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November 7, 2018

Dr. Issam Najm, Ph.D., P.E.
President, Porter Ranch Neighborhood Council
P.O. Box 7337
Porter Ranch, CA 91327-7337

Dear Dr. Najm,

Thank you for your letter of October 30, 2018. The CPUC appreciates your active participation in a number of workshops, conferences, and hearings held by the California Public Utilities Commission (CPUC), the California Energy Commission (CEC), the Division of Oil, Gas, and Geothermal Resources (DOGGR) relating to Aliso Canyon, natural gas reliability, and the California Council for Science and Technology's (CCST) study of natural gas storage in California. As you know from your work in those areas, the question of what constituents are contained in the gas stored in gas storage fields – both fields operated by investor-owned utilities and facilities that are operated under different ownership models — is already a central topic in many discussions.

With regard to whether crude oil constituents were released during the Aliso Canyon incident, the CPUC has primarily been relying on the County of Los Angeles Health Department, the South Coast Air Quality Management District and other agencies with relevant expertise to examine the air quality and health impacts of the discharge. We also specifically asked the California Office of Environmental Health Hazard Assessment (OEHHA) to study the potential health hazards to nearby residents arising from the well-control materials used at Well SS-25 between October 2015 and February 2016. As you are aware, OEHHA published its report in May of this year.¹

As you know and as the OEHHA report makes clear, the Aliso Canyon formation has in the past and continues to be used for oil production regulated by DOGGR. We have reached out to DOGGR to gather further information about the physical characteristics of the formation and the

¹ The report is linked from the CPUC's Aliso Canyon page (www.cpuc.ca.gov/aliso) to OEHHA's website, and can be found at <https://oehha.ca.gov/media/downloads/air/document/oehhaalisowellcontrol052218.pdf>.

location of SS-25 as it relates to the presence of oil in the formation. We strive to provide as much information as possible surrounding this issue and will issue additional data requests to the utility as necessary to fully ascertain the facts.

Working on the OEHHA report with that agency's scientists made me realize the value of disclosing the chemical makeup of methane leaks such as what occurred at Aliso Canyon. Last legislative session, Senator Henry Stern carried a bill that would have required disclosure of constituents in all gas storage fields in the state. I have been in communication with Senator Stern about this issue in the intervening months since the CCST workshop and have committed to personally working with him and his staff as they consider reinvigorating such a proposal next legislative year and looking at ways that the state and the public can better understand the constituents present in these fields.

I would also like to thank you for your thoughts on the company's communication with residents during the four months that the leak was occurring. In addition to a root-cause analysis being conducted by an independent third-party expert, the CPUC is undertaking a full investigation of the incident, and will determine what, if any, appropriate enforcement action would need to be taken. We will take your comments about the company's communication during the incident into account as we look at the facts.

As for the proceeding addressing the future of Aliso Canyon pursuant to Senate Bill 380 (Pavley 2016), we continue to work toward our statutory mandate as set forth in Public Utilities Code section 714(a), which is to study the feasibility of minimizing or eliminating the use of Aliso Canyon while maintaining electric reliability for the Los Angeles region. We expect to issue an Assigned Commissioner's Ruling on the final Scenarios Framework document within the next few weeks to complete Phase 1 of the proceeding and then move on to conducting the modeling itself.

Issues surrounding Aliso Canyon, including potential health impacts, legislative activity, investigation and enforcement, gas and electric system reliability, and the order instituting investigation on the future of the facility involve numerous procedural and substantive questions that require a high level of intra- and inter-agency coordination. Because your correspondence references the proceeding (I.17-02-002), I will send a copy of this letter to the service list and will also share this correspondence more broadly.

We appreciate your continued advocacy on behalf of your community and your constructive engagement on all of these questions. This work is complex, multi-faceted, and time-intensive. It is important at times to step back from these complexities and be reminded today of the

residents waiting for results of the various analyses we are undertaking. As a result, it is important to hear your frank viewpoint regularly to amplify the voice of the people we are empowered to serve. We appreciate your perspective as we move forward.

Sincerely,

Commissioner Liane M. Randolph
California Public Utilities Commission

A handwritten signature in black ink, appearing to read "Liane M. Randolph". The signature is fluid and cursive, with a large initial "L" and "M".

cc:

Mr. Henry Stern, California State Senator, District 27
Mr. Robert Hertzberg, California State Senator, District 18
Mr. Dante Acosta, California Assemblymember, District 38
Mr. Jesse Gabriel, California Assemblymember, District 45
Mr. Brad Sherman, United States Representative, California 30th District
Dr. Robert Weisenmiller, Chair, California Energy Commission
Ms. Mary Nichols, Chair, California Air Resources Board
Ms. Kathryn Barger, Los Angeles County Supervisor
Mr. Angelo Bellomo, Los Angeles County Department of Public Health
Mr. Wayne Nastri, Executive Director, South Coast Air Quality Management District
Mr. Mitchell Englander, Los Angeles City Councilman
Mr. Eric Garcetti, Mayor, City of Los Angeles