

Despite Court Closures, 2020 Brought Big Courthouse Wins for Plaintiffs in the Southern California Gas Leak Cases

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Despite courthouse doors closing throughout California starting in March 2020 due to the COVID-19 pandemic and making in-person jury trials nearly impossible, tens of thousands of Plaintiffs have made monumental progress in their individual cases against Southern California Gas Company – the largest distributor of natural gas in the United States – related to the largest uncontrolled release of natural gas in U.S. history.

It has been five years since residents in the communities of Porter Ranch, Northridge, Granada Hills, and Chatsworth were exposed to a then unknown mixture of chemicals emitted from SS-25, a blown-out gas storage well located at the SoCalGas-owned Aliso Canyon storage facility. The well emitted natural gas, odorants, petroleum-related hydrocarbons, well control fluids, and crude oil for 111 days. Tens of thousands of impacted residents relocated as a result of health effects from the chemical exposure. Five years later, Plaintiffs are still patiently awaiting their day in court.

Two weeks before the first of many pandemic “lockdowns,” the Court issued a sanctions order against Defendants SoCalGas and Sempra Energy for improperly withholding documents under false claims of privilege. The sanctions order granted Plaintiffs the ability to re-open depositions with newly produced documents at the Defendants’ expense. Since April 2020, Plaintiffs have taken dozens of virtual depositions using hundreds of the previously withheld documents, at the expense of over \$1 million (and counting). The court-ordered depositions continue to this day and include high level executives of both SoCalGas and Sempra Energy, along with current and former employees and contractors who made various attempts to warn management over many years that aging wells at Aliso Canyon had not

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been inspected for decades and were at risk of failing.

Using documents and testimony from these depositions, Plaintiffs have successfully overcome two major motions brought by the Defendants – (i) Sempra Energy’s Motion for Summary Judgment and (ii) Defendants’ Motion for Summary Adjudication Regarding Punitive Damages.

In its Motion for Summary Judgment, Sempra Energy (the Fortune 500 parent company of SoCalGas) unsuccessfully attempted to remove itself entirely from the case. Plaintiffs presented evidence that Sempra, acting through its Chief Executive Officer, controlled many decisions by SoCalGas – including overseeing its response to the leak efforts. The Court wrote in its decision, “Moreover, if Plaintiffs’ evidence bears out, there is a possibility that a reasonable factfinder could determine that Sempra’s knowledge, constructive or otherwise, of allegedly decades-long safety issues at Aliso Canyon, coupled with its failure to remedy those concerns while representing, implicitly or otherwise, to the CPUC or others that everything was fine, constitutes an inequitable result that justifies piercing the corporate veil.”

In another attempt to limit liability exposure, Defendants unsuccessfully moved to strike punitive damages from Plaintiffs’ claims. The Court, in its decision, wrote that “Plaintiffs have presented a proverbial laundry list of evidence demonstrating Defendants’ inexcusably cavalier approach to the management and operation of SS-25 at Aliso Canyon.” The Court’s decision further relied upon Plaintiffs’ evidence which showed Defendants’ “(1) willful failure to undertake meaningful safeguards in a conscious disregard of their safety obligations under the Public Utility Code, (2) blasé attitude toward well containment after the blowout, and (3) misrepresentations aimed at securing its own financial and reputational interests to the detriment of plaintiffs’ health and well-being.”

Litigation continues against SoCalGas and Sempra Energy. Plaintiffs are hopeful to receive a date certain for a 2021 Bellwether trial, where punitive damages will be presented to the jury, in the near future.

CPM lawyers Frank Pitre, Gary Praglin, and Kelly Weil serve on the Plaintiffs’ Steering Committee.