COMMUNITY AWARENESS

ALISO CANYON

NATURAL GAS LEAK: RESPONSE TO UNSUBSTANTIATED CLAIMS

Q: How safe is the Aliso Canyon facility?

A. SoCalGas® has operated and maintained the Aliso Canyon storage field for more than 40 years, and the facility continues to operate during this leak event. California Division of Oil, Gas and Geothermal Resources (DOGGR) has indicated that well SS25 was in compliance with its regulations at the time of the leak. SoCalGas shares this view, and will continue to cooperate with DOGGR as its compliance investigation continues. When the leak is stopped, and it is safe to do so, SoCalGas will conduct an analysis to determine its cause. The company also has agreed with DOGGR to fund an independent investigation into the cause.

Q. What are the results of the air sampling in the community near the natural gas leak?

A. Earlier this month [1/15/16], the South Coast Air Quality Management District (AQMD) posted the results of a Preliminary Evaluation for Potential Health Impacts that concluded: "the current levels of community exposure to the leaking gas are not expected to cause a significant increase in overall risk of health effects from either short-term or long-term exposure to air toxic pollutants typically found in outdoor air in Southern California." In December, the LA County Department of Public Health stated that "inhalation in this setting at the levels detected does not pose a significant health risk." [12/01/15]

Q. Are the levels of benzene detected at the site unsafe as some have claimed?

A. While benzene is a trace component of natural gas, the biggest contributors of benzene in the Los Angeles area are mobile sources – that is, cars, trucks, ships, and the like. Trace amounts of benzene have been detected in Porter Ranch by the community air monitoring program put in place after the Aliso Canyon leak began. The air sampling data, taken as a whole, reflect benzene levels consistent with background levels of benzene found in the Los Angeles area, according to the California Environmental Protection Agency's Office of Environmental Health Hazard Assessment (OEHHA).

Q. What is the potential of a "catastrophic explosion" at Aliso Canyon as efforts continue to stop the leak on the site?

A. The highest priority of SoCalGas continues to be the safety of its customers and workers at the site. We have been exploring ways to safely capture the leaking gas, and have now determined these operations would not satisfy our commitment to worker safety. Throughout our talks with AQMD, we have said we would conduct a gas capture operation only if it could be done safely.

SoCalGas has the world's leading well experts working at the site. In addition, DOGGR officials, who have been on site daily since the beginning of this incident, have said publicly that the wellhead of the leaking well has been made stable and is safe.

SoCalGas

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Q. If the infrastructure at the Aliso Canyon storage facility is safe, why do you need more money to fix it?

A. DOGGR has previously noted that SoCalGas has been in compliance with regulations requiring regular maintenance and testing of the storage field and the affected well when the leak occurred. SoCalGas requested approval from the California Public Utilities Commission (CPUC) to include in its rates the costs of a six-year enhanced storage well integrity management program for our storage facilities that would incorporate new technology and maintenance practices. The proposed program is a proactive, methodical and structured integrity management program, which includes the use of advanced well inspection technologies that exceed traditional industry practices and regulatory requirements. Our application stated the new program is appropriate because ongoing annual maintenance and reliability costs are increasing. The CPUC could approve funding for the program later this year.

Q. If a working subsurface valve had been in place on the leaking well could it have stopped the leak quickly?

A. Until the leak is stopped, and we can do a thorough root-cause analysis, we won't know what caused the leak. No one knows. It is premature to speculate about the cause of the incident. The facts are: the valve was not reliable, and it was removed; DOGGR regulations did not require this type of valve for this particular well, and has said the operations and maintenance systems at Aliso Canyon were in compliance with regulations at the time of the leak.

Q. Why did the Federal Aviation Administration (FAA) declare a no-fly zone -- to prevent aircraft from igniting the natural gas?

A. No. SoCalGas asked the state Office of Emergency Services to request the restriction from the FAA so repeated helicopter flights would not distract workers on the site when the workers are engaged in safety-sensitive work. It is highly unlikely that an aircraft could be an ignition source.

Q. Is the ongoing natural gas leak an "environmental disaster" as some have called it?

A. That's a subjective statement, but many of the comparisons being made to environmental incidents, such as the BP oil spill, are highly exaggerated. Some of these claims were made in reference to the methane released to the atmosphere. Methane is a non-toxic greenhouse gas (GHG) that can contribute to global warming, but the relative extent of this leak in terms of climate change has been overstated. A recent report by the California Air Resources Board (CARB) roughly estimated that a total of 2.0 million metric tons in carbon-dioxide equivalents (MMTCO2e) has leaked from the well. This figure represents less than one percent of California's annual GHG emissions, according to CARB's annual reports. To put this in context, California dairies emit 10 times more carbon dioxide equivalents each year than the Aliso Canyon leak is estimated to have released to date.

Nevertheless, SoCalGas has said it will work with the Governor's office and state officials on a plan to mitigate the environmental impact of the natural gas released from the leak.

Q. Is it true this incident will cost SoCalGas "billions of dollars" as some have said?

A. It is premature to try to guess what the final cost of this incident might be. In a Jan 6 filing with the U.S. Securities and Exchange Commission, SoCalGas stated that, "through December 31, 2015, the company estimates that it has spent approximately $50 million addressing the leak and mitigating environmental and community impacts..."

Q. What would be the consequences of shutting down the Aliso Canyon facility?

A. The Aliso Canyon storage facility is vital to provide reliable, reasonably priced natural gas service to our customers to heat their homes, cook their food and power their businesses round-the-clock. Even with the increased availability of renewable energy, the majority of electricity consumed in Southern California is provided by natural gas-fired power plants. When the wind doesn't blow and the sun doesn't shine, natural gas fills that gap. Shutting down Aliso Canyon could result in natural gas shortages during periods of peak demand, higher natural gas prices due to more volatile spot market prices, and even electric power outages.

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