

**SoCalGas-59**

**SED's Response to Data Request 15**

**I.19-06-016**

**ALJs: Hecht/Poirier**

**Date Served: March 15, 2021**

**I.19-06-016-SAFETY AND ENFORCEMENT DIVISION RESPONSE TO SOCALGAS DATA REQUEST 15**

Refer to the following statements in SED's SUR-REPLY TESTIMONY, Chapter 1, on pages 1-2: a. Under what circumstances does an industry standard "set the standard to determine whether or not SoCalGas violated Section 451"?

SED objects to this question as a mischaracterization of SED's sur-reply testimony, quoting a portion of SED's testimony out of context to give it a different meaning. SED further objects that this question assumes facts not in evidence. For reference, the entire quoted sentence here on pages 1 to 2 of sur-reply is, "While I address this thread of argument, in general, even if there were industry standards, they would not necessarily set the standard to determine whether or not SoCalGas violated Section 451, which is the section of the PU Code that requires the Utility to operate its facilities safely." SED further objects to this question as a mischaracterization of SED's testimony and assuming facts not in evidence. As part of this objection, SED refers SoCalGas to the quoted language on page two of Chapter 1 of sur-reply testimony, which explicitly says, "My Opening Testimony charges SoCalGas with safety violations; not violations of industry standards."

a. Under what circumstances does an industry standard "set the standard to determine whether or not SoCalGas violated Section 451"?

SED incorporates its objection above by reference.

b. Please provide YOUR definition of "safety violation" as used in the quoted text.

SED objects to this question as vague, ambiguous, overly broad, and unduly burdensome. Notwithstanding these objections, please refer to page 2 line 3 of Chapter 1, page 2 of the sur-reply. "My Opening Testimony charges SoCalGas with safety violations, not violations of industry standards." "Safety violation" in this quoted text is defined by the list of violations mentioned in opening testimony as violations of California Public Utilities Code Section 451, and also violation 331 in SED's sur-reply testimony.

c. How do YOU determine that a utility's conduct constitutes a "safety violation"?

SED objects to this question as unduly burdensome, overly broad, vague and ambiguous because this question asks SED to identify in the abstract the entire universe of how SED would determine a utility's conduct constitutes a "safety violation. SED also objects to this question as asking for a legal conclusion.

d. How do YOU determine if a "safety violation" constitutes a violation of Section 451?

SED objects to this question as unduly burdensome, overly broad, vague and ambiguous because this question asks SED to identify in the abstract the entire universe of how SED would determine a utility's conduct constitutes a "safety violation. SED also objects to this question as asking for a legal conclusion.

e. Do YOU contend that all "safety violations," as used in the testimony quoted above, are violations of Section 451?

SED objects to this as vague and ambiguous, overly broad, and unduly burdensome.

f. If the answer to question e. is "yes," state all bases supporting SED's contention.

SED incorporates its objections to question e by reference here.

2. Do YOU contend that API RP 585 applied to gas storage facilities prior to the Incident?

SED objects to this question as vague, ambiguous, and unduly burdensome, asking a question without first identifying which piece of SED's testimony that SoCalGas is asking about. SED further objects as mischaracterizing SED's testimony because SED's reference to API RP 585 provided Blade Energy Partners' opinion on it. Pursuant to the Administrative Law Judge's Ruling

3. Do YOU contend that API RP 585 applies to gas storage facilities as of the date of this data request?

SED objects to this question as vague, ambiguous, and unduly burdensome, asking a question without first identifying which piece of SED's testimony that SoCalGas is asking about. SED further objects to this question as a mischaracterization of SED's testimony. For example, one passage at issue states:

Having said that, SED refers SoCalGas to Ms. Felts' testimony, Chapter 1, page 5, which states, "In response to SED's data request, Blade provided its basis for including it, as follows: 'Although API 585 was not specifically for gas storage projects, Blade identified it as a solution as part of their Root Cause Analysis (RCA).' [Footnote omitted]. Blade then explained why it believed that API RP 585 could be applied to gas storage. [Footnote omitted.] Blade added its professional opinion that it would be a safe practice for SoCalGas to apply API RP 585 to gas storage well integrity management and the reasons for doing so. [Footnote omitted.] To show the details of these points, Blade's data response is attached to this testimony. [Footnote omitted.]

4. Refer to the following statement in SED's SUR-REPLY TESTIMONY, Chapter 1, in footnote 38:

Also based on Felts' experience using basic engineering principles of collecting relevant data for the development of operating instructions, compliance programs, safety programs and preventative maintenance programs for Amoco Oil Company, Celanese, the Department of Defense, the Department of Toxic Substances Control and several private clients.

a. Identify all of the "private clients" referenced above.

SED objects to this question as asking Ms. Felts to divulge information about her private clients on the grounds that such information is protected by confidentiality agreements with each client.

5. Refer to the following statements in SED's SUR-REPLY TESTIMONY, Chapter 1, on page 9:

Violations 61-72 were for failure to follow the Company's internal 1988 plan to check casings of 12 wells (other than SS-25) for metal loss, as recommended by its own engineers. The 58 holes are examples of locations in well SS-25 that experienced corrosion before the failure.

a. Do YOU contend that, had SoCalGas performed Vertilog inspections in connection with the 1988 plan, SoCalGas would have detected the 58 holes in the surface casing at SS-25? If so, state all facts and produce all DOCUMENTS supporting YOUR contention.

SED objects to this question on the grounds that it calls for speculation. SED further objects to this question on the grounds that it mischaracterizes SED's testimony. The quote omits footnote 48 at the end of the second sentence, which provides. "Blade Main Report, p. 3 'The gas flowing through the axial rupture on the 7 in. production casing caused an increase in pressure on the 11 ¾ in. surface casing. This caused several of the surface casing corroded regions to fail, creating holes and thus providing a pathway for gas to escape. Over 50 such holes provided a pathway for the gas to surface.'"

b. Do YOU contend SoCalGas should have conducted casing inspections of the surface casing at SS-25? If so, state all facts and produce all DOCUMENTS supporting YOUR contention. i. Identify all methods SoCalGas could have used to inspect the surface casing, including during which time period(s) those methods could have been used.

SED objects to this question on the grounds that it mischaracterizes SED's testimony. The quote omits footnote 48 at the end of the second sentence, which provides. "Blade Main Report, p. 3 'The gas flowing through the axial rupture on the 7 in. production casing caused an increase in pressure on the 11 ¾ in. surface casing. This caused several of the surface casing corroded regions to fail, creating holes and thus providing a pathway for gas to escape. Over 50 such holes provided a pathway for the gas to surface.'"

6. Refer to SED's SUR-REPLY TESTIMONY, Chapter 1, footnote 59:

For instance, ARCO announced a tool in 1988 that would identify external corrosion on casings. (1988.0101.SPWLA-1988-UU-NN). In 2007, there is a report of ultrasonic logging tool that can view corrosion without removing tubing (2007.0924.SPE-108195-MS\_NNN), in 2007 a paper by ConocoPhillips reports on a method for external corrosion and damage detection on outer and middle concentric strings of casings (2007.1111.SPE-108698-MS\_NNN); Schlumberger currently markets its electronic magnetic casing inspection tool for evaluation of multiple casing strings. (SLB.em-pipescanner-br).

a. Are YOU aware of any gas storage operators that used any of the above tools as of October 23, 2015 to evaluate the integrity of surface casing, where the surface casing was adjacent to production casing cemented in a well?

SED objects to this question as unduly burdensome, asking Ms. Felts to identify use of these tools when such information is either equally accessible to SoCalGas, or has been kept confidential by gas storage operators from the public. Notwithstanding that, Ms. Felts responds as follows. No.

b. If the answer to 6.a. is YES, identify all such gas storage operators.

SED incorporates its objections to question 6a by reference here.

7. Refer to the following statements in SED's SUR-REPLY TESTIMONY, Chapter 1, on page 16:

After the SS-25 failure, SoCalGas inspected all of its wells within a few months using its new SIMP protocol. A large number of its wells were plugged and isolated as a result of these inspections, indicating that the findings mirrored those of Frew 2 (a natural gas well owned by SoCalGas), which was severely corroded.

a. Identify all wells that YOU contend were plugged and isolated based on casing inspection log results.

SED objects to this question as unduly burdensome. This information is available in the CalGems data base related to Aliso Canyon. Therefore, SoCalGas is asking SED for information that SoCalGas can access on its own. As part of this objection, SED presumes SoCalGas has this information in its possession as well as it pertains to the status of SoCalGas' own wells.

b. For each well identified in YOUR response to Request 8.a, state all facts and produce all DOCUMENTS supporting YOUR contention that the well was "plugged and isolated as a result of these inspections."

SED objects to this question as unduly burdensome because it asks for information that is in SoCalGas' possession, and which SoCalGas controls. SED objects to this question as unduly burdensome to the extent it is available on the CalGems data based related to Aliso Canyon, and can therefore being accessed by SoCalGas without a request of SED.

8. Refer to the following statements in SED's SUR-REPLY TESTIMONY, Chapter 1, on page 17:

SoCalGas must maintain ongoing knowledge of groundwater in the Aliso Canyon gas storage area, from the surface to the bottom of their deepest well because leaks through failed cement can cause groundwater contamination and water at any depth could cause corrosion of a well casing

SED objects to this question as mischaracterizing SED's testimony, as the quote is on page 16; not page 17. SED objects to this question to the extent that the Administrative Law Judge's have instructed that SoCalGas to ask questions related to violations 1 through 88 of Blade; not SED. See I.19-06-016, ALJ Ruling, September 4, p. 5. Ongoing knowledge of groundwater in the Aliso Canyon gas storage area pertains to one of these violations. SED also objects to this question as unduly burdensome, asking for information that is or should be within SoCalGas' possession.

a. What specific tools or practices do YOU contend SoCalGas should have employed to "maintain ongoing knowledge of groundwater"?

SED incorporates its objections to question 8 by reference here. SED also objects to this question as mischaracterizing SED's role to determine specific tools or practices SoCalGas should have employed to maintain ongoing knowledge of groundwater. As part of this objection, SED notes that SoCalGas' is required to establish the tools and practices to maintain this knowledge, consistent with the requirements that apply to SoCalGas pursuant to California Public Utilities Code Section 451.

b. Identify all wells at Aliso Canyon for which YOU contend there is a risk of groundwater causing corrosion at the bottom of the well.

SED incorporates all of the objections to question 8 by reference here. Notwithstanding this objection, all Aliso wells are at risk.

9. Refer to the following statements in SED's SUR-REPLY TESTIMONY, Chapter 1, on page 17:

[T]he Division of Oil & Gas is not in the business of regularly monitoring groundwater depths, so it would be unwise to depend on this agency for current groundwater depths relative to each well casing.

a. Do YOU contend that DOGGR's data regarding groundwater depths at SS-25 was inaccurate? If so, state all facts supporting YOUR contention.

SED objects to this question as mischaracterizing SED's testimony. Having said that, Ms. Felts answers as follows: No.

b. Do YOU contend that DOGGR does not evaluate groundwater depths as part of their enforcement of their regulation for the depth of the surface casing installed?

SED objects to this question as mischaracterizing SED's testimony. Having said that, Ms. Felts answers as follows: No.

c. Do YOU contend that DOGGR should not monitor groundwater depths because it "is not in the business of regularly monitoring groundwater depths"?

SED objects to this question as mischaracterizing SED's testimony, presuming to suggest that SED would contend as to what DOGGR's jurisdiction should be with regards to the monitoring of groundwater depths. Having said that, Ms. Felts answers as follows: No.

10. Refer to the following statement in SED's SUR-REPLY TESTIMONY, Chapter 1, on page 18:

[Violation 86] holds SoCalGas responsible for failing to use generally available industry information, as well as information that could have been obtained about its own wells to assess the relationships between well casing muds & cements, groundwater, and external corrosion of its well casings.

a. Identify the "generally available industry information" that SoCalGas should have used "to assess the relationships between well casing muds & cements, groundwater, and external corrosion of its well casings."

SED objects to this question to the extent that the Administrative Law Judge's have instructed that SoCalGas to ask questions related to violations 1 through 88 of Blade; not SED. See I.19-06-016, ALJ Ruling, September 4, p. 5. Notwithstanding this objection, Ms. Felts answers as follows. Such generally available industry information could have included information obtained from the data in SoCalGas' well files and geologic studies.

11. Refer to the following statement in SED's SUR-REPLY TESTIMONY, Chapter 1, on page 22:

SoCalGas' 2016 investigations suggests findings that might have led Blade to conclude that corrosion was far more common than SoCalGas data led them to believe.

a. State all facts supporting this contention.

SED objects to this question as mischaracterizing SED's testimony as making a contention, when the quote clearly states it is a suggestion of findings. SED further objects to this question as unduly burdensome, asking about information that is either within SoCalGas possession, publicly available as SoCalGas filings related to Aliso plugged and abandoned wells with CalGem, or both.

b. Produce all DOCUMENTS supporting this contention.

SED objects to this question as mischaracterizing SED's testimony as making a contention, when the quote clearly states it is a suggestion of findings. SED further objects to this question as unduly burdensome, asking about information that is either within SoCalGas possession, publicly available as SoCalGas filings related to Aliso plugged and abandoned wells with CalGem, or both.

12. Refer to the following statements in SED's SUR-REPLY TESTIMONY, Chapter 1, on page 27:

The JITF Report goes on to state that "10-25 percent of natural gas storage wells have a full tubing string set into an 8 isolation packer." Aliso wells were all completed with tubing, therefore, Hower & Stinson conclude by this quote that Aliso Canyon's single barrier well completion (completed with tubing set in a packer) is consistent with the 'industry standard' of approximately 87% of all gas storage wells in operation in the US. But Hower & Stinson fail to note that SS-25, as well as most of the Aliso wells, were used for injection and production of high pressure gas via the 7-inch casing, not just the tubing, which is not common for any single barrier well.

a. State all facts supporting YOUR contention that, as of October 23, 2015, it was "not common for any single barrier well" to be used for injection and production of high pressure gas.

SED objects to this question as unduly burdensome, requesting that SED provide all facts about SoCalGas' injection and withdrawal wells, which is or should be in SoCalGas' possession and control. SED objects to this question to the extent that the Administrative Law Judge's have instructed that SoCalGas to ask questions related to violations 1 through 88 of Blade; not SED. See I.19-06-016, ALJ Ruling, September 4, p. 5. As shown in Ms. Felts sur-reply testimony in the section that includes this quote, this pertains to Violation 77, which is included in the list of questions directed to Blade.

b. Produce all DOCUMENTS supporting YOUR contention that, as of October 23, 2015, it was "not common for any single barrier well" to be used for injection and production of high pressure gas.

SED objects to this question as unduly burdensome, requesting that SED provide all facts about SoCalGas' injection and withdrawal wells, which is or should be in SoCalGas' possession and control. SED objects to this question to the extent that the Administrative Law Judge's have instructed that SoCalGas to ask questions related to violations 1 through 88 of Blade; not SED. See I.19-06-016, ALJ Ruling, September 4, p. 5. As shown in Ms. Felts sur-reply testimony in the section that includes this quote, this pertains to Violation 77, which is included in the list of questions directed to Blade.

c. Explain YOUR understanding of why using a single barrier well for injection and production of high pressure gas matters?

SED objects to this question to the extent that the Administrative Law Judge's have instructed that SoCalGas to ask questions related to violations 1 through 88 of Blade; not SED. See I.19-06-016, ALJ Ruling, September 4, p. 5. As shown in Ms. Felts sur-reply testimony in the section that includes this quote, this pertains to Violation 77, which is included in the list of questions directed to Blade.



13. State all facts supporting YOUR contention, at page 34 of Chapter 1 of SED's SUR-REPLY TESTIMONY, that "files that were scanned in late 2015 or January 2016 were more likely to accurately represent the condition of the files during the SS-25 failure event."

SED objects to this as a mischaracterization of SED's testimony because it is a partial quote out of context. SED's quoted passage is on page 34 is:

"In 2020, when I was in Los Angeles, I initially asked to view the Aliso files. But, after thinking about this, I realized that SoCalGas had five years to put the files in order and that the files that were scanned in late 2015 or January 2016 were more likely to accurately represent the condition of the files during the SS-25 failure event."

SED objects to this question as unduly burdensome, asking for information that SoCalGas uniquely controls and possesses, in the form of well files, the maintenance and upkeep of them, and scanning of them over time.

Notwithstanding these objections, see the following answer. There was less time for SoCalGas to review and reorganize the well files before they were scanned in 2015 or January 2016, suggesting they were closer to the that those files existed at the time of the SS-25 failure event.

