

Docket:	<u>A.19-06-016</u>
Exhibit Number:	<u>CalPA 408</u>
Reference Number:	<u>CalAdvocates-07</u>
Date Served:	<u>April 29, 2021</u>
Commissioner:	<u>C. Rechtschaffen</u>
Admin. Law Judge:	<u>Poirier/Kenney</u>



**THE PUBLIC ADVOCATES OFFICE
CALIFORNIA PUBLIC UTILITIES COMMISSION**

**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**

SoCalGas' Response to CalAdvocates-SCG-DR-038

San Francisco, California
March 24, 2021

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 (I.19-06-016)

SOUTHERN CALIFORNIA GAS COMPANY

(DATA REQUEST CAL ADVOCATES-SCG-38 DATED APRIL 7, 2020)

SOCALGAS RESPONSE DATED APRIL 24, 2020

SoCalGas provides the following Responses to the Public Advocates Office (Cal Advocates) data request dated April 7, 2020 in I.19-06-016. The Responses are based upon the best available, nonprivileged information that SoCalGas was able to locate through a diligent search within the time allotted to respond to this request, and within SoCalGas' possession, custody, or control. SoCalGas' responses do not include information collected or modeled by Blade Energy Partners' during its Root Cause Analysis Investigation. SoCalGas reserves the right to supplement, amend or correct the Responses to the extent that it discovers additional responsive information.

SoCalGas objects to the instructions submitted by Cal Advocates and to the continuing and indefinite nature of this request on the grounds that they are overbroad and unduly burdensome. Special interrogatory instructions of this nature and continuing interrogatories are expressly prohibited by California Code of Civil Procedure Section 2030.060(d) and 030.060(g), respectively. SoCalGas will provide responsive documents in existence at the time of its response. Should Cal Advocates seek to update its request, SoCalGas will respond to such a request as a new data request in the future.

SoCalGas submits these Responses, while generally objecting to any Request that fails to provide a defined time period to which SoCalGas may tailor its Response, and to the extent that any Request is overly broad, vague, ambiguous, unduly burdensome, assumes facts, or otherwise fails to describe with reasonable particularity the information sought. SoCalGas further submits these Responses without conceding the relevance of the subject matter of any Request or Response. SoCalGas reserves the right to object to use of these Responses, or information contained therein, in any dispute, matter or legal proceeding. Finally, at the time of this Response, there are no pending oral data requests from Cal Advocates to SoCalGas.

In SoCalGas' Reply Testimony filed on March 20, 2020, SoCalGas states¹:

The importance of recognizing leakage versus rupture is all the more important when evaluating overall risk. Risk is commonly defined as the product of the likelihood of failure (LOF) multiplied by the consequence of failure (COF) ... Catastrophic events such as SS-25 are typically quite rare and can be described as low probability/ high-consequence events. Low probability/high consequence events are notoriously difficult to predict given that the catastrophic event is missing from the data used as input for risk models. As noted in a 2016 report to

¹ I.19-06-016, SoCalGas' Reply Testimony Chapter 5, pp. 3-4.

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the Pipeline Hazardous Safety Administration, "Catastrophic events are notoriously hard to predict and prepare for. These are low probability high-impact events that do not 'behave' well with standard probabilistic tools. They are rare and thus cannot properly inform a probability distribution function. They are also unique, offering only limited learning opportunities from one such event to the next."

With regard to such events, understandably the operational record often does not contain any history of failure due to the rarity of such events, and given that failure modeling and risk modeling are reliant upon representative data, an alternative engineered solution is often required. As a result, industry-wide failure data are often used as a proxy for direct experience. However, in the case of the SS-25 failure, no known examples of this type of well casing rupture associated with microbially influenced corrosion (MIC) attack exist in the industry record.

The quote above references footnotes 4 and 5. Footnote 4 states that "Ms. Felts agreed that a 'risk assessment should include both the likelihood of a given event and the consequence of the event.' See Ex. I-10 (Tr. 265:8-14 (Felts))." Footnote 5 cites to "Ex. V-1 at 8 (Approaches to Preventing Catastrophic Events, Ernest Lever, June 15, 2016. GTI report to the Pipeline Hazardous Materials and Safety Administration)."

With that in mind, please respond to the following questions:

QUESTION 1:

Did SoCalGas perform a Qualitative Risk Assessment on its Standard Sesnon field gas wells any time after acquiring the field in the 1970's?

A. If yes, what (if any) external company was contracted to help perform the risk assessment?

B. If no, please explain why a Qualitative Risk Assessment was not performed.

RESPONSE 1:

SoCalGas objects to this request as vague and ambiguous, particularly with respect to the term "perform" and phrases "the field" and "Qualitative Risk Assessment." SoCalGas further objects to this request as overly broad and unduly burdensome to the extent it does not specify a timeframe to which SoCalGas may tailor its response. Subject to

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and without waiving the foregoing objections, SoCalGas responds as follows. SoCalGas interprets this request to ask whether it performed, on Standard Sesnon gas storage wells at Aliso Canyon, prior to October 23, 2015, well-by-well downhole risk assessments of a qualitative nature that were formally documented. No. SoCalGas monitored the downhole condition of its wells and considered risks based on SoCalGas' experience in operating and managing its storage facilities.

QUESTION 2:

Did SoCalGas create a risk matrix for its Standard Sesnon field gas wells any time after acquiring the field in the 1970's?

- A. If yes, please attach the risk matrix and explain how a subsurface rupture of a well would rate on the risk matrix.
- B. If no, please explain why SoCalGas did not create a risk matrix.

RESPONSE 2:

SoCalGas objects to this request as vague and ambiguous, particularly with respect to the phrases "the field" and "risk matrix." SoCalGas further objects to this request as overly broad and unduly burdensome to the extent it does not specify a timeframe to which SoCalGas may tailor its response. Subject to and without waiving the foregoing objections, SoCalGas responds as follows. SoCalGas interprets this request to ask whether it performed, on Standard Sesnon gas storage wells at Aliso Canyon, prior to October 23, 2015, downhole well by well risk assessments of a qualitative nature that were formally documented. No. See Response 1.

QUESTION 3:

SoCalGas refers to the catastrophic leak of SS-25 as "typically quite rare and can be described as low-probability/high-consequence events."

- A. Please provide any documents where SoCalGas discussed the risk of subsurface ruptures of its gas wells, including but not limited to SS-25, prior to October 23, 2015.
- B. Please provide any documents where SoCalGas describes the risk of low-probability, high-consequence events to its gas wells, including but not limited to SS-25, prior to October 23, 2015.

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RESPONSE 3:

SoCalGas objects to this request to the extent it mischaracterizes or misunderstands SoCalGas' Prepared Reply Testimony, Chapter V (Sera) and seeks information that is beyond the scope of this proceeding as determined by the Assigned Commissioner's Scoping Memo and Ruling dated September 26, 2019. SoCalGas further objects to this request as overly broad and unduly burdensome to the extent it does not specify a timeframe to which SoCalGas may tailor its response. Moreover, SoCalGas objects to this request as vague and ambiguous, particularly with respect to the phrase "subsurface ruptures" and "gas wells." SoCalGas also objects to the extent the request seeks information protected by the attorney-client privilege, the attorney work product doctrine, or any other applicable privilege or evidentiary doctrine. Subject to and without waiving the foregoing objections, SoCalGas responds as follows. SoCalGas is reviewing its records and will provide a supplemental response if it identifies documents responsive to this request.