

SoCalGas-60

**SED's Supplemental Response to Data Request 15 (Questions 1a, 1e-f, 2, 3,
4a, 5a-b, 11a-b, 12a-c)**

I.19-06-016

ALJs: Hecht/Poirier

Date Served: March 15, 2021

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Investigation on the Commission's Own Motion into the Operations and Practices of Southern California Gas Company with Respect to the Aliso Canyon storage facility and the release of natural gas, and Order to Show Cause Why Southern California Gas Company Should Not Be Sanctioned for Allowing the Uncontrolled Release of Natural Gas from its Aliso Canyon Storage Facility. (U904G)

Investigation 19-06-016

**SAFETY AND ENFORCEMENT DIVISION'S SUPPLEMENTAL RESPONSE TO
SOUTHERN CALIFORNIA GAS COMPANY'S DATA REQUEST NO. 15,
QUESTIONS 1a, 1e-f, 2, 3, 4a, 5a-b, 11a-b, 12a-c**

The Safety and Enforcement Division (SED) provides this supplemental response to Southern California Gas Company's (SoCalGas) Fifteenth Set of Data Requests (DR 15), Questions 1a, 1e-f, 2, 3, 4a, 5a-b, 11a-b, and 12a-c.

SED agreed to reconsider its responses to Questions 1a, 1e-f, 2, 3, 5a-b, 11a-b, and 12a-c during a meet and confer with SoCalGas on November 13, 2020. After reconsideration and, SED provides the following responses below. Where SED maintains its objections in its initial data response, SED incorporates the entirety of the objection from the initial data response by reference into this one.

During the same meet and confer, SED also agreed to confer with its witness, Ms. Margaret Felts, regarding its response to Question 4a. Specifically, SED agreed to confer about the dates and times of the confidentiality agreements, whether the company name was included in the confidentiality agreements, and the term of the confidentiality agreements. The response below includes SED's updated information.

DATA REQUESTS AND RESPONSES

Question 1a:

**Exhibit
2-16**

2/24/2021
M. Felts

Refer to the following statements in SED's SUR-REPLY TESTIMONY, Chapter 1, on pages 1-2:

[E]ven 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. My Opening Testimony charges SoCalGas with safety violations, not violations of industry standards. (Emphasis added.)

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

Response to Question 1a:

In its initial response, SED objected to Question 1a 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 objected that this question assumes facts not in evidence.

SED maintains its objections to this question. Ms. Felts states in her SUR-REPLY TESTIMONY, Chapter 1, on page 2, lines 4-5 that "If the industry had collectively set specific safety standards, my Opening Testimony would have cited to those when identifying Section 451 violations."

Asking Ms. Felts to provide additional information that describes under what circumstances an industry standard determines whether or not SoCalGas violated Section 451 is outside the scope of Ms. Felts' testimony. Furthermore, it is unduly burdensome to request that Ms. Felts conduct an analysis and form a new opinion about violations of industry standards. As provided in the quote SoCalGas references in Question 1, Ms. Felts' testimony charges SoCalGas with safety violations, not violations of industry standards.

Question 1e:

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

Response to Question 1e:

In its initial response, SED objected to Question 1e as vague and ambiguous, overly broad, and unduly burdensome.

Subject to and without waiver of these objections, SED notes that the term “safety violations” is used in the portion of the quoted testimony that reads: “My Opening Testimony charges SoCalGas with safety violations, not violations of industry standards.” The charges of safety violations Ms. Felts references in this sentence are brought pursuant to Section 451 of the Public Utilities Code (PU Code). As she later states in her SUR-REPLY TESTIMONY, Chapter 1, p. 3, lines 1-2, “...all violations identified in my opening testimony are direct violations of PU Code Section 451.”

Question 1f:

If the answer to question e. is “yes,” state all bases supporting SED’s contention.

Response to Question 1f:

In its initial response, SED objected to Question 1f as vague and ambiguous, overly broad, and unduly burdensome. SED maintains these objections.

Ms. Felts has already provided the bases for the safety violations she identified in her Opening Testimony. Specifically, SoCalGas (1) did not conduct failure analyses at Aliso Canyon (Violations 1-60), (2) failed to follow its plan to check the casing of 13 wells for metal loss (Violations 61-73), (3) operated well SS-25 without a backup mechanical barrier to the production casing (Violation 77), (4) did not have a policy that required well casing wall thickness inspection and measurement (Violation 78), (5) did not appropriately understand and address groundwater (Violations 84-85), (6) did not fully cement or cathodically protect the casing against corrosion (Violation 86), (7) failed to have a continuous pressure monitoring system and thereby prevented immediate identification of the leak (Violation 87), and (8) had imprudent and unreasonable recordkeeping practices (Violations 327-329). Code). Ms. Felts also states in her Sur-Reply Testimony, Chapter 1, p. 3, lines 1-2, “...all violations identified in my opening testimony are direct violations of PU Code Section 451.”

Asking SED to provide “all bases supporting SED’s contention” that these safety violations are violations of Section 451 is a request for Ms. Felts either to repeat the information in her

testimony or provide information or opinions that are outside the scope of her testimony. In either case, the request is oppressive, unduly burdensome, and unnecessarily expensive.

Question 2:

Do you contend that API RP 585 applied to gas storage facilities prior to the Incident?

Response to Question 2:

In its initial response, SED objected to Question 2 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 objected as mischaracterizing SED's testimony because SED's reference to API RP 585 provided Blade Energy Partners' opinion on it.

Subject to and without waiver of these objections, SED reiterates that it is the opinion of Blade Energy Partners that API RP 585 applied to gas storage facilities prior to the Incident. To understand the basis of Blade's opinion, SED issued a data request to Blade Energy Partners. As noted in Ms. Felts' Sur-Reply Testimony, Chapter 1, page 5, lines 1-7:

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)." Blade then explained why it believed that API RP 585 could be applied to gas storage. 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. To show the details of these points, Blade's data response is attached to this testimony. [internal citations omitted.]

Ms. Felts is aware of no reason to doubt Blade Energy Partners' opinion on this matter at this time.

Question 3

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

Response to Question 3

In its initial response, SED objected to Question 3 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 objected as mischaracterizing SED's testimony because SED's reference to API RP 585 provided Blade Energy Partners' opinion on it.

Subject to and without waiver of these objections, SED reiterates that it is the opinion of Blade Energy Partners that API RP 585 applied to gas storage facilities prior as of the date of this data request. To understand the basis of Blade's opinion, SED issued a data request to Blade Energy Partners. As noted in Ms. Felts' Sur-Reply Testimony, Chapter 1, page 5, lines 1-7:

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)." Blade then explained why it believed that API RP 585 could be applied to gas storage. 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. To show the details of these points, Blade's data response is attached to this testimony. [Internal citations omitted.]

Ms. Felts is aware of no reason to doubt Blade Energy Partners' opinion on this matter at this time.

Question 4a:

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.

Identify all of the "private clients" referenced above.

Response to Question 4a:

In its initial response, SED objected to Question 4a 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.

SED stands on its initial response.

Question 5a:

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.

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.

Response to Question 5a:

In its initial response, SED objected to Question 5a on the grounds that it calls for speculation. SED further objected to this question on the grounds that it mischaracterizes SED's testimony.

Subject to and without waiver of these objections, SED notes that the portion quoted from Ms. Felts' testimony does not contend that SoCalGas would have detected the 58 holes in the surface had it performed Vertilog inspections in connection with the 1988 plan. The quoted portion states that SoCalGas failed to perform the Vertilog inspections in connection with the 1988 plan and the 58 holes are examples of locations in well SS-25 that experienced corrosion before the failure.

To support her statement, Ms. Felts cited to Blade Energy Partners' finding that

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.

On page 204 of its Report, Blade Energy Partners also contends

It is not possible to determine what an inspection of the SS-25 casing would have shown in 1988, but it is possible that the corrosion was present and detectable, and steps could have been taken to avoid the leak in 2015.

Ms. Felts is aware of no reason to doubt Blade Energy Partners' contention at this time. It is possible that SoCalGas could have identified some or all of this corrosion had it performed Vertilog inspections in connection with the 1988 plan.

Question 5b:

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.

Response to Question 5b:

In its initial response, SED objected to Question 5b on the grounds that it mischaracterizes SED's testimony. SED maintains this initial objection and also objects to Question 5b because it is asking for information and opinions outside the scope of Ms. Felts' testimony.

The portion quoted from Ms. Felts' testimony does not contend that SoCalGas should have conducted casing inspections of the surface casing at SS-25. The quoted portion states that SoCalGas failed to perform the Vertilog inspections in connection with the 1988 plan. The purpose of the 1988 plan was to determine the condition of the casing in 20 casing flow wells, including SS-25, that were originally completed in the 1940s and 1950s.

It is Ms. Felts' contention that SoCalGas should have followed its own safety plans. Asking Ms. Felts to develop an opinion, state "all facts," produce "all DOCUMENTS," and identify "all methods" pertaining to casing inspections is outside the scope of her testimony, oppressive, unduly burdensome, and unnecessarily expensive.

Question 11a:

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.

Response to Question 11a:

In its initial response, SED objected to Question 11a as mischaracterizing SED's testimony as making a contention, when the quote clearly states it is a suggestion of findings. SED further objected 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.

Subject to and without waiver of these objections, SED notes the text surrounding the quote referenced in Question 11a:

In 2016, SoCalGas investigations of the other Aliso wells led to immediately closing of many of them. 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. Blade found that SS-25 had external corrosion on the surface casing and the production casing, something SoCalGas was apparently unaware of prior to the casing failure. A multi-caliper log of the SS-25 production casing performed in January 2016 shows wall loss up to 39%, which can significantly weaken the casing. [Internal citations omitted.]

To support these statements, Ms. Felts referenced the Blade Main Report and documents provided by SoCalGas in response to data requests. These facts and documents support the statement quoted by SoCalGas for Question 11. Asking Ms. Felts to provide additional facts outside the scope of her testimony is oppressive, unduly burdensome, and unnecessarily expensive.

Question 11b:

Produce all DOCUMENTS supporting this contention.

Response to Question 11b:

In its initial response, SED objected to Question 11b as mischaracterizing SED's testimony as making a contention, when the quote clearly states it is a suggestion of findings. SED further objected 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.

Subject to and without waiver of these objections, SED notes its response to Question 11a above. Ms. Felts referenced the Blade Main Report and documents provided by SoCalGas in response to data requests. These facts and documents support the statement quoted by SoCalGas for Question 11. Asking Ms. Felts to provide additional facts is oppressive, unduly burdensome, and unnecessarily expensive.

Question 12a:

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.

Response to Question 12a:

In its initial response, SED objected to Question 12a 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 also objected 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. This pertains to Violation 77, which is included in the list of questions directed to Blade.

SED maintains its objections as calling for information outside the scope of Ms. Felts’ testimony.

Question 12b:

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.

Response to Question 12b:

In its initial response, SED objected to Question 12b 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 also objected to Question 12b to the extent that the Administrative Law Judges have instructed SoCalGas to ask questions related to Violations 1 through 88 of Blade; not SED. This pertains to Violation 77, which is included in the list of questions directed to Blade.

Subject to and without waiver of these objections, SED notes that Ms. Felts cites to certain documents in her testimony. SED objects to SoCalGas' request for additional documents because they are outside the scope of her testimony.

Question 12c:

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

Response to Question 12c:

In its initial response, SED objected 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. This pertains to Violation 77, which is included in the list of questions directed to Blade.

SED maintains its objections as calling for Ms. Felts to provide an opinion outside the scope of her testimony.