BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE

STATE OF CALIFORNIA

FILED
05/26/21
12:50 PM

ADMINISTRATIVE LAW JUDGES JESSICA T. HECHT and MARCELO POIRIER, co-presiding

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)	)	EVIDENTIARY HEARING Investigation 19-06-016

REPORTERS' TRANSCRIPT
Virtual Proceeding
May 19, 2021
Pages 2783 - 2931
Volume 20

Reported by: Andrea L. Ross, CSR No. 7896
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I N D E X

VIRTUAL PROCEEDING

MAY 19, 2021 - 10:00 A.M.

* * * * *

RODGER SCHWECKE,

resumed the stand and testified further as follows:

ADMINISTRATIVE LAW JUDGE POIRIER: We will be on the record. Good morning. These are the evidentiary hearings for Investigation 19-06-016, the Investigation into Aliso Canyon gas leak. We are continuing with evidentiary hearings. When we left off yesterday, Mr. Gruen of SED was crossing Mr. Schwecke. We are going to continue with that.

Please go ahead, Mr. Gruen.

MR. GRUEN: Thank you your Honor.

CROSS-EXAMINATION RESUMED

BY MR. GRUEN:

Q Good morning, Mr. Schwecke.

A Good morning.

Q Wanted to be sure you could hear me okay. Okay. Continuing on from yesterday, do you recall yesterday that you mentioned a hydrate plug was blocking the tubing during the incident?

A Yes, I do.

Q And the hydrate plug was identified after the first well-kill attempt; correct?

A I believe it was identified during the first well-kill attempt.

Q Thank you. Mr. Schwecke, did you observe the cross-examination of Mr. Dan Neville?

A Parts of it.

Q Okay. Do you recall that Mr. Neville testified that during a 2007 maintenance activity SoCalGas could put a Wireline plug in the tubing below the SSSV, or subsurface safety valve, in Well SS-25?

A I do not recall that from Mr. Neville's testimony.

Q Okay. Let's go to the transcripts then just as a demonstrative exhibit that show Mr. Neville's testimony. If we could pull that up. And this is -- if we go to the cover page, this is -- bear with me. I'm just going to adjust my screen so I can better see the exhibit.

This is the transcripts from the evidentiary hearings of I.19-06-016. This shows it's the reporter's transcripts from the proceeding dated May 5, 2021, page 2033 through 2173, Volume 15. If we could go to

page 2055, lines 19 through 26.

We see here question starting on line 19:

> QUESTION: Okay. And was the wireline plug that was installed in the tubing below the subsurface safety valve?
>
> ANSWER: It would be below the subsurface safety valve. It doesn't say that here, but it -- that profile for which wireline plugs are set in this well is below the subsurface safety valve.

Do you see that?

A I see those statements.

Q Do you agree with Mr. Neville's explanation that a Wireline plug would be placed below the SSSV in Well SS-25?

A It's hard for me to state an opinion with regard to this without being able to see basically the entire transcript that led up to this statement.

Q Okay. Fair enough. Let's go on, then, just with this statement in mind. Yesterday, if you recall, I asked you about the apparent decision on October 24, 2015, not to install a Wireline plug in SS-25 to stop the flow of gas.

Do you remember that?

A Generally, yes.

Q Okay. And that's -- I'm asking at a general level, so thank you for the answer. Let me ask you, if you know, what is a Camco safety nipple?

A I do not know specifically that defined term, but it's part of the Camco system that was in place when there was a subsurface safety valve installed in that profile or whatever you want to call the configuration that was in the well.

Q Thank you, Mr. Schwecke. That's probably adequate for our purposes. Appreciate that. And, in fact, SoCalGas could not install the Wireline plug during the incident below the Camco safety nipple in SS-25 on October 24, 2015; is that correct?

A Again, I do not know specifically that we could not, but we had a situation that was very dynamic. We did not have perfect information, so we did not know the condition of that particular area, and an attempt to set a Wireline plug could actually cause more damage, could cause more harm and prevent future well-kill operations.

Q Okay. Let's look at Exhibit SED-323, which was served this morning before

9 a.m. If we go to the Bates number, we see there the Bates number is AC_CPUC_SED_DR_33_0000060. If we scroll up to the top, we see here -- let me ask you just to lay a foundation. Are you familiar --

MS. PATEL: Your Honor, can I -- your Honor, may I interject here? Can the witness please have a moment with this exhibit. It was served, as Mr. Gruen said, before 9 a.m. this morning which is well past the 1 p.m. deadline that was set by your Honors. If he could just have a moment to review the document.

MR. GRUEN: Your Honor, no objection, but I might note this is served as an impeachment exhibit in compliance with your Honors' instructions. So with that, we have no objections to the witness reading the exhibit.

ALJ POIRIER: We'll go off the record for a brief moment and let the witness look at the document, so off the record.

(Off the record.)

ALJ POIRIER: We'll be back on the record.

Mr. Gruen, please continue.

MR. GRUEN: Thank you.

Q Mr. Schwecke, are you familiar with this document as part of SoCalGas' response to SED's Data Request-33?

A No, I am not. I did not see this document until it was presented this morning.

Q Okay.

Well, your Honor, we need an opportunity to lay foundation with someone who can confirm this document. This was part of the issue that we raised when we filed a motion that SoCalGas' witnesses -- they identify which witness could indeed authenticate and help us lay foundation for each document, and now we seem to be back to that problem again that we identified in our motion.

MS. PATEL: Your Honor, I don't think that we're disputing the authentication. I see that it has a Bates number on it.

MR. GRUEN: Would SoCalGas stipulate to this document going into the record?

MS. PATEL: No, your Honor, I'm saying that we're not disputing its authenticity.

ALJ POIRIER: Mr. Gruen, why don't you go ahead and ask the questions that you would like to ask and we'll go from there.

MR. GRUEN: Okay.

Q Mr. Schwecke, if we go to the top,

this is an e-mail from Thomas Egbert to Todd Van de Putte at 9:33 a.m. on October 24, 2015; correct?

A That's what it says, yes.

Q Thank you. If we go to the second paragraph, Mr. Egbert says, "Here is a quick summary events and current status of the SS-25 well kill."

Do you see that?

A Yes, I see that.

Q Mr. Schwecke, do you recall me asking yesterday whether you were involved in the initial decisions or well-kill attempts before November 11, 2015?

A Yes.

Q And your answer was you were not; is that correct?

A That is correct.

Q So the information in this well-kill update shown in this e-mail here was made before you were involved in the initial decisions or well-kill attempts; correct?

A That is correct. It was obviously on the morning after the leak was discovered.

Q Were you apprised of this information once you came on board?

A Generally, yes.

Q Okay. Looking at the first bullet in this e-mail, it says Alan Fortenberry is managing all well-kill operations.

Do you see that?

A I see that statement.

Q And the second bullet states:

> Western Wireline is on-site but on standby should we decide to set a plug. Due to the configuration of the tubing hardware below the packer, we are not certain Wireline it is possible to set a stable plug below the empty Camco Safety Nipple (communication port between casing and tubing below the packer).

Do you see that?

A Yes, I do.

Q So in this e-mail, Mr. Egbert confirms that Western Wireline was there, but was on standby to set a plug; correct?

A Yeah, Western Wireline was on-site to assist in the kill operation and that included setting the plug if it was determined to be feasible.

Q And in the next sentence, Mr. Egbert says, "Due to the configuration of the tubing hardware below the packer."

Do you see that?

A That's what this e-mail -- which I would say it appears to be a draft e-mail that he provided to Todd Van de Putte for Todd's edit and forwarding if he wanted to.

Q So the configuration of the tubing hardware below the packer was causing a problem for setting a plug; correct?

A No. I don't think Tom is saying that. I think it could be causing a problem because we didn't know the circumstances that were occurring downhole basically 12 hours after the leak was found. So it's really saying that we may not be able to set a plug because we just don't know.

Q Okay. Isn't the packer below the SSSV, or subsurface safety valve, in Well SS-25?

A The packer is below it, yes.

Q So he says in the e-mail, "We are not certain Wireline it is possible to set a stable plug below the empty Camco safety nipple"; correct?

A Yeah, that's what he says in his e-mail.

Q Okay. Just to further clarify the general explanation of the Camco safety nipple here, that's part of the subsurface

safety valve; correct?

A Yeah, that's my understanding, but, you know, Dan Neville is really the expert with regard to wellbore diagrams so --

Q Understood. Thank you, Mr. Schwecke. And at the end of the sentence in parentheses, he refers to "communication port between casing and tubing below the packer."

Do you see that?

A I see that statement.

Q Why is the communication port below the packer significant in trying to put a plug below the Camco safety nipple?

A Mr. Neville would probably be able to address it, but I don't believe the communication port was below the packer. In order for it to work as a communication between the tubing and the annulus, it would have to be above the packer.

Q Understood. Thank you, Mr. Schwecke.

Your Honor, that's the extent of this line of cross-examination. We still have our foundation concern and the concern about this exhibit going in the record, but I would note that we think this e-mail shows an inconsistency between what Mr. Neville

testified to and what's shown here, and so the record should show that. We think we've adequately laid this. This is -- we received this as part of Data Request-33 from SoCalGas.

I don't know what else we have to do in order to get this exhibit into the record, but I'm concerned that we're going to move it in and SoCalGas will object on grounds such as laying foundation at this point.]

ALJ POIRIER: Mr. Gruen, I think it's premature to have this discussion now. Your concerns are noted for the record. I'll let Ms. Patel have a word, but we won't be moving this exhibit until later.

MS. PATEL: All right. Your Honor, the only thing I was going to say at this time is that I don't know why we are having this discussion right now.

ALJ POIRIER: Mr. Gruen, why don't you go ahead and move on to your next line.

MR. GRUEN: Understood, your Honor. I will.

Q Mr. Schwecke, I want to ask you general questions about the well-kill operations meetings as you understood them and as you participated in them.

So can you describe at a high level, general level, the meetings that SoCalGas had related to well-kill operations?

A Well, that's a very broad question because we had a variety of meetings, which included get-togethers where -- we had with Boots & Coots, Bret Lane, myself, and others, and talk about the well-kill plans going forward, and we had those on a continuous basis because the situation was ever-changing, and if something had changed from the time of the last discussion -- the last one, so those were current, really, on a day-to-day basis.

And we also had our morning meetings -- and you can call them safety meetings or operation meetings -- where we had not only ourselves, but the agencies, the CPUC, DOGGR, in a later day, it was the fire department where we would go over well-kill plans, go over the operations for the day.

So there's a lot of different meetings occurring; so to say it was just one particular one, you'd have to be a little more specific.

Q Perhaps, I misstated the question. I did mean to ask meetings in the plural form, not just one. So you've answered the

question. Thank you, Mr. Schwecke.

Was Boots & Coots present at any of these meetings?

A Boots & Coots was present at all those meetings.

Q Was anyone keeping notes of these meetings?

A I believe when we had meetings that were specific, that we arranged with DOGGR, as a separate briefing for DOGGR, which included Boots & Coots, included occasionally CPUC, SED. It included some of the other agencies. Those were documented and meeting notes were prepared and drafted.

Q Okay.

A And, I think, when you look at some of the other conversations, they were more verbal in nature and not necessarily documented because they were just general discussion that would occur continuously throughout the day on the situation and what the thoughts were on the next day because, again, things were changing day to day, especially after a well kill, things changed dramatically, and you had to assess it.

And what we could do to further assess it everyday was part of the discussion: How do we get more information?

Because we didn't know everything because, again, it was below surface. We really couldn't tell what was happening --

Q So I'm understanding from part of your answer that there were some meetings that excluded agencies related to well-kill operations, but included SoCalGas personnel and Boots & Coots personnel.

Did I understand that correctly?

A I wouldn't put it that way. Those were impromptu meetings. I mean, they were discussions. We sat in the same trailer together first starting on SS-9, which was probably, you know, 100 feet below the leak of the well.

So we were in those trailers on a continuous basis and conversations were occurring all the time. So it wasn't a formal meeting, but those discussions were occurring at all times.

Q Okay. Understood. I appreciate the clarification.

And the impromptu meetings or discussions between SoCalGas and Boots & Coots were maybe more broadly the impromptu meetings that excluded agencies. Regarding those, were there notes kept of any of those?

A You know, Mr. Gruen, I get

concerned when you say "excluded" because that means purposely. I mean, they were just discussions. If we were having that discussion on the SS-25 well pad, they were not found. They weren't on the site at a given time. We had those discussions as we're looking at the well, but those impromptu discussions, we didn't include and see the need to have written documentation of those meetings because ultimately what came out of those meetings was the kill plan that was going to be used for the next kill attempt or what the next operational steps were going to be performed the next day.

MR. GRUEN: Okay. Let's pull up Exhibit SED-218.

Your Honor, at this point, I might just flag for everyone -- given the cadence of this, we may go a little bit shorter in our cross than we initially anticipated; so, you know, plus or minus, we may be an hour out, perhaps, we'll go to lunch, depending, but I did want to flag that for everyone.

ALJ POIRIER: Thank you, Mr. Gruen. Just keep us posted. Again, we'll try to break about the hour mark. So let me know if you hit a point where it's a natural place to break.

MR. GRUEN: Understood. Thank you, your Honor.

Q So we have Exhibit 218 in front of us, and if we go to the bottom just for purposes of reading the Bates stamp: AC_CPUC_SED_DR_16_0023727, and if you scroll to the top of the e-mail.

Mr. Schwecke, are you familiar with this document?

A Yes, I am.

Q Thank you.

And this is an e-mail from Jim LaGrone to Hilary Petrizzo, dated December 27, 2015 at 4:07 p.m., cc-ing a number of individuals from Boots & Coots, I believe, including Arash Haghshenas. Does this comport with your understanding?

A Yes. There were individuals from Boots & Coots and Halliburton, along with Hilary on the e-mail.

Q If you go to the first page of this document -- your Honor, can we go off record for a moment.

ALJ POIRIER: Off record.

(Off the record.)

ALJ POIRIER: Back on the record.

Please, go ahead.

MR. GRUEN: Yes. Thank you, your

Honor.

Q So here it says, "Arash" -- if you look where the curser is, just from the third line from the bottom, it shows:

> Arash modeled a large casing section to simulate two large voids, and they showed a good correlation to what was taking place on the last few kill jobs.

Do you see that?

A I see that statement.

Q And so that's referring to modeling that occurred in preparation for the relief well; correct?

A Yeah. The discussion here was focused on a situation that could occur that had to be addressed during the drilling of the relief well.

Q Thank you.

Okay. Let's go to the next exhibit. Bear with me a second.

ALJ POIRIER: Off the record.

(Off the record.)

ALJ POIRIER: Back on the record. We're going to take five-minute break until 10:30. Thank you. Off the record.

(Recess taken.)

ALJ POIRIER: We'll be back on the

record, returning from a short break.

Please continue, Mr. Gruen.

MR. GRUEN: Thank you.

Q I'd like to introduce Exhibit SED-313. If we could go to the Bates number at the bottom, the Bates number on the first page of the exhibit, AC_CPUC_SED_DR_16_0020036.

And if we scroll back to the top of this first page, I will ask you, Mr. Schwecke, just to lay foundation, this is an e-mail dated February 6, 2016, shown at the top; do you see that?

A Yeah, I see that. Yes.

Q Okay. And it's from Bret Lane to a number of individuals from Boots & Coots, and it includes yourself and Todd Van de Putte; is that correct?

A That is correct.

Q And are you familiar with this document, Mr. Schwecke?

A Generally, yes.

Q Okay. Thank you.

And the subject line shown there is potential communication between P-39A and SS-25 through WSO; correct?

A That's the subject line, yes.

Q Okay. And P-39A, I think we've

covered this, but just to be sure, that's the relief well that was used to successfully kill the target well, Well SS-25; correct?

A That is correct.

Q "WSO" in the subject line refers to Water Shutoff Operations?

A I believe so.

Q And Bret Lane forwarded an e-mail, as shown below, to Morten Haug Emilsen; correct?

A Yes. That was attached to Bret's e-mail.

Q Okay. And that's from also the same day, February 6, 2016?

A Yeah. Looks like a couple minutes after Bret forwarded it.

Q And just for the record, Mr. Emilsen is author of the February 16, 2016, Dynamic Solutions Report; correct?

A Yeah. I believe that's the name of the report. I would refer to it as the Add Energy Report.

Q Okay. Very good.

And on the page here if we scroll down -- Yeah. That's good. On the same page that we've been looking at, the February 6 e-mail from Morten Haug and Emilsen that we just noted, it says here in the second

paragraph, second sentence towards the end starting -- I'm sorry. Second line of the second paragraph, starting at the end, it says:

> Even if we lose mud though only one of the WSO perforations, the resulting rate is sufficient to kill the well.

Did I read that correctly?

A Yes. You read that correctly.

Q Okay. If we look at another exhibit, if we go to Exhibit SED-314, and if we go to the Bates number at the bottom of the first page here. So the Bates number is shown as JM0005, and if we scroll up to the top, for purposes of laying foundation, this is an e-mail from James Mansdorfer to Mr. Lane, Mr. Rick Phillips, to yourself, and Mr. Jimmie Cho, all at SoCalGas; is that correct?]

A That is correct.

Q Okay. And, Mr. Schwecke, are you familiar with this document?

A Yes. I have seen this document.

Q Okay. And this is dated November 20, 2015, correct?

A That is the date on the document, yes.

Q All right. And you can review it, if you like, but just for the record, the Bates numbers of the entire document are JM0005 through JM0007, just noting the Bates numbers. And we can scroll through for the screen shares just to identify them. That's 05, that's 07, and there's 06. So that's just the entirety of the document.

If we go back to the first page, in the body of the e-mail, it starts at the first paragraph, it says:

> I was responsible for the storage wells for over 20 years and always was aware that a subsurface leak could occur and have previously -- says in parenthesis -- and so have given it a lot of thought and studied all papers and published accounts of subsurface blowouts that I could find. I have offered my assistance to Scott Ferguson and Phil Baker to help solve this problem starting at Lee's house on that first Saturday, but they have not shown any interest.

Do you see that?

A I see where Jim says that.

Q Okay. Turning to the last page

JM0007, if we go to the last -- there's the Bates number. And if we go to the last paragraph, he says:

> I would be happy to discuss these recommendations and participate in solving the problem if it is desired by the company.

Correct?

A That's what the e-mail says.

Q Mr. Schwecke, to your knowledge, did SoCalGas reach out to Mr. Mansdorfer to discuss his observations for recommendations related to this e-mail?

A Yes, we had conversations with Mr. Mansdorfer.

Q At approximately what point in time?

A I can't recall, but it was probably after this e-mail. At least from my participation, he clearly said he had a conversation with Scott Ferguson and Phil Baker before that, so we had conversation with Jim after this e-mail was sent.

Q Do you know if it was before or after the top kills were completed -- the top kill attempts were completed?

A I do not know specifically when the exact date was.

Q Okay. Let's go to another exhibit, Exhibit SED-315. And this exhibit, if we go to the Bates number again, this exhibit, the Bates number at the bottom, the data request one that we have been using is AC_CPUC_SED_DR_27_0003219. And if we scroll down just to establish all the Bates number, it continues with the same prefix and ends in 3220, and the last page of this three-page document continues with same prefix ending in 3221.

And if we scroll to the top of this again, this is an -- I will ask you: This is an e-mail, again, from Mr. Mansdorfer to yourself to -- and cc'ing Mr. Todd Van de Putte, dated -- this one is dated January 23rd, 2013. Do you see that?

A Yeah. Yes. That is correct. That was the period of time in which Jim worked for me in storage.

Q And are you familiar with this e-mail?

A Yes, I have reviewed the e-mails.

Q Okay. If we go to the last page, since this is I believe an e-mail thread and it's in therefore reverse chronological order, on the page with Bates number ending 3221, at the top, it appears you say there:

> We need to talk about GRA and what well integrity plans, if any, is planned for this year. There appears to be some additional capital, and Bret thought we might be able to use it for moving forward on our integrity plans.

Do you see that?

A I see that statement, yes.

Q And if we scroll up, continuing showing the response. So now we are at the page ending with Bates stamp 3220. It shows that statement was part of an e-mail from you to Jim Mansdorfer, dated January 22, 2013, correct?

A That is correct.

Q Okay. And continuing up on this page, we see that Mr. Mansdorfer responded via e-mail to you on January 23, 2013. Do you see that?

A Yes, I do.

Q And in that e-mail, Mr. Mansdorfer says in the second paragraph, starting on the first line toward the end:

> We are talking about the program to go through all storage wells and run casing inspection log and pressure test casing, refresh

wellhead seals and valves and at Aliso run a deep set SSSV.

Do you see that?

A Yeah, I see that statement.

Q And scrolling up to the next page, we go to Bates number ending in 3219, and we see on January 23rd, 2013, then you respond here on this page to Mr. Mansdorfer; is that correct?

A Yes. This is my response to Jim's comments on his ability to perform additional work, on the prior e-mail --

(Crosstalk.)

Q Yes.

A -- what can be done.

Q Yes. Understood. And you say, first paragraph, last sentence, "What amount of annual commitment do you think we would need?" Do you see that?

A That's what the e-mail says.

Q Continuing up on this page, we see Mr. Mansdorfer responds to you again via e-mail on January 23rd, 2013, correct?

A Yes. This is Jim's response to my e-mail.

Q And on the second line, he says, "We are not installing deep set SSSVs at Aliso, but that is something we need to start

doing research on." Do you see that?

A Yeah. He says that and he follows up in the next sentence saying that, "We've had bad luck on the SSSV that was installed in Goleta and thereby causing us to wonder about the reliability of those valves."

Q So, in other words, he's trying to recommend to you that SSSVs be installed at Aliso, but that there are issues with doing that. Would that be another fair way to characterize it?

A No. I wouldn't say it that way. Part of the suggestion was that could we look at SSSVs, but because we are having the reliability concerns, I would -- in discussing with Jim, he was not recommending that we install them because we have reliability concerns.

Q Okay. Let's turn to another exhibit, Exhibit SED-316. And if we -- let's go to the Bates number first, if we can, at the bottom. This is Bates number SED-316.001, and if we go to the top of the document, Mr. Schwecke, are you familiar with this document as a SoCalGas Response to SED-Data Request 27?

A Yes. I have looked at this document.

Q Okay. And turning to the page with the Bates stamp SED-316.012, which is the next page, this is -- there's 316.012, we see Question 36H, which asks:

> We'd asked SoCalGas to provide information about the subsurface safety valves at SoCalGas storage facilities.
>
> Correct?

A Yes. That's what the question talks about.

Q Okay. And then SoCalGas responds to Question H, as well as B through H, says toward the -- I'm looking the 5th line down. It starts in the middle of the page after the Bates number there.

> In addition, SoCalGas previously provided the CPUC with a copy of a data request response to DOGGR. That data request response included a narrative regarding SoCalGas' experience with deep set SSSVs at SoCalGas storage fields in correspondence that SoCalGas had in its records regarding SSSVs. Please see electronic documents with Bates range.
>
> And it provides a range there.

AC_CPUC_SED_DR_27_0000431 to same prefix ending in 3343. Do you see that?

A I see that.

Q Let's introduce Exhibit SED-317. And if we go to the Bates page, the Bates number here, AC_CPUC_SED_DR_27_0003207 and this continues on to the Bates number at the bottom, same prefix, but ending in 3208. I am going back to the first page then.

And I'll ask you with that background, Mr. Schwecke, are you familiar with this document?

A Yes. I have looked at this document.

Q Okay. And this is a document from Mr. Mansdorfer -- Jim Mansdorfer, just for the record, M-a-n-s-d-o-r-f-e-r, to Rudy Weibel, W-e-i-b-e-l. Do you see that?

A Yes, I do.

Q Dated April 23rd, 2009, correct?

A That's the date of the e-mail.

Q Okay. Do you know who Rudy Weibel is?

A Yes, I do. He was the --

Q Go ahead. I am sorry.

A He was the Director of Storage Operations prior to myself taking on that role in 2011.

Q Understood. Okay. Let's turn to the 5th paragraph of this page starting at the first line where it says a little bit into the first line, it says:

> I recommend that we put together a case for a program to install deep set safety valves in all Aliso Canyon wells. We would pull tubing, run a casing inspection log, pressure test the casing and rebuild the wellhead seals prior to running -- excuse me -- prior to running -- excuse me -- prior to re-running tubing with the safety valve.

Do you see that?

A Yes, I see that statement.

Q Okay. And if we go to the third paragraph scrolling slightly up, Mr. Mansdorfer advises here starting at the beginning:

> Casing corrosion, landslide movement or fault movement are all potential causes of a major subsurface casing leak. Depending on the cause and the number of wells affected, it may be possible to control the well by pumping

kill fluid into it, but if a subsurface blowout gets out of control and craters to the surface, it would probably require a relief well to control it. Even one of those happening could have severe consequences for the company's imagine.

Do you see that?

A Yeah, I see that, and, you know, my belief is Jim's really concerned about the geological issues on the fault movement. My conversations with Jim has been around that and that's been his primary concern from the time he started working for me in 2011, up until more recent conversations.

Q Understood.

Your Honor, at this time SED has no further questions on cross-examination for Mr. Schwecke.

Mr. Schwecke, thank you very much.]

ALJ POIRIER: Okay. Let's go off the record.

(Off the record.)

ALJ HECHT: We'll be back on the record. We'll be taking a 15-minute break until 11:05. At that point Cal Advocates will begin with its cross-examination of

Mr. Schwecke. Thank you. We'll be off the record.

(Off the record.)

ALJ POIRIER: We will be on the record returning from a morning break. We are now starting with the cross-examination of Mr. Schwecke by Cal Advocates.

Ms. Bone, please go ahead.

CROSS-EXAMINATION

BY MS. BONE:

Q Good afternoon, Mr. Schwecke. How are you doing?

A Good morning. I'm doing fine, thank you.

Q I hope that we'll get through this pretty quickly and you'll be done today.

A That would be great.

Q We've just put up Exhibit SED-323. That is that October 24, 2015, e-mail from Tom Egbert to Todd Van de Putte. Do you recall seeing that e-mail this morning?

A Yes, I do.

Q Did you review that e-mail before Mr. Gruen cross-examined you?

A Yes, I did.

Q Do you know Mr. Egbert?

A Yes, I know Tom.

Q And does he still work for

SoCalGas?

A Yes, he does.

Q Was he working on the well-kill efforts for SS-25?

A Tom was one of the storage engineers at Aliso Canyon, so when the leak was discovered, he basically participated in the initial well-kill operation.

Q So you mentioned that he was involved in the initial well-kill operation. Was he involved in later well-kill operations?

A Tom was a source of information with regard to the well, the field, and what history we had with respect to the information on operation, not only SS-25, but the entire field. So Tom was a resource that was used.

Q Do you have any idea how long Tom has worked for SoCalGas?

A I do not know.

Q Is it more than 10 years?

A I would think it's probably at least more than 10 years, but again, I do not know specifically.

Q You said that you relied on him for information about the Aliso Canyon facility as well as Well SS-25; is that correct?

A Yeah, the storage field. Tom's role was, as we would go on injection and withdrawal, identifying which wells that would be on injection and which wells would be on withdrawal managing the work such as Wireline activity on temperature surveys.

So Tom was very familiar with the wells and the work on the wells. He was less familiar with the surface activity as far as the plants, on the compressors, on the dehyds, and well equipment. It was about the wells themselves.

Q Do you consider Tom to be a good engineer whose advice is reliable?

A I consider Tom to be a good engineer.

Q The e-mail stated, "We plan to remotely kill the well without setting a plug"; is that correct?

A That's what the e-mail says.

Q Did SoCalGas attempt to kill the well without setting a safety plug?

A Yes, I think we've all seen that the first well-kill operation was to pump fluids without setting a Wireline plug or attempting to set a Wireline plug. We also -- this says "remotely." Ultimately we connected directly to the wellhead and did

not use the remote kill piping that was available because it was not needed and connecting directly to the wellhead is a much better situation when you're attempting to kill a well.

Q How many people at Boots & Coots were working on the well-kill efforts?

A Maybe you can give me a time frame?

Q Did it vary over time?

A Yes, it did. Initially there was three, then very quickly there was four individuals. And then you had others that basically showed up that included Jim LaGrone and Rolly Gomez, so it changed. And then as we got into the relief well, additional Halliburton and Boots & Coots people showed up.

Q So by the time that Boots & Coots were modeling the well-kill efforts, how many people were on-site at SoCalGas?

A I believe at the time that, as you mentioned modeling, I think -- which I think, you know, the definition of modeling -- but there was four individuals of Boots & Coots that were on-site at the time.

Q And how many were in Texas?

A I do not know how many employees that are with Boots & Coots that are located

in Texas.

Q And I believe you testified that you reviewed the results of Boots & Coots' transient models; is that correct?

A Yeah. The results for the transient model were the well-kill plans that were developed. We would basically have discussions as a group of those well-kill plans, not only to review the plan and any concerns we have about what effects it might have, but then also preparing for it to execute a plan in obtaining equipment and materials based on what the well-kill plan said, which is the output of the modeling and work that was done by Boots & Coots.

Q And during those discussions, were Boots & Coots employees from Texas included in those discussions?

A Those discussions, at least the original -- the initial ones, were basically with the people that were on-site so that we did not have a communication. I mean all the Boots & Coots employees were originally from Texas, but I think -- it was primarily the people who were on-site and that's where you had additional resources come in later on. They would participate in those discussions as well.

Q I'm confused because I got the impression from your testimony yesterday that in fact you had also been communicating with Boots & Coots' people in Texas.

Is that not accurate?

A I think what I've testified -- and, if not, let me clarify -- that the Boots & Coots people that were on-site were communicating with Houston. Those people didn't participate in the conversations that we were having throughout the day, throughout the period with the on-site Boots & Coots individuals.

I mean it was very difficult because the remote location to have a conference call was very difficult. So from that standpoint, that's what I meant by conversations with Houston.

Q So then as I understand it, the Boots & Coots on-site personnel at the Aliso Canyon facility were having separate conversations with the Boots & Coots people in Texas; is that correct?

A Yeah, that's our expectation. When you look at Boots & Coots, not only do you have the individuals that come on-site, but you have the whole Boots & Coots, in this case Halliburton who they're a subsidiary, in

Houston that are resources that are drawn upon by those well-control experts that are on-site.

Q And when you say "on-site," what does that mean? Was there one or two or three trailers that everybody was working from?

A So let me kind of give you a picture of the site. You had the SS-25 well pad, which had two additional wells. Just below that on what is the SS -- Standard Sesnon 9 well pad, probably about a hundred to 150 feet away from the well was another pad in which we brought in trailers to use as offices, use as meeting rooms that we could have those conversations and still at that point, if we wanted to, walk up the hill to get to the SS-25.

We didn't want to be specifically on the site because if something was to happen, we wanted to be sufficient distance away. So those trailers were brought in to create that shelter because, again, you had a lot of weather issues on wind and rain and cold that we basically had those trailers brought in for that purpose.

Q And who were the primary people working in those trailers on a regular basis?

A Primarily it was the SoCalGas employees such as Bret Lane, myself, a few others, and then the Boots & Coots individuals that were on-site. It was dedicated for them, but we would have visitors on a regular basis.

Q And were you at the well-kill site in these trailers on a daily basis?

A I was at -- once I was brought up as the deputy operations chief, I was there approximately about 90 days during the 111-day leak. So I was on those locations, on those sites every day.

I was -- one of the roles I had was that as DOGGR personnel or CPUC personnel, who typically came on the site on a daily basis, was to take them and escort them as they would go up and walk up to actually view the SS-25 leak because they were looking at it from a visual perspective preparing their daily reports that would report to DOGGR, you know, who is the primary regulator for underground storage activities, communicate to the Sacramento office, which I think in turn was communicated to the governor's office.

Q And how often was Mr. Walzel there?

A He was there every day that he was

there, and I think that lasted from the time they arrived on October 25th, I believe, until he left sometime in December.

Q So he left before the well-kill efforts were successful; is that correct?

A He left before the relief well. He had less role in the relief well. Those were some of the other individuals from Boots & Coots of Halliburton that came on-site that specialized in relief wells like John Hatteberg, the Sperry individual, Jim LaGrone, Rolly Gomez.

Those were the individuals that were focused on it, and as we got closer and closer to the intercept, less requirements. And they basically -- just like you do with any other incident, you have to replace your people with new, fresh people because after a period of time, you become -- you're concerned about fatigue. So that was the time that Danny Walzel could go home.

Q I believe you testified that you reviewed the results of the Boots & Coots transient models; is that correct?

A I think what I talked about was the results that came out, which were the well-kill plans.

Q So how would you be informed of

those results? For example, did you get them in a hard copy, a paper, or did you get an e-mail or something else?

A Typically it was presented during a meeting, which was a hard copy of what the printout would be of the well-kill plan. We would walk through step-by-step of what each of those are, check off which materials we needed, which equipment we needed, a timing in which it would occur.

I mean when you talk about materials, you're talking about kill fluids and how much kill fluids do you expect, need, what is expected pump rates. So that was the discussion that took place during primarily hard copies as we walked through them. And then if any adjustments were made, then we'd get a second version as we went through it.

Q When did you become aware that Boots & Coots was actually doing transient modeling for the well-kill efforts?

A Actual transient models? I think it was probably -- when I became officially aware of it was when Danny Walzel in his deposition defined a transient model.

We had always assumed that as a well-control expert, Boots & Coots was doing what they would typically do. They would

basically model kill jobs, calculate fluid densities, calculate fluid rates and pump rates. And that's what they were doing at all times in development of the kill plans. But the term "transient model" really came up for Boots & Coots when Danny Walzel testified in his deposition.

Q So you were aware that Mr. Walzel's laptop was stolen; is that correct?

A Yes, I found that out.

Q And do you know where the theft occurred?

A I can't recall specifically but it was in Texas, I believe.

Q You testified, I think, that Mr. Walzel and other Boots & Coots staff were communicating with Boots & Coots' Texas offices; is that correct?

A That's my understanding.

Q And was Mr. Walzel's deposition after the last top-kill effort?

A Yes, I believe so.

Q And did you understand that Mr. Walzel was running the modeling on his own laptop?

A You know, during the period of time when we talked about those trailers, Ms. Bone, Danny would basically go into the

trailer to perform his analysis and we knew he was working through it. The assumption you can only make is that he was using his laptop. You know, everyone had those technical devices that they would use. And to run any modeling, you'd typically use some type of computing device.

Q Would you have expected anyone else at Boots & Coots to be assisting Mr. Walzel with the modeling?

A Boots & Coots was a well-renowned well-control expert. I would expect them to do what they do. If their process is to have Danny, who was the defined engineer on the project -- because they had the defined engineer, they had a safety expert, they had another -- a well-control specialist, then they had their senior control well specialist. They all took roles in that. It would not -- it does not surprise me that Danny, as the engineer on the site, was the one responsible for running any modeling that was done.

Q So it would make sense to you that he was not coordinating with anybody else at Boots & Coots on this modeling?

A Well, when you say coordinating, I think he was, you know, doing the

calculations, but I think when you're looking at -- obviously when he'd take it and he'd share it with the organization what was coming up and give thoughts on it just like he did with us and then go back, was his assumptions correct? You know, was he assuming the right reservoir pressure? Was he assuming X, Y, or Z? Those assumptions are critical in any modeling.

So he would share that with everyone that had any visual representations of the well and what was occurring and what information they had. So collaborating was occurring, you know, throughout the process.

Q So then as I understand it, the results of the modeling that you would see would also identify the assumptions that Mr. Walzel relied upon?

A Well, I talked about the well kill, but I think, you know, part of the discussion up front is not the results of the model but, you know, what are the assumptions that are going in? You know, what is the reservoir pressure? I mean the well configuration didn't change dramatically unless we found some additional information that gave us an idea where the hole -- I mean it was a dynamic situation.

We didn't know where the hole was. We didn't know that the casing was parted or not, whether it was split or not. We didn't know the flow path. So as you develop these, each time you build on a prior well kill, then you had additional information you had to use and Danny would use that information. That was observed by all the individuals who were there.

Q So I take it that you understand that having accurate assumptions in order to do the modeling is important?

A Well, you rely on the information that you have on the time. And whether it's accurate or not, you have to assume that's what the information is, but accuracy was very difficult. One, I mean, the well -- you could not see the leak, right, so you can't really describe the leak. You're going by what other information -- you can't tell how much gas is actually coming out of the ground, so you have to make assumptions.

In any modeling you have to make assumptions because if you knew the perfect scenario, you know -- for example, you know, with the root cause analysis, they had all the information because they were able to pull the well out of the ground so you have

to use assumptions. The accuracy of those assumptions are based on your best available information you have when you make them.

Q Mr. Schwecke, you still haven't answered my question, which is did you review those assumptions when you were sitting down with everybody to discuss the well-kill efforts?

A Yeah, I think we had -- we had discussions with regard to what the assumptions were during the review. I think what you asked is did the output show the assumptions. I can't recall if they actually showed them, but we would have discussions that we're assuming a well pressure of this, we're assuming this, we're assuming that. So it was part of the discussion.

Q So it was part of the discussion, but nobody actually saw the modeling that showed exactly which assumptions were being used?

A I can only speak for myself. I don't know if other Boots & Coots individuals saw the modeling and the assumptions that were put in. I can only speak for what I saw.

Q Wouldn't you expect Boots & Coots to have someone other than Mr. Walzel

involved in assuring that the assumptions were being run appropriately?

A And I expect they did. I mean Boots & Coots being the world-renown well-kill expert and in also what I believe was conversations with Houston, you know, the senior control well specialist, I'm sure was aware of what the assumptions that Danny was using in his modeling effort.

Q And how would those assumptions have been communicated to Boots & Coots?

A Because Boots & Coots was on-site taking reads and taking information themselves. They went through the process of diagnostics the day they got there until the day they left. They would basically, you know, take pressure reads, they -- their observations, they'd look at the well files. They were basically looking at all the information the same time we were.

Q Yet as I understand it, when Mr. Walzel's laptop was lost, there's no other evidence of the modeling that was run, and apparently nothing is at Boots & Coots' facility to show us what functions were used.

Am I misunderstanding that?

A Well, again, I don't know what Boots & Coots', you know, policies are but,

you know, if the information is being run on a laptop and stored on the laptop and that laptop is stolen, that's, you know, what happened and what occurred.

Q But for Mr. Walzel to share his functions and his modeling with people at Boots & Coots, wouldn't he have had to send it to a mainframe or the cloud or in an e-mail to someone else at Boots & Coots? How would they be able to look at his work?

A Well, I think they'd do it through -- via hard copy or verbal discussion. Because they were right on-site, it's a lot easier. And I think this last year and a half with regard to the pandemic and so on, sometimes it's a lot easier to have that face-to-face conversation and talk about those things and not necessarily e-mail it to someone that may not be checking their e-mail because they may be standing next to a leaking well.

Q Right, but then there would be hard copies that we'd be able to look at that would show the modeling and would show the assumptions, yet we haven't seen any of those either.

A Not necessarily, because it could have just been verbal conversations.

Q I see. So which SoCalGas staff would have provided information regarding the appropriate assumptions to Mr. Walzel?

A Well, ultimately with regard to the incident command structure, it was Bret Lane would approve the well kill, which also would approve the assumptions that were used.

Q So would you expect that Mr. Lane would have hard copies or some information that actually listed what assumptions were being used as part of the modeling?

A I would expect Mr. Lane to basically have those verbal conversations with Boots & Coots on what assumptions they were going to use, on what assumptions they used during the modeling effort. Again, we all had the same data whether it was the pressure data of the well, the reservoir pressure.

So we'd all have those assumptions so I don't necessarily know whether he would have a hard copy, but my expectation is the conversations and that tied directly into the conversation we had with the well-kill plans and what came out of the model.

Q Thank you, Mr. Schwecke.

I have no further questions.

ALJ POIRIER: Let's go off the record.

(Off the record.)

ALJ POIRIER: We'll be back on the record. We are going to take a break at this time. We will take a break until 12:50. We will return and start with the redirect of Mr. Schwecke by SoCalGas.

While off the record, I also indicated that we will not be allowing the use of demonstrative exhibits during the redirect. With that, we will be off the record.

(Off the record.)

ALJ POIRIER: Let's go quickly back on the record and just confirm that we will be taking a break until 12:50 for lunch.

Off the record. Thank you.

(Off the record.)

(Whereupon, at the hour of 11:34 a.m., a recess was taken until 12:52 p.m.)]

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AFTERNOON SESSION - 12:52 P.M.

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RODGER SCHWECKE,

resumed the stand and testified further as follows:

ALJ HECHT: We'll be back on the record. We are coming back from our lunch break today. It is May 19th, and we have, I think, finished the cross-examination by SED and the Public Advocates Office of Witness Schwecke; so we are going to continue this afternoon with redirect done by Attorney Patel. We also -- I will note -- have a different attorney representing the Public Advocates Office with us, rather than Traci Bone, we have now Caryn Mandelbaum.

With that, I think we can continue.

If your ready, Ms. Patel?

MS. PATEL: Yes, your Honor. Thank you.

REDIRECT EXAMINATION

BY MS. PATEL:

Q Good afternoon, Mr. Schwecke.

A Good afternoon.

Q A little while ago, Ms. Bone from the Public Advocates Office asked you about location, where you worked with Boots & Coots

and the other experts that you spoke about yesterday and today. We're going to pull up CPUC Exhibit 1000, which is the Main Blade Root Cause Analysis Report that's been admitted into the record, and we're going to go to page 37.

Mr. Schwecke, do you recognize this as a portion of the Aliso Canyon Storage Facility?

A Yes, I do.

Q Can you describe what we are looking at.

A Well, these are two different views of the SS-25 well pad in the vicinity and taken at different times. If you look at the one on the bottom that was taken after the well was sealed, so that showed that the SS-25 location up at the top, and then it showed, as I mentioned with Ms. Bone, SS-9, which was a staging area, as it's listed here, but it actually was a location in which we had trailers on -- that we worked on.

And if you go back up, the one on the left, if you see in the lower, left-hand corner, you can see a couple buildings and trailers. That one building that has the gray roof, that was actually one of the trailers we used.

And you can see across the other side of the road, the guard shack that we used to control access there and that was under the control of the PUC.

You can see that and I think it's very difficult to look beyond that on the picture to the right. You can't really -- you can barely see those same tanks that were on that SS-9, but I think if you see off farther in the distance, how far the community is away.

But you also see what could be hard to identify, but just -- I like to use the clock term. Not digital clock; the old hand clock. If you look at about 11:30 or 11:00, you'll see an area that has a white building. That's actually SS-39 well pad. That's where relief well was drilled. So that kind of gives you a perspective, and it also shows winding roads that we have at Aliso Canyon.

MR. GRUEN: Your Honor, if I --

ALJ HECHT: Mr. Gruen.

MR. GRUEN: If I may, this seems to be straying very close to what the -- how shall I put it -- demonstrative exhibits maybe were showing and straying right on the cusp of what the answer to Ms. Bone's question was. The objection is that the answer should stay

within the scope of Ms. Bone's questions about the communications and the location of them.

ALJ HECHT: Ms. Patel.

MS. PATEL: Yes, your Honor. I believe that we are well within the scope of the cross-examination that was conducted both by SED and Cal Advocates. I would add that this exhibit is in the record.

ALJ HECHT: Thank you.

Mr. Gruen, briefly.

MR. GRUEN: Your Honor, it's not the exhibit. It's the testimony describing it, and the testimony is starting to stray well beyond the question about communications with Boots & Coots and the testimony about it in response.

ALJ HECHT: Thank you.

Objection overruled. This is something that is in the testimony, and we've had extensive discussion about locations and relationship, and where these were.

We disallowed the demonstrative exhibit that had not been identified previously, but this, as Ms. Patel said, is an exhibit that we have already seen.

So, Ms. Patel, you may continue.

MS. PATEL: Thank you, your Honor.

Q Mr. Schwecke, I apologize if this is a little redundant, but where did you spend the majority of your time during the incident?

A Well, you know, the majority of the time, I mentioned the trailers. We spend a lot of time in trailers, but we also spent a lot of time at other locations, you know, actually on the SS-25 well pad. We spent time on the PS-20 well pad, which was a relief well too; SS-1, which was the observation area above, and the alternate pump site. So there's a lot of different locations.

And, actually, as the incident transitioned to the relief well, we moved our trailer down closer to the relief well to be closer and across the road from that so we could have easy access to what was going on at the relief well and the work that Halliburton and Sperry were doing in drilling the relief well.

Q When you say that you moved closer, do you mean that trailers were brought into the location?

A Yeah. We brought additional trailers in, had to clear a location on what would be the south side of the road before we

could set these trailers. I mean, they're like double-wide trailers, using that terminology; running the fiber optics, so we had communication; you know, making sure we had badge-access only in those buildings.

We had to put those in so we were across the road from the drilling rig so we have easy access.

Q And did you indicate earlier today that you were working with Boots & Coots in one of those trailers?

A Yes, I did. When we were on SS-9, that was the trailer that we, basically, would huddle in every day that we meet in the morning and the afternoon and all day long.

Likewise, when we moved the trailer down to -- closer to the relief well, not only did we have Boots & Coots, but we had the Halliburton people in there; we had the Sperry people, which was doing the drilling diagonals. We had the other -- the other experts: We had John Wright; John Shackelford; when Arash was there, that's where he would sit. So we were all in this trailer collaborating continually through the day.

Q Okay. Thank you.

Now, Mr. Gruen asked you a number

of questions implicating the reporting structure of the incident command structure. What is the purpose of the incident command structure?

A The incident command structure falls out of FEMA's Emergency Response System, an Incident Command System. And what it does is, it creates a hierarchy of reporting relationships, along with functional relationships in response to an incident.

That system established by FEMA allows it to contract and expand based on the size of the incident. I mean, we use our Incident Command System every single day we have an incident. If it's just a small leak on a pipeline system, we have an Incident Command that's established that manages that leak, manages the resources.

And if it expands, like it did here with this leak, you add resources, you add people, whether you have -- you know, you add your PIO office. You establish the section chiefs, like operations, regulatory liaisons, logistics all working together, reporting in through an Incident Commander, where the ultimate decisions are made across all the areas of the Incident Commander. Each of the

section chiefs, basically, makes their decision on their areas in consultation with the Incident Commander.

Q Understood. Is this the same incident management structure that FEMA uses?

A Yes. I mean ICS or Incident Command Structure is what all agencies use. Cal Fire uses it if they are responding to a fire incident. LA City uses it when they respond to a fire. I mean, any time there is an emergency the Incident Command Structure is typically used to establish hierarchy, especially when you have multiple agencies. If you have multiple agencies, you need to know and communicate within the same channel the same information.

And that's where you'd take multiple agencies, and then you'd establish Unified Command, where you have -- actually, the Unified Command is a team of Incident Commanders that would respond; so it's a typical system that's used throughout emergency management.

Q Did SoCalGas implement a Unified Command System at some point during the incident?

A Yes. When we had Department of Public Health and LA County Fire come more on

site, then we, basically, moved to a Unified Command System where you had LA County Fire and DPH were part of that process, and they met on a daily basis.

You have command staff meetings, which is the higher levels of the staff, all the way down to each of the organizations or each of the functions. Like, we would do on the operations side, we would have our operation section meeting on a regular basis, which would include parties from LA County Fire, for example.

Q Okay. Now, Mr. Gruen asked you about your experience with well kills. Were you at Aliso for all of Boots & Coots well-kill attempts?

A I was at the Aliso Canyon site. I was not up on the well for the kill attempt, the first kill attempt on November 13th, but I was on the Aliso Canyon site, and from a distance viewed what was transpired. I was down the hill, so I could not see the actual site.

Q And so you were involved in all of Boots & Coots well-kill attempts expect for their first one; is that correct?

A That is correct.

Q Okay. And then yesterday, you were

also asked about SoCalGas's procedure for routine and emergency well kills. Are you familiar with the gas standard that was in place for well kills at the time the incident occurred?

A Yes, I was. And we have a company standard. Well, we have a lot of company standards that govern all our activities, and these in particular, govern well-kill operations. That company standard addressed both the issue of routine well kills versus emergency well kills.

Practically they are the same, but when you go to emergency, you're going to have to factor in more and more of what actually is transpiring at the given time. Whereas, a standard one, where you don't have -- you're just killing the well for maintenance, there is no issue, that's much more of a standard procedure.

You have to adjust that procedure based on the situation that's occurred, and that's what the engineer does before they kill a job -- or kill a well.

Q Okay. Now, you also were asked a lot about the modeling that Boots & Coots did and their assumptions. Can you, please, explain what you meant by "assumptions"?

A So when I talk about "assumptions," it's talking about those things that vary within the incident: Reservoir pressure. At the first one, it's really the wellbore diagram and the well schematics; it's also those type of items that change more general in nature.

I wasn't referring to assumptions, engineering assumptions, that were made within the model that is used on how it's calculated. Whether they're assumptions or they're engineering factors, I don't know, but I was referring to those areas that you have a change because from one kill to the next kill, the reservoir pressure changed, for example, and then the output is the well-kill plan.

Q Okay. And in the same discussion, you were asked about Mr. Lane providing approval. And what would Mr. Lane have approved?

A Mr. Lane would, ultimately, approve the well-kill plan, which was the output of the model, and said: This is what we're going to execute. This is the well-kill plan that we're going to follow and execute, and then we would go out and be prepared to do that.

Q Okay. And we're going to pull up Exhibit SoCalGas-09, which is the Attachment to Reply Testimony of Bill Abel. He testified previously and this exhibit is in the record.

Do you recognize this as a well-kill plan?

A Yes, I do.

Q With respect to the modeling, do you have any reason to doubt Boots & Coots sworn testimony that they conducted transient modeling?

A No, I do not. I mean, as a world-renowned well kill, that travels the world to do just that. They are an expert in the industry. They do what they know how to do and based on their experience, what it takes. They are experts, and those experts will do what's best based on the information they have and their experience as they are on-site.

So this really is a kill program, which lays out step by step the process we're going to go through. I mean, this one that you're showing on the screen really says, first of all, you start with mixing the LCM; right? And then you pump down a certain amount of GEO Zan in this case, and it's a

step-by-step process, barrel by barrel, on how you, basically, will execute the plan. So it's very clear what are the steps you're going to take one after the other before you start the process.

Q Understood. Thank you.

Now, yesterday, Mr. Gruen asked you extensively about the slots where the SSSV was in SS-25 and whether the existence of these slots was disclosed to Boots & Coots as well as other experts such as Add Energy, who were at Aliso assisting with the well-control operation. What do you understand slots to be?

A Well, in this case the slots are, you know, they've been called "cross-over ports"; they've been called "ports," but they are what is manufactured into the housing that would allow that gas flow from the tubing into the casing.

So that's my understanding when you use "slots." You can call it "ports"; you can call it "cross-over ports," but it is just a space that was manufactured in the housing -- in the tubing that allowed for gas to flow from the tubing into tubing-casing anulus.

Q And are those slots or cross-over

ports different from the perforations that Mr. Gruen has referred to from time to time?

A Well, I think when you look at what perforations are, there's a couple different. There's ones that are down in the reservoir that are perforations in the casing that allow gas to flow from the reservoir into the casing and then up into the tubing and then out those ports or you can look at what the perforations were that occurred after the plug was set in the tubing to create a flow path for kill fluids from the tubing into the 2-7/8-inch and 7-inch anulus.

Q Okay. And with respect to slots, again, the experts that we talked about -- Boots & Coots, Add Energy, others who were assisting in this effort -- were they aware that there were slots where SSSV used to be in SS-25?

A Absolutely. There was no question in my mind that they were fully aware of the configuration of the well and communication path from the tubing into the casing.

Q And do you believe that any of the experts believed that there was still an SSSV in SS-25?

A No. I do not believe that at all.

Q How do you know that?

A Well, it's pretty clear in the well file that that hadn't been removed. So anyone that read the well file -- I think it is '79 or '80 -- that valve was removed and not replaced.

Q Okay. If a well has slots or perforations, do you consider that well to be leaking?

A Well, can you define where that is?

If you're talking about slots or perforations in the tubing that is within the casing, no. I do not consider that to be a leaking well. That is a known path of gas to move from the tubing into the casing anulus.

Q And then I'll ask the same question about slots and perforations: If a well has slots and perforations, can it still be killed by a top kill?

A Yes. I mean, we do that every time today. In fact, when you look at it, that actually helps facilitate a kill job because you're able to circulate fluids and not just try to push down on the pressure of the fluid. So being able to do that, it allows for the kill jobs today.

Q Okay. Thank you.

Now, you were also asked about whether the various items we just discussed

were reflected in any well schematic pertaining to SS-25. Are you the person testifying in this hearing on behalf of SoCalGas who is most familiar with well schematics?

A No. I would not be the one that's most familiar. I think Dan Neville would be the one that is most familiar with wellbore schematics, and I think he testified extensively on it.

Q Okay. Now, you were also asked yesterday whether SoCalGas had prepared any document analyzing the causes of the failure of SS-25. You indicated that SoCalGas had not because the CPUC prohibited it.

Was it any particular entity within the CPUC?

A Yes. Once the well was certified by DOGGR, you know, the agency that basically was certifying the leak had stopped -- because that is their agency responsibility -- SED, the CPUC's Safety and Enforcement Division, basically, then took control of the site, and then actually had us cordon off -- and I mentioned the guard shack -- but, actually, had cordoned off by the use of ropes, I think it was, approximately a 300-foot circle bounded by

the roads, anyways, on the two sides, with rope, which clearly delineated the area, which they had taken responsibility for and control over. So it was SED that instructed us to do that.

Q Okay. And so when you say that you were prohibited from doing such an analysis, would it be fair to say that it would not have been feasible or practical given these limitations?

A Yeah. It would not be feasible. I mean, we were instructed, one, not only to create the area, but no disturbing any of the evidence; no destruction of any of the materials. I mean, we were, basically, hands-off.

And we were there to support Blade's effort because Blade had been contracted to do the Root Cause Analysis. We were not to interfere with their activity, only to support them in getting to completion of their report, which I think everyone knows took quite a while to do.

Q Okay. Now, this morning you were shown a demonstrative of a small portion of Mr. Dan Neville's testimony from May 5th, and, Mr. Moshfegh, if you could pull that up. Perfect. Thank you.

And I believe you were shown a very specific line in it, and you indicated that in order to answer the questions you were asked, you would need to review the portion that came before that. Have you now had the opportunity to review the discussions surrounding that one excerpt?

A Yes, I have.

Q Okay. Is it your understanding that Mr. Neville is referring here to setting a plug during routine well maintenance back in 2007?

A Yes. According to Dan's testimony, this referenced the ability to set a plug in 2007 during a time when it was -- gas was not flowing; in other words, it was not a leaking well. We were going to perform some maintenance on the well. So it's a completely different situation than what was being addressed on Tom Egbert's e-mail in which we had a situation where you had a leaking well, and our procedures and standards provide that you have the option, if you can -- if you believe you can set a Wireline plug, but if you can't, you go to kill fluid.

And that is a game-time decision. That is a decision that's made based on the

engineering site and what information they have. So unlike the 2007 where there was no gas flowing; here we had gas flowing. So from that standpoint, the decision was made to go right to kill fluids.

Q Okay. Thank you.

And I think I heard Ms. Bone refer to such a plug as a safety plug. Is that an accurate description?

A No. I think you can see the part here, it's a Wireline plug. We call it a "plug," "Wireline plug." I've never heard it referred to as a safety plug.

Now, I would say it provides safety because it provides a barrier between the reservoir and the surface, but "safety plug" is not a term I've heard.

Q Thank you.

Okay. And, Mr. Moshfegh, if you could please go back to the Exhibit 1000. Thank you so much.

And, you know, I asked you earlier about SED taking over a portion of the site. Can you generally describe where that was on this image.

A Yeah. Actually, if you could go to the lower diagram, it might be easier to start with. If you see that dotted line,

that's kind of the roadway. So on the right-hand side, which would be the eastern side, that's basically where we used the road as a delineating factor, which would be on the downhill side of the road. Then we would run -- and ran up above where it says "collection" --

Q Uh-huh.

A -- up above that location.

And maybe you could go to one of the other diagrams. I think if you were to look at the diagram to the right, you could see how you delineate where the road was on the bottom of the hillside, and it would extend up past what looks to be a tree kind of on the left-hand side. I wish I could point to it. I'm pointing to it with my finger, but you can't see where I'm pointing to, but it would run up a hill, and you have to think of a 300-foot circumference around the well, was the defined area of control by SED.

Q Okay. Thank you.

And you said that was for purposes of collecting evidence for Blade?

A Yes. You know, I think one of the first then steps they went through in the RCA was looking at the surface material, and I

don't know if we had Blade, but we had Randy Holter of the CPUC was there, you know, going through the materials and the soil that was on-site to see if there was any materials that could be found.

A lot of times when you look at a pipeline incident, then you could find things that sit on the surface. This, obviously, was occurring at 890 feet, but they did go through that process of looking and taking samples, so...

Q You said, "taking samples." Where was the evidence taken?

A Well, any evidence that was taken, was then taken by Blade, and it was then taken as -- they maintained control of the evidence. We provided evidence trailers, but they're the only one that had keys for, and they basically cataloged and logged everything and kept all that information along with taking -- I wouldn't venture, you know -- tens of thousands of pictures throughout the process.

Q Okay. And then you also said that SED was on the site. Were they on the site frequently during this time when the evidence was being collected?

A I would say SED was on-site even

before evidence was being collected. I think we had -- a lot of our safety morning meetings, SED was present. There was many days that, you know, that I would have to provide an escort, Randy, for example -- Randy Holter, for example, up to do a visual inspection of SS-25 while it was leaking, from our trailers on SS-9. So they were there quite often, and, obviously, they were there even more often, when they started their Root Cause Analysis.

ALJ POIRIER: Excuse me. It looks like there is a side chat. Mr. Stoddard, you're sending chats to the whole service list?

MR. STODDARD: Yeah, your Honor. Sorry. I was telling -- the court reporter asked a question for clarification and I just asked her to raise it on the record, instead of chatting with me about it, if she couldn't understand something Mr. Schwecke said.

ALJ POIRIER: Okay. Thank you.

ALJ Hecht, do you want to address that now?

ALJ HECHT: Yes. Let's address that now. What was the clarification that was needed?]

MR. STODDARD: The court reporter, and I can let her ask, but Ms. Ross asked about

some names that Mr. Schwecke had referenced that she couldn't catch because he was speaking too quickly.

Do you want -- Ms. Ross, do you want to identify the names you had issues -- that you couldn't understand?

ALJ HECHT: If Ms. Ross is speaking, we cannot hear her.

REPORTER MENDEZ: Hello. This is Carol Mendez. We switched court reporters. She's no longer on.

REPORTER S. ROSS: Your Honor, it was Andrea Ross, and for some reason or -- we can just check that later. I don't think she meant for this to be an interruption.

ALJ HECHT: That's fine. We'll address it later. And this is an object lesson in why we speak slowly and especially carefully around names that have not yet been introduced to the record.

So, let's see. Are we on or off the record?

REPORTER MENDEZ: On.

ALJ HECHT: We are on the record, which is good. So we can just continue, Ms. Patel.

BY MS. PATEL:

Q Mr. Schwecke, I will just ask you, can you please spell Randy Holter? I believe

you referred to his name a few times.

A I believe his last name is spelled H-o-l-t-e-r.

Q Thank you.

A And I will attempt to talk slower. I apologize.

ALJ HECHT: It's a common problem. It's not unusual at all.

BY MS. PATEL:

Q Mr. Moshfegh, I apologize. I had one last question regarding that visual.

Mr. Schwecke, you had indicated that SED was on-site during evidence collection. And did SED have a trailer at Aliso during that time period?

A Yeah. During the root cause analysis, we provided trailers to not only Blade, Blade wanted their own trailers, but we also provided to SED. And if you take a look at the picture on the right, and if you could blow that up, it might be easier to see. Just down below where I think you see those trailers to -- almost there.

Well, anyways, if you follow the road in the bottom just before it turns left the second time, right down there, is our SS-3 well pad in which we located numerous trailers during the incident and after the

incident, the root cause, and that's actually where we had most of our morning meetings. That was our point of congregation to get together in the mornings before anyone would go up on-site, because during a leak, it was Boots & Coots that would go on-site to check for safety before anyone else and we would be located down on SS-3.

Q And Blade's trailer was in the same area?

A Well, Blade had a couple of different locations. They had one in that area, but they also had one down in the main offices because they need a lot of space for the number of people they had, the amount of materials they gathered. The also had a trailer that was on PS20, which was the relief well, the second relief well site. That's where they moved all the tubulars that they took out of the well to that location for inspection.

Q Okay. And did you have access -- did SoCalGas have access to the Blade and SED trailers?

A No. We did not.

Q Okay. And the evidence that was taken by Blade, was that evidence taken back to Houston to Blade's headquarters?

A Yeah. I believe the majority of that Blade wanted to take back to do any of the laboratory analysis on was moved back to Houston. I think it still sits in Houston.

Q Today it still sits there?

A I believe so.

Q All right. Thank you.

Mr. Moshfegh, if we could please go to Exhibit SED-323.

Mr. Schwecke, this morning you were questioned about this e-mail, particularly the second bullet point. Do you have anything you would like to add?

A Yeah. I think Tom, when he drafted this, and again this was drafted for Todd Van de Putte to use in an e-mail communication that he was going to do or possibly do. And I think Tom probably mistakenly identified that the casing of tubing below the packer, the communication ports below the packer, I don't think he was correct --

MS. MANDELBAUM: Your Honor. Excuse me. I'm sorry. This calls for speculation. I believe that Mr. Schwecke is speculating about Tom's meaning in this e-mail.

MR. GRUEN: Your Honor, if I may add to that, I echo that objection and add this is

hearsay in the extreme. This is a witness that now SoCalGas has not offered and Mr. Schwecke is going to testify as to what his understanding is about Mr. Egbert's e-mail.

ALJ HECHT: Ms. Patel, do you have a response?

MS. PATEL: Sure. I think that clearly SED and maybe Cal Advocates also were trying to make a point as to what this e-mail says and Mr. Schwecke is testifying as to what his understanding is. We are not speculating as to what Mr. Egbert may have meant. Mr. Schwecke is noting a correction.

ALJ HECHT: All right. Let's stick with what this witness knows himself and avoid hearsay. Please continue.

BY MS. PATEL:

Q Mr. Schwecke, let me clarify here. The second bullet point here, do you know this to be accurate or inaccurate?

A The statement made here is inaccurate because it defines, you know, below the packer, the communication ports below the packer. We know that those communication points were above the packer, which is the only way you can create a communication path where tubing is into the

casing.

So -- and I would also like to point out the time this was done. (Inaudible) was at 9:30 in the morning, which most of these gentleman, Tom in particular I think, was probably up all night, or at least most of the night, but the statement he has down there is inaccurate based on my information.

Q All right. Thank you. Okay. Now, you were also questioned this morning about Exhibit 317, which is an e-mail from Mr. Mansdorfer to Rudy Weibel in 2009.

You mentioned in the context of that questioning that you had had some earlier discussions with Mr. Mansdorfer. Could you please elaborate on those?

A Well, I think when I talk about earlier discussion, it was discussion in the 2011 time frame, which was actually after the e-mail when I was director of storage and Jim worked for me.

Jim's e-mail in 2009 laid out what the potential issues could be for a casing leak. Jim typically had expressed concern to me about the seismic concerns and I think he mentioned in that e-mail is the Santa Susana fault.

Jim, with his geological background, was concerned that you could have a slippage of the Santa Susana fault, which could cause a sheering of the wells and basically have multiple wells where you have an incident. And that's where Jim was looking at it. And part of his thought about subsurface safety -- subsurface safety valves related to that.

I think there was another e-mail we talked about where Jim kind of changed his opinion with regard to deep set subsurface safety valves after our experience with Miller 4 Well and then SSSV.

Q Thank you. Were you saying sheering?

A Well, if you think about geological movement is caused by across-the-fault movement in a horizontal direction.

ALJ HECHT: It appears that we have a question or comment from Mr. Gruen. Would you -- is it relevant to this discussion?

MR. GRUEN: It's an objection, your Honor.

ALJ HECHT: Okay. Go ahead.

MR. GRUEN: I object. This is new testimony. Mr. Schwecke was not asked about landslide or movement.

MS. PATEL: Mr. Schwecke is discussing matters that are directly in the exhibit that is SED's exhibit.

ALJ HECHT: I do recall mention of landslides, though it was in a slightly different context. And this is referring to one of the exhibits. So I am going to overrule the objection and please continue.

MS. PATEL: Thank you, your Honor.

Q Mr. Schwecke, I believe you were interrupted. I had wanted to clarify you had said "sheering." I wasn't sure if it was sheering or sharing.

A Sheering. If you think of the Santa -- Jim's concern is, you know, as expressed, if the Santa Susana fault was to shift and you had a well that ran through it, you could have sheering of that well or bending of that well that could affect its integrity.

So that's what -- Jim mentions all the items, but in particular I think in the first paragraph he talks about the Santa Susana fault and that had been his concern that he had expressed to me over the period of time in which he worked for me.

Q And Mr. Mansdorfer also refers to the 2012 rate case in that e-mail. Did the

recommendations he made in the e-mail make it into the 2012 rate case?

A No. We didn't. You have to remember the 2012 rate case was being looked at, but also during that period of time, this was post the San Bruno incident and there was a Commission proceeding which was for filing or Pipeline Safety Enhancement Program, our PSEP. That program we were looking at filing not only with regard to our horizontal transmission pipelines, but looking at including our storage wells as part of that inspect or test program, because PSEP related to pressure testing or replacing pipelines.

The Commission came out with a scoping ruling that focuses solely on the pipelines. So at that point in time, we looked at development of our integrity management program related to storage or SIMP, which we ultimately filed.

MR. GRUEN: Your Honor, if I may, this is going well beyond the scope of cross.

We're not -- the cross didn't focus with Mr. Schwecke about SIMP or pipelines. This is exceeding the scope of cross.

ALJ HECHT: I think, at this point, it is exceeding the scope of cross. Ms. Patel, you should try another line.

MS. PATEL: Your Honor, may I respond to that?

ALJ HECHT: Yes, you may.

MS. PATEL: So the 2009 e-mail, and maybe it would be helpful if we could actually bring it up, but in that e-mail, it discusses certain practices, and Mr. Schwecke is talking about the evolution and those practices going into a program in the general rate case. These are matters that are directly discussed in the e-mail.

ALJ HECHT: If you can tie it to the e-mail specifically, then we will allow a question that is tied to that.

MS. PATEL: Thank you, your Honor.

Mr. Moshfegh, could you please scroll up? You know, I apologize. I apologize. We have moved on to a different exhibit. This would be Exhibit 315. Sorry, Mr. Moshfegh. All right.

Q And up here, it's this first sentence. So, Mr. Schwecke, do you see where it says:

> Yes, we do the casing inspection, pressure testing, wellness seal and valve replacement whenever we have a rig on a storage injection well.

A Yes. That's what the e-mail says.

Q And do you recognize those practices as part of an initiative at SoCalGas?

A Yes. I mean casing inspection and pressure testing and valve replacement when a rig is on a well is part of our Storage Integrity Management Program.

Q And so did the Storage Integrity Management Program eventually make its way into a rate case?

A The storage integrity program which we developed was somewhat similar in following the Transmission Integrity Management Program that had been in place for some time, was filed in 2014 for our 2016 GRC.

Q Thank you. With respect to this same e-mail, Mr. Gruen had asked you about SSSVs and you indicated there were issues with reliability. Can you please elaborate on what you meant by reliability?

A Yeah, I think when you think about reliability, there's actually two areas; one is the actual valve reliability and being able to have that valve work. If it doesn't work and doesn't perform the function that it's supposed to, it's unreliable.

The other issue it could translate to reliability from a deliverability standpoint. If the valves were to close suddenly without notice, that would impact deliverability on a storage field which ultimately could impact the reliability of gas service to customers.

Q All right. Thank you.

Mr. Moshfegh, if we could now go to Exhibit SED-314.

And this is an e-mail from Mr. Mansdorfer to certain SoCalGas personnel, including you. When was this e-mail sent, Mr. Schwecke?

A The date on the e-mail is November 20, 2015.

Q And was that during the well control incident?

A This is a period during the leak of the SS-25.

Q And what was Mr. Mansdorfer's involvement in the incident at the time he wrote this e-mail?

A Jim was not involved in the incident, or incident management at all, on November 20th.

Q And Mr. Moshfegh, could you scroll down, please, second page?

And Mr. Mansdorfer provided you with what he entitled "Solutions." Do you see the first solution, "reduce reservoir pressure in the vicinity of the well?"

A Yes, I see that.

Q Did you consider this solution?

A At the time we received the e-mail, we had already executed this approximately nine days earlier and started that process of reducing the reservoir pressure in the vicinity of the well. We began withdrawals on November 11th.

Q And Solution 2 where it says, "start a relief well ASAP," did you consider this solution?

A We were already executing on planning the relief well, at the time this e-mail was sent. We started it very close after the incident. And the first well kill that was performed by us was unsuccessful. As a contingency, we started planning, knowing that it would take some time to plan a relief well.

Q And Solution No. 3, "pumping into SS-25," did you consider this solution?

A Yes. I mean these were the kill jobs, and part of that was bringing Boots & Coots on board with their expertise in

developing of kill plans on how to kill a well. So this was something that we were looking at, and by this time had already executed three different well kills.

Q Thank you. So moving on, Mr. Moshfegh, if you could please pull up Exhibit SED-276. And this is the CoreLab report.

While we are waiting on the exhibit, Mr. Schwecke, do you know why the CoreLab report was prepared?

A At the request of Boots & Coots, we wanted to get additional information on SS-25, and once the hydrate was removed from the tubing, we basically had CoreLab run their tools. I think Western Wireline actually ran the tools for them, so, for them to give us analysis to provide more information on what was happening on the well itself, once the hydrate was cleared.

Q And Mr. Moshfegh, could you go to page 6, please?

Now yesterday Mr. Gruen asked you about the reference to a cooling anomaly at about 890 feet?

A Yes.

Q And does this report say that it's referring to the surface casing?

A Yes, they referred it to the surface casing at 890 leak.

Q And is the surface casing distinct from the production casing?

A Yes, it is. The production casing sits inside the surface casing.

Q Okay. Thank you. And you were also asked questions about the Add Energy report. That's Exhibit SED-281. That report was prepared by Mr. Mort Emilsen. You walked through that yesterday. Who is Mister -- maybe it's Dr. Emilsen?

A I like to use just his first name, Morten. He was basically a well modeling expert, probably one of the best in the world to come in that we brought in to assist us primarily with regard to the relief well. I mean at this point in time, we were looking at gathering a complete brain trust of individuals that had a wide range of experience and technical capabilities. And he was brought in to assist in looking at contingencies and well kills, primarily for the relief well.

Q And do you know why he prepared that report?

A I think in looking at the relief well, he wanted to look at the circumstances

which transpired up until that point. Looking at those gives a better idea what circumstances might be and what contingencies you have to look for, as you're looking at putting together a kill plan for the relief well. And I think we talked about it. Some of these potential washouts or cavities, flow through the WSOs. Those were all contingencies, because -- if you indulge me a little bit -- if you're drilling a relief well, in the drilling process, you're circulating drilling mud through that process. And you're circulating wanting to create lubricant but also to pull the cuttings from the drilling up back to the surface. If you were to be drilling and suddenly hit a cavity, you would have a sudden loss of fluid that would just flow into that cavity, and any time you have fluid loss, you have to try to make it up at surface. And if you're unable to make it up and you drill into a cavity, you could have potential for gas flowing back up your drilling hole to the drilling well where you have a BLP to protect you, but it may kick out something. So you have to prepare for that contingency and have sufficient fluids, that if you do hit something like a cavity,

you're prepared to respond to it. So I kind of -- a little long-winded there. I'm sorry.

Q No. It's okay. So it sounds like this possible cavity area was important for a relief well. Was it similarly important for a top kill?

A Well, the top kill, as I mentioned this was in the drilling operations, not necessarily the kill. If you're trying to do a kill, you're actually trying to intercept the well from the relief well. But on top kill, you're not basically going into the formation. You're really pumping down the tubing out through either the ports or perforations to fill up the annulus with fluids. You're not coming in from the bottom and having a cavity that you would hit.

Q Okay. Thank you. Now, you were also asked yesterday by Mr. Gruen about the SS-25 well records that Boots & Coots asked for. Were documents provided to Boots & Coots before they arrived at Aliso?

A Yeah. In order to get Boots & Coots up to speed as fast as possible, we basically -- I don't know if we faxed it to them. We sent electronic versions of key portions of the well file to them so they could review it on their flight out. Then

once they got here, we provided the full well file for their use throughout the incident, and I think I mentioned it was kept in our operational trailer.

Q Okay. Who worked at the well file during this time at Aliso?

A I think that the well file was looked at by all the individuals. You know, you want to pull it up and look at to jog your memory or you want to -- or just to confirm something. So whether it was the SoCalGas, myself, Bret Lane and others, or whether it was the Boots & Coots individuals, whether it's the Halliburton, whether it was Don Shackelford, John Wright; anyone that was on-site used that file. And, you know, I will say that not once did I hear any of those individuals express concern about the information that was in that file. And if it wasn't in that file, they would ask for information, because that's only a portion of all the records associated with the well, and we would go get the records that they're looking for to perform their functions, so.

Q When you refer to "the file," are you referring to the hard copy well file?

A Yes, the hard copy well file.

Q And all the experts have access to

the hard copy well file?

A Yeah, because we had it in the trailer we working at so they all could basically look at it throughout the day.

Q Okay. Did you ever hear any of the experts say they didn't understand any of the documents in the well file?

A No. I never heard them say anything like that.

Q Did you ever hear any of the experts say they wanted any kind of records that they didn't have?

A No. I did not hear anything. They would ask for an additional record, whether it was a log run or something, we would go down to the files and bring it back up. So not once did they ask for something that we didn't have.

Q Did any of the experts raise concerns about the condition of the hard copy well file?

A Not to me, they did not.

Q Did any of the experts raise concerns about the accuracy of documents in the well file -- the hard copy well file?

A No. I think most of them were very appreciative of what we had and the documents that we had for their availability and use.

Q Did any of the experts say they didn't have anything they needed for purposes of a well control operation?

A No. They did not.

Q Okay. Now, Mr. Gruen also asked you about communications with the various persons at the Aliso facility. Were you communicating with all the experts who were there?

A Yeah. I mean we sat in the trailer and we would get together and huddle and have conversations throughout the day.

Q I was going to ask how frequently, but if you say throughout the day, you mean every day; is that correct?

A We had a meeting at least once a day.

Q And were you communicating with DOGGR?

A Yeah. DOGGR was on-site and they would come on-site every day because part of what they want to do is actually review their site. They wanted to have visual inspection of the SS-25 well site throughout the leak. So I would escort them up to that site and we would do a visual inspection of that site on a daily basis.

Q Were you also communicating with

SED?

A Yes. There was many days in which SED was on-site asking for the same visual inspection of the site.

I would also say that I can't remember when we started, but we started having daily calls with DOGGR and other agencies and briefing them on what was happening and what the next steps we're going to be. So we started that process and I can't remember the exact date.

ALJ HECHT: One moment. I just want to ask if you're going to come across a break at some point, I'd like to take an early afternoon break at some point reasonably soon, but I don't want to disrupt the redirect.

MS. PATEL: I can ask one more question on this topic and we can take a break if it's okay.

ALJ HECHT: That would be great. Thank you very much. Please proceed.

BY MS. PATEL:

Q Mr. Schwecke, these communications that you were referring to, were they all formal meetings or did you also have informal communications with DOGGR and SED?

A Besides the formal meetings, we had

informal conversations with them. Any time you would run across them in the field or, you know, at lunch or whatever it was, you obviously would have informal conversations with them.

MS. PATEL: Okay. Your Honor, we can take the break now, if it's a good time.

ALJ HECHT: All right. With that, we will take a break until 2:05. And we will return then and resume the redirect.

Thank you, Witness Schwecke, for your patience that we're bringing you back and forth.

We'll be off the record.

(Off the record.)

(Recess.)]

ALJ HECHT: We'll be back on the record. We just took a short afternoon break and we will resume the redirect with Ms. Patel.

MS. PATEL: Thank you, your Honor.

Mr. Moshfegh, could you please bring up Exhibit SED-218. If you could go to the next page. Okay.

REDIRECT EXAMINATION RESUMED

BY MS. PATEL:

Q Mr. Schwecke, you were shown this exhibit, gosh, I think it was today. This is

an e-mail from Jim LaGrone of Boots & Coots to Hilary Petrizzo who is a SoCalGas employee; is that correct?

I believe you're still on mute.

ALJ HECHT: Yes, I believe you were muted.

THE WITNESS: That was the first time in two days.

ALJ HECHT: You're doing pretty well. Everybody else has done that multiple times.

THE WITNESS: Apologize for that.

Yes, Hilary Petrizzo is a SoCalGas employee.

BY MS. PATEL:

Q Okay. And this e-mail is dated December 27, 2015, and what was going on at Aliso around this time?

A Well, you know, the primary objective, primary things going on at this time was drilling of the relief well. This is a very similar description that we had when we looked at the Add Energy report that had the washout. So this is very similar.

It's a similar theory and, in fact, I don't know if Jim had talked to Morten about it, but it really just talks about the same type of potential situation of having a cavity or, as the Add Energy report had, a

washout that you would have to deal with in drilling the relief well as you became closer and closer to your target point.

Q And to clarify, this is not an issue if you're conducting a top kill; is that correct?

A No. They are addressing it from the standpoint with regard to the relief well and not an issue for the top-kill events.

Q All right. And then Mr. LaGrone writes, "We now have a new theory on what may be happening on SS-25."

How often were there new theories about how to kill the well?

A Well, you know, there was obviously, as we were collaborating and discussing, there was obviously since -- at any given time we didn't know what was actually happening. I mean it's buried deep in the ground. You didn't know the path. So there was always discussion, so new theories or new possibilities, you know, this was more a theory on what could be happening behind the pipe at the wellbore.

They were happening on a regular basis, you know. Is the leak at 800 feet, is the leak at 300 feet? I mean you always had those discussions.

Q Thank you. And was the well condition changing during the time -- this time period?

A Yeah, I think I mentioned it was a very dynamic situation. One, you had a leak of the well, two, you had withdrawals that were occurring so you had reservoir pressure was changing, you had prior kill attempts that may or may not impact the well, the wellbore did impact the flow of gas to surface, you had the crater forming.

I mean it was an extremely dynamic situation that was changing on a daily basis. You'd go out there, leave one evening, come back in the morning and something would have changed. It may have been some projectile or something come out of the crater so -- or it may have sloughed off so it was obviously changing.

Q Thank you. Now, Mr. Gruen asked you yesterday why SoCalGas did not start withdrawing from the reservoir sooner than November 11, 2015. Could you -- foundationally, could you please describe how SoCalGas' system works normally under normal circumstances.

A Sure. The SoCalGas system is made up of main transmission lines that come in

from the interstates -- connects to the interstate pipelines at the California/Arizona border or up in the San Joaquin Valley and gas is -- the system is designed to flow gas into the LA Basin with declining pressures.

When you have your main load center as the LA Basin, it also is designed around the use of storage like Aliso Canyon to make up for deficiencies as your demand fluctuates. And the demand fluctuates -- when the demand goes up, you use if for withdrawals. When the demand goes down, you use it for injection.

So it is a balancing act that occurs throughout each given day. Sixty percent of the gas that comes in our system is purchased by somebody else and not purchased by us. It's purchased by electric generation customers, industrial customers. So they buy gas all the way back in Texas and move it across the interstate pipelines into California and then have rights to move it across our system.

Q And so with that, what has to happen in order to start withdrawing gas from Aliso during the incident?

A The key thing is you have to have a

demand sync for gas -- for somewhere for the gas to go. That means you have to have a demand profile less what is being delivered across the interstates to be able to move that gas. And also, it has to be --

MR. GRUEN: Your Honor, if I may -- I'm sorry to interrupt.

ALJ HECHT: Go ahead.

MR. GRUEN: I have an objection that this is new direct testimony. The explanation -- we didn't ask questions about gas going across interstate lines or where the demand for it came from.

MS. PATEL: Your Honor, this goes directly to Mr. Gruen's line of questioning about why SoCalGas did not begin withdrawing from the reservoir sooner than it did. The system is part of why it could not withdraw gas sooner.

ALJ HECHT: Mr. Gruen, do you have a response?

MR. GRUEN: No response, your Honor. I will stand on the objection but no response.

ALJ HECHT: Thank you.

I will note that several times over the past couple of days witness Schwecke was asked to keep his answers simple and that he could do more explanation on redirect if

necessary. This relates to a line of questioning and I'm going to let it go.

Ms. Patel, you may continue.

MS. PATEL: Thank you. You know, I apologize to Mr. Schwecke. He's had his response interrupted twice this afternoon.

Q I don't remember where you were, Mr. Schwecke. You were explaining, I think, what has to happen in order for you to start withdrawing gas from the Aliso reservoir.

A Let me just -- it's a balance. All right. You have gas coming into the interstates, you have customer demand, so you have to balance it on a daily basis and utilize storage to balance it. So if you're going to go on withdrawal at Aliso Canyon, you have to have a demand sync that can use that gas. You can't just put it into the pipeline system. You have to use it. You can't push it off into the interstates. Gas doesn't flow in that direction. So it really is a balance. If you have a certain amount of gas that's being purchased by customers based on their rights to do that to meet their demand, you don't have a location.

We tried to maximize that as much as possible to reduce the reservoir pressure to the greatest extent possible as early as

we can. I think I mentioned in my previous testimony we had to ensure the safety of the field before we actually started the withdrawals and the safety of the employees.

Q And at some point did the Energy Division of the CPUC order you not to completely deplete the reservoir?

A Yeah. You have to look at the time frame. October -- our winter season, which is a high-demand season, starts November 1st. Typically our highest demands are in December and January and maybe into February. So in the January time frame, the CPUC Energy Division -- I think it actually came from the director, Simon -- was to stop our withdrawal activity with the inventory level of 15 bcf to ensure we had gas in Aliso Canyon for reliability, and that reliability being system reliability to deliver to the customers.

Q All right. Thank you.

Mr. Moshfegh, could we please go to Exhibit SED-219.

Mr. Schwecke, Mr. Gruen showed you this exhibit, I believe, yesterday, but we didn't really walk through who the people are on this e-mail. Who were the persons who are cc'd on this e-mail? We see that it's an

e-mail from Bret Lane to John Wright. Maybe we can start with who John Wright is.

A All of these -- and we'll talk about it -- know John Wright was an individual that is a lot of experience in the industry with a company called Wild Well Control. He's one of the founders of that company. Pete Slagel is another individual that has a company called 1816 Drilling.

I think we've talked about Morten from Add Energy and his expertise. Don Shackelford is probably one of the most known exotic kill designers for wells. Jim LeGrone that shows he's from Boots & Coots, Rolly Gomez from Boots & Coots, and Arash we've talked a lot about. A lot of those individuals actually had worked on the Gulf coast incident, Macondo incident so they're quite expensive. And then Wayne Courville is another Boots & Coots individual that was there for the relief well, and then we mentioned Hilary.

Q Thank you. And were the National Labs at Aliso at some point during the incident?

A Yeah, the National Labs came in. I think it was before the seventh well kill, and we talked through and had a meeting with

Boots & Coots and the National Labs on what the plans were for the seventh well kill.

Q And so with all these different experts that you have at the field, did all of these experts agree on an approach to kill the well?

A Well, I think ultimately we ended up with an agreed-upon plan, but there was obviously different takes, different thoughts. But ultimately, I think, we all coalesced around what is the most appropriate kill plan to perform.

Q And to the extent that there were different thoughts or maybe even incomplete information, was it due to the records that were available?

A No, it wasn't due to the records that we have. It was just based on different assumptions or different thoughts. I mean example in this e-mail, is there a 600-barrel void? If there is, how does that change things? Is the leak at, you know, 800 feet, is it at 300 feet? How does that change things?

So it wasn't necessarily -- it was more about what is the current condition because, again, we don't know what the current condition on the well is because you

can't see it.

Q Okay. And you were asked yesterday about what was going on -- and today about what was going on at the field. What was your primary objective during the well-control operation?

A Our primary objective from the time I got there, but even before the time I got there, was to safely kill the well as soon as possible. That was communicated to the agencies, and it was impressed upon us by the agencies to do that. So that was our primary objective is to safely kill the well as soon as possible. And I mean safely not only to the people on-site, the well, but the entire storage field. So that was our primary objective.

Q And did SoCalGas do everything possible, based on the information known at the time, to realize this objective?

A I believe so. I think we took extraordinary steps throughout the entire event to, you know, achieve our objective, which in incident command, it's your commander's objective and that was to safely kill the well.

I think all the things we did from, you know, the well kills, to the bridge

to just everything we did, I'm just thoroughly impressed. I mean I was there for over 90 days and still think about it today, but I look back and I am impressed. No one got hurt that entire period of time. Amazing.

We didn't have any ignition and there was so many sources of potential ignition from the time that F-4 plane flew about 300 feet above the well because they were doing an aerial mapping survey of the methane. I mean at any given time there could have been an incident, so I'm extremely proud of the team that responded to the incident.

Q All right. Thank you, Mr. Schwecke.

Your Honor, that's all I have right now.

ALJ HECHT: Thank you.

Do we have recross from any of the parties or do you want a few minutes to determine that?

Yes, Mr. Gruen.

MR. GRUEN: Yes, your Honor. May we confer for a few minutes to determine the answer to that question?

ALJ HECHT: Yes, let's do that.

We will take a 10-minute break returning at 2:30. Thank you. We'll be off the record.

(Off the record.)

(Brief recess.)

ALJ HECHT: We'll be back on the record.

I will ask if SED has any recross that's within the scope of that redirect?

MR. GRUEN: Yes, your Honor, we do.

ALJ HECHT: All right. Then please proceed.

MR. GRUEN: Thank you, your Honor.

RECROSS-EXAMINATION

BY MR. GRUEN:

Q Mr. Schwecke, if I may, before Boots & Coots arrived on-site, did I understand correctly on your redirect that you shared an electronic copy of the well file with Boots & Coots but that they preferred to look at the hard copy?

A What I described is -- Boots & Coots was coming from Texas so while they were on the plane, we sent them electronic copy of the pertinent information on the well file that they wanted to see to bring them up to speed. And then when they got on-site, they wanted to see the physical

hard copy of the well file.

Q Okay. And when you say you sent it to them while they were on the plane, did you e-mail it to them?

A I don't know how it was communicated, whether it was e-mail, fax, I don't know.

Q Okay. Good enough. And in order to e-mail the electronic copy, you had to scan all of the well file pages that you shared with Boots & Coots; is that correct?

A Or we basically just faxed them. I don't know, but it's -- you had to make a copy of the documents in the well file.

Q From hard copy to electronic in some fashion; correct?

A That's correct.

Q Turning to another point, do you recall being asked about inspecting wells and the program to do that by Ms. Patel?

A I don't recall specifically what you're referencing, I'm sorry.

MS. PATEL: Your Honor, I'm going to object here because that is clearly outside the scope of my redirect.

MR. GRUEN: Okay. I can move on, your Honor. It's not a concern.

ALJ HECHT: Thank you.

BY MR. GRUEN:

Q Let me just turn to another point. You said that Well SS-25 was not flowing in 2007 if I understood your testimony.

Did I understand that correctly?

A Yes. When I reviewed the transcript from Mr. Neville, the activity that occurred in 2007, that well was not flowing any gas. It was shut in at the surface so to be able to set a plug at a different circumstance when the well is leaking like SS-25 was.

Q Okay. But just to clarify, the SS-25, since it was shut in at the surface of the well -- let me just clarify. That's, if you will, at about the Christmas tree that's at the top of the well is where it was shut in. Is that approximately right?

A Yeah. In 2007 I think you're referring to? Yes, it --

Q Correct.

A -- was shut in at the surface valves.

Q Pardon me for talking over. Just for the record, yes, 2007 is the time period in which these questions relate. I appreciate that. So just to clarify further, at that -- during that 2007 time period that

we're discussing, the SS-25 tubing and casing remained pressurized; is that correct?

A That is correct, at the --

Q Okay.

A -- same pressure.

Q Okay. And if I may, you answered on redirect that no one was injured during the incident; correct?

A That's my understanding, yes.

Q Are you aware that a lawsuit has been brought against SoCalGas by those who claim they've been injured as a result of the 111-day incident?

A I'm aware there's a lawsuit pending. My reference was that -- to my knowledge, no one on-site got injured during the event.

Q Understood.

Your Honor, those are all the questions we have on recross. Thank you.

ALJ HECHT: All right. Thank you.

Ms. Patel, anything further?

ALJ POIRIER: ALJ, I think --

MS. PATEL: Does Cal Advocates have anything?

MS. MANDELBAUM: Yes, your Honor, we do.

THE REPORTER: Excuse me, I couldn't

tell who that was.

MS. MANDELBAUM: This is Caryn Mandelbaum. Thank you.

ALJ HECHT: Yes, go ahead. Do you have -- I apologize. Do you have recross?

MS. MANDELBAUM: Briefly, your Honor. Thank you.

ALJ HECHT: Go ahead.

RECROSS-EXAMINATION

BY MS. MANDELBAUM:

Q Mr. Schwecke, do you recall Ms. Patel asked you about your consideration before relieving pressure in the oil field?

ALJ HECHT: I'm going to stop you right there. You're kind of echoey and I fear that might create a problem for our court reporter. I don't know if it does. She is nodding. Is there any way that you can use a different microphone, headset, something that will cut down on the echo?

MS. MANDELBAUM: I can try. Does this help at all just holding the phone close to my mouth?

ALJ HECHT: It helps. Looks like it's not perfect, but we can try it.

MS. MANDELBAUM: Okay.

ALJ HECHT: All right. Then we can continue.

MS. MANDELBAUM: Thank you.

Q Mr. Schwecke, do you recall Ms. Patel asking you about your consideration before relieving pressure from the oil field?

MS. PATEL: Objection, your Honor. I think this question is vague, but it certainly doesn't go -- I didn't ask any questions about relieving pressure.

MS. MANDELBAUM: Your Honor, this had to do with the extended pipeline and the multiple customers that rely on gas and balancing that pressure as one of the considerations when killing the well.

ALJ HECHT: I will allow the question. Please stay within the scope of redirect. Go ahead.

BY MS. MANDELBAUM:

Q Mr. Schwecke, do you recall Ms. Patel asking you about the consideration you had in mind when balancing the pressure of the pipeline and extended customers that received gas from the gas field?

A Yeah, I recall that conversation.

Q And do you recall saying that the safety of the personnel and the gas field were one of the considerations?

A Yes. I said that in response to Ms. Patel, but I think it was also part of my

testimony earlier that once the event happened, we had to ensure that it was safe to send employees out in the field to turn the wells on.

We also had to be concerned that it was safe with regard to the reservoir, that nothing had happened within the reservoir, that putting it on withdrawal may cause additional problems. So that was the reference to safety of the field, safety of the employees. That was always paramount in anything we did as it related to the incident.

Q And do you recall having said that the agencies implored you to safely kill the well as soon as possible?

A Yes.

Q And when the agencies referred to safety, were they also referring to the neighboring communities?

A I do not know what they were referring to. Their direction was for us to kill the well.

Q And, Mr. Schwecke, when you were considering the pressure and killing the well, did you consider the safety of the neighboring communities?

A I really don't understand the

question you're asking. I'm trying to understand the safety of the community. We were looking at safely killing the well. When we were looking at withdrawal, we were looking at safety of the facility, safety of the employees, so I don't understand the correlation you're making.

Q I'll ask it another way. Mr. Schwecke, were you concerned that the well could -- that the leak could harm the health and safety of the neighboring community?

MS. PATEL: Your Honor, I'm going to object here. I don't really know what this has to do with the balancing or withdrawal of the reservoir question that we started here with. That was supposed to be within the scope of my redirect. This is way outside the scope.

ALJ HECHT: Ms. Mandelbaum, can you explain the relationship.

MS. MANDELBAUM: Your Honor, I'm trying to understand the scope of safety that SoCalGas took under consideration when trying to kill the well.

ALJ HECHT: Ms. Patel?

MS. PATEL: I do not believe there have been any violations alleged in this

proceeding that pertain to this line of questioning.

ALJ HECHT: Is there any response to that?

MS. MANDELBAUM: Your Honor, this goes to the duty of care that SoCalGas and its executives has in operating the well field.

ALJ HECHT: You can go ahead and ask the questions and the witness can answer to the best of his ability.

Yes, Ms. Patel.

MS. PATEL: I mean I think this duty of care is -- it's a legal standard that no one has established applies here. So, again, it does not go to any of the violations that have been alleged in this proceeding.

ALJ HECHT: That is a legal issue that will be addressed in briefing. I will allow the question and we will move on as quickly as we can.

MS. MANDELBAUM: Thank you, your Honor.

Q Mr. Schwecke, my last question for you is did you, when you were considering safety, consider the health and safety of the neighboring community as you responded to the agencies' demands to safely kill the well as soon as possible?

A I think when you look at the entire

incident and entire area, we are concerned about the safety of the people on-site and the health and safety of the community. You can look at some of the actions we took during that event such as proposing issues with regard to an aerosol odorant killer and, you know, it was ODEX.

We looked at putting mister pads across the top of the well to try to knock down the oil. We basically put and tested out in the community air sampling. So that was all part of our effort in considering not only the safety on-site, but the entire community that was potentially being impacted by the event.

Q Thank you, Mr. Schwecke.

Those are all my questions.

ALJ HECHT: All right. Now I will go back to Ms. Patel to whom I turned prematurely earlier.

Anything further?

MS. PATEL: I do not, your Honor.

ALJ HECHT: All right. Then I think that we are done with this witness. I want to very much thank Mr. Schwecke for his time. We will continue after a short break with exhibits and then some housekeeping things towards the end of the day.

I would like to take about a seven-minute break. Before that, I will, again, thank witness Schwecke and say I believe you are excused.

THE WITNESS: Thank you, your Honor.

ALJ HECHT: Thank you.

We'll be off the record, back at 2:50.

(Off the record.)]

ALJ HECHT: We'll be back on the record. We took a short break in which, I believe, the parties put together their lists of the exhibits that we addressed with this witness, and I would like to start with Ms. Patel.

MS. PATEL: Thank you, your Honor.

We actually reached out to SED and obtained stipulations with respect to each other's exhibits. You know, I apologize. I responded to Ms. Purchia's e-mail, but not to Cal Advocates. So Cal Advocates, I don't know if you would agree to stipulate to SoCalGas-02, which is the Prepared Opening Testimony of Roger Schwecke, dated November 22, 2019; SoCalGas-23, which is the Prepared Sur-Reply Testimony, and SoCalGas-24, which is the Exhibits to the Prepared Sur-Reply Testimony.

MS. MANDELBAUM: (Phoneline inaudible.)

(Interruption by reporter.)

ALJ HECHT: Let me call on Ms. Mandelbaum again and ask that you hold your phone up closer so that it will be clearer. The question was whether Public Advocates office will stipulate to the SoCalGas exhibits and you can provide your response, and then we'll go back to Ms. Patel.

Please, go ahead.

MS. MANDELBAUM: On behalf of Cal Advocates, we stipulate to the exhibits Ms. Patel would like to enter into the record.

ALJ HECHT: All right. Thank you.

Ms. Patel, I'm going to have you repeat those exhibit numbers and the names. I don't think that there were too many of them. We have a stipulation so they can be marked and identified and entered.

MS. PATEL: They are SoCalGas-02, the Prepared Opening Testimony of Roger Schwecke, dated November 22nd, 2019; SoCalGas-23, the Prepared Sur-Reply Testimony of Roger Schwecke, dated June 30th, 2020, and SoCalGas-24, the Exhibits to the Prepared Sur-Reply testimony of Roger Schwecke, also

dated June 30th, 2020.

ALJ HECHT: All right. Thank you.

Unless there's any objection, and I don't think that there is because they stipulated, we're going to mark and identify SoCalGas Exhibits 2, 23 and 24 and enter them into the record of the proceeding. Any objections state it now.

(No response.)

(Exhibit No. SoCalGas-02 was marked for identification.)

(Exhibit No. SoCalGas-23 was marked for identification.)

(Exhibit No. SoCalGas-24 was marked for identification.)

(Exhibit No. SoCalGas-02 was received into evidence.)

(Exhibit No. SoCalGas-23 was received into evidence.)

(Exhibit No. SoCalGas-24 was received into evidence.)

ALJ HECHT: Okay. Seeing none. We will move on. Then I think that we will go to SED, followed by Public Advocates Office.

Ms. Purchia I believe you're up.

MS. PURCHIA: Thank you, your Honor.

As Ms. Patel indicated, we have stipulated to each other's exhibits, and we have quite a few exhibits to read it. Would it make sense to read them slowly just by number or would you like us to also identify

the name?

ALJ HECHT: I think they were all identified by name during the cross-examination today; is that correct?

MS. PURCHIA: I don't believe that they were all copied in, the name of the caption was identified for each exhibit, but we do have a cover page on each exhibit that provides the title.

ALJ HECHT: Okay. Go ahead reading the numbers slowly, and we will keep a record.

MS. PURCHIA: Okay. We have SED-218, SED-219, SED-258, SED-276, SED-281, SED-310; SED-312, SED-313, SED-314, SED-315, SED-316, SED-317, SED-318, SED-319, SED-320, SED-321, SED-322 and SED-323, and we would request to move these all into the record.

ALJ HECHT: Thank you.

And I believe that you said that you have stipulated to one another's exhibits. Can Ms. Patel please confirm that.

MS. PATEL: That's correct, your Honor. SoCalGas stipulates to the entry of those exhibits.

ALJ HECHT: Then we'll mark and identify SED Exhibits 218, 219, 258, 276, 281, 310, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322 and 323.

I think that that covers everything there. So those are marked and identified and since there is no objection, we will move them into the record.

MS. PURCHIA: Thank you.

ALJ HECHT: Thank you.

(Exhibit No. SED-218 was marked for identification.)

(Exhibit No. SED-219 was marked for identification.)

(Exhibit No. SED-258 was marked for identification.)

(Exhibit No. SED-276 was marked for identification.)

(Exhibit No. SED-281 was marked for identification.)

(Exhibit No. SED-310 was marked for identification.)

(Exhibit No. SED-312 to SED-323 was marked for identification.)

(Exhibit No. SED-218 was received into evidence.)

(Exhibit No. SED-219 was received into evidence.)

(Exhibit No. SED-258 was received into evidence.)

(Exhibit No. SED-276 was received into evidence.)

(Exhibit No. SED-281 was received into evidence.)

(Exhibit No. SED-310 was received into evidence.)

(Exhibit Nos. SED-312 to SED-323 were received into evidence.)

ALJ HECHT: I believe that the only

exhibits that the Public Advocates Office referred to were from other parties, and that there weren't any cross-exhibits from CalPA; is that correct?

MS. MANDELBAUM: That is correct, your Honor.

ALJ HECHT: Okay. So I think that addresses the exhibits. So, now, I will ask if there are housekeeping matters for us to consider today. Do people want to take a short break before we do that. I would prefer to go ahead if we can since we've had two recent breaks. I'm seeing some nodding and no shaking of heads, so I'll just continue. Thank you.

Mr. Stoddard, I saw you raise your hand.

MR. STODDARD: Thank you, your Honor.

Yes. There are a few housekeeping items, some of which I expect are fairly minor, and may need to be dealt with later, but the two that were deferred, which I raised, I believe, this morning related to our request to call back Cal Advocates witnesses as well as to compel production of the remaining notes that are responsive to the discovery that we were permitted over the hiatus related to the meetings between Cal

Advocates and Blade that occurred in October of 2019, so that's the first item.

I'm asking for guidance to whether we want to discuss that now or whether your Honors prefer to deal with it separately.

ALJ HECHT: We can discuss that now.

Do we have comments from SED and/or Public Advocates Office.

MS. MANDELBAUM: Yes, your Honor. I know that my co-counsel, Traci Bone, would like to speak on this matter. She is not available this afternoon; so I would request that we speak about it tomorrow morning. If that is not amenable for your schedules, I am prepared to speak about this matter.

ALJ HECHT: I would prefer if you address it today, and I don't think it should be problematic to do that. I will call on Mr. Gruen, and then we'll get back to Ms. Mandelbaum.

Mr. Gruen.

MR. GRUEN: Your Honor, just noting that -- I believe the other matter that Mr. Stoddard raised pertains to SED and I would note that SED focus in preparing -- focused on cross-examination on hearings. So what we have here is a disparity in preparation, where Mr. Stoddard is, I

believe, prepared to offer to you -- make certain arguments that pertain to the deposition of Mr. Holter, while SED has focused and concentrated on cross-examination.

And so that we have an opportunity to -- and I'm basing this on issues he raised this morning. So that we have an opportunity to prepare and think through the issues -- I believe he mentioned relevant to communications. I would ask that we have a status conference, perhaps, tomorrow just to give SED an opportunity to adjust and think about the issues so that we can be prepared for argument.

ALJ HECHT: I would like to address one issue at a time. So I'm going to put that on hold and stay with the issue of the Public Advocates Office witness. Is there a response on that from Mr. Stoddard?

MR. STODDARD: Not --

ALJ HECHT: Let me put it this way: Is there anything new that has not already been argued about this issue.

MR. STODDARD: Your Honor, I think my understanding was that Cal Advocates wanted to provide a response when we last discussed this, but they were in the course of

preparing for their cross-examination, and I think it was contemplated at the time that this was going to be addressed yesterday, but they haven't.

So I think at this point, we're ready just, you know, to hear a decision from your Honors as to whether or not we're permitted to call back their witnesses.

Again, it would be extremely limited, and I don't need to repeat the arguments I presented previously if your Honors have reviewed them and are familiar with them. The only point of clarification would be, again, two separate issues: One of them is calling back their witnesses, and the other one is getting the complete production of their notes.

ALJ HECHT: And, I believe, Ms. Mandelbaum said she wanted to speak. Could you please do that now.

MS. MANDELBAUM: Your Honors, thank you. Cal Advocates has given a lot of thought to this pressing discovery and I've been authorized to share several thoughts about this. As an initial matter, Cal Advocates believes it's already gone beyond the call of duty in responding to SoCalGas's data requests. We responded to four data

requests that were sent by e-mail and then a follow-up e-mail with additional questions.

We participated in a meet and confer regarding that follow-up e-mail; so, essentially, we have responded to six data requests about this particular issue.

And SoCalGas now makes two claims to support its demand that it be permitted to recross Mr. Holzschuh and Mr. Taul as well as receive the remaining notes from their calls.

First, notwithstanding the fact, that we have already confirmed in writing twice that the notes jotted down on the handwritten notes that were already produced to them were nonresponsive.

SoCalGas insists, essentially, they must receive these notes, suggesting that we are lying to them, and we've already offered to produce those notes in camera to your Honors, and you can determine, if you wish, whether those notes are responsive or not.

We observed that they were not responsive. Notwithstanding that fact, Cal Advocates does not support continuing down this path of discovery because we believe that this is only going to lead to further unreasonable demands from SoCalGas and their counsel.

We note that Cal Advocates is not the party under investigation here. Cal Advocates posits that SoCalGas's demands for these notes are nothing more than a distraction from what the real case is here, which is thousands of residents in Porter Ranch had to flee their homes because of the largest gas leak in the United States.

Second, SoCalGas claims that Cal Advocates violated your Honors scoping memo dated on September 26, 2019.

ALJ HECHT: I'm going to interrupt you there. I think we discussed this previously, and unless there is something new that Ms. Bone did not already say about that, I would like to move on, get any last statements, and resolve this.

MS. MANDELBAUM: Your Honor, we had put our witnesses up for cross-examination and Mr. Lotterman and Mr. Stoddard had extensive questions for SoCalGas's witness. They responded to those questions expressing that beyond what their notes had provided and what they recalled, they had no further testimony to provide regarding these two phone calls with Blade and I would be happy to provide you with cites to Mr. Lotterman's questions in the transcript where he went on at length

asking our witnesses about these particular conversations.

I would be happy to, again, provide the notes that have already been provided to all of the parties from those conversations. Those conversations led to data requests, and those data requests were provided to all parties.

So the question really is: Why does SoCalGas continue to press this issue? We urge your Honors to limit the scope of this discovery at this point so as to stop the waste of Cal Advocates and the Commission's staff's time. We can only speculate about further goals of SoCalGas and their attorneys --

ALJ HECHT: Do not speculate, please. Let's just continue. Finish what you want to say and move on.

MS. MANDELBAUM: So, your Honor, we would be happy -- again, though we think it's ill-advised to press this issue -- but we would be happy to provide the back side of those notes to your Honors in camera, and you can decide whether they are responsive or not.

We can ask our witnesses to come back to the stand. Again, we believe that

this would be a waste of time and resources, and we would have to consider their schedules.

We know that Mr. Taul may be available in the near term; Mr. Holzschuh --

ALJ HECHT: This is very premature to be having that discussion as we have not in fact ruled on this.

So, again, do you have something to add that is relevant to the bottom line question?

MS. MANDELBAUM: Your Honor, I've added all that I have.

ALJ HECHT: Is there any quick response? And I mean quick. I saw Mr. Stoddard and then Mr. Gruen.

MR. STODDARD: Thank you, your Honor.

First on the responsiveness and the in camera review, as I noted last time, SoCalGas would not object to in camera review; however, given that the issue here is just responsiveness, frankly, and shouldn't even be necessary, Cal Advocates could simply produce the notes to us and we can determine the relevance.

Importantly, they have not asserted or claimed any privilege here. Typically, in camera review is preserved for reviews of

privilege claims. In this instance, they have not claimed privilege.

Separately, in terms of why we might want to recall these witnesses despite the fact that we've already cross-examined them, including in part about the conversations they had with Blade, which is what -- and their answers are what led to the discovery.

The notes that we've discovered had information that we didn't have at that time, and it includes some notations that we would like to ask questions about, including, for example, a note that states -- and this is in the Cal Advocates notes:

> Previously, we were trying to find all the ways we could find SoCalGas could have been at fault. Now, we are just focusing on the least circumstantial point.

We would like to ask questions about the context of that notation. There's also notes about the "Blade, not judgment." We'd like to ask questions about the context of that notation. There's notations related to conversations with Mr. Krishnamurthy related to SoCalGas's knowledge of groundwater. We would like to ask questions about that issue.

But, again, you know, that's a

separate issue from simply getting a complete response to our existing data request, and although we have had meet and confers and multiple rounds of discovery here, that doesn't relieve Cal Advocates of their obligation to provide complete responses to the data requests we've already sent them.

And, again, I can see through the page. So I know that it's -- I know that the Cal Advocates' statement that it is not responsive to our request and is not relevant to this proceeding, which is what they've said, is simply not true. And I don't want to accuse anybody of lying. It could be a mistake. It's just simply not true.]

MS. MANDELBAUM: Your Honor, if I may respond?

ALJ HECHT: Yes.

MS. MANDELBAUM: Mr. Stoddard mischaracterizes that notes on the back of the page, as you may have seen, these were handwritten notes on paper, and yes, there is some transparency, you can see writing on the back of the page, but our analyst has testified to the fact that those notes were from other meetings not relevant to this proceeding. They have also testified as witnesses that the notes we provided and

their testimony cover the extent of their knowledge regarding those two conversations with Blade.

ALJ HECHT: Thank you. We're going to resolve this. I have conferred with ALJ Poirier. We do not think it would be useful to recall these witnesses, and we are not going to compel responses at this time. I am not making assumptions that anybody is lying. And I think I have asked before and I will ask again that people not attribute motivation to one another, please.

Any questions before we move on to the next issue, which I am guessing is going to relate to Mr. Holter?

Mr. Stoddard.

MR. STODDARD: Yes, your Honor. If we are not permitted to recall the witnesses, would we -- could we ask for entry of the notes that we've received into the record as an exhibit?

ALJ HECHT: Why don't you meet and confer with the Public Advocates Office about that and if we have a status conference, we can discuss it at that point or if people want to bring a motion for that, that can be done, but that is not something we're going to do here.

MR. STODDARD: Okay. Thank you, your Honor.

And then separately, I understand you're not compelling production of the notes at this time; however, will your Honors take the notes in for in camera review just to determine responsiveness?

ALJ HECHT: No, not at this time. I think we're going to move on.

Any other comments or questions?

(No response.)

ALJ HECHT: Okay. Thank you. We will continue with the next issue that was raised this morning, and I think that was Mr. Holter, and then we can continue with whatever other housekeeping issues we need to address.

MR. STODDARD: Yes, your Honor, thank you. And this relates simply to the timing. We have agreed on a tentative date for the deposition for Mr. Holter in June, provided that we get a document production in time, you know, again at least five days in advance of that deposition. The issue that we argued last week related to the scope of that document production, and, again, I am not going to reargue it. I understand that we've already presented our case, but just briefly,

again, we, you know -- documents are critical to a deposition, and in this instance, the scope of the request was all documents in Mr. Holter's possession related to the incident.

And SED -- again, SED I understand has started work on collection potentially of notes and photographs, however has objected, you know, through the argument presented last week, to any sort of communications without a clear basis for doing so, aside from burden.

ALJ HECHT: Is there anything, again, new that somebody can add to this now? I will let you know that we do not plan on ruling on this today. We will provide written guidance in the near future. It would be helpful to know when that deposition is planned for so that we have those dates in mind.

So when are you hoping to have that deposition and are there anything that anybody would like to add that have not been discussed as yet?

Mr. Gruen.

MR. GRUEN: Your Honor, if I may. My understanding, we will do our best to see if we can resolve this or at least provide the information and inform your Honors on this.

So my understanding of the tentative date with a number of provisos is June 10th. And that is with the understanding that we are able to provide the notes and redact them for privilege as we discussed last time, as well as the photos. And when we say "notes," we had mentioned there are a specific set of field notes.

The other piece about this that we understand is -- is just the -- we understand that SoCalGas has asked for the production of communications as well. We wanted to clarify if that is indeed SoCalGas' request. I had understood initially it was.

MR. STODDARD: That's correct.

MR. GRUEN: So with that understanding, just to clarify, what that is asking of SED that Mr. Holter's communications would include communications with all SED personnel working -- that worked at the Aliso facility, as well as management at the Commission. That's the breadth of an unqualified definition of communications; in data responses that SED has provided to SoCalGas, SED has worked to provide SoCalGas with a complete list of SED personnel to date that worked, related to the Aliso incident. It's been burdensome to obtain a complete list of

personnel for several reasons, just the personnel. And first, the first one is many personnel for SED have left since SED's pre-formal investigation.

ALJ HECHT: I'm not clear how this relates to the question of the document production. If you could clarify that, that would be helpful. Otherwise, I would like to move on.

MR. GRUEN: It makes it difficult to gather the data poles of all of the communications between Mr. Holter and all of the individuals, and by our estimate is about 30. So you have 30 communications back-and-forth, times the amount of time that SED, Mr. Holter and others were working on the case. So this is -- potentially we're talking about it's over many years. It would take time for us to review all of those communications to assess which ones are responsive.

ALJ HECHT: I think that you have made your point. Please, you do not need to go through that any more. In fact, we'll be off the record.

(Off the record.)

ALJ HECHT: We'll be back on the record.

While we were off the record, I discussed that we do not need to have arguments that have already been made repeated.

So I am going to ask if there is anything new from either party, starting with Mr. Gruen, and then we will, as I said earlier, take this under advisement and provide guidance in writing, specifically about those documents. That advice will be provided I expect in the near future and we will certainly endeavor to do so in time for document production, understanding that that requires pulling whatever records they are, potentially redacting them, turning them over, examining them, preparing for a deposition and having them five days before a deposition. Is there any part of that that I am missing?

MR. GRUEN: No, your Honor.

ALJ HECHT: Thank you. All right. Any other comments on this before we take it under advisement?

MR. STODDARD: Not from me, your Honor.

ALJ HECHT: Okay. Thank you. With that, we will provide that guidance as soon as we can. And I will ask what, if any, other housekeeping issues there are to

address today.

Yes, Mr. Stoddard and then Mr. Gruen.

MR. STODDARD: Thank you, your Honor. And this one hopefully should be noncontroversial.

We would just request leave to tie up a few loose ends from hearing following today, including related to I think there were a few exhibits, especially early on in the proceeding, where there may have been outstanding rulings on entries of motion -- entry of exhibits, and your Honors indicated a preference to defer it to a later date, circle back. And we just want to confirm that that occurred or address it if it didn't occur.

And another item I believe here where I have this concern has to do with the admission of Mr. Carnahan's testimony as an exhibit where cross-examination of him was waived. Again, I don't think that should be controversial and we will discuss with the parties as to a stipulation, but if we can deal with minor housekeeping like that separately following hearings, that might be best.

ALJ HECHT: Are there any thoughts on

that or concerns?

Mr. Gruen.

MR. GRUEN: Your Honor, we can talk with SoCalGas offline about that.

ALJ HECHT: Okay. That would be great. I thought that we had addressed the outstanding exhibits, but it's possible that we didn't. If we didn't, yes, please bring that to our attention and we will address it, similarly was Mr. Carnahan's, whose cross was waived. Yes. All right. I think that's it for that, unless there are any other questions. No.

MR. GRUEN: Not on that, your Honor, no.

ALJ HECHT: Okay. Mr. Gruen.

MR. GRUEN: Your Honor, this is flagging for the record in light of the evidence that was introduced that SED will be making a motion as soon as we can to add a violation, namely the gist of the violation that we would add is that in violation of California Public Utilities Code Section 451 Southern California Gas Company knew the Aliso Canyon Natural Gas Storage Facility Well SS-25 could not be top killed and that a relief well would be necessary to control it dating back to the date of Mr. Mansdorfer's

e-mail from April 23rd, 2009 to October 23rd, 2015.

There is a safety concern here. We'll elaborate on it, but just to flag it for the record, the safety concern that SoCalGas is operating with knowledge that in the event of a blowout that they couldn't top kill a well like SS-25 and would need to do a relief well and that they continued to operate a well like SS-25 anyways after being warned that an event like SS-25 could happen.

There is a safety concern that SED feels duty-bound to raise and the concern is --

ALJ HECHT: This is not I think the time to raise the substance of that. You have notified us that you plan --

MR. GRUEN: Understood.

ALJ HECHT: -- to bring a motion. I don't feel like I am in any position to address that now and I don't feel like I want to ask other parties to respond to it now. If you plan to bring a written motion, please bring that written motion.

MR. GRUEN: Understood, your Honor.

ALJ HECHT: Thank you. All right. Are there any other housekeeping issues that we should deal with before we leave, other than

the question of briefing that I planned to bring up in a moment?

MR. STODDARD: None here, your Honor.

ALJ HECHT: Seeing none, I looked back at the scoping memo. The scoping memo gave seven weeks after the end of hearings for opening briefs and another five past that for reply briefs. We aren't completely at the end of our process right now, given the issues with Mr. Holter. So I don't feel like we are in a position to actually set a specific date. But I wanted to acknowledge that and get back to it and say, under the circumstances, I expect that opening briefs couldn't really be due before early July because that is kind of the time frame that would have been allowed originally, and given everything that is going on, we would give it at least that amount of time for now, and we will try to get you a date for briefing once we know what other process, if any, there is, and it sounds to me like that is not going to happen until after June 10th.

ALJ POIRIER: ALJ Hecht, this is ALJ Poirier.

ALJ HECHT: Yes, please.

ALJ POIRIER: I want to make sure, too, that we still have the outstanding

disposition on Boots & Coots that we'll be waiting on to see, and I'd ask that SoCalGas keep us apprised of the situation by sending updates to the service list. So I think I just wanted to make sure that that is the other big piece of how we're going to handle that.

ALJ HECHT: Yes. Thank you. Yes. Thank you for bringing that up.

Are there any questions about the briefing schedule or current lack of one?

(No response.)

ALJ HECHT: Okay. I'm not seeing any questions about that. Okay. I just wanted to give you that heads up that it's not an oversight that we haven't set it. It's based on there still being things outstanding.

Yes, Mr. Gruen.

MR. GRUEN: Your Honor, and I wonder and I appreciate the question, the point that ALJ Poirier raised about Boots & Coots, is there an update at this time about the timing in which the court in Texas will reach a decision as to whether Boots & Coots will be required to testify?

ALJ HECHT: I believe that the last we heard there was a hearing scheduled for -- was it June 1st? And so I did not expect to

hear before then, but maybe I am misremembering.

MR. STODDARD: You're correct, your Honor, that that was the date. Since that, I believe that was yesterday, I am forgetting, but the court has now moved the hearing date to June 3rd, but the expectation is, is that we would get a ruling at that hearing.

ALJ HECHT: All right. Thank you. That gives us a timeline for getting a response on that. Obviously, there will be more process to figure out what to do, whether or not the Boots & Coots witnesses can come, either setting a date for them to appear at hearings or addressing their testimony and how to deal with that.

I think that we'll wait and we'll have a status conference of some kind once we have more of this information.

Judge Poirier, does that make sense to you?

ALJ POIRIER: Yeah, it does. I think once we have more information, a status conference might be the way to go to address that and any other issues.

ALJ HECHT: Great. So we can all plan on likely having a status conference sometime after June 3rd. Possibly it would wait until

after the date of the deposition of Mr. Holter, but I don't know.

All right. Juge Poirier, do you have anything else to add?

ALJ POIRIER: No. That's all for me. Thank you.

ALJ HECHT: Okay. It's 3:30. I think we are getting towards the end of today. My take on this is that we do not need to have hearings tomorrow because we have completed the witnesses that are available now.

Does anybody have any alternative view on that or any concerns about leaving this and planning to have a status conference in a couple of weeks?

MR. GRUEN: No, your Honor. From SED, I think that's right.

MR. STODDARD: No, your Honor. SoCalGas also thinks it makes sense to have a status conference in a couple of weeks to review these items.

ALJ HECHT: Okay. Thank you. Are there any other -- then I think we can adjourn these hearings for the time being, knowing that we may be coming back for the Boots & Coots witnesses or not, but at least we will have a status conference about it.

Are there any other issues before we

adjourn for this set of hearings, pending that status conference?

MS. PATEL: No, your Honor. Thank you.

MR. GRUEN: Not at this time, your Honor, from SED. Thank you. No.

MS. MANDELBAUM: No.

ALJ HECHT: I see Mr. Stoddard shaking his head, so I am going to take it that all of the active parties have said no.

With that, Judge Poirier, one more time, anything to add before we adjourn?

ALJ POIRIER: No. Just thank you to all the parties and the staff that have supported the hearings and thanks again.

ALJ HECHT: And I will reiterate that our staff has done a very good job under difficult circumstances and with resource constraints. I appreciate all of their work and I appreciate all of the work that all of you have done that must have gone into preparing this.

So thank you very much for your time and I am sure that we will see you again at the status conference in the not too distant future.

Thank you.

We are adjourned. We'll be off the record.

(Off the record.)

(Whereupon, at the hour of 3:30 p.m., this matter having concluded, the Commission then adjourned.)]

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BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE

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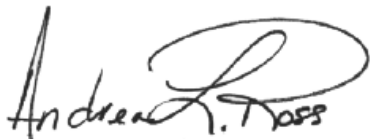

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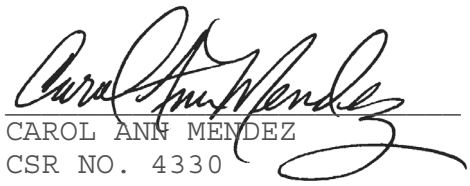

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