



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Ave., S.E.
Washington, DC 20590

December 24, 2015

Ms. Elizaveta Malashenko
Director, Safety and Enforcement Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Dear Ms. Malashenko:

This letter confirms the Pipeline and Hazardous Materials Safety Administration's (PHMSA) continued monitoring and support of the California Public Utility Commission's (CPUC) oversight role related to Aliso Canyon intrastate gas facility operated by the Southern California Gas Company (SoCal) and the ongoing storage field gas release. We both share an interest in holding public safety as paramount and the need for the safe resolution of the incident as soon as possible. To that end, PHMSA urges the CPUC to continue to vigorously assert its oversight authority to help bring an end to the situation, including coordinating with other state authorities and the full use of all enforcement tools available.

As you know, to date PHMSA has engaged directly with the CPUC to closely monitor the situation and to provide technical assistance and support, and we will continue to do so. Our personnel have been participating in the SoCal Incident Command (IC) daily briefing. PHMSA periodically has had engineers and other safety experts on site to provide additional technical assistance. We appreciate the CPUC's engagement with PHMSA and the information that has been provided to our technical experts on and off the scene.

Based on the most recent discussions during a conference call on December 22, 2015, we remain concerned in three principal areas:

- (1) Ongoing gas field withdrawal rates: natural gas withdrawal rates should be at maximum safe levels to reduce the pressure on the failed components and therefore lessen the risk of a well blow-out. Our concern is that the withdrawal rates should be maintained at a higher level than the current widely-varying rate.
- (2) Historical well logging records: The independent root cause analysis (RCA), directed jointly by the CPUC and the Division of Oil, Gas and Geothermal Resources (DOGGR), will assess well logs. However, our review of information so far, along with our most recent call with CPUC and DOGGR

staff, indicates concern that prior log runs may have indicated the presence of well casing anomalies. We expect that a review of well log records along with historical pressure and temperature monitoring records as a part of the RCA will help explain the possible anomalies.

- (3) Safety contingency plans in case of a well blow-out: SoCal must have a backup safety plan in case of a well blow-out failure that addresses protecting worker and public safety and property. Consideration needs to be given to set-back distances needed in light of the radiant heat from a potential fire.

Again, we appreciate the information sharing and interaction to date. We also acknowledge the continuing efforts by SoCal to disable the well through the pumping of fluids and the efforts underway in drilling a relief well, in addition to bringing significant external resources and expertise to bear on the incident. Going forward, please continue to share information as we continue to provide technical support and onsite monitoring as necessary, and ensure we receive any investigative reports and analyses including the RCA expected from SoCal.

Please do not hesitate to contact me at 202-366-5124 if you have any questions or need to discuss this matter further.

Sincerely,



Alan K. Mayberry
Deputy Associate Administrator
for Policy and Programs

cc: Kenneth Bruno, Program Manager, CPUC
Jeff Wiese, Associate Administrator for Pipeline Safety, PHMSA
Linda Daugherty, Deputy Associate Administrator for Field Operations, PHMSA
Zach Barrett, Director, State Programs, PHMSA