

## MOTION

On October 23, 2015, the Southern California Gas Company discovered a leak at one of its natural gas wells located in its Aliso Canyon storage field in the County Unincorporated Area adjacent to the Porter Ranch Community. The leak continued to impact residents within the City limits, most seriously in the Porter Ranch and immediately adjacent communities for more than six months.

This has become a local disaster and, even though the SoCal Gas Company's Aliso Canyon Storage Field is located outside the City of Los Angeles, it has had a significant adverse impact on many thousands of City constituents – residents and businesses have both been negatively affected. Hundreds of residents are still relocated from their homes (down from a high of more than 20,000) and two schools had to be relocated. Additionally, the 100 million metric tons of methane gas spewed by this leak sets back the City's GHG reduction efforts and is the costliest environmental disaster in history.

It is critical, and necessary, that the City use this experience to ensure that the City of Los Angeles Franchise with the Southern California Gas Company is as strong as possible in providing future protection for City constituents. While it is necessary to extend the current franchise agreement for a year while a new agreement is negotiated, it is incumbent upon the City to use that year to craft the most protective franchise agreement possible.

It is also critical to state at this juncture that neither the extension of the current agreement nor the negotiation of a new franchise agreement is a permit for SoCal Gas to operate or utilize the Aliso Canyon Storage Facility.

I THEREFORE MOVE that the City Council take the following action:

INSTRUCT the City Administrative Officer and the City Petroleum Administrator to work with the City Attorney and the City Risk Manager to ensure that the franchise with the Southern California Gas Company has the strongest legal protections possible for the constituents of Los Angeles;

INSTRUCT the City Administrative Officer and the City Petroleum Administrator to:

- Ensure that the terms of the new City franchise with the Gas Company require the Gas Company to provide the Board of Public Works with copies of all regulatory reports submitted by Gas Company to other regulatory agencies and all official notices to the Gas Company by other regulatory agencies;
- Require that the agreement contain a provision to concurrently notify the City of any event that results in the notification of regulatory entities, including but not limited to leaks, equipment failures or other notifications;



- Report back on the major provisions of other cities' franchise agreements, with a focus on newer provisions enacted after Proposition 218 and Proposition 26;
- Work with the City Attorney to structure the new Gas Company Franchise with a total 20-year term that is divided into four, five-year periods. Continuation of the same Franchise terms beyond each five year period should be dependent upon full compliance with all the provisions of the Franchise; and,

INSTRUCT the Board of Public Works to submit annual reports to the City Council and Mayor on all permitted activity in the public right-of-way by the Southern California Gas Company and instruct the City Administrative Officer, the General Manager of the Department of Transportation and the City Petroleum Administrator to ensure that the new City franchise with the Southern California Gas Company requires cooperation with the Board of Public Works in preparing this report.

Presented by:   
MITCHELL ENGLANDER, 12<sup>th</sup> District

Seconded by: 

ORIGINAL

MAY 06 2016