



Annual Report Number 3
Work of the Aliso Canyon Well and Storage
Operations Safety Committee
July 2021 – June 2022

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Overview

SoCalGas (Defendant) and the State Attorney General, City Attorney for the City of Los Angeles, County Counsel for the County of Los Angeles, and the County of Los Angeles (collectively referred to as Government Plaintiffs) entered a Consent Decree to resolve claims raised by the Government Plaintiffs associated with the natural gas leak that occurred at the Aliso Canyon natural gas storage Facility (Facility) in October 2015. The terms and conditions of the Consent Decree required SoCalGas to, among other things, form an internal safety committee, and select and retain a third-party subsurface gas storage industry expert (Safety Ombudsman) who shall act as a safety advocate for the Facility. A copy of the Consent Decree may be accessed via this link: [Click Here](#)

Section 4.2 of the Consent Decree outlines the requirements for SoCalGas to establish a Well and Storage Operations Safety Committee (WSOC). The duties of the WSOC include but are not limited to the following:

- Meet quarterly to review safety issues at the Facility;
- Review operational safety issues and promote safe operations at the Facility consistent with applicable laws, rules, regulations, and orders;
- Review Facility-related information, materials, or work product to assess safety at the Facility;
- Make recommendations to SoCalGas for repairs, improvements, policies, and/or upgrades to the Facility or infrastructure therein;
- Facilitate the role of, and work in cooperation with, the Safety Ombudsman;
- In coordination with the Safety Ombudsman, conduct periodic safety audits or safety-related Strengths, Weaknesses, Opportunities, Threats (“SWOT”) analyses of the Facility; and
- Review California Public Utility Commission (CPUC), California Department of Conservation Geologic Energy Management Division (CalGEM), audit reports of the Facility.

Section 4.3 of the Consent Decree outlines the requirements for SoCalGas to select and retain a Safety Ombudsman and the duties associated with that role. The duties of the Safety Ombudsman include the following:

- Participate in all Well and Storage Operations Safety Committee (WSOC) meetings;
- Have access to all non-privileged materials, information, records, and work product in SoCalGas’ possession, custody, and control necessary to accomplish the tasks required of the Safety Ombudsman;
- Review CPUC and CalGEM audit reports of the Facility;
- Review and evaluate all incidents reported to the public and State and local agencies pursuant to Section 4.1 of the Consent Decree;
- Review and advise on the WSOC’s efforts, findings, and recommendations for improvements;
- Serve as a non-exclusive repository for safety-related concerns reported by the public with respect to the Facility;
- Serve as a point of contact to receive safety complaints or concerns relating to the Facility from anyone who wishes to remain anonymous, and provide any anonymous reports of safety concerns to SoCalGas;

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- Maintain the privacy of the person or member of the public confidentially making safety complaints or concerns relating to the Facility;
- Generate annual reports (Annual Reports) that detail the following:
 - The work of the Safety Ombudsman;
 - The work of the WSOC; and
 - Recommendations, if any, for improvements related to safety and prevention of leaks at the Facility.
- Provide the Annual Reports to the Attorney General, the City Attorney, County Counsel, the CPUC and CalGEM. The Annual Reports shall also be made public via the Aliso Canyon Website and the local community shall be provided with an opportunity to comment on the Annual Reports. The Safety Ombudsman shall schedule at least one public meeting each year to explain and respond to questions regarding the Annual Reports.

A new person filling the role of the Safety Ombudsman began with the September 2021 meeting, where the past Ombudsman introduced the new Ombudsman. The former Ombudsman completed his duties with respect to the role with the annual public meeting held virtually on October 6, 2021.

This report has been prepared in accordance with the requirements outlined in Section 4.3, (b), (ix), (2) of the Consent Decree, and summarizes the work of the WSOC during the period of July 2021 – June 2022. It is the third such annual report.



I. Well and Storage Operations Safety Committee (WSOC) Charter and WSOC Meetings

WSOC Charter

SoCalGas established a Well and Storage Operations Safety Committee (WSOC) to review safety issues at the Facility. The committee purview includes but is not limited to safety issues related to well integrity and maintenance and associated unintended leak prevention; it excludes issues related to occupational health and safety as those are administered by a separate department.

The WSOC is comprised of nine (9) members, including a committee Chair, Vice Chair, and Secretary. There are five (5) voting members and four (4) non-voting members. The five (5) voting members include one (1) SoCalGas Director of Storage, two (2) SoCalGas Managers of Storage, and two (2) SoCalGas Storage Supervisors. The non-voting members of the WSOC include subject matter experts with relevant storage technical expertise.

The role of the WSOC is to review and provide recommendations regarding safety issues at the Facility to SoCalGas and coordinate with the Safety Ombudsman. WSOC duties include:

1. Review operational safety issues and promote safe operations consistent with applicable laws, rules, regulations, and orders;
2. Review Facility-related information, materials, or work product to assess safety at the Facility;
3. Make recommendations to SoCalGas for repairs, improvements, policies, and/or upgrades to the Facility and its infrastructure;
4. Facilitate the role of, and work in cooperation with, the Safety Ombudsman;
5. In coordination with the Safety Ombudsman, conduct periodic safety audits or safety-related Strengths, Weaknesses, Opportunities, Threats (SWOT) analyses of the Facility; and
6. Review of California Public Utilities Commission (CPUC) and California Geologic Energy Management Division (CalGEM) audit reports of the Facility.

The Chair, Vice Chair, and Secretary of the Committee are nominated by the Senior Vice President and/or the Vice President of Storage and confirmed by the WSOC. Those three positions are elected to two-year terms, although individuals may serve more than one term. Remaining members of the Committee are selected by the Senior Vice President and/or the Vice President of Storage; members are appointed biennially or as necessary to fill vacancies. The Chair manages WSOC meetings and must be a voting member of the committee. The Vice Chair performs the duties of the Chair in the Chair's absence. The Vice Chair may be a non-voting member; however, they will have voting rights when performing the duties of the Chair. The Secretary may be a non-voting member and prepares the minutes of the WSOC meetings.

The WSOC normally meets quarterly but may meet more frequently if it deems there is a need to do so. A majority of WSOC voting members is required, either in person or telephonically, to convene a meeting. Recommendations for formal action require a majority vote of the voting membership. The Safety Ombudsman is required to participate in all WSOC meetings, either in person or telephonically. Legal counsel is required to attend all WSOC meetings.



The SoCalGas Aliso Canyon Well and Storage Operations Safety Committee Charter provides a complete summary of the WSOC's function and defines roles, responsibilities, and governance of the WSOC. A copy of the Charter may be accessed via this link: [Click Here](#)

Quarterly WSOC Meetings

During the period of July 2021 – June 2022, four (4) WSOC meetings were held, virtually or in person as noted below, on the following dates:

- September 13, 2021 (virtual);
- December 9, 2021 (virtual);
- March 23, 2022 (virtual); and
- June 15, 2022 (in person).

The Safety Ombudsman participated in the three virtual meetings via video conference and the June 15, 2022 meeting in person. The quarterly meeting agenda generally includes:

1. Review and approval of the prior meeting minutes;
2. Update from the Safety Ombudsman concerning public inquiries and other relevant topics;
3. Update from WSOC members concerning safety-related matters associated with the Aliso Canyon Facility;
4. CalGEM audit status; and
5. Joint discussion of other relevant matters related to the Aliso Canyon Facility.

The meetings provide a forum for face-to-face discussions between the WSOC members and the Safety Ombudsman on safety-related matters at the Facility. Topics vary from meeting to meeting depending upon current issues, maintenance and construction work activity at the Facility, and safety concerns. Members of the WSOC typically provide updates of construction and/or maintenance work at the Facility with the emphasis on safety, the status of ongoing discussions with CalGEM staff concerning SoCalGas' Risk Management Plan for the Facility, and the status of periodic audits of the Facility by CPUC and CalGEM staff. These updates provide an opportunity for the Safety Ombudsman to probe any safety concerns and establish a dialog directly with the appropriate subject matter experts. The quarterly WSOC meetings also provide an opportunity for direct feedback to the WSOC concerning committee work or other safety-related initiatives at the Facility.

During the period of July 2021 – June 2022, discussion topics included but were not limited to:

- The development of additional and enhancement of existing Gas Standards relevant to the safety of underground natural gas storage facilities;
- Preparation of the Safety Ombudsman Annual Reports;
- Audits performed by the WSOC examining adherence to SoCalGas' Gas Standards;
- Status of the CalGEM/PHMSA audit report from October 2020 and other CalGEM/PHMSA audits through the July 2021 – June 2022 period;
- SIMP (Storage Integrity Management Program) Reassessments/Update;



- Status of review of the Aliso Canyon Risk Management Plan (RMP) with CalGEM;
- Safety Ombudsman virtual public meeting in October 2021;
- Concerns/Issues submitted to the Safety Ombudsman by members of the public;
- Recommendations for safety improvements generated by the Safety Ombudsman;
- SoCalGas plans in response to Safety Ombudsman’s recommendations; and
- Well assessment/re-assessment updates;

Individual links to the minutes of the WSOC meetings are included immediately below, including the June 2021 meeting minutes which were not included in Annual Report Number 2. Names of individuals have been redacted from the meeting minutes.

- June 2021 meeting minutes link: [Click Here](#)
- September 2021 meeting minutes link: [Click Here](#)
- December 2021 meeting minutes link: [Click Here](#)
- March 2022 meeting minutes link: [Click Here](#)
- June 2022 meeting minutes link: [Click Here](#)

The June 15, 2022 meeting included a facility tour for the new Safety Ombudsman. The Ombudsman observed safety protocols at well workover sites and discussed valve integrity testing and maintenance at typical wellheads with WSOC members.

In accordance with the WSOC Charter, a change in membership occurred for the 2022 – 2024 period. The WSOC Chairman introduced new members of the WSOC at the March 23, 2022 meeting.

II. Review of Operational Safety Issues and Information, Materials, or Work-product to Assess Facility Safety

Each WSOC quarterly meeting agenda includes a review of current operational activities, with specific routine areas discussed during the July 2021 – June 2022 period as follows:

- Well integrity assessment updates:
- Risk Management Plan submittal update;
- Audits of operational discipline to procedures; and
- Well work in progress and planned.

Details concerning these discussions may be found by accessing the link to the minutes of each meeting at the bottom of [Section I](#) of this report, immediately above.

The WSOC participated in material submissions in response to the Safety Ombudsman’s data requests on his own behalf and on behalf of and related to public inquiries. The Safety Ombudsman made data requests during the July 2021 – June 2022 period as described in the following paragraphs.

The September 2021 meeting was the first for the new, incoming person filling the Safety Ombudsman role. The new Ombudsman requested an overview of the SoCalGas Storage Integrity Management Plan/Risk Management Plan (RMP), its Storage Integrity Management Plan (SIMP) chapters, and the organizational

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structure related to the roles and responsibilities outlined in the RMP SIMP chapters. Subsequent to the new Ombudsman's review of the materials provided by SoCalGas, the Ombudsman had certain recommendations, which are included in Annual Report #3 – Recommendations for Improvements Related to Safety and Leak Prevention, which can be found at the following link: [Click Here](#)

At the December 2021 WSOC meeting, the WSOC heard the report of the Safety Ombudsman regarding the annual public meeting, which was held virtually and recorded on October 6, 2021. During the annual meeting the past Ombudsman introduced the new/current Ombudsman, and an annual review summary was presented and posted to the Ombudsman website. There were no participants from the public at the live presentation. A link to the public meeting can be found in Annual Report #3 – Work of the Safety Ombudsman: [Click Here](#)

The Safety Ombudsman received a question from the public on October 27th asking if there was any well leaking at the Aliso Canyon facility. The Safety Ombudsman submitted data requests on November 5, 2021 and on December 13, 2021, and discussions of the request and the information provided by SoCalGas in response to the public inquiry occurred at the December 2021 and March 2022 WSOC meetings. Further details of the inquiry and the data requests, with links to the information, can be found at the following link: [Click Here](#)

The Ombudsman recommended that the WSOC and SoCalGas review the Department of Transportation (DOT) Pipelines and Hazardous Materials Safety Administration (PHMSA) incident report database for reported storage-related incidents, since there could be lessons learned from other operators' incidents that could have bearing on the continual learning and improvement at the Aliso Canyon facility.

III. Recommendations for Repairs, Improvements, Policies, and/or Upgrades to The Facility

The WSOC made no recommendations for repairs, improvements, policies, and/or upgrades to the Facility during the July 2021 – June 2022 period, but monitored those recommendations previously made, which were resolved, and which were planned or in progress.

The Safety Ombudsman developed a compendium of all recommendation topics by the WSOC and/or the Ombudsman over the past three years, the period over which the Consent Decree has been active, and sent it to the WSOC prior to the June 15, 2022 WSOC meeting. During the June 2022 meeting the Ombudsman was informed that the WSOC would schedule several meetings prior to the end of June to verify understanding of the recommendations and the Safety Ombudsman's request for a response from SoCalGas. Three meetings were held, and in early July SoCalGas provided a reply to the Ombudsman.

The summary of past and current recommendations and the progress of SoCalGas in response to the recommendations is contained in a Microsoft Excel file which can be found at the following link: [Click Here](#)

On July 7, 2022, the Safety Ombudsman inquired whether the WSOC had submitted any recommendations for safety improvements to SoCalGas during the month of June. On July 29, SoCalGas responded that since the June 15, 2022 WSOC meeting, the WSOC has not made any recommendations for safety improvements. The WSOC Audit, which was completed earlier this year, identified recommendations which have been adopted by the Company. The WSOC Audit Summary can be found at the following link: [Click Here](#)



The Safety Ombudsman developed several specific safety recommendations for consideration by the WSOC/SoCalGas. These recommendations are contained in Annual Report Number 3, Recommendations for Improvements to Safety and Leak Prevention, Section II, available at the following link: [Click Here](#)

IV. Conduct Periodic Safety Audits (SWOTs) Associated with the Facility

The WSOC continued its operational discipline audit (contractor and employee compliance) of SoCalGas' Gas Standard 224.106, Casing and Tubing Inspection Field Procedure. The description of the audit process is contained in Annual Report Number 2 – Work of the WSOC: [Click Here](#)

The WSOC noted at the December 2021 meeting that the audit subcommittee had completed the audit report and submitted it to SoCalGas. There were eight (8) findings and recommendations submitted to SoCalGas, and SoCalGas responded to the WSOC regarding all 8 findings. At the June 2022 meeting and in a July 7, 2022 data request, the Safety Ombudsman asked for a copy of the audit report and the SoCalGas responses.

While there were no strength/weakness/opportunity/threat analyses performed during the report period, the Safety Ombudsman asked the WSOC at the December 2021 meeting how SoCalGas keeps safety fresh in everyone's minds. Responses from WSOC members included:

- There are safety briefings performed every day at every well site by rig personnel for anyone coming into the work area. The Ombudsman witnessed this firsthand during the field tour following the June 15, 2022 WSOC meeting.
- The Underground Gas Storage (UGS) director shared that the Company conducted six (6) "all hands" safety stand-downs with all contractors working for UGS, with 190 individuals participating in these events. Root causes and near misses were discussed during these stand-downs.

At the June 15, 2022 WSOC meeting, a new subcommittee was formed to identify and prioritize several storage integrity management-related procedures for audit of operational discipline, discussion of procedure robustness and adequacy, and recommendation to the WSOC for its decision and initiation of the next audit.

V. California Public Utility Commission (CPUC) and California Department of Conservation Geologic Energy Management Division (CalGEM) Audit Reports

A discussion of audits performed by the CPUC and CalGEM during the period covered by this report is contained in Annual Report Number 3, Work of the Safety Ombudsman, Section IV, and will not be repeated here, although a summary of the audits that have occurred is given below. CalGEM is acting as agent for PHMSA during all mandated safety inspections of the Facility.

The third annual CalGEM/PHMSA audit was conducted virtually during the week of October 11, 2021, and a site visit, including well sites and well work activities, was conducted in person at Aliso Canyon on October 6, 2021. Audit questions covered Reporting, Integrity Management, and Site Security. SoCalGas received a Notice of Amendment (NOA) from PHMSA in December of 2021; the NOA noted that SoCalGas needed to revise procedures to specify data elements collected to evaluate threats in SIMP.2. SoCalGas added a



data table to SIMP.2 as the response and in February 2022 resubmitted to PHMSA, which accepted the updates. Additionally, there was a suggestion to improve the SoCalGas Gas Standard (GS) on testing and inspection of safety valves and wellhead valves.

SoCalGas submitted its RMP update to CalGEM on April 1, 2022, as required. SoCalGas demonstrated compliance with CalGEM requirements by referring to the various SIMP chapters in the RMP.

The original SoCalGas RMP submittal was in April 2019, and while the Company did not receive a formal response in writing from CalGEM, the Company has learned from the past several years of RMP/SIMP implementation and inputs from the Safety Ombudsman, and incorporated such lessons learned and recommendations into its 2022 RMP revisions. Additionally, SoCalGas maintains a standing monthly meeting with CalGEM and uses the meetings for a review of risk analysis methods, communication of details of learnings and developments to CalGEM, and fostering of question and answer sessions. Part of the process of continual improvement of the RMP is review of the procedures referred to in the SIMP chapters. Some documents require reviews every year, and others are reviewed every three (3) years.

The ongoing accumulation of well integrity findings from the surface monitoring and downhole inspections creates additional learning opportunities. SoCalGas has completed reassessments, or reassessments are in progress, on all wells retained (that is, not plugged and abandoned) in the Aliso Canyon facility, and has completed third assessments (or, second-round reassessments) on approximately one-third of the active wells. The findings of the reassessments suggest to SoCalGas that the reassessment inspection period can be lengthened, and the Company has submitted individual requests to CalGEM for such reassessment extensions for many of the wells in the Aliso Canyon facility. As of the June 15, 2022 WSOC meeting, SoCalGas had received permission from CalGEM to extend the reassessment interval from 24 months to 50-60 months on seven (7) wells, all of which have had new inner strings of casing installed and cemented in place since the initial baseline inspections.