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Conditional Settlement Reached in Litigation Regarding Safety Valves on Las Flores Pipeline

Additional safety measures will be put in place, the Office of State Fire Marshal has authority over the restart of the Pipeline

(SANTA BARBARA, Calif.) – The County of Santa Barbara reached a conditional settlement agreement with Pacific Pipeline Company (PPC), and its parent company Sable Offshore Corp. (Sable) on August 30, 2024, in the litigation regarding the Las Flores Pipeline's safety valves. The conditional settlement agreement addresses PPC's revised plan regarding the proposed safety valves as well as additional surveillance and response enhancements that will be added to the Pipeline.

The conditional settlement agreement was entered into after PPC revised its plan to underground all 16 safety valves and ancillary equipment on the Las Flores Pipeline System in the County of Santa Barbara. The County is preempted from exercising local control over the changes by its 1988 settlement agreement with the Celeron Pipeline Company (a Pipeline predecessor to PPC and Sable) and federal law because the safety valves and all ancillary equipment will be one foot or more below the surface of the ground, are required by state law, and related to the design, construction, or operation of an interstate pipeline.

As required by State law AB 864 and the Office of State Fire Marshal, the proposed safety valves must be in place before the Pipeline is operated. The Office of the State Fire Marshal has authority over the restart of the Pipeline, will oversee installation and testing of the safety valves, as well as implementing a number of integrity-related improvements before any operation of the Pipeline takes place.

In addition, PPC agreed to the following additional surveillance and response enhancements in the County:

- i. PPC will create a Santa Barbara County-based Surveillance and Response Team, trained in PPC's Tactical Response Plan, which will be responsible for timely initial incident response and equipped with key resources to deploy in early containment, particularly for those regions of the Pipeline between Gaviota and Las Flores Canyon;
- ii. PPC will provide Santa Barbara first responders with additional training and equipment to assist in PPC's incident response efforts; and
- iii. PPC will undertake the following Pipeline system enhancements: (1) install and operate and maintain primary and secondary Operations Control Centers in Santa Barbara County, and (2) refurbish the Gaviota pump in its existing station.

"We never want to relive the devastation of the 2015 Refugio Oil Spill and its impact on our coastline. Although the County does not have jurisdiction over these changes to the pipeline, I'm glad this settlement includes key safety, monitoring, and response protocols," said Chair of the Board of Supervisors Steve Lavagnino. "If we continued to fight this out in court, Pacific Pipeline Company likely would have sought to recover lost revenue from the pipeline not being in operation. That could amount to millions of dollars the County would be on the hook for."

PPC, Sable and the County have agreed to file a stipulation to dismiss the pending lawsuit with prejudice, Pacific Pipeline Company and Sable Offshore Corp. v. Santa Barbara County Planning Commission and Board of Supervisors (Case No. 2:23-cv-09218-DMG-MRW) within 15 days of final installation of all 16 underground safety valves in the county.

Links to documents related to this matter:

Conditional Settlement Agreement between COSB and PPC

Valve Notification from PPC to COSB

AB 864 Safety Valves Response

Celeron Settlement Agreement from 1988

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