



California Public Utilities Commission  
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**FOR IMMEDIATE RELEASE**

**PRESS RELEASE**

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## **CPUC SETS STAGE FOR CONSIDERATION OF FUTURE OF ALISO CANYON NATURAL GAS STORAGE FACILITY**

SAN FRANCISCO, January 27, 2016 - The California Public Utilities Commission (CPUC) today set the stage to determine the feasibility of minimizing or eliminating the use of Southern California Gas Company's Aliso Canyon Natural Gas Storage Facility while still maintaining energy and electric reliability for the Los Angeles region.

At its February 9, 2017, Voting Meeting, the CPUC is expected to vote on opening an Order Instituting an Investigation, issued today, that has two phases. As proposed, Phase 1 of the proceeding would undertake a thorough analysis of whether it is feasible to reduce or eliminate the use of Aliso Canyon while still maintaining electric and gas reliability for the region. The determination would include an assessment of the impact of reducing or eliminating the use of the Aliso Canyon facility on rates. The CPUC anticipates that the scope of the analysis will be developed with participation of parties in public workshops. In Phase 2 of the proceeding, the CPUC would take into consideration the results of the Phase 1 analysis, along with all other relevant information, and answer the question of whether the CPUC should reduce or eliminate the use of Aliso Canyon, and if so, under what conditions and parameters and in what time-frame. The CPUC expects a final decision in the matter in mid-2018, but has slated a 24-month timeframe from opening of the proceeding to complete all work.

Senate Bill 380 requires the CPUC to open a proceeding no later than July 1, 2017, to undertake this consideration, and to consult with the State Energy Resources Conservation and Development Commission, the California Independent System Operator, the local publicly owned utilities that rely on natural gas for electricity generation, the Division of Oil Gas and Geothermal Resources in the



Department of Conservation (DOGGR), and relevant government entities, and others in making its determination. The CPUC expects and welcomes involvement and input from a wide range of interested entities to inform its decision-making process.

Responses to the proposed scope and schedule are due 30 days after the CPUC opens the proceeding. An Administrative Law Judge assigned to the proceeding will set a Pre-Hearing Conference and Public Participation Hearings as soon as practicable after receiving responses.

Once the proceeding is opened, those interested in providing comment can obtain information at [www.cpuc.ca.gov/written\\_informal\\_comments/](http://www.cpuc.ca.gov/written_informal_comments/). Comments submitted are shared with decision-makers and are taken into account in the CPUC's decision-making process. Those interested in becoming formal parties to the proceeding can obtain information at [www.cpuc.ca.gov/Party\\_to\\_a\\_Proceeding/](http://www.cpuc.ca.gov/Party_to_a_Proceeding/). The CPUC intends to work with the local communities, whose input is critical, to ensure they are fully engaged in this proceeding.

On October 23, 2015, Aliso Canyon began to leak natural gas from its underground storage facility located near Porter Ranch, Calif. Upon discovery and reporting of the leak, multiple agencies began to work with Southern California Gas Company to remedy the situation and investigate its cause. On January 6, 2016, Governor Edmund G. Brown Jr. issued a proclamation declaring the gas leak an emergency and setting forth several orders to mitigate damage, including requiring Southern California Gas Company to maximize daily withdrawals of gas for use or storage elsewhere, a prohibition of any further injection into the storage facility until comprehensive review of the safety of the wells and the air quality of the surrounding community was completed, and ensuring that Southern California Gas Company bears responsibility for the costs related to the natural gas leak and strengthening oversight.

DOGGR has primary jurisdiction over the well and is focusing an investigation on the mechanical and operational condition of the well to determine the cause of well failure and the subsequent natural gas leak. The CPUC has jurisdiction over the above ground infrastructure beginning where the storage facility connects to the pipeline, or "at the wellhead." In addition, the CPUC has jurisdiction over the recovery of costs related to the storage facility as well as ensuring that Southern

California Gas Company provides safe, reliable service at just and reasonable rates. The CPUC and DOGGR are conducting their respective investigations in parallel as part of a collaborative effort. The CPUC and DOGGR jointly directed Southern California Gas Company to retain an independent, third-party to perform a technical root cause analysis of the well to protect against future failures. At the conclusion of the investigation, the CPUC will have several enforcement options, depending upon what violations, if any, are identified. The options can include issuance of a staff Citation or opening a formal CPUC proceeding to consider fines and penalties.

The CPUC will address costs and cost responsibility related to the leak in a future proceeding. On December 23, 2015, the CPUC sent a letter to Southern California Gas Company directing it to track all costs associated with its actions related to the leaking well and to make that cost information publicly available.

The Order Instituting Investigation is available at [www.cpuc.ca.gov/Aliso](http://www.cpuc.ca.gov/Aliso).

For more information on the CPUC, please visit [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

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