

AMENDED IN ASSEMBLY MARCH 18, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2748**

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**Introduced by Assembly Member Gatto**

February 19, 2016

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~~An act to relating to the Aliso Canyon Gas Storage Facility. An act to add Section 3484.5 to the Civil Code, relating to natural gas.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2748, as amended, Gatto. Aliso Canyon Gas Storage Facility: leak: claims for damage to property.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including gas corporations. The Public Utilities Act prohibits any gas corporation from beginning the construction of, among other things, a line, plant, or system, or of any extension thereof, without having first obtained from the commission a certificate that the present or future public convenience and necessity require or will require that construction. Pursuant to existing law, the commission issued a certificate of public convenience and necessity to Southern California Gas Company for the Aliso Canyon Gas Storage Facility.

Existing law establishes the Division of Oil, Gas, and Geothermal Resources in the Department of Conservation and authorizes the State Oil and Gas Supervisor, with the approval of the Director of Conservation, to adopt rules and regulations that may be necessary to carry out the purposes for which the division was established. Pursuant to its existing authority, the supervisor has adopted onshore well regulations that are applicable, in part, to gas storage facilities.

Existing law defines a nuisance as anything injurious to health, indecent or offensive to the senses, or an obstruction to the free use of property, as specified. Existing law defines a public nuisance as a nuisance that affects at the same time an entire community or neighborhood or any considerable number of persons, although the extent of the annoyance or damage inflicted upon individuals may be unequal, and makes every public nuisance a private nuisance as to those affected by it. Existing law provides that the abatement of a nuisance does not prejudice the right of any person to recover damages for its past existence.

~~This bill would state the intent of the Legislature to enact legislation that would facilitate the resolution of claims for property damage against Southern California Gas Company growing out of a major leakage of natural gas at its Aliso Canyon Gas Storage Facility that commenced in October 2015, in order to achieve just results while avoiding clogging the courts.~~

*This bill would create a right of action against Southern California Gas Company for any person owning real property in the Porter Ranch area, as defined, on October 23, 2015, who suffers a diminution in value of that real property resulting from the leakage of natural gas from the Aliso Canyon Gas Storage Facility during 2015 and 2016. The right of action would accrue when the claimant first offers the property for sale or seeks refinancing of the property. The bill would specify a mechanism for measuring the diminution in value.*

*This bill would make legislative findings and declarations as to the necessity of a special statute for the Aliso Canyon Gas Storage Facility leak.*

Vote: majority. Appropriation: no. Fiscal committee: no.  
 State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. Section 3484.5 is added to the Civil Code, to read:
- 2     3484.5. (a) As used in this section, "Porter Ranch area" has
- 3     the same meaning as defined in the document titled "SS-25 Incident
- 4     Aliso Canyon Gas Leak Odorous Emissions Mitigation Plan and
- 5     Temporary Relocation Plan," dated December 15, 2015, included
- 6     as Exhibit A in the stipulation and order, filed December 24, 2015,
- 7     with the superior court of the County of Los Angeles in the People
- 8     of the State of California v. Southern California Gas Company,

1 Case No. BC602973, and including, but not limited to, the map  
2 titled “SoCalGas Complaints and SCAQMD Air Sampling  
3 Locations” located in attachment B of the plan document.

4 (b) Any person owning real property in the Porter Ranch area  
5 on October 23, 2015, who suffers a diminution in value of that  
6 real property resulting from the leakage of natural gas from the  
7 Aliso Canyon Gas Storage Facility during 2015 and 2016 shall  
8 have a right of action against Southern California Gas Company  
9 for that diminution in value. The cause of action shall accrue when  
10 the owner first offers the property for sale or seeks refinancing of  
11 the property. The diminution in value shall be calculated by  
12 determining the value of the real property on October 22, 2015,  
13 identifying similarly priced real property in neighboring  
14 communities on that date, then comparing the value of the owner’s  
15 real property at the time the action accrues to the value of the  
16 properties in the neighboring communities that had been similarly  
17 priced. The diminution in value shall be the value of the property  
18 in the Porter Ranch area on the date the action accrues subtracted  
19 from an average value on the date the action accrues of properties  
20 in neighboring communities that were priced similarly to the Porter  
21 Ranch area property as of October 22, 2015.

22 (c) This section shall apply only to actions filed on and after  
23 January 1, 2017.

24 SEC. 2. The Legislature finds and declares that a special law  
25 is necessary and that a general law cannot be made applicable  
26 within the meaning of Section 16 of Article IV of the California  
27 Constitution in order to achieve just results while reducing court  
28 congestion as a result of the unique circumstances involving a  
29 major leak of natural gas from the Aliso Canyon Gas Storage  
30 Facility during 2015 and 2016.

31 ~~SECTION 1. It is the intent of the Legislature to enact~~  
32 ~~legislation that would facilitate the resolution of claims for property~~  
33 ~~damage against Southern California Gas Company growing out~~  
34 ~~of a major leakage of natural gas at its Aliso Canyon Gas Storage~~  
35 ~~Facility that commenced in October 2015, in order to achieve just~~  
36 ~~results while avoiding clogging the courts.~~

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