



CONGRESSMAN BRAD SHERMAN

SERVING THE SAN FERNANDO VALLEY

September 9, 2019

Timothy Sullivan
Executive Director
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 95814

Dear Mr. Sullivan,

All of the costs of the Aliso Canyon blowout should be borne by SoCal Gas and should not be passed onto consumers. Not only should that company's shareholders bare the costs associated with stopping the blowout and its cleanup, but they should also be responsible for the costs of all past, current, and future remediation.

For nearly four months, the northern Los Angeles community of Porter Ranch suffered from the largest natural gas blowout in U.S. history. More than 8,000 families were displaced from their homes and forced to relocate. Two schools in the area were closed for the duration of the school year, and thousands experienced health symptoms. Countless Porter Ranch residents continue to face severe health issues more than three years after the well was capped, and a study has found that residents in the vicinity of the blowout have elevated levels of uranium, lithium, and other chemicals in their bodies.

The Aliso Canyon root cause analysis, performed by Blade Energy Partners, confirms that this tragedy was preventable. SoCal Gas failed to conduct detailed follow-up inspections after other previous leaks; there was a documented lack of risk assessments for the site; dual barrier protections were found to be inadequate; there was insufficient well inspection prior to 2015; the company had a lack of data, or even a plan, to seal a potential leak; and there was a lack of real-time surveillance of the wells.

SoCal Gas has been ordered to track all costs related to the Aliso Canyon blowout, including the cost of relocating families, medical treatment, legal fees, and other costs; however, the California Public Utilities Commission (CPUC) maintains the authority to permit the utility to recover some costs from this disaster if the Commission finds those costs were "just and reasonable." As shown by the Aliso Canyon root cause analysis, the utility was negligent and all the costs of the gas leak and remediation should not and cannot be determined to be reasonable. These costs should be borne by the shareholders, and they should not be passed on to the rate payers.

The issue is not whether the post-blowout costs were reasonable and necessary, in light of the disaster. All the post-blowout costs should be borne by the Company because the blowout itself was a result of an erroneous decision made by the Company.

I join my community in urging the CPUC to take every step to close the Aliso Canyon facility and ensure that the costs of this disaster are fully borne by the Gas Company.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brad Sherman", with a long horizontal flourish extending to the right.

BRAD SHERMAN
Member of Congress