



California Public Utilities Commission
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CPUC OPENS INVESTIGATIONS INTO SEMPra FOR SAFETY ISSUES

SAN FRANCISCO, June 27, 2019 - The California Public Utilities Commission (CPUC) today opened an investigation to consider penalties against Southern California Gas Company (SoCalGas) for the leak at its Aliso Canyon Natural Gas Storage Facility. The CPUC also opened an investigation against SoCalGas and Sempra Energy, the parent company of SoCalGas, to determine whether their organizational culture and governance prioritize safety and adequately direct resources to promote accountability and achieve safety goals and standards.

The CPUC opened a formal investigation to consider penalties against SoCalGas for the Aliso Canyon leak, which began on October 23, 2015. As a first step in the proceeding, the CPUC ordered SoCalGas to submit information to the CPUC within 30 days to show why it should not be sanctioned for allowing the uncontrolled release of natural gas at Aliso Canyon. The CPUC's decision to open the formal investigation to consider penalties was informed by safety related findings from an independent root cause analysis of the leak completed in mid-May by Blade Energy Partners, the consultant selected by the CPUC. Blade's report is at www.cpuc.ca.gov/Aliso. The proposal voted on to open the proceeding is available at <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M306/K041/306041251.PDF>.

“Operating safely requires going beyond the bare minimum and preventing issues before they arise. According to the Blade Report, SoCalGas failed to do so for its most important asset,” said Commissioner Martha Guzman Aceves. “The CPUC will determine what fines and penalties are warranted for the specific failures and the systemic issues that led to the horrendous leak at Aliso Canyon.”



Added Commissioner Genevieve Shiroma, “It was very important to receive the Blade Report, an independent assessment of what caused the Aliso Canyon gas leak. The CPUC’s next step, which will be done through the proceeding opened today, is to determine whether SoCalGas violated any CPUC requirements for maintenance of a gas storage facility like Aliso Canyon. It is critical that CPUC requirements are followed towards protecting the public.”

Separately, the CPUC opened a formal investigation to determine whether the organizational culture and governance of SoCalGas and its parent company, Sempra Energy, prioritizes safety and adequately directs resources to promote accountability and achieve safety goals and standards. The investigation includes focus upon how SoCalGas reacts as an organization when a significant safety event occurs. A consultant’s report will also evaluate Sempra Energy’s organizational culture, governance, policies, practices, and accountability metrics in relation to ensuring that its California-regulated subsidiaries operate their systems in a safe manner. This investigation was initiated as a result of recent incidents that raise concerns regarding SoCalGas’ prioritization of safety in its operations and the role of its parent, Sempra Utilities, to foster safety throughout its organization.

“The Aliso Canyon incident, the explosion on Line 235, and ongoing leaks at critical infrastructure call into question SoCalGas’ safety practices and priorities,” said Commissioner Clifford Rechtschaffen. “This proceeding will examine all regulatory tools to assure that SoCalGas adopts a robust safety culture with safety as its highest organizational priority.”

The proposal voted on to open the proceeding is available at <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M306/K870/306870841.PDF>.

The CPUC regulates services and utilities, safeguards the environment, and assures Californians’ access to safe and reliable utility infrastructure and services. For more information on the CPUC, please visit www.cpuc.ca.gov.

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