




A  Sempra Energy utility

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January 18, 2016

The Honorable Edmund G. Brown, Jr.
Governor, State of California
State Capitol, Suite 1173
Sacramento, CA 95814

Dear Governor Brown:

As you are aware, we have been evaluating since November various options to safely capture and process the gas leaking from the SS25 well at our Aliso Canyon facility. I write to advise you that after consultation with our safety team as well as state regulators, we have determined that a methane capture and processing system cannot be installed at the SS25 well site without adding unnecessary safety risks. While keeping state and local agencies fully informed, we have used our best efforts to develop and consider multiple plans to safely capture and process the gas. Unfortunately, none of the identified plans adequately address these safety risks to our satisfaction.

As a result, we have decided to end this component of our ongoing mitigation program.

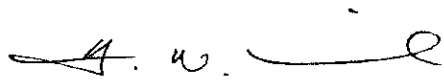
Our highest priority has been and continues to be to safely seal the SS25 well as quickly as possible. To that end, we continue to make excellent progress on our relief well operations. We currently believe that we will be in a position to intercept SS25 and stop the leak by late February, if not sooner.

In the interim, and consistent with your January 6, 2016 Order, we have been delivering as much gas as we can to our customers from the Aliso Canyon storage facility, while still providing reliable service. According to the California Air Resources Board, these efforts have reduced the volume of escaping gas by over 60 percent since November 28. In addition, we continue to provide homes in the vicinity with free whole-house air purification and plug-in air purifiers that remove natural gas odorant. We install approximately 200 air purification systems per day, and we are confident that these systems have been effective in improving air

quality in the community. Finally, we continue to implement our relocation services to provide reasonable alternative accommodations to those residents who chose to leave the immediate area. We believe that these steps have safely reduced the amount of methane that is being emitted, as well as the impact on the community near our facility, as our relief well operations move forward.

Please let me know if you have any questions concerning our decision to discontinue work on the proposed methane capture and processing system. We will, of course, keep you fully apprised of our progress on all other aspects of our operations to fully and finally resolve the SS25 gas leak.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Arriola", with a stylized flourish at the end.

Dennis Arriola
President and CEO
Southern California Gas Company

cc:

Barry Wallerstein, SCAQMD
Robert Weisenmiller, CEC
Michael Picker, CPUC
Richard Corey, CARB
Al Walker, DOGGR
Jason Marshall, DOC
Elizavita Melashanko, CPUC SED
Ken Bruno, CPUC SED
Mary Ann Efron, Cal OSHA
Robert Salgado, Cal OSHA
Chief Dave Stone, Cal OES