimization of Aliso Canyon.”

Added Commissioner Clifford Rechtschaffen, “This analysis is one of many actions that the CPUC is taking in response to the Aliso Canyon leak, focusing on the feasibility of minimizing or eliminating use of the facility while still maintaining energy reliability and reasonable rates for the region. We will also benefit from the independent evaluation being conducted by the California Council on Science and Technology on the long-term viability of natural gas storage facilities in California.”

Senate Bill 380 requires the CPUC to open a proceeding to undertake this consideration, and to consult with the State Energy Resources Conservation and Development Commission, the California Independent System Operator, the local publicly owned utilities that rely on natural gas for electricity generation, the Division of Oil Gas and Geothermal Resources in the Department of Conservation (DOGGR), relevant government entities, and others in making its determination. The CPUC expects and welcomes involvement and input from a wide range of interested entities to inform its decision-making process.

Responses to the proposed scope and schedule approved today are due in 30 days. An Administrative Law Judge assigned to the proceeding will set a Pre-Hearing Conference and Public Participation Hearings as soon as practicable after receiving responses.

The proposal voted on is available at:

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M173/K122/173122830.PDF>.

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