

Key State Investigations into Southern California Gas Company Natural Gas Leak at Aliso Canyon

The Division of Oil, Gas & Geothermal Resources and the Public Utilities Commission

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Southern California Gas Company (Gas Company) supplies natural gas to more than 21 million people in central and southern California. The company buys gas from various sources throughout the year and stores it thousands of feet below the earth's surface in depleted oil fields, then pumps up the gas as needed to serve customers.

The largest of the Gas Company's storage fields is in the northern San Fernando Valley in a place called Aliso Canyon, north of Porter Ranch and Northridge.

On October 23, 2015, Gas Company crews discovered a leak in a well used to both inject and withdraw gas at the Aliso Canyon storage field. The company has tried repeatedly since then to halt the leak, without success.

Several state agencies are working to ensure public safety and expeditious sealing of the leak. Two of them, the Division of Oil, Gas and Geothermal Resources of the Department of Conservation (Division) and the California Public Utilities Commission (CPUC), have jurisdiction over the Aliso Canyon storage field.

Both the Division and the CPUC have launched investigations.

The Division has primary jurisdiction over the well and is focusing its investigation on the mechanical and operational condition of the well to determine the cause of the well failure and the subsequent natural gas leak.

The Safety and Enforcement Division of the CPUC is conducting a broader staff probe, focusing on the assessment of the Gas Company's actions before and after the failure, including public notification and issues relating to the Gas Company's operation and maintenance of the gas storage facility in general. Additional information on the scope of the two separate investigations is provided in Appendix A and B respectively.

Both the Division and the CPUC have directed the Gas Company to hire an independent third party to perform a technical root cause analysis of the well failure. The third party will be jointly selected by the agencies. The Gas Company will cover expenses of the root cause analysis at no cost to its ratepayers. Once the analysis is

complete, the results will be shared with both agencies and the public. The letter requesting the root cause analysis may be found in Appendix C.

The Division and the CPUC are committed to working together to ensure public safety, identify the cause of the leak and take appropriate enforcement actions upon completion of our respective investigations.