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# Natural Gas Working Group Briefing

California Energy Commission

Sacramento

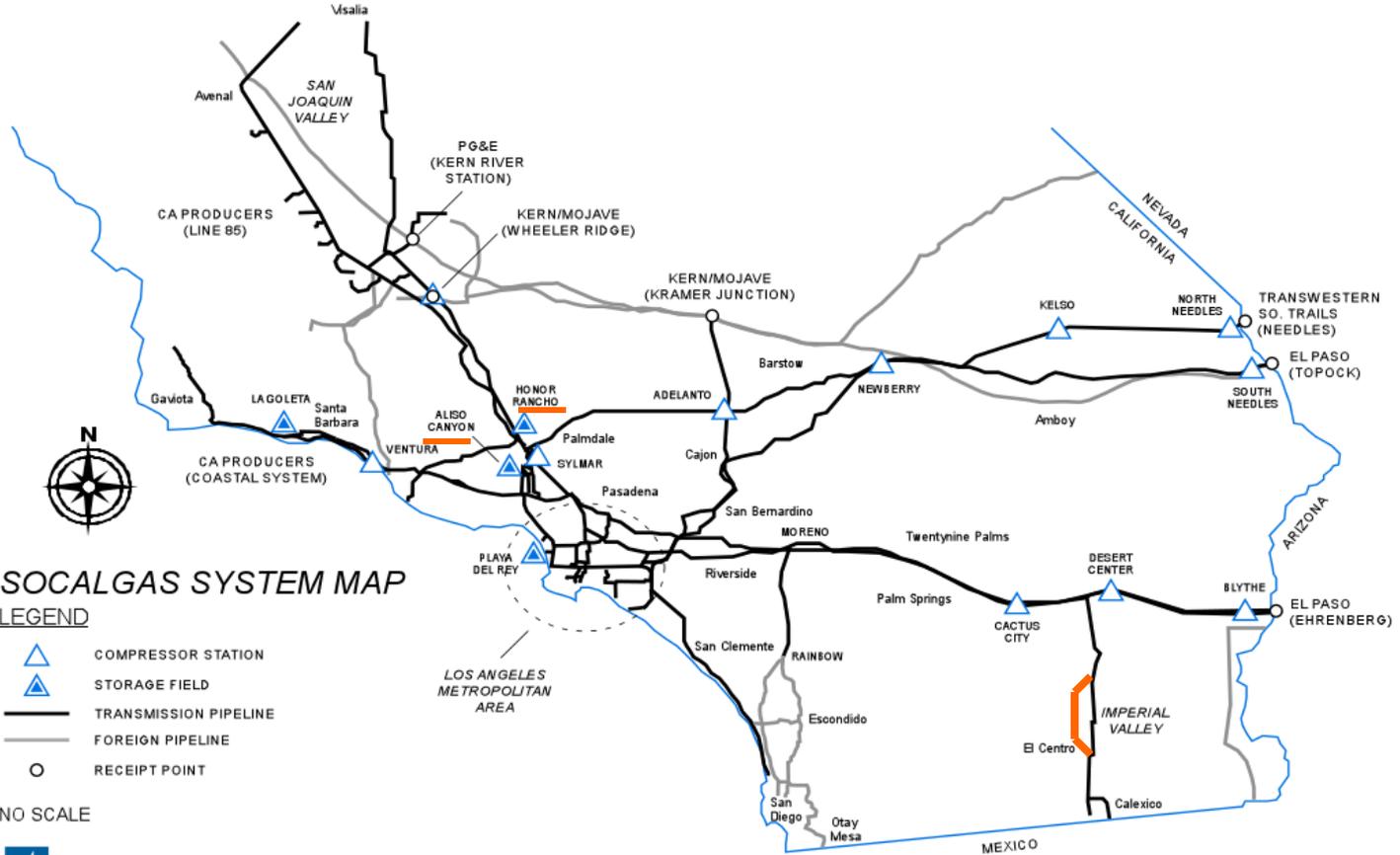
June 4, 2009

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# SoCalGas Project Locations





## The December 2008 settlement of BCAP Phase I issues (D.08-12-020):

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- Provided for SoCalGas to expand storage inventory by 7.0 BCF.
- Provided for SoCalGas to expand injection capability by 145 MMcfd.
- Provided for expansions to be rate-based.



# Honor Rancho Inventory Expansion

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- Increase inventory by 1 Bcf per year through new wells and accelerated liquid production (2010-2015).
- Add another 1 Bcf in 2010 through modest compression improvements.
- Expansions allocated to core (4 Bcf) and unbundled storage (3 Bcf).



# Aliso Canyon Turbine Replacement Project

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- Replace current gas turbines at Alison Canyon with electric motor driven compression and additional horsepower.
- Current 850 MMcfd of firm injection capacity for SoCalGas will increase to 995 MMcfd.
- In-service by 2013.



## Imperial Valley Pipeline Expansion

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- In 2007 open season for firm capacity customers bid in excess of system firm capacity, requiring a system expansion.
- Added a 22-mile 24-inch loop from Brawley to El Centro, increasing capacity from approximately 86 MMcfd to 200 MMcfd.
- Expansion capacity in service June 2009.
- Customers will receive their capacity awards beginning June 2009 and further open seasons are no longer needed.



## Firm Access Rights (FAR) – Overall Results

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- Open Season successfully completed in late 2008; 2.9 million Dth/day firm capacity contracted.
- As of June 1, 2009 3.3 million Dth/day of firm capacity has been contracted. This represents 83% of available firm capacity.
- 98 companies hold firm and interruptible capacity on SoCalGas.
- Envoy system with Gas Scheduling and Secondary Market enhancements successfully implemented.
- As intended, program manages who delivers gas into the system.
- City-gate market has developed with a pricing point established and considerable volumes being traded daily.



## Secondary Market for FAR is Very Active

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- 116 capacity trades between parties since Oct 1, 2008.
- 1,006 purchases of firm and interruptible capacity from SoCalGas made via Envoy for varying capacity and terms.
- Customers exchanged firm capacity 1,390 times for SoCalGas' remaining capacity to facilitate gas deliveries

