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SoCalGas to pay \$1.8B for leak, denies wrongdoing

After nearly six years of litigation and \$5.7 million in discovery sanctions against SoCalGas and Sempra, plaintiffs' attorneys recommended all their plaintiffs in Porter Ranch and surrounding areas participate in the settlement.



From left, Michael Louis Kelly, Kirtland & Packard LLP senior partner; Lindsey Bayman, Kirtland & Packard LLP senior partner; Kelly Winter Weil, Cotchett Pitre & McCarthy LLP partner; Gary A. Praglan, Cotchett Pitre & McCarthy LLP partner; Brian J. Panish, Panish Shea & Boyle LLP partner; Roland Tellis, Baron & Budd, P.C. shareholder; and Patricia K. Oliver, Parris Law Firm.

Southern California Gas Co. and its parent company Sempra Energy have agreed to pay up to \$1.8 billion to settle claims by some 35,000 residents affected by the 2015 Aliso Canyon Natural Gas Storage Facility blowout north of Los Angeles.

Sempra and SoCalGas deny any wrongdoing. The disaster remains the largest natural gas leak in U.S. history.

After nearly six years of litigation and \$5.7 million in discovery sanctions against SoCalGas and Sempra, plaintiffs' attorney Brian Panish of Panish Shea & Boyle LLP said he would recommend all the plaintiffs in Porter Ranch and surrounding areas participate in the settlement.

"Our goal has always been obtaining justice for the men, women and children who were failed by SoCalGas throughout every turn of this catastrophe," Panish said in a statement Monday.

"This settlement, and the numerous discovery sanctions imposed by the court, hold Sempra and SoCalGas accountable

for the Aliso Canyon blowout and their repeated misconduct throughout this litigation. This result could not have been obtained without the commitment, dedication, and hard work of the trial team preparing this case for trial."

SoCalGas CEO Scott Drury said in a statement Monday, "These agreements are an important milestone that will help the community and our company work toward putting this difficult chapter behind us. In the years since the leak, SoCalGas has worked alongside regulators, technical experts, and our neighbors to enhance safety at all our underground storage facilities and our engagement with the community. As a result, our storage facilities operate by what regulators and experts have called some of the most rigorous safety standards in the country."

Los Angeles County Superior Court Judge Daniel Buckley presided over the litigation and must sign off on the settlement.

The settlement will involve three agreements, according to a statement released by SoCalGas. The first will need roughly 97% participation by the plaintiffs. It will also require court approval of the settlement allocation process and other conditions. Also subject to court approval are the second and third agreements, which involve settlement with a class estimated to include at least 23,000 properties and the dismissal of the named plaintiffs in a putative business class action.

The amount involved in the second and third agreement have yet to be determined, according to attorneys familiar with the litigation.

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Homeowners and residents living near the Aliso Canyon facility allege they suffered personal injury and property damage after one of SoCalGas' negligently maintained natural gas storage wells failed and released nearly 100,000 tons of methane and other substances into the atmosphere over 118 days, according to a statement released by the Panish firm.

Beverly Hills plaintiffs attorney Mariana McConnell of Kiesel Law LLP, who is also involved in settlement discussions with class members, said she would recommend her clients accept the settlement.

"This is an incredible result after almost six years of hard-fought litigation, both by leadership and from all the individual firms who represent clients," McConnell said in an interview. "We're thankful for the patience of all the individual plaintiffs, and we're excited to get the case across the finish line."

The \$1.8 billion settlement is believed to be the largest for a natural gas release in history, according to a statement released by Cotchett Pitre & McCarthy LLP. Partner Gary Praglin, among others from the Cotchett firm, served on the Plaintiffs Steering Committee.

"This historic settlement delivers justice and closure so that people can move on," Praglin said in a statement. "I grew up in this community and it was a privilege to be part of the group of outstanding law firms that delivered this amazing result for the victims."

The settlement money will be allocated among the plaintiffs in accordance with a protocol to be developed by neutral, independent allocators, paid by SoCal gas. *Southern California Gas Leak Cases*, JCCP 4861. (L.A. Sup. Ct., filed June 3, 2019).

The plaintiffs trial team included Panish and Jesse Creed of Panish Shea & Boyle LLP; Ray Boucher and Cathy Kim of Boucher LLP; Frank Pitre, Gary Praglin and Kelly Weil of Cotchett, Pitre & McCarthy LLP; Michael Kelly and Lindsey Bayman of Kirtland Packard; McConnell and Paul Kiesel of Kiesel Law LLP; Frank Petosa of Morgan & Morgan; R. Rex Parris and Patricia K. Oliver of Parris Law Firm; Devin Bolton and Robin L. Greenwald of Weitz & Luxenberg; and Roland Tellis and Evan Zucker of Baron & Budd.

SoCalGas is represented by David L. Schrader, Deanne L. Miller, Yardena R. Zwang-Weissman and James J. Dragna of Morgan Lewis & Bockius LLP.