



California Public Utilities Commission  
505 Van Ness Ave., San Francisco

---

**FOR IMMEDIATE RELEASE**

Media Contact: Terrie Prosper, 415.703.1366, [news@cpuc.ca.gov](mailto:news@cpuc.ca.gov)

**PRESS RELEASE**

Docket #: I.19-06-016

**CPUC Issues Presiding Officer's Decision Adopting Settlement  
Penalizing SoCalGas for Aliso Canyon Natural Gas Leak**

***Settlement funds go toward mitigating impacts on local air quality,  
public health, and affected customers***

SAN FRANCISCO, Aug. 10, 2023 – The California Public Utilities Commission (CPUC) today issued a Presiding Officer's Decision adopting a settlement between Southern California Gas Company (SoCalGas), the CPUC's Safety and Enforcement Division (SED) and the Public Advocates Office (Cal Advocates) for SoCalGas's 2015 Aliso Canyon Natural Gas Storage Facility leak. The settlement includes a penalty of \$71 million and requires that SoCalGas forgo cost recovery for a significant number of costs related to the incident.

As part of the settlement agreement, SoCalGas shareholders will pay \$71 million to the Aliso Canyon Recovery Account. This fund, created by the California State Legislature, will be used to address the impacts of the leak, including on local air quality, public health, and customers. The settlement recognizes that SoCalGas previously mitigated the greenhouse gas emissions resulting from the leak through a \$34.1 million mitigation fund.

In addition to the penalty, SoCalGas will not seek to recover through customer rates various costs related to the incident, including:

- \$1.8 billion for civil litigation settlement costs;
- \$126.4 million for settlements with governmental agencies;
- \$461.8 million for relocating and lodging residents of the community surrounding Aliso Canyon during the incident;

- \$108.8 million for root cause analysis initiated by the CPUC and California Department of Conservation Division of Oil, Gas, and Geothermal Resources (now known as CalGEM) and conducted by an independent consultant, Blade Energy Partners; and,
- \$376.5 million for outside counsel, litigation, regulatory, and community related work.

To safeguard against the recovery of these costs by SoCalGas and protect ratepayers, the Presiding Officer's Decision requires that for the next five years, each time SoCalGas files an application for cost recovery, the company must provide an attestation from a Vice President or higher executive that the application does not include any of the non-recoverable expenses or costs specified in the settlement.

Further, under the terms of the settlement agreement, SoCalGas will reimburse SED \$1.5 million for its investigation and litigation costs, and refund \$18.2 million to commercial customers who incurred costs as a result of the leak.

The decision adopting the settlement agreement, known as a Presiding Officer's Decision, will become effective after 30 days from issuance unless a party files an appeal or a Commissioner requests review. In case of an appeal or request for review, Administrative Law Judges will assess and potentially modify the decision before presenting it to the Commissioners for voting during a public session. Commissioners may also offer an alternate decision for consideration.

Today's decision is one of many actions taken against SoCalGas by local, state, and federal entities for the Aliso Canyon leak. Other actions include:

- In December 2016, the federal Pipeline and Hazardous Materials Safety Administration (PHMSA) issued a rule to address safety concerns associated with underground natural gas storage facilities.
- In July 2017, CalGEM, the state agency that oversees compliance with the PHMSA rules on underground natural gas storage facilities, completed a comprehensive safety review of the 114 wells at Aliso Canyon.
- In 2018, the California Air Resources Board, the California Attorney General's Office, the City of Los Angeles, and the County of Los Angeles settled with SoCalGas for \$119 million, paid by shareholders.

## **Settlement adds to CPUC's comprehensive response to the Aliso Canyon Leak**

In January 2016, the CPUC and CalGEM took immediate action, initiating a root cause analysis to identify the causes of the Aliso Canyon leak. By 2017, the CPUC and CalGEM implemented new safety protocols and conducted rigorous testing at the facility in coordination with experts from the Lawrence Livermore National Laboratory and Sandia National Labs, leading to the declaration of the Aliso Canyon facility as safe for operation.

In a separate [proceeding](#), the CPUC is assessing the possibility of reducing or eliminating the use of Aliso Canyon while maintaining energy and electric reliability for the Los Angeles region.

The settlement is available at

[docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M498/K053/498053503.PDF](https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M498/K053/498053503.PDF).

The [Presiding Officer's Decision](#) and [Settlement Agreement](#) is available on the CPUC's website along with the [Motion](#) filed by the parties.

Documents related to the proceeding are available on the [Docket Card](#).

More information on the CPUC's work on Aliso Canyon is available [here](#).

###

## **About the California Public Utilities Commission**

The CPUC regulates services and utilities, protects consumers, 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](http://www.cpuc.ca.gov).