KAMALA D. HARRIS, Attorney General of California Exempt from Filing Fees, SALLY MAGNANI Gov. Code § 6103 ROBERT W. BYRNE Senior Assistant Attorneys General SARAH E. MORRISON, SBN 143459 Supervising Deputy Attorney General CATHERINE M. WIEMAN, SBN 222384 ELIZABETH B. RUMSEY, SBN 257908 Deputy Attorneys General 300 South Spring Street, Suite 1702 Los Angeles, California 90013 Telephone (213) 897-2640/Facsimile (213) 897-2802 MICHAEL N. FEUER, City Attorney, SBN 111529 THOMAS H. PETERS, Chief Assistant City Attorney, SBN 163388 TINA L. HESS, Assistant City Attorney, SBN 143900 JESSICA B. BROWN, Deputy City Attorney, SBN 211642 NICK KARNO, Deputy City Attorney, SBN 210805 OFFICE OF THE LOS ANGELES CITY ATTORNEY 200 North Main Street, 500 City Hall East Los Angeles, California 90012-4131 Telephone (213) 473-6922/Facsimile (213) 978-8112 12 [Additional Counsel Listed on Next Page] 13 Attorneys for Plaintiff, the People of the State of California 14 SUPERIOR COURT OF THE STATE OF CALIFORNIA 15 **COUNTY OF LOS ANGELES** 16 THE PEOPLE OF THE STATE OF Case No. BC602973 (Consolidated with Lead CALIFORNIA. Case No. BC601844 and Case Nos. BC603602. 17 BC604099, BC604353, BC604414, BC604592, Plaintiff. BC605084, BC605085, BC605173, BC605406, 18 BC605407, BC605892, 606427, BC606555, 606844, 606941, 607057, 607347, 607540, VS. 19 607541, 607841, 607542, 607697, 607839, and 607840) 20 SOUTHERN CALIFORNIA GAS SECOND AMENDED COMPLAINT FOR 21 COMPANY, and DOES 1-50, inclusive, CIVIL PENALTIES, PERMANENT INJUNCTION, AND OTHER EQUITABLE 22 RELIEF Defendants. 23 1. PUBLIC NUISANCE; 24 2. HEALTH & SAFETY CODE, § 41700; AND RELATED CONSOLIDATED 25 3. HEALTH & SAFETY CODE, § 25510; CASES. 26 4. BUS. & PROF. CODE, § 17200; AND 27 5. GOVERNMENT CODE, § 12607 28

The People of the State of California ("the People"), acting by and through Kamala D. Harris, Attorney General ("Attorney General") in her independent capacity and on behalf of the California Air Resources Board ("ARB"); Michael N. Feuer, City Attorney for the City of Los Angeles ("City Attorney"); and Mary C. Wickham, County Counsel for the County of Los Angeles ("County Counsel"), allege as follows:

#### **INTRODUCTION**

- 1. A natural gas leak near the community of Porter Ranch in the City of Los Angeles has caused an ongoing public health and environmental emergency, sickening residents of Porter Ranch and compelling thousands to relocate, and threatening to undermine statewide efforts by the State of California to reduce greenhouse gas ("GHG") emissions and mitigate the pace and effects of climate change. By this lawsuit, the People seek: (1) to ensure the leak is repaired as quickly as possible; (2) to ensure the causes of the leak, and the reasons for the difficulties in fixing it, are fully understood and action plans put in place to prevent a recurrence of this type of event; (3) to ensure that any systemic deficiencies in the operation of all natural gas-injection wells and other infrastructure at similar storage facilities are appropriately addressed; (4) to mitigate the impacts of the uncontrolled emission of a massive quantity of GHGs into the environment; and (5) to impose appropriate civil penalties as allowed by law for the conduct that caused this disaster.
- 2. The leak was discovered on or about October 23, 2015, at an injection well at the Aliso Canyon Natural Gas Storage Facility ("Facility") owned and operated by Defendant Southern California Gas Company ("SoCalGas"). The leak, which continues to this day, has caused the release of significant quantities of natural gas, the primary constituent of which is methane. Other constituents of the leaking natural gas include several federally-listed hazardous air pollutants: benzene (a known carcinogen and reproductive toxin), toluene (a reproductive toxin), ethylbenzene (a carcinogen), and xylene (collectively, "BTEX"). The natural gas also contains tert-butyl mercaptan and tetrahydrothiophene ("mercaptan"), chemical compounds that are added to natural gas to give it a detectable odor.

- 3. As a result of the leak, City residents have been subjected to a nuisance in the form of intolerably foul odors and have suffered physiological symptoms, including nausea, vomiting, dizziness, nosebleeds, headaches, and other adverse health effects. These residents face potential risks to their long-term health as well as potential contamination to the groundwater. As a result of this nuisance, thousands of City residents, including children, elderly persons, and persons with disabilities, have been compelled to leave their homes indefinitely, and several of the community's schools have been transferred to alternative facilities.
- 4. The major constituent of the natural gas being released is methane, a potent GHG. It has been estimated that the leak has already emitted more than 80,000 metric tons of methane, with additional emissions to come. The uncontrolled release of this quantity of methane into the atmosphere will have a significant negative impact on California's statewide GHG-reduction efforts, long after the release is abated. California is already experiencing the deleterious impacts of climate change, which is caused by the accumulation of GHGs in the atmosphere, and the massive gas leak will exacerbate those effects. Given the unprecedented nature, duration, and magnitude of the natural gas release and its negative impact on California's efforts to reduce GHG emissions and to mitigate the pace and effects of climate change, the leak is an environmental matter of statewide concern.
- 5. By failing to prevent and to promptly contain the uncontrolled release of natural gas from the Facility, SoCalGas and other defendants ("Defendants") violated Health and Safety Code section 41700 and California's Unfair Competition Law (Bus. & Prof. Code, § 17200, et seq.) ("UCL"). Defendants also failed to properly and/or timely report the release to appropriate authorities, in violation of Health and Safety Code section 25510. Defendants are also liable under Civil Code sections 3479, et seq. and Code of Civil Procedure section 731 for creating a public nuisance, and Government Code section 12607 for polluting, impairing, and/or destroying natural resources of the State. To remedy these claims, the People seek injunctive and other equitable relief, civil penalties, and attorneys' fees.

#### **PARTIES**

- 6. Plaintiff is the People of the State of California. The People bring this action by and through Kamala D. Harris, Attorney General acting in her independent capacity and on behalf of ARB; Michael N. Feuer, City Attorney for the City of Los Angeles; and Mary C. Wickham, County Counsel for the County of Los Angeles.
- 7. The Attorney General, as the chief law enforcement officer of the State of California, is charged with ensuring that the laws of this state are adequately and uniformly enforced. The Attorney General has broad independent powers under the California Constitution and the California Government Code to participate in all legal matters in which the State is interested, and she has special and explicit statutory authority to participate in cases involving the protection of California's environment. (Cal. Const., art. V, § 13; Gov. Code, §§ 12511, 12600-12612.) The Attorney General also is authorized by California Civil Code sections 3479, 3480, 3490, 3491, 3494, and the California Code of Civil Procedure section 731, to abate a public nuisance, and by Business and Professions Code sections 17204, 17206, and 17207 to enjoin any person who violates the UCL and to obtain mandatory civil penalties for each act of unfair competition. The Attorney General is also authorized to enjoin violations of Health and Safety Code sections 25110 and 41700 and obtain civil penalties for each violation pursuant to Health and Safety Code sections 42403 and 25515.7.
- 8. The City of Los Angeles is and was, at all relevant times, a charter city and a political subdivision of the State of California organized and existing under Government Code sections 34000, et seq. The City Attorney brings its action in the name of the People by and through Michael N. Feuer, City Attorney, under the authority granted to him by California Civil Code sections 3479, 3480, 3490, 3491, 3494, and the California Code of Civil Procedure section 731, to abate a public nuisance. The Los Angeles City Attorney further brings this action in the name of the People pursuant to Business and Professions Code sections 17203, 17204, and 17206, to enjoin any person who violates the UCL, and to obtain mandatory civil penalties for each act of unfair competition.

- 9. The County of Los Angeles ("County") is and was at all relevant times, a political subdivision of the State of California organized and existing under Government Code sections 23000, et seq. The County joins this action by and through County Counsel Mary C. Wickham, under the authority granted to her by California Civil Code sections 3479, 3480, 3490, 3491, 3494, and the California Code of Civil Procedure section 731, to abate a public nuisance.
- 10. The California Air Resources Board is a public agency of the State of California within the California Environmental Protection Agency. ARB is responsible for the implementation and enforcement of California air pollution control laws (Division 26 of the Health and Safety Code).
- 11. Defendant Southern California Gas Company is a California Corporation doing business in California. SoCalGas is a natural gas distribution utility that stores, sells, and transmits natural gas in California. SoCalGas's principal place of business is in Los Angeles, California.
- 12. DOES 1 through 25, inclusive, are persons whose names and identities are unknown to the People at this time, and the People therefore sue them under these fictitious names. The People will amend this Complaint to allege the true names and capacities of DOES 1 through 25 as soon as they are discovered. DOES 1 through 25 are, and at all times relevant to the claims in this Complaint were, creating a public nuisance as defined in California Civil Code sections 3479, et seq., and were violating the UCL, and Health and Safety Code sections 41700 and section 25510, subdivision (a).
- 13. At all relevant times, DOES 26 through 50 were in a position of responsibility allowing them to influence corporate policies or activities with respect to SoCalGas's compliance with California laws and regulations at its facilities and in the conduct of its business in the State of California, and had, by reason of their position in the corporation, responsibility and authority either to prevent in the first instance, or promptly correct, the violations complained of herein, but failed to do so. In addition to any direct personal liability of these individuals, DOES 26 through 50, also are personally liable under the "responsible corporate officer doctrine" for violations of law committed by SoCalGas as alleged herein.

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#### JURISDICTION AND VENUE

- 14. This Court has jurisdiction over this action pursuant to the California Constitution, Article VI, section 10; Code of Civil Procedure section 393, subdivision (a); Business and Professions Code sections 17204, 17206, subdivision (a), and 17207, subdivision (b); Health and Safety Code sections 42403 and 25515.7; and Government Code section 12607.
- 15. Venue is proper in this Court pursuant to Code of Civil Procedure sections 393, subdivision (a), and 731; Business and Professions Code sections 17204, 17206, subdivision (a), 17207, subdivision (b), and 17535.5, subdivision (b); Health and Safety Code sections 42403 and 25515.7; and Government Code section 12607, because the violations of law and public nuisance alleged in this Complaint occurred in the County of Los Angeles.
- 16. Venue is also proper in this Court pursuant to Code of Civil Procedure section 395.5, because SoCalGas's principal place of business is in the County of Los Angeles.

#### **FACTUAL ALLEGATIONS**

#### A. The Aliso Canyon Natural Gas Leak

- 17. This lawsuit addresses a massive natural gas leak from one of the wells (Standard Sesnon-25 or "SS-25," API 03700776) at SoCalGas' Facility, which is located in an unincorporated area of Los Angeles County. The Facility is the largest natural gas storage field in California, and one of the largest natural gas storage fields in the United States. The Facility has the capacity to store approximately 86 billion cubic feet of natural gas. When the gas leak occurred, the Facility was filled almost to capacity.
- 18. The Facility consists of approximately 116 withdrawal/injection wells. The average depth of the wells is approximately 8,500 feet. Forty-eight of the wells in the storage facility, including the leaking well, are over 60 years old. The wells were originally drilled as oil production wells in 1953 or earlier, when the wells were used to extract oil from an oil reservoir. When the oil was depleted from the reservoir in the 1970s, the Facility was converted to a natural gas storage facility, and the wells were converted to natural gas injection/withdrawal wells.

- 19. SoCalGas crews claim to have discovered the gas leak on or about October 23, 2015, although it has not yet been determined when the leak actually began. Residents of the nearby Porter Ranch community began to complain about the smell of natural gas at approximately the same time. SoCalGas did not report the leak to all appropriate government agencies, including the Governor's Office of Emergency Services ("OES"), until October 26, 2015.
- 20. SoCalGas made several initial efforts to stop the leak, but was unsuccessful. SoCalGas was not prepared to stop a leak of this magnitude. On or about November 25, 2015, more than one month after reporting the leak, SoCalGas began the months-long process of constructing the relief well. The uncontrolled release of natural gas into the atmosphere continues unabated to this day.
- 21. On January 6, 2016, Governor Brown declared a state of emergency ("Proclamation") in connection with the Aliso Canyon natural gas leak. The Proclamation directed immediate response actions, in addition to those actions already being undertaken, and ordered a comprehensive review, utilizing independent experts, of the safety of the storage wells and the air quality of the surrounding community. This review must occur before the primary state agency overseeing the response effort the Department of Conservation, Division of Oil, Gas and Geothermal Resources (or "DOGGR") can authorize SoCalGas to resume natural gas injections at the Facility. The Proclamation also stated that SoCalGas shall cover costs related to the natural gas leak and that the company shall fund a program to mitigate the emissions, which is to be developed by ARB by March 31, 2016.

#### B. Air Contaminants and Health Impacts

- 22. The gas leak is having an immediate and significant impact on the local community. The wellhead is approximately one mile from the residential community of Porter Ranch, which is home to about 30,500 people, including families with children and senior citizens, as well as disabled persons. At all relevant times, the affected residential area was a public area in the City and County of Los Angeles, California, and open to public travel and use.
- 23. The escaping natural gas from the Facility contains mercaptan, BTEX, and methane. Mercaptan is a chemical compound that is added to the otherwise colorless, odorless natural gas

to give it a rotten-egg smell that aids in leak detection. Mercaptan is known to cause short-term neurological, gastrointestinal, and respiratory symptoms. The human nose is incredibly sensitive to mercaptan and can detect it at very low levels. This means that even at small concentrations, people exposed to mercaptan can suffer physiological symptoms for the duration of the exposure, and possibly beyond, in addition to the discomfort caused when subjected to the noxious odor. Mercaptan is heavier than air and thus flows from the Facility down into the residential areas of the City located approximately 1,200 feet below.

- 24. The South Coast Air Quality Management District has received more than 2,000 odor complaints relating to the gas leak from Porter Ranch residents. Residents have also reported physiological symptoms including nausea and vomiting, dizziness, nosebleeds, and headaches, likely attributable to mercaptan exposure. Over four thousand families have been relocated and over 1,000 families are still waiting to be relocated, to escape the odor and adverse health effects caused by the escaping gas, and the community's schools have been transferred to alternative facilities. This relocation causes significant disruption to residents' daily lives. In addition to the disruption of temporarily being displaced (for what is expected to be months), these residents' homes now sit vacant and pose an additional security risk. Local businesses have also been harmed by loss of business.
- 25. The leaking natural gas from the Facility also contains BTEX. Air sampling in the residential areas of the City adjacent to the Facility has detected toluene and benzene. Exposure to elevated levels of toluene can cause acute and chronic damage to the central nervous system; symptoms include fatigue, sleepiness, headaches, and nausea. Benzene is categorized by the Environmental Protection Agency as a carcinogen. Acute exposure to benzene can cause drowsiness, dizziness, and headaches, as well as eye, skin, and respiratory tract irritation, and long-term exposure can cause blood disorders.
- 26. The leaking methane gas from the Facility also creates a significant risk of fire. Methane is a highly flammable and combustible gas. There is a significant risk of a massive fire if the leaking gas is ignited by a spark, which may result in explosions and fire impacting the Porter Ranch community. The potential fire risk has hampered efforts to investigate and address

the leaking well, and resulted in limitations on aircraft flying over the Facility. The gas leak has jeopardized the health and safety of persons responding to the leak and/or operating powered equipment in the vicinity of the leak, as well as Porter Ranch residents.

#### C. Greenhouse Gas Emissions

- 27. The gas leak will have significant long-term and widespread environmental impacts. Methane plays a significant role in accelerating climate change. Methane is the second largest component of GHG emissions in California, behind carbon dioxide. It has a relatively short lifespan, but its "global warming potential" is approximately 25 times greater than an equivalent weight of carbon dioxide over a 100-year time period, and its relative potency is approximately 72 times greater than carbon dioxide over a 20-year timeframe.
- 28. A preliminary report by ARB on November 20, 2015 nearly a month after the rupture was detected estimated that the leak was releasing 110,000 pounds of methane per hour. The release rate is believed to have peaked at around 132,000 pounds per hour on November 28, 2015, at which point the leak represented 25% of California's total daily methane emissions.
- 29. As of January 8, 2016 eleven weeks after the leak was discovered it was estimated that cumulative methane emissions, assuming a 100-year global warming potential, amounted to more than two million metric tons of carbon dioxide equivalent (MMTCO<sub>2</sub>e) (approximately two percent of estimated statewide GHG emissions over the same period), and this cumulative total will grow as the leak continues. Against the backdrop of California's ongoing efforts to reduce GHG emissions generally, this gas leak is a monumental environmental disaster.

#### D. Climate Change Impacts

of climate change. One of the more noticeable impacts has been increased average temperatures. By mid-century, Los Angeles will be 3° Fahrenheit warmer than average temperatures experienced from 1981-2000. This means that Los Angeles will experience 73 to 91 days with hotter than average current temperatures. By 2050, the number of extreme heat days – days with temperatures over 95° Fahrenheit – will more than triple from the average of 6 days experienced in Downtown Los Angeles today. If no changes are made, the number of extreme heat days is

predicted to double again by 2100 to 54 extreme heat days. Similar fates await communities across California.

- 31. The average winter temperature in the Sierra Nevada region has increased by almost 4 degrees Fahrenheit in the last 70 years. As a result, average annual snowpack in the Sierras has declined: Since 1950, snow accumulation, as represented by "April 1 snow water equivalent" (a measure taken annually), has decreased by approximately 10%. The Sierra Nevada snowpack serves as a vital water storage and supply system for California, providing approximately 35% of the State's annual water supply. Reduced snowpack and earlier runoff affect late-season availability of water for agriculture and domestic uses, and also impairs the State's ability to consistently ensure sufficient in-stream flows to meet water-quality standards and to support fish populations, including salmon, trout, smelt, and other threatened and endangered species.
- 32. California has approximately 1,075 miles of coastline (excluding inland bays, estuaries, and off-shore islands). Rising sea levels resulting from thermal expansion of sea water due to increased ocean temperature and the addition of freshwater from the melting of glaciers and ice sheets have increased beach erosion and impacted low-lying coastal properties. The State has incurred millions of dollars in response to erosion and in preparation for further impacts from sea level rise. The State is responsible for managing several beaches, including all of the Sonoma State Beaches, Asilomar State Beach, and Huntington State Beach. Tourism has already been impacted by beach closures necessitated by erosion and high storm surges.
- 33. Rising sea levels will also increase salt infiltration into the fresh water areas of the Bay-Delta. The State is currently working on plans to address this threat, by, for example, reenforcing and increasing the height of Bay-Delta levees. The State has already expended millions of dollars on these projects; it will ultimately need to spend billions of dollars to ensure that sea level rise does not destroy the levee system. Infrastructure that comprises two massive water projects the State Water Project and the Central Valley Project, upon which approximately 20 million Californians rely for flood management, water supplies, environmental protection, and recreational use are similarly threatened.

- 34. The State and its residents will suffer additional harm proportional to the magnitude and rate of further climate change. For example, as water levels rise and beaches erode, the protective buffer provided by beaches will narrow and disappear. The State will have to invest in measures to artificially armor its coasts to prevent exposed shore platforms and other infrastructure from being submerged, and to defend the built environment from the impacts of widespread flooding and other catastrophic events.
- 35. Climate change is also having severe impacts on the health and well-being of California's residents, which, in turn, burdens the State's health-care system. Climate change increases the frequency, duration, and intensity of extreme heat events. As temperatures rise, and the number of days of extreme heat events increases, the risk of injury or death caused by dehydration, heatstroke, and heart attack increases. Warmer temperatures also accelerate the formation and accumulation of criteria pollutants "smog" which causes and exacerbates respiratory problems. Children, the elderly, and those individuals with pre-existing health issues are particularly vulnerable to these adverse conditions. So, too, are the poor, as they do not have the means to purchase and operate air conditioners or to relocate to more favorable environments.
- 36. Dozens of other climate change impacts have been observed or are anticipated with a high level of certainty, including increased risk and intensity of wildfires, risk of prolonged heat waves, loss of moisture due to earlier snowpack melt and related impacts on forests and other ecosystems, and a change in ocean ecology as water warms.
- 37. The State is spending and will continue to spend considerable funds to study, prepare for, and mitigate the impacts of climate change on California's communities, public infrastructure, and natural resources.

#### E. State Efforts to Reduce Greenhouse Gas Emissions

38. California has long been an international leader in recognizing the contribution of GHGs to climate change and working to reduce the State's GHG emissions. Starting in 2002, California implemented GHG emission standards for vehicles and a renewable portfolio standard ("RPS") which requires utilities to procure 33% of their energy from renewable sources by 2020. In 2015, SB 350 was passed expanding the RPS requirement to 50% renewables by 2030. The

 Global Warming Solutions Act of 2006, or AB 32, is a landmark law that establishes a statewide emissions limit at 1990 levels by 2020 and tasks ARB with adopting regulations to reduce GHG emissions. The Governor's Executive Orders S-3-05 and B-30-15 also call for further GHG emission reductions, including reductions to 80% below 1990 levels by 2050. To that end, ARB has developed and implemented a suite of programs for reduction of GHG emissions, including a regulation for the mandatory reporting of GHG emissions ("MRR"), and a Cap and Trade Program that requires each covered entity to surrender to ARB a compliance instrument in the form of an allowance or an offset credit for every ton of carbon-dioxide equivalent (CO<sub>2</sub>e) it emits. Given methane's significant contribution to global warming, reducing methane emissions is a particularly high priority for ARB. By reducing GHG emissions generally, California hopes to slow climate change, to enable the State to better prepare for and adapt to changing environmental conditions.

### FIRST CAUSE OF ACTION (Violation of Health and Safety Code § 41700, Brought by Attorney General)

- 39. The allegations in paragraphs 1 through 38 are realleged and incorporated by reference herein as though set forth in full.
- 40. California Health and Safety Code section 41700 prohibits the discharge from any source whatsoever of such quantities of air contaminants or other material which cause injury, detriment, nuisance, or annoyance to any considerable number of persons or to the public, or which endanger the comfort, repose, health, or safety of any such persons or the public, or which cause, or have a natural tendency to cause, injury or damage to business or property.
- 41. Commencing on or about October 23, 2015, and continuing to the present,

  Defendants' operations at well number SS-25 used for injection/withdrawal of natural gas at the

  Facility have discharged and continue to discharge air contaminants and/or other materials,

  including methane, mercaptans, and BTEX.
- 42. Defendants' operations have discharged air contaminants and/or other materials in quantities which have caused or have a natural tendency to cause injury, detriment, nuisance, or

annoyance to a considerable number of persons or to the public, and/or have endangered the comfort, repose, health, or safety of any such persons or the public.

- 43. Many residents have been sickened by the leaking gas, have sought medical care for their symptoms, and have been compelled to evacuate to alleviate the adverse health effects.
- 44. Defendants' discharges from the Facility have violated, and continue to violate, Health and Safety Code section 41700.
- 45. Pursuant to Health and Safety Code section 42402, Defendants are liable for civil penalties for each day during any portion of which Defendants violated Section 41700.
- 46. Defendants' discharges have caused and continue to cause injury, including great bodily injury, and to date, Defendants have failed to terminate the emission violation. Therefore, under Health and Safety Code sections 42402 and 42402.2, Defendants are liable for civil penalties of up to \$250,000 per day that the violation is ongoing.
- 47. Pursuant to Health and Safety Code section 41513, Defendants should be enjoined from conduct violating Health and Safety Code section 41700.

# SECOND CAUSE OF ACTION (Public Nuisance Civil Code, § 3479, et seq.; Code Civ. Proc., § 731, Brought by all Plaintiffs)

- 48. The allegations in paragraphs 1 through 47 are realleged and incorporated by reference herein as though set forth in full.
- 49. Under California Civil Code section 3479, a "nuisance" is "anything which is injurious to health, ... or an obstruction to the free use of property, so as to interfere with the comfortable enjoyment of life or property ...."
- 50. Under California Civil Code section 3480, "a public nuisance is one which 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."
- 51. Defendants have engaged and continue to engage in conduct that is injurious to health and that interferes with the comfortable enjoyment of life and property of a considerable number of persons.

- 52. Commencing on or about October 23, 2015, and continuing to the present,
  Defendants' conduct caused a natural gas leak to occur at the Facility resulting in significant
  emissions of air contaminants, including methane, mercaptans, and BTEX. These air
  contaminants are having a significant negative impact on the State of California, its citizens, and
  the environment, and will continue to have a detrimental impact even after the uncontrolled
  release of natural gas is abated.
- 53. The emissions caused by Defendants' conduct are a direct and proximate contributing cause of the injuries and harms sustained by the State and its citizens, the City, the County, the environment, and the economy.
- 54. The emissions of air contaminants caused by Defendants' conduct have resulted in injuries, including adverse health effects suffered by citizens of the State.
- 55. The emissions caused by Defendants' conduct have created a significant risk of fire or explosion in the vicinity of the breached well at the Facility, which has jeopardized the health and safety of persons responding to the leak and/or operating powered equipment in the vicinity of the leak, including aircraft overhead, as well as residents living in the nearby Porter Ranch community. In the event of a fire or explosion, the health and safety of first responders would also be jeopardized, and State and local governments would incur significant response costs.
- 56. The emissions of methane caused by Defendants' conduct have a detrimental impact on the State, its citizens, the City, the County, the environment, and the economy. The increased emissions of methane, a potent greenhouse gas, will exacerbate the impacts of climate change in the State and the health and well-being of its citizens, even after the leak has been stopped.
- 57. Defendants maintain a number of other wells at the Facility that may also be at risk of failure, threatening future uncontrolled releases of natural gas into the atmosphere.
- 58. Defendants by their emissions have created a public nuisance injurious to the State, its citizens, the environment, and the economy.
  - 59. Defendants' emissions are not in the public interest.
- 60. Defendants, and each of them, are liable under California Civil Code sections 3479, et seq. and Code of Civil Procedure section 731 for creating a public nuisance.

61. Defendants must abate the public nuisance caused by the uncontrolled release of natural gas from the Facility. Defendants must also abate the ongoing nuisance posed by the released air contaminants, including methane, mercaptans, and benzene, the persistence of the released GHGs in the atmosphere, and the risk of future natural gas releases posed by other wells at the Facility.

## THIRD CAUSE OF ACTION (Violation of Health and Safety Code § 25510, Brought by Attorney General and City Attorney)

- 62. The allegations in paragraphs 1 through 61 are realleged and incorporated by reference herein as though set forth in full.
- 63. California Health and Safety Code section 25510, subdivision (a), requires that Defendants shall "upon discovery, immediately report any release or threatened release of a hazardous material to the unified program agency, and to the [OES]."
- 64. On or about October 23, 2015, Defendants discovered a release or threatened release of natural gas at the Facility, and the release has continued unabated.
- 65. The release of natural gas from the Facility contains hazardous materials as defined under Health and Safety Code section 25501, including methane and benzene.
- 66. Defendants did not report the release of hazardous materials from the Facility to the appropriate unified program agency or OES until October 26, 2015.
- 67. Defendants' failure to immediately report the release of hazardous materials violates Health and Safety Code section 25510.
- 68. As a consequence of Defendants' violation of Section 25510, Defendants are liable for a civil penalty for each separate violation in an amount up to \$2,000 for each day during which the violation occurred, pursuant to Health and Safety Code section 25514, subdivision (a).
- 69. As a consequence of Defendants' knowing violation of Section 25510, Defendants are liable for a civil penalty for each separate violation in an amount up to \$5,000 for each day during which the violation occurred, pursuant to Health and Safety Code section 25514, subdivision (b).

## FOURTH CAUSE OF ACTION (Violation of UCL - Gov. Code, § 17200, et seq., Brought by Attorney General and City Attorney)

- 70. The allegations in paragraphs 1 through 69 are realleged and incorporated by reference herein as though set forth in full.
- 71. Defendants, and each of them, have engaged in and continue to engage in, have aided and abetted and continue to aid and abet, and have conspired to and continue to conspire to engage in business acts or practices that constitute unfair competition as defined in the UCL, Business and Professions Code sections 17200, et seq., in that such business acts and practices are unlawful, unfair, and fraudulent within the meaning of that statute.
- 72. The business acts and practices engaged in by Defendants that violate the UCL include:
  - a. Defendants created a condition that is "injurious to health or an obstruction to the free use of property, so as to interfere with the comfortable enjoyment of life or property" in violation of California Civil Code section 3479, through the release of air contaminants including methane, mercaptans, and/or BTEX causing residents of the Porter Ranch community to suffer adverse health effects (as described in paragraphs 24 and 25).
  - b. Defendants created a condition that is "injurious to health or an obstruction to the free use of property, so as to interfere with the comfortable enjoyment of life or property" in violation of California Civil Code section 3479, through the release of highly flammable and combustible methane gas causing a significant risk of fire or explosion detrimental to health and safety of first responders, persons operating power equipment in the vicinity of the leak, overhead aircraft, and residents living in the Porter Ranch community (as described in paragraph 26).
  - c. Defendants created a condition that is "injurious to health or an obstruction to the free use of property so as to interfere with the comfortable enjoyment of life

or property" in violation of California Civil Code section 3479, through the
release of significant quantities of methane gas, a potent GHG. The increased
emissions of methane will exacerbate the pace and effects of climate change in
the State and will adversely impact the health and well-being of its citizens (as
described in paragraphs 30 through 37).

- d. Defendants discharged "quantities of air contaminants or other materials that cause injury, detriment, nuisance, or annoyance to any considerable number of persons or to the public, or that endanger the comfort, repose, health, or safety of any of those persons or the public, or that cause, or have a natural tendency to cause, injury or damage to business or property" in violation of Health and Safety Code section 41700 (as described in paragraphs 22 through 26).
- e. Defendants created a condition that is "injurious to health . . . or an obstruction to the free use of property, so as to interfere with the comfortable enjoyment of life or property . . ." in violation of California Penal Code section 370.
- f. Defendants maintained or permitted the nuisance after "reasonable notice in writing from a health officer or district attorney or city attorney or prosecuting attorney to remove, discontinue or abate the same . . ." in violation of California Penal Code section 373a. "The existence of such nuisance for each and every day after the service of such notice" is a separate and distinct offense pursuant to California Penal Code section 373a.
- g. Defendants failed to comply with South Coast Air Quality Management District
   Rule 402.
- h. Defendants failed to properly and/or timely report the natural gas leak to authorities, in violation of state and local requirements, including Health and Safety Code section 25510, subdivision (a) (as described in paragraph 19).
- 73. Pursuant to Business and Professions Code section 17206, Defendants, and each of them, are liable for civil penalties up to \$2,500 for each and every separate act of unlawful competition alleged herein.

74. Pursuant to Business and Professions Code section 17203, Defendants, and each of them, must be permanently enjoined from engaging in acts or practices that violate the UCL, as alleged in this Complaint.

#### FIFTH CAUSE OF ACTION (Equitable Relief - Gov. Code, § 12607, Brought by Attorney General)

- 75. The allegations in paragraphs 1 through 74 are realleged and incorporated by reference herein as though set forth in full.
- 76. Government Code section 12607 provides: "The Attorney General may maintain an action for equitable relief in the name of the People against any person for the protection of the natural resources of the state from pollution, impairment, or destruction."
- 77. The actions of Defendants as alleged above have polluted, impaired and destroyed, and continue to pollute, impair and destroy, the natural resources of the State.
- 78. Government Code section 12610 provides: "In granting temporary and permanent equitable relief, the Court may impose such conditions upon Defendants as are required to protect the natural resources of the state from pollution, impairment, and destruction."
- 79. The People are entitled to an order requiring Defendants to take all measures necessary to prevent the continued pollution, impairment, and destruction of the natural resources of the State, and to remedy the pollution, impairment, or destruction to the natural resources caused by Defendants' actions.

#### REQUEST FOR RELIEF

The People of the State of California request judgment as follows:

- 1. Hold Defendants liable for creating, contributing to, and maintaining a public nuisance;
  - 2. Order Defendants to immediately abate the public nuisance;
- 3. Enter judgment for abatement, at the expense of Defendants, of the ongoing and future nuisance to the State and its citizens due to the release and threatened release of air contaminants, including methane, BTEX, and mercaptans;

- 4. Issue injunctive relief, pursuant to Business and Professions Code section 17203, including temporary restraining orders, preliminary injunctions, permanent injunctions, or other orders prohibiting Defendants, their successors, agents, representatives, employees, assigns and all persons who act in concert with Defendants from engaging in unfair competition as defined in Business and Professions Code sections 17200, et seq., including, but not limited to, the acts and practices alleged in this Complaint, under the authority of Business and Professions Code section 17203;
- 5. Issue injunctive relief, pursuant to Business and Professions Code section 17203, including such temporary restraining orders, preliminary injunctions, permanent injunctions, mandatory injunctions, or other orders, requiring Defendants to mitigate the harmful impacts of the release of air contaminants (including methane, BTEX, and mercaptans) to the City, County, and the State;
- 6. Make such orders or judgments as may be necessary to prevent the use or employment by any Defendant of any practice which constitutes unfair competition or as may be necessary to restore to any person in interest any money or property, real or personal, which may have been acquired by means of such unfair competition, under the authority of Business and Professions Code section 17203;
- 7. Assess a civil penalty against each Defendant for each violation of Business and Professions Code section 17200, in an amount according to proof, under the authority of Business and Professions Code section 17206;
- 8. Issue injunctive relief, including such temporary restraining orders, preliminary injunctions, permanent injunctions, or other orders pursuant to Health and Safety Code section 25515.6, prohibiting Defendants from violating Health and Safety Code section 25510, and requiring Defendants to take all measures necessary to prevent future violations of Section 25510;
- 9. Assess a civil penalty against each Defendant for each violation of Health and Safety Code section 25510, in amount according to proof, under the authority of Health and Safety Code section 25514, subdivision (a);

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1 2	Dated: February <u>1</u> , 2016	MICHAEL N. FEUER, City Attorney THOMAS H. PETERS, Chief Assistant City Attorney TINA L. HESS, Assistant City Attorney	
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4		CRIMINAL BRANCH COMPLEX & SPECIAL LITIGATION SECTION	
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6		The state of the same	
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8		Attorneys for Plaintiff the People of the State of California	
9	D. 1 D. 1 0016		
10	Dated: February, 2016	MARY C. WICKHAM County Counsel	
11	IR y	County Counsel COUNTY OF LOS ANGELES	
12	q	DUSAN PAVLOVIC AV DP	
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	SECOND AMENDED COMPLAINT FOR CIVIL PENALTIES, PERMANENT INJUNCTION AND OTHER		