

PUBLIC UTILITIES COMMISSION
DIVISION OF OIL, GAS, AND GEOTHERMAL RESOURCES

December 14, 2015

Jimmie Cho, Senior Vice President
Southern California Gas Company
Gas Operations and System Integrity
555 W 5th Street, GT21C3
Los Angeles, CA 90013

SUBJECT: Directive to the Southern California Gas Company (SoCalGas) to Initiate Independent Root Cause Analysis Re: 10/23/15 Aliso Canyon Incident

Dear Mr. Cho:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission (CPUC) and the Department of Conservation, Division of Oil, Gas, and Geothermal Resources (DOGGR) have initiated investigations into the leak on the well Standard Sesnon 25 (SS25; API# 037-00776) in Aliso Canyon. To supplement our respective investigations, we are hereby directing Southern California Gas Company (SoCalGas) to hire an independent third party to perform a technical root cause analysis (RCA) on the nature of the failure of well SS25 and the technical cause of the leak. SoCalGas shall identify no less than three potential independent third parties to perform the RCA and will submit the list to SED and DOGGR for selection of the party by December 28, 2015. Upon selection of an entity to perform an independent RCA, SoCalGas shall execute the contract and cover all related costs at no impact to ratepayers.

SoCalGas shall fully cooperate with the independent third party chosen to perform the RCA analysis. SED and DOGGR will be monitoring the RCA analysis to ensure there is no interference from SoCalGas. The RCA analysis will inform SED and DOGGR investigations, but shall in no way interfere with the investigations of the agencies. SED and DOGGR reserve the right to modify the scope of the RCA analysis as needed.

Once the RCA analysis is complete, the final report shall be shared with SED and DOGGR. In addition, SoCalGas shall simultaneously make a public version available with redactions for any confidential information.

If you have any questions, please contact Elizaveta Malashenko 417-703-2349 | eim@cpuc.ca.gov.

Sincerely,



Elizaveta Malashenko
Director – Safety and Enforcement Division
California Public Utilities Commission



Kenneth A. Harris Jr.
State Oil and Gas Supervisor
California Department of Conservation,
Division of Oil, Gas, and Geothermal
Resources