

1 LOS ANGELES, CALIFORNIA, APRIL 18, 2005 - 10:05 A.M.

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3 ADMINISTRATIVE LAW JUDGE BROWN: We'll go on the
4 record.

5 Good morning. This is the time and the place
6 scheduled for the evidentiary hearings in three
7 complaint cases that have been consolidated for these
8 hearings, C-00-05-010, -011 and -012.

9 And before we actually commence with the
10 evidentiary hearing, I have a handful of little details
11 to take care of: number one, to put on the record the
12 fact that Grassroots requested permission to videotape
13 the evidentiary hearing, and SoCalGas responded and did
14 oppose the request. Last week I did issue a ruling
15 allowing the videotaping of this proceeding but with a
16 number of limitations, and I would like to make sure
17 those limitations are clearly understood by every one
18 and will be on the start of the videotape.

19 Part of the reason for the limitations is the
20 fact that this is a publicly noticed meeting in a
21 publicly accessible place. So anybody who did want to
22 be here could physically be here, but we also understand
23 people may have time limitations and they may want to
24 see portions of this later. But because that may be
25 exactly what people would be viewing later might be
26 selected portions, the videotape is not the official
27 record of this proceeding and may never be referenced in
28 any context as being a representation of what went on or

1 the official record. We have a court reporter right
2 here who will take down every word, and that is the only
3 official record of what goes on in this hearing room.

4 The videotape may be used for any purpose
5 Grassroots wants to use it for, for entertainment value
6 to share with people who want to see segments, as long
7 as it is never referenced as the record of the
8 proceedings. And as long as it appears -- so far I have
9 not been bothered by the videographer over there, but if
10 at any time it appears that it is interfering with the
11 progress of the proceeding, we will revisit the ruling
12 allowing it. And we're all to conduct ourselves as if
13 it wasn't going on. Not that I think this could turn
14 into a OJ/Judge Ito situation, but I think we all
15 realized that very shortly into that proceeding every
16 one was proceeding on the basis of the cameras rather
17 than maybe necessarily the case.

18 Now, that's number one on the videotaping.
19 And I will also put on the record there was a request
20 right before the hearing started to use a -- what did
21 you call that, Ms. McPherson?

22 MS. MC PHERSON: An overhead projector.

23 ALJ BROWN: An overhead projector. And I declined
24 to allow that on the grounds that there would be no way
25 that the court reporter could accurately reference what
26 was up there, and if we have a witness speaking, the
27 court reporter will be taking down the words the witness
28 is speaking and that will then be the record of the

1 proceeding. That was why. I couldn't see how it could
2 possibly enhance the record.

3 A few other matters. Some were motions by
4 SoCalGas. We had a motion to exclude documents or, in
5 the alternative, to suspend the procedural schedule.
6 While we're not suspending the procedural schedule, we
7 are going to progress with the three days of hearings as
8 scheduled. However, out of fairness to SoCalGas, who
9 may not have seen the documents beforehand, the way I
10 will proceed with any exhibits that SoCalGas has not
11 seen, and I will say the same rule applies to any
12 exhibits that Grassroots has not seen, we will mark them
13 for identification purposes so we'll all be able to know
14 what document we're referring to. Then when it's an
15 appropriate time to move it into admission, if either
16 party has an objection, we will not argue the objection
17 at that point in time. We will just not admit it into
18 the record.

19 We will only admit during the course of this
20 proceeding documents that are not objected to. And I
21 will establish a procedure for dealing with documents
22 that at least one party objects to, and that will be,
23 after the hearing, unless it can be done in the course
24 of the hearing, if a party still needs more time to
25 review the document and to kind of solidify their
26 objection, I will set a time schedule whereby they can
27 put in writing why they object to the introduction. The
28 other side will have an opportunity to put in writing

1 why they desperately need that document in the record,
2 and then I will schedule a telephone conference, and we
3 will go over the controversial exhibits and determine
4 their introduction into evidence at that time.

5 So no one should feel bamboozled by a document
6 you have not had adequate time to review. This case has
7 been going on long enough. There is no need to rush
8 through anything at this particular time to deprive any
9 one of ample opportunity on that.

10 SoCalGas also had a motion to dismiss the
11 complaints or, in the alternative, to strike testimony.
12 I appreciate SoCalGas bringing this motion ahead of time
13 because it does allow both myself while I'm conducting
14 the hearing and then the Commission to keep in mind
15 things to focus on, but I will not grant either the
16 motion to dismiss or to strike at this point in time,
17 and that is without prejudice to SoCalGas either
18 bringing a motion to strike during the course of the
19 proceeding when a particular witness is about to
20 testify, and most certainly not to foreclose SoCalGas's
21 ability to argue in post-hearing briefs either a motion
22 to strike or to dismiss.

23 And this is -- I'm trying to, again, it's me
24 on behalf of the Commission here, to strike a balance
25 between having a fair proceeding for both sides, not
26 being too super-technical so as to prejudice the ability
27 of nonattorneys to bring a case, but I also need a -- I
28 need to protect the record and have a fair hearing for

1 SoCalGas.

2 There is one very important point that
3 SoCalGas did bring up in their motion, and that is, it
4 doesn't really do any one -- serve any purpose to ask
5 the Commission to do something that is not within their
6 jurisdiction, because we, even if we pretended we could
7 do it, it would be subject to immediate challenge and
8 wouldn't hold up.

9 The best way to explain -- I was trying to
10 think of a simple example. We as a society most
11 probably do not want the California Highway Patrol or
12 the Westchester Police enforcing the IRS rules, knocking
13 on our front door to say: "We just realized you didn't
14 file your taxes." We like agencies and governmental
15 entities to -- we like to be able to understand the
16 parameters of their jurisdiction, and therefore, we
17 don't want the local police working for the IRS. All
18 right.

19 Other agencies don't appreciate it if the
20 Public Utilities Commission start going into their areas
21 of jurisdiction or domain, and they would challenge us
22 if we tried to do something outside of our jurisdiction.
23 So within that context, and out of fairness, that's why
24 I don't want to grant any of the SoCal motions now. I
25 want you to be able to present your case. But when you
26 focus -- as you focus your testimony and then focus your
27 post-hearing briefs, try and remember to ask us for
28 relief that is within our jurisdiction.

1 All right. Let me see if I wrote anything
2 else. All right. Now that I've had my initial say, are
3 there any housekeeping matters that any other party?
4 Mr. -- oh, and let me just for the record and to make
5 sure I have everyone's name straight, why don't we start
6 here at my left with Mr. Healy.

7 MR. HEALY: Yes, correct.

8 ALJ BROWN: Would you like to state your name.

9 MR. HEALY: Greg Healy here with SoCalGas.

10 ALJ BROWN: Mr. Gilmore.

11 MR. GILMORE: Dave Gilmore on behalf of SoCalGas.

12 ALJ BROWN: And you're Ms. Padleschat?

13 MS. PADLESCHAT: Yes. Joyce Padleschat on behalf
14 of SoCalGas.

15 ALJ BROWN: Thank you.

16 MR. ENDRES: And Bernard Endres on behalf of
17 Complainants.

18 ALJ BROWN: And would you prefer to be referred to
19 as Dr. Endres?

20 MR. ENDRES: Mr. Endres is fine.

21 ALJ BROWN: Okay. Thank you. Ms. McPherson.

22 MS. MC PHERSON: Yes. I'm Patricia McPherson. I
23 am president of Grassroots Coalition. I'm a
24 complainant, as well as I represent many of the
25 complainants.

26 ALJ BROWN: Thank you. And I know Ms. Knight is
27 here too. Did you want to state your name for the
28 record?

1 MS. KNIGHT: Yes. Kathy Knight for Complainant.

2 ALJ BROWN: Very good. I think from a procedural
3 perspective, and again, something that SoCalGas
4 mentioned in its motion, I think the cleanest way to
5 proceed is to grant the motion of Grassroots to
6 intervene in this proceeding. So they may proceed as an
7 intervenor, seeing as you are actually not the
8 complainants themselves, but we will allow you as an
9 intervenor in the proceeding to proceed. All right. So
10 you're officially an intervenor.

11 MS. MC PHERSON: All right.

12 ALJ BROWN: All right. And I'm sorry, Mr.
13 Gilmore. Now let's get back. You had something you
14 wanted to bring up.

15 MR. GILMORE: Well, my first question, your Honor,
16 is, has Grassroots identified a sponsor for the material
17 that was served on March 30th? The material that we
18 were served did not have a witness name, no
19 qualifications, and we're wondering if there is a
20 sponsor to that material.

21 ALJ BROWN: Ms. McPherson.

22 MS. MC PHERSON: A silly answer to that would be,
23 we did have a computer glitch that wouldn't allow us to
24 get that out that night at the very end, what we were
25 typing, but yes, certainly, I have an entire list of
26 complainants that the PUC has that we represent. I
27 simply don't have it with me at the moment.

28 ALJ BROWN: That's not his question. He wants to

1 know who on behalf of Grassroots --

2 MS. MC PHERSON: Right.

3 ALJ BROWN: -- tell me if I'm wrong -- is going to
4 be standing up here today --

5 MS. MC PHERSON: Oh, today.

6 ALJ BROWN: -- to be sworn in. Today, tomorrow
7 and Wednesday. As part of the evidentiary hearings, who
8 is going to be presenting testimony on behalf of
9 Grassroots for the complainants.

10 MS. MC PHERSON: Uh-huh.

11 ALJ BROWN: You identified Mr. Endres, yourself,
12 and Ms. Knight as --

13 MS. MC PHERSON: For today, right.

14 ALJ BROWN: For today. Do you know who else
15 you're going to have?

16 MS. MC PHERSON: We believe that we will have Ata
17 Walizadeh.

18 ALJ BROWN: You might need to spell that last name
19 for the court reporter, please, to the best you can.

20 MS. MC PHERSON: Is it right? W-a-l-e-z-i-d-e-y,
21 I believe.

22 MS. KNIGHT: A-d-e-h.

23 MS. MC PHERSON: I-d-e-h.

24 MS. KNIGHT: A-d-e-h.

25 MS. MC PHERSON: A-d-e-h. Thank you, Kathy.

26 ALJ BROWN: Do you know what, at a break maybe if
27 you write it down, we'll make sure the court reporter
28 gets it. And when did you -- is this a gentleman, a

1 Mister?

2 MS. MC PHERSON: Yes.

3 ALJ BROWN: And what subject matter? That's also
4 another -- it's of interest to me, but I'm quite sure
5 it's of interest to SoCalGas, so that they can figure
6 out what subject matters particular witnesses would be
7 addressing. It helps them prepare their
8 cross-examination.

9 MS. MC PHERSON: At this point in time I am not
10 ready to move with that, only because this has all been
11 quite short notice, and we are pedaling as fast as we
12 can is all I can --

13 ALJ BROWN: All right. We'll proceed the best we
14 can. And what we need to keep in mind is, if we do --
15 if both parties aren't satisfied that these three days
16 of evidentiary hearings has created a complete record,
17 we will come up with a way to either get extra hearing
18 dates, not immediately, not this week, but at a time
19 that's convenient for all, or we'll handle things by
20 post-hearing briefs. We'll come up with a system. But
21 I do -- to the best that you can help me --

22 MS. MC PHERSON: Right.

23 ALJ BROWN: -- and anybody else, certainly
24 SoCalGas, and even the court reporter, it helps to know
25 the subject matter and when that witness is going on,
26 especially if the subject matter was part of the package
27 that you served on the -- I believe it was the 30th,
28 March 30th.

1 MR. GILMORE: Your Honor, in that regard, as you
2 know, it's standard PUC practice to have a witness
3 sponsor an exhibit. And we need to know, for example,
4 who gets cross-examined on the material that was sent
5 out on March 30th, and so therefore, we will need to
6 have a witness identified by Grassroots to sponsor that
7 material, and if not, we will object to its admission
8 into evidence.

9 ALJ BROWN: Did you understand what he's saying?
10 That your ten pages that you served on March 30th.

11 MS. MC PHERSON: Yes.

12 ALJ BROWN: This ten-page -- this -- if you want
13 this to come in as exhibit, as an exhibit --

14 MS. MC PHERSON: Yes.

15 ALJ BROWN: -- at least one witness, but it
16 doesn't have to be just one witness.

17 MS. MC PHERSON: Right.

18 ALJ BROWN: But at least one witness has to be
19 sworn in to say that they will support -- and you can
20 break it up -- they'll support pages 1 through 3, pages
21 5 through 6.

22 MS. MC PHERSON: Okay.

23 ALJ BROWN: That way, SoCalGas can then, when that
24 witness is on the stand, cross-examine them on pages 5
25 through 6 or whatever the appropriate thing is. Because
26 in order for this to come in, there has to be a witness
27 that is sworn and cross-examined on the important stuff
28 in here. There may be a couple of stray paragraphs that

1 it's perfectly all right if -- that you don't care if
2 they come in, or I might grant Mr. Gilmore's motion to
3 strike if there isn't someone to support them, but the
4 majority of this has to be supported.

5 MS. MC PHERSON: And from support you're -- for
6 instance, Grassroot has done the investigation, has
7 spent 13 years in investigating these issues.

8 ALJ BROWN: But we need a person. Grassroots as
9 an organization --

10 MS. MC PHERSON: Right.

11 ALJ BROWN: -- is very difficult to cross-examine.
12 We need a person who can say where this information came
13 from.

14 MS. MC PHERSON: Yes.

15 ALJ BROWN: What studies they relied on, if any,
16 who -- perhaps who did the studies. I'll leave it up to
17 SoCalGas to ask the appropriate questions. But this is
18 normally how you test the veracity of information is
19 that -- okay.

20 MS. MC PHERSON: I believe I understand that. My
21 misunderstanding may have been with, am I asking one of
22 the homeowners up there to be able to back up all this
23 information --

24 ALJ BROWN: No.

25 MS. MC PHERSON: -- when we have an expert witness
26 that has all the knowledge to back up every single
27 statement that's in there?

28 ALJ BROWN: That expert witness going to be

1 available here?

2 MS. MC PHERSON: Yes.

3 ALJ BROWN: Fine. Then that's --

4 MR. GILMORE: Who is it?

5 MS. MC PHERSON: Dr. Endres.

6 MR. GILMORE: Thank you.

7 ALJ BROWN: Okay. See, that's fine then. When
8 Dr. Endres gets up on the stand, he can testify to what
9 he wants, and then Mr. Gilmore or Mr. Healy can do their
10 best to try and poke holes in it or do whatever.

11 MS. MC PHERSON: Thank you. Now I understand
12 that. Also at this time I should do this.

13 ALJ BROWN: Something about the documents?
14 Because we'll go off the record to pass out documents.

15 MS. MC PHERSON: I would like -- I'd like to
16 identify a document that I have here, and I would also
17 like to submit a motion today.

18 ALJ BROWN: Very good. Why don't we wait one
19 second, because we -- it probably makes more sense to
20 have a witness on the stand when we start talking about
21 documents. Okay.

22 MS. MC PHERSON: All right.

23 ALJ BROWN: But not a motion. I'll let you do the
24 motion in a minute, but I'll let Mr. Gilmore finish.

25 MR. GILMORE: Yes. Your Honor, while we're still
26 dealing with procedural matters, before we mark any
27 exhibits, I would ask Grassroots to identify just the
28 general subject matter for the witness who you are

1 expecting to call tomorrow. I don't think that's an
2 unreasonable request, your Honor.

3 ALJ BROWN: No, it's not unreasonable.

4 MR. GILMORE: And I would ask that Grassroots
5 just -- I can't pronounce the person's last name, but
6 what is the general subject area of that person's
7 testimony?

8 MS. MC PHERSON: That will be the same information
9 that's contained within this document that we would like
10 to give you as soon as we can.

11 MR. GILMORE: Is that person an expert witness?

12 MS. MC PHERSON: Yes.

13 MR. GILMORE: And what is that person an expert
14 in?

15 MS. MC PHERSON: Everything that is contained
16 within this document that he has knowledge regarding.

17 ALJ BROWN: What about -- what about if we share
18 that document today so SoCalGas would have an
19 opportunity to review it --

20 MS. MC PHERSON: Right.

21 ALJ BROWN: -- before the expert gets on the stand
22 tomorrow, and then can certainly cross-examine both the
23 qualifications and the testimony.

24 We don't need to be on the record to pass out
25 documents.

26 MR. GILMORE: Your Honor, I would at least ask
27 procedurally how you wish to go about marking the
28 exhibits to be used in this case. We have ready our

1 exhibits, and they can be marked now if that's your
2 preference, or that can await the time immediately prior
3 to our presentation of our case. But we would ask that
4 any exhibits that Grassroots intends to rely on in this
5 case to support its position be distributed now and
6 marked for identification now.

7 ALJ BROWN: In fact, I believe I did instruct Ms.
8 McPherson that that was the normal course unless it
9 happened to be an impeachment, which is the same for
10 either side. Do you have your documents with you today,
11 Ms. McPherson?

12 MS. MC PHERSON: Yes, we do, for today. And we
13 would like to be able to use the impeachment process of
14 giving the document when we are ready to give the
15 document. And if I could have just a moment.

16 ALJ BROWN: Take a break for a second.

17 (Off the record)

18 ALJ BROWN: We'll go back on the record.

19 MS. MC PHERSON: We have a number of documents
20 that we would like to introduce for impeachment
21 purposes. So the documents that we have today we would
22 like to be able to introduce for impeachment purposes.

23 ALJ BROWN: All right. And what is your
24 understanding when you use that term, to make sure we're
25 all on the same page? How does that differ -- you want
26 to use them to impeach one of SoCalGas's witnesses, or
27 did you want to use them to bolster your own testimony?

28 MS. MC PHERSON: Both.

1 ALJ BROWN: All right. Because if they come in
2 for your testimony, they really should be shared, to the
3 extent humanly possible, as early as they can be,
4 because that's going to reduce the objections by
5 SoCalGas, or -- it could potentially reduce the
6 objections. They need time to see them. Because even
7 if you're going to use them for impeachment, all right,
8 the more of a surprise element there is to the document,
9 the more of a fight there tends to be of it getting in,
10 and it reduces its chance sometimes of it coming into
11 evidence the more intense the fight. And so if it's a
12 document that is a good document, it doesn't need to
13 come in by surprise.

14 MS. MC PHERSON: May I have a moment?

15 ALJ BROWN: Yes.

16 (Off the record)

17 ALJ BROWN: We'll go back on the record.

18 I just want to also clarify, I keep referring
19 to SoCalGas. What I'm -- in terms of it might object or
20 it might not. I'm just using them as the party that is
21 in the respondent's chair. I'm just going historically
22 by what frequently happens at hearings, not necessarily
23 that SoCalGas would or would not object to anything.
24 I'm just telling you that, from my general practice, I
25 know that the more there's an element of surprise, the
26 more there tends to be, you know --

27 MS. MC PHERSON: Tiffs.

28 ALJ BROWN: Yes, exactly.

1 MS. MC PHERSON: Our limitation today, I'd like to
2 explain, and that would be that we haven't had the time
3 to prepare a lot of the multiple copies at this point,
4 and we would like to share with you then right now what
5 we brought in today, which we have enlargements of. But
6 we've brought copies for every one today, and yes, we
7 would be pleased to share them with you right now.

8 ALJ BROWN: Perfect. Why don't we go off the
9 record while you pass them out.

10 (Off the record)

11 ALJ BROWN: We'll go back on the record.

12 While we were off the record, Grassroots
13 circulated exhibits which we are marking for
14 identification now, and without any prejudice to parties
15 on either side because SoCalGas also asked us to mark
16 some exhibits. They're not admitted into evidence at
17 this time. They're only marked for identification
18 purposes. So if anybody has any objections, you do not
19 need to raise them now. You can give yourself
20 opportunity to review them so that you can carefully
21 articulate your objections if you have any.

22 I will pretty quickly just go through
23 Grassroots. Grassroots No. 1 was Plaintiff's Prepared
24 Testimony.

25 (Exhibit No. GR-1 was marked for
26 identification.)

27 ALJ BROWN: Grassroots 2 was Executive Summary.

28 (Exhibit No. GR-2 was marked for
identification.)

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ALJ BROWN: Grassroots 3 was Isotech, beginning with a fax cover sheet.

(Exhibit No. GR-3 was marked for identification.)

ALJ BROWN: Grassroots 4 was a series of six photographs.

(Exhibit No. GR-4 was marked for identification.)

ALJ BROWN: Grassroots 5 is a one page that has the title Active Oil Well Gas Leakage.

(Exhibit No. GR-5 was marked for identification.)

ALJ BROWN: Grassroots 6 is a map of the area, Location of Playa Del Rey Oil and Gas Fields.

(Exhibit No. GR-6 was marked for identification.)

ALJ BROWN: Grassroots 7 is a multiple-page document that begins with a colored picture that does have a legend in the lower right-hand corner, but I can't read it.

(Exhibit No. GR-7 was marked for identification.)

ALJ BROWN: But page 3 begins with: "Stewart Title of California, Preliminary Report."

GR-8 is Playa Vista TPL Option Areas.

(Exhibit No. GR-8 was marked for identification.)

1 ALJ BROWN: Grassroots 9 is an ex -- document ETI
2 Exploration Technologies, Inc.

3 (Exhibit No. GR-9 was marked for
4 identification.)

5 ALJ BROWN: Grassroots 10 is another Exploration
6 Technology, Inc., document.

7 (Exhibit No. GR-10 was marked for
8 identification.)

9 ALJ BROWN: Grassroots 11 reads: "Gas Explosion
10 Hazard."

11 (Exhibit No. GR-11 was marked for
12 identification.)

13 ALJ BROWN: Grassroots 12 is a two-page document
14 that says: "Playa Del Rey Oil Field."

15 (Exhibit No. GR-12 was marked for
16 identification.)

17 ALJ BROWN: Grassroots 13 references a Commission
18 investigation in the left-hand corner, I.99-04-022.

19 (Exhibit No. GR-13 was marked for
20 identification.)

21 ALJ BROWN: And Grassroots 14, Proposition 65 -
22 Public Warning.

23 (Exhibit No. GR-14 was marked for
24 identification.)

25 ALJ BROWN: And Grassroots also circulated a
26 motion, which will not be marked for identification.
27 It's a motion objecting to the order of the evidentiary
28 hearings for failing to include all CPU studies

1 performed in support of the complaint proceedings. We
2 will not rule on it today to give SoCalGas an
3 opportunity to review it, and when we start tomorrow,
4 tell me if you're prepared to proceed on it, and if
5 you're not and need more time, let me know.

6 Then we identified SoCalGas as SCG, Document
7 100, beginning with the 100 series, the Prepared
8 Rebuttal Testimony of James Mansdorfer.

9 (Exhibit No. SCG-100 was marked
10 for identification.)

11 ALJ BROWN: 101 is the Prepared Rebuttal Testimony
12 of John Thompson.

13 (Exhibit No. SCG-101 was marked
14 for identification.)

15 ALJ BROWN: 102, Prepared Rebuttal Testimony of
16 Joseph Hower.

17 (Exhibit No. SCG-102 was marked
18 for identification.)

19 ALJ BROWN: 103 is the Prop. 65 study.

20 (Exhibit No. SCG-103 was marked
21 for identification.)

22 ALJ BROWN: 104 is Air Quality Monitoring Study.

23 (Exhibit No. SCG-104 was marked
24 for identification.)

25 ALJ BROWN: 105 is a Superior Court case, "Stadish
26 versus SoCalGas."

27 (Exhibit No. SCG-105 was marked
28 for identification.)

1 ALJ BROWN: And 106, Court of Appeal case
2 Stadish -- sorry -- "Stadish versus SoCalGas."

3 (Exhibit No. SCG-106 was marked
4 for identification.)

5 ALJ BROWN: And before we go on any further, I do
6 believe Mr. Gilmore had requested an opportunity to say
7 something about the videotaping on the record. Mr.
8 Gilmore.

9 MR. GILMORE: Thank you, your Honor. Because of
10 the highly unusual videotaping of this, we'd like to
11 make a statement, but we want the video actually to be
12 on. Can I confirm that the video is on at this time?

13 THE VIDEOGRAPHER: The video is on.

14 MR. GILMORE: Thank you. We just would like to
15 emphasize for anybody who might be watching this video
16 one point in particular from ALJ Brown's ruling, and
17 that is that this video is not the official record in
18 this proceeding. The official record in this proceeding
19 consists of the transcript prepared by our court
20 reporter here, but it also consists of exhibits,
21 including exhibits such as prepared testimony and other
22 written exhibits.

23 Now, the reason we mention this is because
24 much of SoCalGas's case in this proceeding is going to
25 be through the written documents that are submitted for
26 the record in this proceeding which may not even be
27 discussed but will not be read into the record for the
28 purpose of any video.

1 Now, we did receive on March 30th a ten-page
2 document from Grassroots, and our testimony, our
3 rebuttal testimony, our exhibits, including studies of
4 health risks in the Playa Del Rey area, will be
5 submitted in writing to the Commission and will not be
6 read into the record.

7 Now, Grassroots has indicated that it intends
8 to spend, I think it was four and a half hours in verbal
9 testimony. Well, if that verbal testimony is simply
10 restating the allegations that were made in its ten-page
11 document of March 30th, allegations that we've seen
12 before, then we believe we have completely responded to
13 those allegations, and in fact, it's our belief that we
14 have refuted them, but the video might not reflect that
15 evidence.

16 So what we ask is, anybody who's watching this
17 video, please, do not form any conclusions or any
18 opinions based upon what you see in this video because
19 it does not reflect the entire record in this
20 proceeding. We ask that you wait for the Commission to
21 issue its decision in this proceeding. It's our belief
22 that if the Commission does not dismiss the complaints
23 entirely, that it will agree with the evidence of
24 SoCalGas, not what you might see on this video.

25 So with that, thank you, your Honor.

26 ALJ BROWN: Thank you. All right. Ms. McPherson,
27 are you ready to proceed?

28 MS. MC PHERSON: Yes, I am, your Honor.

1 ALJ BROWN: Would you like to call your first
2 witness?

3 MS. MC PHERSON: Yes, ma'am. I would like to call
4 to the witness stand Dr. Bernard Endres.

5 ALJ BROWN: Thank you. Stand, please. And I
6 believe we're going to try -- where do you want him?
7 Over here. That way the court reporter has a better
8 chance of picking you up.

9 Give yourself a minute while he's getting
10 organized.

11 (Off the record)

12 ALJ BROWN: We'll go back on the record.

13 Good morning, Dr. Endres.

14 THE WITNESS: Good morning, your Honor.

15 BERNARD ENDRES, called as a witness
16 by Grassroots Coalition, having been
sworn, testified as follows:

17 ALJ BROWN: Thank you. Please state and spell
18 your name for the record.

19 THE WITNESS: Yes. It's Bernard Endres. That's
20 spelled B-e-r-n-a-r-d E-n-d-r-e-s.

21 ALJ BROWN: Thank you. And once you're seated, do
22 you want him to put his microphone on? Would that help,
23 or can you hear him?

24 THE REPORTER: I can hear, but it might --

25 ALJ BROWN: Why don't you see when you sit down if
26 you can press that microphone button on.

27 THE WITNESS: I also believe this can be moved
28 around to whatever is suitable for the court reporter.

1 ALJ BROWN: Very good. This may be a little
2 unusual, but in order to allow the proceeding to
3 continue, can every one hear me? I don't have mine on?
4 Okay. I think I will begin, unless you were prepared to
5 ask Dr. Endres what sections he was going -- do you want
6 me to --

7 MS. MC PHERSON: I would like to just say one or
8 two, and then I would love to have your help.

9 ALJ BROWN: All right. Then I'll allow you to
10 begin.

11 MS. MC PHERSON: Except I just simply stay seated?

12 ALJ BROWN: You can stand, but we prefer that you
13 really don't walk around too much.

14 MS. MC PHERSON: All right. So that I can see
15 you.

16 ALJ BROWN: You can actually stand up there if you
17 wanted and use that microphone.

18 MS. MC PHERSON: All right. Also actually what I
19 would like is --

20 ALJ BROWN: And if you could punch your one on.
21 There you go.

22 MS. MC PHERSON: For every one watching that
23 doesn't have one of these diagrams, I think it would be
24 appropriate as we go through this that if I could set
25 these up so that people could actually see, because
26 these are simply blowups of what we passed out. Would
27 that be all right with every one?

28 MR. GILMORE: Your Honor, we don't need that for

1 our purposes. We're satisfied with the documents that
2 have already been previously distributed. In order to
3 help the hearing move along, we don't need any blowups.

4 MS. MC PHERSON: This would actually only take a
5 moment for me to lay out for people that we have in the
6 audience.

7 ALJ BROWN: I'll give you a tiny bit, just a tiny
8 bit. See, but they should also, if they are ever even
9 watching clips from this videotape, you should have a
10 full copy of the transcript there, and then they'd be
11 able to refer to the exhibits, because the exhibits will
12 be part of the transcript.

13 MS. MC PHERSON: Yes, I understand that. And I
14 will point out each one as we go through.

15 ALJ BROWN: Well, I'll let you start, and if it
16 becomes too confusing, we'll stop.

17 DIRECT EXAMINATION

18 BY MS. MC PHERSON:

19 Q All right. Mr. Endres, if I may start with
20 the Plaintiffs' Prepared Testimony.

21 A Yes.

22 Q Is this the actual submitted testimony as was
23 submitted on -- and filed on May 11th, 2000?

24 A Yes, it was.

25 Q And is this what you want submitted?

26 A Yes, it is.

27 MS. MC PHERSON: Now, in order to, you know, lay
28 the necessary foundation, I would like to follow your

1 procedures, Judge Brown, and so --

2 MR. GILMORE: Your Honor, I'm sorry to interrupt,
3 but I think there's some confusion in the record already
4 here that needs to be clarified.

5 ALJ BROWN: Right. Because this document itself
6 was not filed in 2000. It was filed March 30th, 2005.

7 MS. MC PHERSON: Oh, I'm sorry. You're right.
8 I'm reading the -- you're correct. It's filed March
9 30th, 2005. You're correct. I'm looking at the old
10 case filing date.

11 ALJ BROWN: Right, right, right.

12 MS. MC PHERSON: Yes. Forgive me. Yes, this is
13 filed on March 30th, 2005.

14 Q Is that correct, Dr. Endres?

15 A Yes.

16 MR. GILMORE: And, your Honor, just for
17 clarification, when you say "filed," you mean served?

18 ALJ BROWN: I'm sorry.

19 MR. GILMORE: It was not filed with the Commission
20 Docket Office.

21 ALJ BROWN: And that's an error I make all the
22 time. Mr. Gilmore is correct. These documents are only
23 served. This will not become part of the record unless
24 it's admitted as an exhibit. That's why we go through
25 all that -- those extra steps. But any way, thank you.
26 That's a tiny point, but continue, Ms. McPherson.

27 MS. MC PHERSON: All right. And the other
28 document would be the executive summary of the hearing

1 testimony and recommended actions.

2 ALJ BROWN: And who prepared that?

3 MS. MC PHERSON: Q Grassroots Coalition has been
4 an active participant in everything that has been
5 created here, but as a witness, Dr. Endres, is this what
6 you wanted prepared?

7 A This document was prepared by myself in
8 conjunction with Patricia McPherson primarily, and there
9 were other people that supported the effort, but the
10 most direct answer is is that I would be responsible for
11 any of the opinions and conclusions that would be
12 related to this document.

13 ALJ BROWN: Thank you. That's very helpful, not
14 only for me in reviewing the record, but it will help
15 Mr. Gilmore know, you know, how to proceed. Thank you.
16 That's the kind of information we were looking for
17 earlier to figure out who is kind of sponsoring and
18 responsible for what. Thank you.

19 MS. MC PHERSON: I believe we're going to start
20 with GR-2.

21 ALJ BROWN: Which is the executive summary?

22 MS. MC PHERSON: Yes, correct.

23 ALJ BROWN: Very good. Now, we're not going to
24 read it into the record.

25 MS. MC PHERSON: No. But I would like to go
26 through the items that are set forth in this document
27 and ask Dr. Endres if these are the items that as he's
28 set them forth in this document.

1 Q And can you go through these as they're set
2 forth in this document?

3 A Yes, I can.

4 ALJ BROWN: Do you want to start with the one on
5 page 1?

6 MS. MC PHERSON: Yes, please. I would like to
7 start with the executive summary.

8 ALJ BROWN: And are we talking about the
9 information that's in the nice little box? Is that what
10 you're focusing in on?

11 MS. MC PHERSON: Yes.

12 Q Could you explain this for us, Dr. Endres?

13 A Yes. The scope of the investigation that I
14 was asked to perform, I have attempted in the most
15 succinct way possible to set forth this, and I
16 personally chose the language set forth by Judge Brown
17 in her scoping memo because, to my knowledge, this in
18 the most precise way explains the nature of the
19 investigations that I have undertaken as a part of this
20 case.

21 Q Could you read what is inside the box for us,
22 Mr. Endres?

23 A As set forth in the scoping memo, it states as
24 follows: that the complaint cases ask the Commission to
25 conduct an investigation to determine the following, and
26 this was pursuant to the scoping memo --

27 ALJ BROWN: Right.

28 THE WITNESS: -- dated March 7th, 2005. So I'm

1 simply quoting verbatim the language as set forth in
2 that document, and that is if

3 If the Southern Cal Gas Playa Del
4 Rey gas storage facility is
5 venting or leaking gas or
6 depositing carcinogens into the
7 air or soil to the detriment of
8 the health or safety of the
9 neighboring community.

10 And I chose to emphasize with the notation
11 below, "emphasis added." I've underlined the word
12 "venting." I've underlined the phrase "leaking gas,"
13 and I've underlined the phrase "depositing carcinogens,"
14 because those are the precise issues that I addressed as
15 part of my investigations.

16 MS. MC PHERSON: Q As it states on page 1:

17 In conjunction with this
18 undertaking, Grassroots Coalition
19 has sponsored a comprehensive
20 systems engineering study that has
21 addressed these same issues.

22 Could you explain to us what a systems
23 engineering study is?

24 A Yes. A systems engineering study is one where
25 there would be a multiplicity of engineering and
26 scientific disciplines that are brought to bear in the
27 study of a particular problem area, and a systems
28 engineering study is especially characterized by where

1 there has been a combination of the totality of
2 engineering data that has been gathered, studied and
3 generated by competent sources and utilized to form the
4 ultimate opinions and conclusions that are to be drawn
5 by the systems engineering study.

6 Q Thank you. How long has this study taken
7 place over time, please?

8 A I personally first began the investigations
9 largely in support of Grassroots Coalition on or about
10 the year 1992. It's conceivable that may have even
11 predated that time period, but that would be at least a
12 definitive time period in which I had substantial
13 participation in the evaluation of major issues
14 regarding the Southern California Gas storage facility.
15 If I could add one additional statement.

16 Q Yes, please.

17 A The reason 1992 or thereabouts was significant
18 is because that was the time period in which there was
19 direct interface with the, as I understood, the most
20 competent engineers assigned to the Southern California
21 Gas storage project by Southern California Gas Company,
22 and those meetings were held at the company facilities
23 in Playa Del Rey. And there would have been, to my
24 recollection, perhaps as many as five to ten of the
25 engineers directly associated with the operation of the
26 gas storage facility present at that time.

27 And I could further add that there was another
28 scientist that was brought in at that time, and his name

1 was Dr. Kaplan, and there was significant interface with
2 various study issues at that time that are relevant
3 directly to these hearings.

4 Q All right. And during this timeframe, the
5 Playa Vista development has been developed and there
6 have been many studies that encompass that site area
7 which is part of the mineral right and aerial extent
8 area of Southern California Gas Company. Have you been
9 participatory and have knowledge of those studies, and
10 have you interfaced with those experts as well that were
11 the experts on behalf of the City --

12 A Yes.

13 Q -- of Los Angeles?

14 A Yes. Well, thank you for reminding me,
15 because that serves as an additional date of departure,
16 because, as I recall, on or about 1992 or 1993, as a
17 separate and distinct involvement, I was heavily engaged
18 in the review of all of the documentation related to the
19 environmental impact report that was prepared for the
20 Playa Vista project. And if my memory serves me
21 correctly, that was around the 1992 time period.

22 And at that time I had very extensive
23 involvement, including with other petroleum geology
24 experts in which we made a thorough evaluation of the
25 conditions known to be present at that time, and those
26 were fully disclosed in documentation that was supplied
27 as part of the environmental impact report process at
28 that time and was made an official part of the record of

1 those proceedings. That was a very significant
2 involvement at that time.

3 Q And also during that timeframe I believe there
4 were situations within Beverly Hills that involved Dr.
5 Jack West. Were you familiar with those documents and
6 studies as well?

7 A Over a period of years and significantly
8 predating the 1992 time period, I've had significant
9 interface with a petroleum geologist by the name of Jack
10 West. I have worked with him at various times beginning
11 on or about 1985, and that involvement and recognition
12 of the importance of his geological studies has
13 continued up to the present, including the detailed
14 studies that he prepared in support of the Playa Del Rey
15 and Venice oil fields in which he prepared very detailed
16 geological characterizations based upon the totality of
17 drilling records available for both of those oil fields.

18 EXAMINATION

19 BY ALJ BROWN:

20 Q Could I ask, approximately what timeframe did
21 Dr. West produce this report or study?

22 A The most recent and the most significant
23 geological studies that were performed specifically for
24 the Playa Del Rey --

25 Q Correct.

26 A -- and the Venice old fields, that information
27 would have been prepared approximately around the
28 2002-2003 time period. These are relatively recent

1 information, and also one of the pieces of exhibit that
2 has already been addressed here actually comes
3 specifically from his report, but there's a very
4 voluminous amount of data that was generated by Jack
5 West and which I relied upon extensively in forming my
6 opinions and conclusions regarding the geology.

7 The drilling records reveal the detailed
8 geological characterization of both these oil fields
9 from the surface to a depth of over 6,000 feet. And
10 furthermore, this information is integrated, the
11 totality of all of the drilling records of Union Oil
12 Company, which was responsible for drilling the original
13 wells, and then these are also related to all of the
14 historical scientific articles that have been written on
15 these two oil fields, most of them authored by various
16 employees of the Division of Oil and Gas, now referred
17 to as DOGGR, in which these compile the -- virtually our
18 complete understanding of what we refer to as the source
19 rock and the origin of the thermogenic oil and gas that
20 resides within these two oil fields.

21 Q And did he -- is it a Dr. West or a Mr. West,
22 do you know?

23 A It's Mr. West.

24 Q Mr. West. Did he conduct any studies in the
25 2000 to 2002 time frame, or did he just rely upon
26 historical data?

27 A He conducted very specific studies that were
28 directly related to characterizing in as much detail as

1 possible the entirety of the geology and fault planes of
2 the Playa Del Rey and Venice oil fields.

3 Q And did he -- was that based on already
4 prepared information by other experts, or did he
5 actually physically go out to the sites, do you know?

6 A Your Honor, if I could just give a very brief
7 description in terms of how such a study would be
8 undertaken. And first of all, I have a great deal of
9 respect for Jack West because he has maintained perhaps
10 the only original archives of virtually every drilling
11 record that's ever been generated in this city, and
12 particularly for the Playa Del Rey and Venice oil
13 fields.

14 These are the original drilling records that
15 were generated at the time that the oil wells were
16 drilled. And this is what he uses as his essential
17 input for generating effectively a three-dimensional
18 rendering of the detailed geological characteristics of
19 these oil fields extending from the surface all the way
20 to the depth of the oil deposits at 6,000 feet.

21 Q Okay. More specifically, my question, which
22 is not to foreclose anybody else's question, my question
23 is: did he sit in a room with documents that were
24 already prepared by others and then write his report or
25 did he physically with his -- himself go out to the site
26 and conduct any kind of onsite studies, or was his more
27 like a research paper?

28 A It would have been both, your Honor. He

1 performs an extremely comprehensive evaluation, and he
2 also happens to be the petroleum geologist hired by the
3 City of Beverly Hills in order to characterize every
4 aspect of the oil fields under that city and the
5 adjoining area. In my opinion, he's the most competent
6 petroleum geologist that would be anywhere in these
7 parts.

8 Q Did the City of L.A. ever retain him to do
9 studies for the Playa Vista, do you know?

10 A Yes, they have, your Honor.

11 DIRECT EXAMINATION (resumed)

12 BY MS. MC PHERSON:

13 Q Moving earlier in a timeframe, were you, and
14 did you have intimate knowledge of the facts surrounding
15 the Fairfax incident where the Ross Dress-for-Less blew
16 up in 1985 in Los Angeles?

17 A Yes, I did. And that provides a convenient
18 juncture, because I personally hired Jack West in order
19 to perform the same level of detailed geological
20 characterization for the Salt Lake oil field in the
21 Fairfax area as he did later for the Playa Del Rey and
22 Venice oil fields. And he prepared -- there is nothing
23 else that has ever been prepared to the level of detail.
24 And I specifically contracted with Mr. West in order to
25 take not only the slant well drilling records but to
26 combine the old vertical drilling records and take the
27 totality of that information and come up with the most
28 detailed three-dimensional characterization of the oil

1 field that's ever been generated.

2 I personally engaged him and charged him with
3 the responsibility of doing that, and I interfaced with
4 him on a virtually weekly basis in the nine months to a
5 year that it took him in order to generate that -- that
6 piece of information.

7 Q And correct me if I'm wrong or please tell me
8 the outcome of that. Was that it was oil
9 field-generated gas that caused the Fairfax explosion?

10 A Well, it was -- the information that was
11 generated by Jack West in characterizing the
12 three-dimensional geometry of the oil field was one of
13 the most important foundational pieces to identify
14 almost in precise detail what were the several most
15 important causative factors of the explosion. And I
16 might add that one of the reasons why I fully respected
17 Jack West for doing that work is because his involvement
18 in that area had already predated the time period that I
19 was directly contracting him by more than 20 years,
20 and --

21 ALJ BROWN: Do you know what, I'm going to
22 interrupt here, and I'll tell you why. You asked a very
23 good question, which was kind of what -- what results
24 came out of these tests. And for the last few minutes
25 we haven't gotten there yet. Okay. Try and answer the
26 question asked because it will help us focus in on like
27 what were his conclusions about what caused that -- the
28 Fairfax explosion.

1 MS. MC PHERSON: Q And if I may also, if you
2 would like to add more, I would also like to hear with
3 regard to that situation, but as it also involved
4 someone that has also worked with the Playa Vista site
5 was Dennis Coleman and the papers surrounding the
6 Fairfax incident as well?

7 A Correct.

8 ALJ BROWN: Okay. Are we going to be able to tie
9 the Fairfax incident into Playa Del Rey?

10 MS. MC PHERSON: Yes, ma'am.

11 ALJ BROWN: Okay. Then let's focus in, because we
12 only have three days. So try and figure out how to
13 focus the important information so that we can tie it
14 all together. All right.

15 THE WITNESS: If I could answer that in terms of
16 what is the direct relationship between Fairfax and
17 Playa Del Rey. The answer is profoundly twofold, and
18 Jack West was instrumental in the firstfold aspect of
19 it. He possessed all of the necessary documents to be
20 able to accurately characterize the fact that a portion
21 of the oil field that directly was underneath the
22 explosion site had been used many years for gas storage
23 purposes. And so one of the major --

24 ALJ BROWN: And was it used by SoCalGas?

25 THE WITNESS: No, it was not used by Southern
26 California Gas.

27 ALJ BROWN: Okay.

28 MS. MC PHERSON: Q But was it used as a storage

1 area as somewhat in the same fashion as SoCalGas uses a
2 storage field in the oil field setting?

3 A It was taking gas and injecting it down into
4 the oil field formation under high pressure.

5 Q Which is --

6 A And that's the similarity of what takes
7 place --

8 Q Thank you.

9 A -- at Playa Del Rey. And the second most
10 important aspect was to identify the exact nature of the
11 casing histories and the leakage of wells that directly
12 contributed to the pathway of migration of the gas to
13 reach the surface. So we were able to identify in exact
14 detail the nature of the casing corrosion and the manner
15 in which the gas migrated up from the deeper formations
16 and entered the shallow zones directly underneath the
17 explosion site.

18 ALJ BROWN: Now, was that a capped and abandoned
19 well?

20 THE WITNESS: No. One of the primary --

21 ALJ BROWN: In Fairfax?

22 THE WITNESS: -- pathways for the gas migration to
23 reach the surface was an active well, and that was
24 identified as Well Metropolitan No. 5. At that time it
25 was an operational well of McFarland Oil Company out of
26 Santa Fe Springs.

27 ALJ BROWN: Thank you.

28 MS. MC PHERSON: Q And unless there's something

1 further that you think is important to add here, I would
2 like to go back to --

3 A Well, if I could add a connection here with
4 the EIR phase for the Playa Vista. It was very
5 significant that after my involvement, including
6 engaging other very competent petroleum geologists, and
7 we put forth a great deal of effort in making sure that
8 we had a detailed response to the environmental impact
9 report.

10 Now, the response to our analysis was actually
11 provided by Southern California Gas Company, and they
12 basically denied that there was any relationship
13 whatsoever to leaking wells and that the contention was
14 made that the explosion was caused solely by decomposing
15 organic material located no deeper than 500 feet, which
16 was truly not in any manner or form supportable by the
17 evidence that existed at that juncture in my working
18 with Jack West, but then that led us to the next level
19 of detailed participation, and that was with Dennis
20 Coleman in Isotech Laboratories.

21 ALJ BROWN: Okay. I've missed a connection here
22 between Playa Vista.

23 MS. MC PHERSON: May I?

24 ALJ BROWN: Okay.

25 MS. MC PHERSON: I think I can bring this
26 together.

27 Q If you would, please, continue with regard to
28 Dr. Coleman and his involvement here as to how it

1 applies to our situation.

2 A Well, we could broadly characterize the
3 analysis of an explosion hazard risk posed by an oil
4 field or gas storage field operation or the combination
5 thereof into two primary subcategories. And in terms of
6 performing a systems engineering analysis, it's
7 absolutely essential that we have as step one a very
8 detailed geological characterization of the entirety of
9 the oil field from the surface all the way to the depth
10 of the oil field reservoir itself.

11 ALJ BROWN: And does that exist?

12 THE WITNESS: Yes.

13 ALJ BROWN: Okay.

14 THE WITNESS: And we have that, virtually an
15 identical analogy between Fairfax and Playa Del Rey is
16 because we have at this point in time generated the same
17 level of fidelity and detail regarding that geological
18 characterization.

19 Now, the second aspect, and this becomes
20 entirely important in terms of, you might say we're
21 reinforcing our understanding of the geology by doing a
22 detailed gas analysis. The gas in the, what we refer to
23 technically as isotopic analysis. This allows us to go
24 in and use the most detailed geochemistry procedures and
25 determine exactly the origin of the gas.

26 So now we can break this down into two
27 categories. We can identify the pathways by which the
28 gas moves from the depth of the reservoir to reach the

1 surface. And the second category is taking all of the
2 chemical information that we know from the profound work
3 that's been done in the field of geochemistry to exactly
4 characterize all of its chemical constituents and then
5 do a further identification through an evaluation of the
6 isotopes of the molecules of the gases themselves.

7 Now, as far as the evaluation, again, we have
8 a virtual 100-percent parallel between Fairfax and what
9 has been done even in a more exhaustive sense at the
10 Playa Del Rey and Venice old fields, namely, because
11 it's been more exhaustive out at Playa Del Rey and the
12 Venice oil fields because of the enormity of the money
13 that has spent -- been spent on geochemical analysis,
14 soil gas studies, and the sophistication of the science
15 that has gone into gas fingerprinting.

16 And so the work that has been done at Playa
17 Del Rey and the Venice oil fields have been undertaken
18 by the most competent geochemists to be found anywhere
19 in the world bar none. And I would provide a reasonable
20 estimate that there has been over \$5 million spent just
21 on the effort in order to perform detailed geochemical
22 analysis of the exact nature of the gases that are
23 moving up into the near-surface soils.

24 So we have a vast amount of data from the deep
25 reservoir, the intermediate reservoir and then in the
26 shallow sands and particularly in the areas where there
27 are very large accumulations of gas within the shallow
28 depths directly underneath this site. These have been

1 analyzed in the most comprehensive and detailed fashion.

2 ALJ BROWN: And who's been underwriting this \$5
3 million?

4 THE WITNESS: I would estimate that somewhere
5 between at least 2 to \$3 million of that money has
6 actually been paid for either, I would say, it would
7 appear as though this was actually being underwritten by
8 the City of Los Angeles. I suppose the direct answer
9 would be that the City of Los Angeles was responsible
10 for sponsoring at least somewhere between 3 to \$5
11 million of this work.

12 MS. MC PHERSON: Q Dr. Endres, was there a
13 Society of Petroleum Engineers paper, an industry
14 peer-reviewed paper that conclusively determined what
15 was the cause of the Fairfax incident?

16 A Yes, there was.

17 Q And that would be written by?

18 A It was a article that was coauthored by Dennis
19 Coleman, and there was also a research colleague that
20 worked with him that had formerly worked at a laboratory
21 in Canoga Park referred to as Global Geochemistry, which
22 at that time was headed up by Dr. Kaplan. And the
23 importance of that was that at Fairfax we had -- perhaps
24 I could maybe retreat just slightly on what I said about
25 the most comprehensive geochemical analysis at Playa Del
26 Rey and Venice oil fields.

27 In reality, we had one series of studies that
28 were performed at Fairfax that I have never seen

1 repeated in the scientific literature any time since,
2 because it was Global Geochemistry who performed on or
3 about 1985 and 1986 actually the most comprehensive
4 isotopic analysis of every gas constituent ever found on
5 the Fairfax site. And that -- those results were
6 incorporated in a voluminous report about 3 inches
7 thick, and that work was actually done by -- under the
8 sponsorship of the Gas Research Institute located in
9 Chicago.

10 EXAMINATION

11 BY ALJ BROWN:

12 Q All right. Could you summarize in just a
13 sentence or two what caused the Fairfax explosion?

14 A It was thermogenic oil field gas that migrated
15 up from a well-known area within the oil field that had
16 always be -- almost had been identified as the most
17 prolific gas zone within the Salt Lake oil field.

18 Q Okay.

19 A And that prolific zone was located at a depth
20 of primarily in the range of 3,000 feet.

21 Q All right. Then why did it explode that day,
22 do they know?

23 A I have brought an illustrated diagram.

24 Q But just tell me. What -- I mean what
25 caused -- if the Fairfax site was over this oil field,
26 why on that particular day did it explode?

27 A Again, we have a direct similarity with what's
28 going on at Playa Del Rey.

1 Q No, no. Just tell me, tell me, please.

2 A What we had, your Honor, was a large
3 accumulation of gas that had been trapped --

4 Q Trapped.

5 A -- under a retaining and a relatively
6 impermeable barrier. It was a clay barrier at a depth
7 of approximately 50 feet.

8 Q Okay.

9 A It was a large --

10 Q Was that a natural barrier, or was that
11 something that had been constructed?

12 A It was a natural barrier. It was a natural
13 clay barrier.

14 Q Okay.

15 A That was relatively impermeable.

16 Q Good. But still then, why did it explode that
17 day?

18 A Suddenly this relatively impermeable clay
19 layer cracked, and there was a sudden bursting through
20 of a large volume of gas that surged to the surface and
21 then began burning through the cracks of the sidewalk
22 and also entered the branch of the Ross Department
23 Store. It was actually the employee lounge in which it
24 entered that area. And just at the moment that the
25 employee had clocked out was exactly at 5:00 p.m., and
26 she had put her clock-out card into the electric clock,
27 and that spark ignited it, and there was the incident
28 explosion, and then the gases continued to burn for many

1 days thereafter through the seepage of gas.

2 Q And what caused that -- do they know, did the
3 study find a cause for the -- for that crack that
4 developed?

5 A It would have been something that would be
6 naturally caused as -- the other major part that was
7 closely evaluated at Fairfax was what we've referred to
8 as oil field subsidence, meaning that any time you have
9 ongoing production of fluids from the oil field itself,
10 you have a settling of the ground all around.

11 Q And was that still an active oil field at that
12 time?

13 A Yes, it was. And so these cracks propagate
14 themselves to the surface and actually cause a
15 subsidence bowl. So the ground is constantly sinking.
16 And wherever we would have -- for example, down at a
17 depth of several thousand feet we have significant
18 faults. For example, the major fault passing through
19 there is the 3rd Street Fault.

20 So the thing that Jack West is most capable of
21 identifying is all of the faults that would pass through
22 the oil field, and those are extremely important in
23 doing any type of petroleum analysis of the migration
24 characteristics of what we say are the -- the oil and
25 gas originates at the source rock and then it moves
26 upward in wherever there are permeable areas, and that's
27 governed largely by the faults that crisscross the oil
28 field. So Jack West's specialty is taking all the

1 drilling records and exactly characterizing the location
2 of the faults which then serve as the migratory pathways
3 for the oil and gas to move up from the deeper source
4 rocks.

5 Q Could the information that was obtained from
6 the Fairfax explosion be used to basically prevent
7 future explosions at other sites?

8 A Profoundly so, your Honor, which is -- leads
9 me directly to our -- I would emphasize, out of all of
10 this prioritization over on page 3 of our executive
11 summary, Roman numeral 3, Roman numeral No. 3 is in my
12 way of thinking the most profound of what we are seeking
13 here, because Fairfax and Hutchinson, Kansas, tells us
14 why a written safety policies and procedures is so
15 important. And I could summarize it very briefly as to
16 why such a thing would be important for Fairfax and why
17 it would be so important for Playa Del Rey.

18 Q I don't need to hear about Fairfax at all,
19 because SoCalGas -- we don't regulate whoever is running
20 Fairfax. I really only need to know about Playa Del
21 Rey.

22 A Okay. Briefly stated, any one who's involved
23 in emergency response, and especially the fire
24 department, must know what is going on as far as gas
25 seeps and the potential for the oil field gases and
26 storage gases to reach the surface and create an
27 enormous explosion and fire hazard. That was the
28 significance of Roman numeral 3.

1 Q And how would that information be shared
2 ideally? Would there be yearly meetings, quarterly
3 meetings? Would the fire department and come and sit
4 down with SoCalGas? Let's pretend you -- your idea
5 really had some legs to it and the Commission was
6 interested, how could you --

7 A Well --

8 Q How would you put this together?

9 A I might just do a fast-forward, your Honor,
10 but I just within the last 24 to 48 hours reviewed in
11 some detail an emergency response that occurred related
12 directly to the Playa Del Rey gas storage facility in
13 which there was a total inability on the initial
14 arrivers at the scene to be able to have any clue or
15 understanding as to who was responsible and who they
16 should attempt to contact for this enormous oil and gas
17 spill that occurred directly related to the Playa Del
18 Rey gas storage facility.

19 Q Okay. Good. Now backtrack. In an ideal
20 world from your perspective, how would the fire
21 department and SoCalGas work together?

22 A First of all, it would be essential to have a
23 map that would identify the pipelines and the surface
24 supporting facilities of this gas storage project made
25 directly available for immediate reference by the fire
26 department and the emergency response teams for those
27 people who are responding to oil spills and gas leaks
28 and pipeline leaks that subtend and go on with great

1 regional extent throughout this entire area of the Playa
2 Del Rey gas storage field.

3 Q Okay. So a map showing the pipelines?

4 A The underground pipelines.

5 Q Anything else?

6 A I might add as a subnote, your Honor, that in
7 this most recent oil and gas spill there was no
8 information --

9 Q Could you tell me about the most recent oil
10 and gas spill?

11 A Yes.

12 Q Which, when did that happen and where?

13 A It would have been in the year 2004. And in
14 fact, we'll have, within a matter of no more than a day,
15 we will be submitting written documentation to support
16 the exact details and pictorial representation of this
17 spill.

18 Q Just give me just like where, when, the
19 extent, just a very short -- the equivalent of an
20 executive summary of it.

21 A Okay. We have -- actually, there's three
22 primary regions of the Playa Del Rey gas storage
23 facility.

24 Q No. Tell me about this leak.

25 A Yes. This is out in the area of what we refer
26 to as the Townlot area.

27 Q Which is over in Marina Del Rey?

28 A Yes.

1 Q Okay.

2 A And what it does, it's an underground pipeline
3 that runs primarily, originates from Southern California
4 Gas Company Playa Del Rey No. 10.

5 Q Correct. Okay. And there was a leak?

6 A Yes.

7 Q In 2004?

8 A Right. And what happened is is that the li --
9 the pipeline that and the oil line that originates at
10 Playa Del Rey 10 has a rather strange route to it
11 because it first goes north, and it goes up almost as
12 far as Washington Boulevard, and then it's really
13 totally bypassed. It takes a loop to the north, and
14 then it heads east along the alignment of Washington
15 Boulevard, and then it heads south after it's circled
16 the marina area, and then it comes back towards the gas
17 storage facility, and then it goes below the Ballona
18 Creek, and then it comes back up and eventually ends up
19 at the tank farm area at the bottom of the bluffs at the
20 Playa Del Rey gas storage facility.

21 DIRECT EXAMINATION (resumed)

22 BY MS. MC PHERSON:

23 Q May I interject also, Dr. Endres? How do you
24 know where those pipelines came from? Was that a map
25 provided by Southern California Gas Company, or is it a
26 document or multiple documents?

27 A It was made eventually a part of an
28 evidentiary hearing carried out by a governmental entity

1 that was very much concerned with the failure to be able
2 to identify in a rapid and swift fashion how they could
3 contact any one who was responsible for **this enormous**
4 **origin of oil and gas that was spilling out onto the**
5 **street.**

6 Now, as I further understood, and I could
7 quite rightfully understand, that any one who would be
8 routinely working in the field for Southern California
9 Gas Company immediately recognized and properly
10 characterized what was going on with that pipeline and
11 what its ultimate purposes were. And unfortunately,
12 even though those employees fully understood the purpose
13 of this line, I have found absolutely no evidence
14 anywhere in the record that Southern California Gas
15 Company on an official level had ever notified DOGGR,
16 had notified even the agency that is ultimately
17 responsible for tracing all underground pipelines, and
18 that's an entity that we refer to as DIG-Alert. And the
19 evidence seems to support the fact that even DIG-Alert
20 was not informed of the presence of this gas line and
21 oil line running through such an important area of the
22 city.

23 So I just find it beyond my belief that an
24 entity such as DIG-Alert, which is considered to be the
25 most competent authority of locating underground
26 pipelines, that they did not have this documentation
27 within their records.

28 ALJ BROWN: Okay. We're right up against the noon

1 hour.

2 MS. MC PHERSON: I have a quick question.

3 ALJ BROWN: All right.

4 MS. MC PHERSON: And I think just as a --

5 ALJ BROWN: All right. One question.

6 MS. MC PHERSON: Q Dr. Endres, cited in this
7 paper is a systems safety engineering process. Could
8 you give us a very, very brief background as to your
9 involvement with systems safety engineering studies and
10 how you know what one is and how they are -- how they
11 proceed?

12 A Well, as a professional engineer I was trained
13 and was professionally engaged in performing systems
14 engineering studies for a period of at least 23 years.

15 Q And that was with?

16 A I worked largely directly with the **United**
17 **States Air Force, and I was employed by a company**
18 **located at El Segundo, California, called the Aerospace**
19 **Corporation. I was employed there for a period of 23**
20 **years where I specialized in performing systems**
21 **engineering studies.**

22 MS. MC PHERSON: Thank you.

23 ALJ BROWN: Great. Why don't we take a lunch
24 break, and does 1:30 sound reasonable?

25 MR. GILMORE: Yes, your Honor.

26 MS. MC PHERSON: That's a long time.

27 MR. GILMORE: I would ask --

28 ALJ BROWN: Why don't we try and get back here at

1 about 1:15 so that we can really -- I'll say 1:15.
2 We'll split the difference.

3 MS. MC PHERSON: All right.

4 ALJ BROWN: Because I will need to give the court
5 reporter a few breaks this afternoon just so that we
6 have an accurate record and he'll work with me again.
7 Do you need this on the record, Mr. Gilmore?

8 MR. GILMORE: No.

9 ALJ BROWN: Then why don't I relieve you for the
10 lunch hour till 1:15.

11 (Whereupon, at the hour of 12:00
12 p.m., a recess was taken until 1:20 p.m.)

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1 AFTERNOON SESSION - 1:20 P.M.

2 * * * * *

3 BERNARD ENDRES

4 resumed the stand and testified further as follows:

5 ALJ BROWN: We'll go back on the record

6 We will start our afternoon session. Dr.
7 Endres, you are still on the stand and you're still
8 under oath, and direct questioning will continue by way
9 of Ms. McPherson.

10 DIRECT EXAMINATION (resumed)

11 BY MS. MC PHERSON:

12 Q Dr. Endres, in relation to how these different
13 oil fields are the same and/or are very different,
14 meaning the Playa Del Rey oil field, Southern California
15 Gas Company and the Fairfax situation and even the
16 Montebello situation, is the Playa Del Rey field, in
17 your opinion and from your background of research for
18 this facility and the geology of this facility, a
19 **working oil field?**

20 A **Yes.**

21 Q Thank you. All right. Now I would like to go
22 to the heart of what Grassroots has asked of the PUC
23 during this past five-year timeframe, having asked the
24 Commission to conduct an investigation to determine what
25 Dr. Endres had stated and read from within the box on
26 page 1 and then move on to, in asking for that
27 investigation, to specify in the box on page 2 what we
28 specifically were asking for in that investigation and

1 identifying different conditions that might give rise to
2 the detriment of health or safety of neighboring
3 community and to quantify these hazards as they relate
4 to, as the box states on page 2, 1, 2 and 3, the leaking
5 oil field gases, depositing carcinogens into the air or
6 soil, and the venting of oil field gases to the air.
7 Dr. Endres, could you take those one by one for us,
8 please, and tell me if -- summarize your findings with
9 regard to those issues?

10 And actually, I'm sorry, but I have a question
11 first with regard to specifically Southern California
12 Gas Company and your involvement with them as it relates
13 to these issues within the box. Your -- if you would
14 please summarize for us, please, the -- any internal
15 documents of Southern California Gas Company that you
16 may have viewed and how much time have you viewed those,
17 and if you could just give a brief description of how
18 much review has taken place by you of Southern
19 California Gas Company's documents regarding Southern
20 California Gas Company facility --

21 A Yes.

22 Q -- in Playa Del Rey.

23 A I will frame my answer in context of the
24 written statement that is contained at the bottom of
25 page 3 of the executive summary. And --

26 ALJ BROWN: I don't know if your mike is on? Is
27 it?

28 MS. MC PHERSON: The switch, the light on?

1 THE WITNESS: Yes, the light is on.

2 ALJ BROWN: Thank you. Sorry.

3 THE WITNESS: Is that better?

4 ALJ BROWN: That's fine. Yes. Thank you.

5 THE WITNESS: As far as the review of what I've
6 described as internal Southern California Gas Company
7 records pertaining to the Playa Del Rey gas storage
8 field, I performed an extensive and an exhaustive review
9 of those documents which consisted largely of two
10 subphases. Phase 1 consisted of nearly three solid
11 weeks in which every day there would have been a minimum
12 of 8 hours devoted towards reviewing nothing other than
13 the internal documents of Southern California Gas
14 Company, and that document review took place at the Gas
15 Company's headquarters building here in downtown Los
16 Angeles.

17 EXAMINATION

18 BY ALJ BROWN:

19 Q And what kind of documents were you looking
20 at?

21 A These would have been all of the official and
22 original documents contained within the well record
23 files of Southern California Gas Company, and what these
24 documents pertained to would be a description providing
25 an historical framework for the entirety of their gas
26 storage operations beginning in 1942 and continuing up
27 to the time period in which I performed this review. It
28 would describe and included such things as inventory

1 control. It included a review of the well records
2 individual wells.

3 It also provided a rather detailed description
4 of the movement of the storage gases within the various
5 reservoir zones and how these gases were moving
6 throughout this zone and what procedures had been in
7 place in order to identify almost an exact
8 characterization, almost a three-dimensional
9 characterization of the movement of both the liquids as
10 well as the gases within this entire region, and that
11 would include the three primary regions that we've
12 previously made reference to.

13 And to be just a little more specific on this,
14 we have three primary areas of the gas storage field.
15 The one area is sometimes referred to as the Bluffs
16 area. The second area is sometimes referred to as the
17 Gas Cap area. And the third area is sometimes referred
18 to as the Townlot area. And it was an important part of
19 this evaluation to determine how these three subregions
20 would interact, particularly at the reservoir level as
21 far as the movement of both liquids, fluids primarily,
22 and gases within this region. And --

23 Q Okay. As part of that, let's get down to the
24 box on page 2. What did you determine concerning
25 leaking oil field gases?

26 A That there were numerous wells throughout this
27 area that were leaking gases to the surface. In fact,
28 there were some regions of this field that became so

1 serious in causing gas leakage to the surface that they
2 had to be closed down, And then even after this closure
3 and after a passage of years, Southern California Gas
4 Company attempted to reopen those same regions, and then
5 after they began injecting gas down into the formation,
6 gas was found leaking to the surface, and then even
7 though they had learned all these lessons from the prior
8 experience, it was basically a repeat of their
9 experiences of vertical gas migration to the surface.

10 And then there was an ability to further
11 characterize the wells that had experienced what I would
12 characterize as the worst and the most obvious leakage
13 to the surface. And the most definitive data that
14 characterized this movement to the surface was the
15 repeated use of barhole studies. That's the terminology
16 used by Southern California Gas Company.

17 Q And what is that word again?

18 A Barholes.

19 Q B-a-r-h-o-l-d?

20 A B-a-r-h-o-l-e.

21 Q Barhole.

22 A Barhole.

23 Q Okay. And can you put this in any kind of a
24 timeframe? Are you talking historic? Are you talking
25 '70s, '80s, '90s, 2000?

26 A Virtually over the entire period of operation
27 of the gas storage field serious leakage problems to the
28 surface were an integral part of the operations of this

1 field.

2 Q Okay. Has that con -- from your perspective,
3 has that continued into the 2000s?

4 A Yes, it has.

5 Q Okay.

6 A And the most serious recognition of these
7 problems would have occurred in the early 1980s, and
8 then we had some of the most serious leaks that occurred
9 around the 1992 time period, and this was directly up in
10 the Bluffs area, and the wells that were most seriously
11 impacted are referred to as the Big Ben wells. And
12 those leaks -- first of all, there was the most
13 extensive use of barholes, meaning surface probes that
14 were utilized by Southern California Gas Company, which
15 allowed rather detailed characterization of the gas
16 movement from the storage field to the surface by use of
17 these barholes.

18 And then furthermore, there were attempts to
19 identify two things. One was, would be the exact manner
20 in which the well or wells were leaking, and secondly,
21 to come up with estimates in terms of the total volume
22 of storage gas that would have leaked out of the storage
23 reservoir and moved and impacted shallower zones as well
24 as hopscotching to adjoining active wells that were
25 accessible for instrumentation and could be used. For
26 example, sound logs were used in adjoining active wells
27 in order to characterize the regional extent of the
28 movement out from this localized well bore.

1 ALJ BROWN: Okay.

2 DIRECT EXAMINATION (resumed)

3 BY MS. MC PHERSON:

4 Q All right. Dr. Endres, have you shared much
5 of this information with the Public Utilities
6 Commission, including the Energy Branch, and have you
7 seen any reference to this data within any of the recent
8 Energy Division materials that have been put forth
9 through the Public Utilities Commission?

10 A Well, just to summarize very briefly that --

11 ALJ BROWN: What documents have come forth from
12 the Energy Division?

13 MS. MC PHERSON: The -- all the data within the
14 CEQA documents.

15 ALJ BROWN: Okay.

16 MS. MC PHERSON: Q So what I am referring to is
17 what we are seeing now, and number one is, have you
18 shared this information? I would like you just to state
19 what Grassroots and you have been doing with regard to
20 the information that you've gone through extensively and
21 imparted that to the PUC. And have you seen any
22 evidence within the PUC's documents that have been
23 forthcoming to the public in recent days regarding any
24 of this material that we have shared with them, and in
25 particular, the Energy Branch, which is what we have
26 seen?

27 A I'll try to answer it. It sounds to me like
28 perhaps we have three subparts to respond to. So the

1 first subpart I could relate to the time period in which
2 this complaint phase has actually been venued before the
3 Public Utilities Commission, and that's been
4 approximately a five-year time period.

5 Now, during this interval of time, I recall
6 that shortly after this complaint was filed there was an
7 administrative law judge by the name of Orville Wright
8 that was assigned to the case, and there were several
9 hearings scheduled in San Francisco, and then later
10 there were some hearings that were scheduled down here,
11 and then either during his active participation as
12 administrative law judge or during the transition to
13 Administrative Law Judge Brown, during that period of
14 time there was substantial data and interfacing with the
15 Public Utilities Commission providing a great deal of
16 information.

17 And as I recall, the first significant
18 document that I submitted and has to be a formal record
19 at the Public Utilities Commission, it went into great
20 detail to identify the exact wells that had a great deal
21 of history in leaking gas to the surface. Those were
22 very carefully delineated, and they certainly were in
23 sufficient detail to relate those back to any of the
24 well records to substantiate that, and certainly within
25 the internal documents of Southern California Gas
26 Company, which I had reviewed at that, prior to that
27 time period.

28 So beginning at that earliest point. Then

1 later there were several environmental contractors that
2 were employed by the Public Utilities Commission. And
3 there were actually numerous meetings that were directly
4 held with the personnel with those environmental
5 contractors and their subcontractors as well as
6 representatives from the Public Utilities Commission who
7 oftentimes directly or indirectly participated in those
8 meetings and technical interchanges.

9 These typically were all-day events. Some of
10 them went on for two to three days in which we met
11 virtually in a shirtsleeve type setting in which we
12 provided literally box loads of information to not only
13 the PUC representatives but also the contractors and
14 their subcontractors.

15 I also spent a substantial amount of time in
16 going throughout the gas storage field with each and
17 every one. Sometimes we went in car caravans, two to
18 three vehicles, in which we went around and actually
19 highlighted the areas that were problem areas.

20 As far as the URS study that has been made
21 reference to and actually set forth as an exhibit, I
22 distinctly recall some significant background relating
23 to that, because when some of these environmental
24 contractors came down, we made sure that we actually
25 went to the stations where these instrumentation were
26 located, and we physically observed it and in terms of
27 their positioning of the instrumentation and what was
28 going on.

1 So certainly from that interchange the -- as
2 far as I'm concerned, every environmental contractor and
3 subcontractor that was hired by the PUC in order to
4 carry out environmental studies, we had very substantial
5 interfaces. We provided lengthy meetings,
6 presentations, briefing charts. Some of this we brought
7 along as subsets today. But this was all fully shared
8 with those contractors and subcontractors. And we
9 further invited them that if they had any further
10 questions, and they certainly were aware of the fact
11 that I had extensively reviewed the internal documents
12 of Southern California Gas Company and was willing to
13 share my knowledge of the operations of this very
14 complex field so that they could gather an
15 understanding, and with the thought in mind that this
16 would allow them to carry out what I would envision to
17 be a proper systems engineering study.

18 MR. GILMORE: Your Honor, I'm going to move to
19 strike that last answer on the grounds of relevance. I
20 have absolutely no idea of how it's relevant to this
21 complaint proceeding as to what Mr. Endres claims he did
22 or did not provide to the Commission staff. Moreover,
23 some of this apparently seems to be in connection with
24 the CEQA documents that were prepared in connection with
25 the lots sales, which have been specifically ruled by
26 the assigned commissioner and your Honor to be outside
27 the scope of this proceeding.

28 This proceeding here today is the place where

1 Grassroots is supposed to bring whatever evidence it
2 might have of leaks or anything like that before the
3 Commission in this evidentiary record. If they have
4 failed to do so, then, I mean we hear reference to all
5 kinds of studies that have been done. I haven't seen
6 any of these studies in any of the materials that have
7 been marked for identification by Grassroots. If these
8 materials were provided to the Commission staff, why
9 aren't they being brought here today for this
10 evidentiary proceeding? So I see no relevance at all to
11 this case and would move to strike that answer on that
12 basis.

13 MS. MC PHERSON: And I would like to object to Mr.
14 Gilmore's statement, and may I speak to that or --

15 ALJ BROWN: Yes.

16 MS. MC PHERSON: We have -- Grassroots has brought
17 voluminous data to the Public Utilities Commission. And
18 if I may step back in time also to five years ago, Judge
19 Brown, you ordered studies to be done with the Safety
20 Branch in conjunction with the Energy Division, and to
21 our knowledge, those studies were going to take place.
22 And at that time the burden of proof that Mr. Gilmore is
23 addressing right now, we were told we would not have the
24 full burden of proof.

25 And if I may, I would like to quote yourself.
26 If the studies that the Safety Branch and that you're
27 talking about with the CPUC with the Safety Branch and
28 the Energy Branch working together beyond any scope of

1 simply the application as -- and I'll read you another
2 quote, that the marching orders that you had given them
3 were way beyond the scope of the application and the 36
4 lots, and if -- and I'm quoting now -- if our studies do
5 not for support the complaints and the SoCalGas
6 Company's records do not support the complaints, then
7 the burden would be on the complainants to come up with
8 something that would spark more than just a little bit
9 of interest to shift the teeter-totter.

10 Well, that also suggests to us that we do not
11 have and we did not have the full burden of proof to
12 start this investigation. And indeed, we were told that
13 an investigation had been started and that we would be
14 able to utilize all of that data. And what I am looking
15 for now is, as we are here today, which was a bit
16 bewildering and a surprise, that we would be here
17 without any benefit of anything other than the materials
18 from the Energy Division.

19 MR. GILMORE: Your Honor, may I respond?

20 ALJ BROWN: Just a second. I need to ask, did you
21 ever request under a Public Records Act request the
22 documents from the Safety Division?

23 MS. MC PHERSON: We had been interfacing with both
24 the entities, both the Energy Branch and the Safety
25 Branch. There was no apparent need to have to public
26 record request anything. We have been under the
27 assumption, and the public has been as well, which we
28 will provide even the newspaper articles that support

1 that assumption by the press themselves, that there has
2 been an ongoing reservoir investigation, area-wide
3 health risk assessment, all of this, which is beyond the
4 scope of any of the 36 laws, which has been a point of
5 contention all along. And you yourself had said that
6 all the issues, which Mr. Endres has brought up a litany
7 of subsidence issues, of geologic issues, of looking
8 into all of the well bore logs that you said would all
9 be looked into. And even the Energy Branch said: we
10 now have the marching orders from the judge to go beyond
11 this scope, that all of these issues would be looked
12 into.

13 And at this point in time I see no evidence
14 that that has occurred. And -- but when we received a
15 few weeks ago notice for this hearing and had to
16 respond, suddenly we were simply put back into a
17 position of where we were five years ago at our first
18 hearing where we walked in and were given, not that we
19 weren't going to work with the PUC, and the PUC was
20 ordered to do studies, both the Safety Branch and the
21 Energy Division, and then we were going to see what they
22 came up with that covered a wide array of issues, not
23 just the applications issues, and then see if that
24 little bit of teeter-totter that we would add to that
25 burden of proof.

26 And we have acted in good faith all of these
27 years providing this data. And I know that I personally
28 see a huge posse of that information being inculcated

1 into anything that's been given out to the public. But
2 for us to receive the hearing notice that we did to come
3 here today to start to provide the full burden of proof,
4 Ms. Knight five years ago said to you that she was
5 afraid of a Grassroots entity, of neighborhood people
6 having to have the full burden of proof. And indeed, I
7 object to the fact that the PUC would consider people
8 like us. I mean I'm obviously not an attorney. I am an
9 actor. Ms. Knight is a social worker. We have worked
10 for the past five years in good faith to bring these
11 issues, and we have worked at doing the investigation --

12 ALJ BROWN: Okay.

13 MS. MC PHERSON: -- and we are back where we were
14 five years ago.

15 ALJ BROWN: No, we're not.

16 MS. MC PHERSON: Only being asked now to provide
17 the full burden of proof. And I don't understand that.
18 It is quite bewildering. And if you could explain that,
19 we would appreciate that.

20 ALJ BROWN: We were progressing real well until
21 all of a sudden Dr. Endres was mentioning all the
22 documents he had given the CEQA team and the outside
23 contractors, because this is not the CEQA proceeding.

24 MS. MC PHERSON: No, no, no. As well as the
25 Safety Branch. All of the entities put together we have
26 been working with.

27 ALJ BROWN: Okay. Let's just stay away from the
28 CEQA team, all right, because that does get us into --

1 MS. MC PHERSON: And then I have a question then.

2 ALJ BROWN: Okay. Let me. You were progressing
3 fine while you were focusing in on what you want the
4 Commission to do as a result of these complaints, which
5 is, you want further investigation and studies into
6 these areas.

7 MS. MC PHERSON: Yes.

8 ALJ BROWN: All right. What support do you
9 already have that you could give us to really justify
10 this?

11 MS. MC PHERSON: Well, number one, I believe we've
12 provided that justification throughout the five years.
13 Number two, to bring up the CEQA documents, I have been
14 told, and by yourself as well, procedurally speaking in
15 here that the CEQA documents are all part of this
16 hearing. I mean the outcome --

17 ALJ BROWN: No. I told you the opposite. In
18 fact, the scoping memo says we are not, in this -- in
19 this particular proceeding we are not fighting over the
20 CEQA documents.

21 MS. MC PHERSON: No. But the CEQA documents are a
22 part of what we can utilize here. I think we're
23 splitting hairs here.

24 ALJ BROWN: Okay. We are. But you -- focus in
25 on, and when you say you've provided documentation, if
26 you have documentation, it needs to go into this record.
27 And I'm not going to foreclose you from being able to
28 present it later, nor would I foreclose you from having

1 an opportunity to cross on it, but we need it in this
2 record. We need it not just sent to the Energy
3 Division, but we need it sponsored by someone who can
4 substantiate it under cross-examination by the Gas
5 Company.

6 Even if you've already provided it before, all
7 you have to do is pull up something that Dr. Endres
8 could kind of support and say: look, 1976, this
9 happened, 1982, this happened. 1995, there were 12
10 times there were leaking gas fields. And here is the
11 document that shows this. Then that document can come
12 in and be part of this record, subject of course to
13 cross-examination. But to talk in the generalities that
14 all of a sudden we shifted into doesn't really help us.
15 I would love to see some of those documents and have
16 them be part of this record.

17 MS. MC PHERSON: Your Honor, we will be providing
18 specific documents. I think for us today to establish
19 the premise of all of these hearings is important for us
20 to express ourselves, you know, as the public. I
21 represent the public, and what these issues are.

22 The documents are voluminous that we have
23 provided, and I think it is highly burdensome, which if
24 one would go back in these transcripts as I have done,
25 the idea was to not be burdensome. And we have provided
26 so many documents that to have to reprovide box loads of
27 documents.

28 ALJ BROWN: Okay. Box loads is going to be way

1 too much. What we need is --

2 MS. MC PHERSON: But all of that information
3 should be inculcated into an assessment for this
4 decision. And what we are saying is that, where is the
5 inculcation of all of that information into this
6 assessment?

7 ALJ BROWN: Okay. I'll tell you exactly what we
8 can do to progress here. Number one, we're talking
9 about leaking oil field gases. You might not have the
10 documents here with you, but if you could with some
11 specificity say: I have a report that was produced in
12 1992 and one that was produced in 2000 and -- whatever,
13 give me some information. And then you can provide, and
14 maybe we can reduce the burden and I can pick up some of
15 the duplicating responsibility for that, or maybe we can
16 even share them electronically if you have them
17 electronically, but we need some reference to what
18 you're talking about. Maybe we could all go back to our
19 boxes and find some of these documents.

20 MS. MC PHERSON: And we have, for you.

21 ALJ BROWN: But I need to know which ones they
22 are. When you get to, say, No. 2, depositing
23 carcinogens into the air or soil, tell us what study,
24 what report you're relying on for that. All right.
25 Then we'll figure out whether you need to produce it
26 again or whether we already have it.

27 MR. GILMORE: Your Honor, and we would just point
28 out that part of the problem here obviously is that we

1 have not seen these documents. They were never provided
2 to SoCalGas when they were allegedly provided to the
3 Energy Division. How can we possibly review them and
4 respond to them if we have never seen them?

5 MS. MC PHERSON: All one would have to do would be
6 to go to the PUC and ask for our documents. For
7 instance, in our motion that we have just produced
8 today, we are asking for all the documents that have
9 been produced by the Safety Branch as well as the Energy
10 Branch. We would like to be able to see those
11 documents, as well as you, Mr. Gilmore, in order for us
12 to be able to go forward. So I agree with you.

13 MR. GILMORE: You're talking about something else,
14 I'm afraid. I think --

15 MS. MC PHERSON: Am I?

16 MR. GILMORE: -- you just referred to documents
17 produced by the Energy Division and the Safety Division.
18 What we've been talking about are documents that you
19 have provided to the Safety Branch and the Energy
20 Division. I would frankly like to see any documents
21 that you --

22 MS. MC PHERSON: All in the same place, Mr.
23 Gilmore.

24 MR. GILMORE: Why couldn't you have brought --

25 MS. MC PHERSON: Let's ask together.

26 ALJ BROWN: No, no, no. Wait a minute. You can
27 only -- wait a minute. One person at a time. Do not
28 talk over Mr. Gilmore's lines, because he can't create

1 the record. All right? Slow down.

2 Under the Public Records Act any one can ask
3 for any document that is not excluded. There are some
4 exemptions.

5 MS. MC PHERSON: Must we go to that extreme,
6 though, to --

7 ALJ BROWN: No.

8 MS. MC PHERSON: Because typically in a Public
9 Record Act request one has to designate what document
10 one is looking for, and if we could review all of the
11 documents that the PUC has created and generated as a
12 result of all of the investigations, that is what I
13 believe that Mr. Gilmore would like to look at and I
14 certainly as Grassroots on behalf of the public would
15 like to review.

16 MR. GILMORE: Your Honor, just to make it clear,
17 all we're looking for is any materials that Grassroots
18 is claiming here today or in this proceeding supports
19 its allegations. That's what we're looking for, any
20 studies, any reports, that support these allegations.
21 We have seen nothing of that so far, and that's what we
22 wanted to see. We're not interested in any internal
23 documents at the PUC. All we want to know is what
24 documents, what records, what studies does Grassroots
25 have in its possession to support these outrageous
26 claims.

27 MS. MC PHERSON: May I ask a question? I'm sorry,
28 but this does get back to the burden of proof being

1 placed fully on us, and which is why we would like to
2 see all the documents generated by the Public Utilities
3 Commission as we were promised during these hearings.
4 But if I may say --

5 ALJ BROWN: Have you ever asked for them?

6 MS. MC PHERSON: I just have a quick, quick
7 question, which is -- I'm sorry to interrupt you, and I
8 will stop after this. But I would like to ask Mr.
9 Gilmore, has he reviewed all of the Public Utilities
10 Commission documents that are available?

11 MR. GILMORE: I don't even know what you're
12 talking about. What documents are you referring to?

13 MS. MC PHERSON: Any investigation materials that
14 the PUC has generated or any comments or conclusions or
15 reports that the PUC may have. Have you reviewed those?

16 MR. GILMORE: No. And we had no interest in them.
17 We're interested in any reports or studies that
18 Grassroots might have in support of its outrageous
19 allegations. That's what we're interested in. We have
20 seen none so far.

21 MS. MC PHERSON: Well, we will be providing
22 documents as per your request, I believe, and yours as
23 well, Judge, but it strikes me odd that you would not
24 wish to review the investigative materials that the PUC
25 has generated to this point. I don't understand that.

26 ALJ BROWN: That's not part of this hearing. We
27 don't need to argue about that. What we do need to
28 know -- first off, any time you would -- you need to ask

1 to see documents. All right. The Energy Division just
2 doesn't willy-nilly send them out.

3 MS. MC PHERSON: No. We would come to you, so to
4 speak.

5 ALJ BROWN: You can do that, normal reasonable
6 business hours any time you request, and the project
7 manager on the project will meet with you and show you.
8 Anything that is not covered by a deliberative process
9 or a handful of other exemptions you would get to see.
10 All right. You just have to avail yourself of that.
11 Okay.

12 MS. MC PHERSON: Well, and that sounds -- and
13 thank you for that, because we've only just been given
14 this hearing to happen within the past few weeks. So to
15 know that we could -- needed to rush down and be able to
16 review whatever the PUC had as a result of their
17 investigations, any conclusions, reports from any of the
18 branches, we would like to be able to do that. And
19 that's part of our motion that we submitted today.

20 ALJ BROWN: Okay. The other thing is, progressing
21 on today and for the next few days here, if you can
22 reference something that you know you turned in to the
23 Energy Division, the name of the report, the date,
24 approximately who you gave it to or when or some way
25 that we could track it down, I can then access it, and I
26 need to know -- I need to know where to look, what you
27 have produced.

28 MS. MC PHERSON: Oh, I see what you're saying.

1 All right.

2 ALJ BROWN: I need some reference point. There
3 are bankers boxes full of things that you have produced.
4 Okay.

5 MS. MC PHERSON: Is that something that we would
6 then have the burden to show again to you as our
7 judge --

8 ALJ BROWN: Maybe.

9 MS. MC PHERSON: -- as opposed to all the work
10 that we have done in the past five years of producing
11 this information?

12 ALJ BROWN: Okay. You need to sift through the
13 information you have produced and decide which really
14 substantiates the Commission doing further investigation
15 and further review. Making allegations, and I know
16 we've had this conversation a few other times, and some
17 of it's because this is not where you live day in and
18 day out, but talking about other sites or explosions
19 that happened in other places doesn't necessarily tie in
20 to, wow, we need to go do a triple, quadruple look at
21 the SoCalGas facility.

22 But if Mr. or Dr. Endres has a study that
23 shows in 1996 there were these well leaks and in 2000
24 there were these well leaks and in 2004 there were these
25 leaks, then I can take that document, go talk to the
26 energy people, go talk to the safety people and say,
27 this document sure looks like we need to pay attention
28 to this. A lot of the documents that you have produced

1 have been very educational, but they're -- they're
2 academic treatises.

3 MS. MC PHERSON: Actually, if I may. Yes, I
4 believe that we have provided much of that, but we have
5 also provided very, very specific documents to have
6 already proven our point. So we will -- I'm ready to go
7 ahead.

8 ALJ BROWN: Good. Go ahead. And even if you're
9 not prepared to give me the specificity today, when you
10 get the transcript, all right, after this hearing, you
11 could then go back through, which obviously means we'll
12 need more time later, but you could go back through, and
13 for a particular point Dr. Endres is making now, you
14 could then say: see X document. And if you have a
15 copy, produce it then. If not, you could say: I have
16 already produced this to the Energy Division.

17 MS. MC PHERSON: Great, great, great.

18 ALJ BROWN: I could go down, get a copy of it and
19 make copies for people or send it out electronically so
20 that we're all -- that we all have the same information
21 in front of us.

22 MS. MC PHERSON: Yes.

23 ALJ BROWN: Because what is sitting in a box in
24 the Energy Division is not something that's in the
25 record before the Commission.

26 MS. MC PHERSON: I don't understand why, but I
27 agree with you, and I will -- we will try very hard to
28 cooperate with that, and that would mean then that these

1 three days are not the end all to --

2 ALJ BROWN: They might not be. They might not be.

3 MS. MC PHERSON: Okay.

4 MR. GILMORE: Your Honor, I just want to go on
5 record that we will object to the late introduction of
6 any studies or reports that Grassroots claims supports
7 its position. Your scoping memo came out on March 7th.
8 It's what, six weeks ago?

9 MS. MC PHERSON: But this has been five years.

10 MR. GILMORE: Your Honor, if I may finish, be
11 allowed to finish my statement, please.

12 What we're asking, all Grassroots had to do,
13 if there are boxes of materials that they provided to
14 the Energy Division, all they had to do was go back
15 through their materials and pick out the studies or
16 reports that support their conclusions. This is not
17 burdensome on Grassroots. They could have looked
18 through their own files and have come out with any
19 studies or reports that support their conclusion. To --
20 you know, they've had plenty of time in which to do
21 that. And we will frankly object to prolonging this
22 further if it means that Grassroots just didn't take the
23 time or decide to take the effort to go through its --
24 what it had already provided to the Energy Division and
25 pull out what's relevant to support its conclusions.

26 MS. MC PHERSON: And may I speak?

27 ALJ BROWN: Yes. And then let's get on with it.

28 MS. MC PHERSON: And then we'll go on, yes. And I

1 would object to what Mr. Gilmore references as being a
2 lot of time. We have had a few weeks. I have other
3 lawsuits that I am engaged in. So there are a lot of
4 things that -- this has been a very, very short
5 timeframe. So I object --

6 ALJ BROWN: That's fine.

7 MS. MC PHERSON: -- to his characterization of all
8 of this.

9 ALJ BROWN: Let's continue on with the evidentiary
10 hearing.

11 MS. MC PHERSON: Q All right. If we then could
12 get back to the listing in the summary. And Dr. Endres,
13 if you could -- let's cut to the chase, please, and go
14 into what we would like for an outcome on -- of these
15 hearings and for the days that we have to provide
16 further briefs. With regard to No. 1 on page 2, shallow
17 gas monitoring and collections systems, page 3, vent
18 stack scrubbers, written safety plans and procedures,
19 could we please go item by item starting with No. 1 that
20 you could give us a quick synopsis of this, of --

21 ALJ BROWN: Yes. Tell us what you want, and to
22 the best that you can remember, what --

23 MS. MC PHERSON: And the salient issues of each.

24 ALJ BROWN: Yes. Salient issues, but also what --

25 MS. MC PHERSON: And certainly any other special
26 things that have come up recently that would also help
27 illuminate why each of these things would be important.

28 ALJ BROWN: Correct. And if you know there's a

1 study, even if you don't remember its date or whatever,
2 we can fill in details later, but say, as supported by a
3 study you read last year or a month ago or something
4 like that, any information you can remember about it
5 that would support this.

6 THE WITNESS: To begin with, if I'm permitted to
7 speak at this point.

8 ALJ BROWN: Yes.

9 THE WITNESS: To begin with, I'd make an overall
10 general and simple statement as follows. Within this
11 three-day interval that would be allowed by the
12 hearings, I would be prepared to supply all of the
13 salient documents by specific reference that would
14 support the opinions and conclusions that I have reached
15 in here. I have no problem in doing that. And now it's
16 simply a matter of taking the most important documents,
17 making sure that those are made available within this
18 three-day period, and then being allowed, if necessary,
19 and I'm certainly open to the possibility that if
20 there's a request to provide further detailed
21 information to support these opinions and conclusions, I
22 would be more than willing to supply that. I would be
23 more than willing to appear for testimony to support
24 whatever documents have been submitted.

25 My second overall comment is as follows.
26 This -- I went through the efforts to try to reduce the
27 time period involved here today so that perhaps we could
28 visualize it as a pyramid --

1 ALJ BROWN: Okay.

2 THE WITNESS: -- shape in terms of how we're
3 looking at this information, and within the limited time
4 period that I anticipated that I would have available to
5 express my background and all the information. First of
6 all, I knew and presumed that I would be prevented from
7 spending time in going into significant detail. I went
8 to great effort to reduce the time of my testimony --

9 ALJ BROWN: We appreciate that.

10 THE WITNESS: -- by preparing this paper. This is
11 the tip of the pyramid. Now, if we're going to work
12 slightly back from the tip of the pyramid, we're going
13 to effectively, on one side of this pyramid, we could
14 visualize that we've got the four Roman numeral issues
15 here, which is in essence my ultimate opinions and
16 conclusions, but on the other side of this pyramid going
17 down would be the following, beginning at the bottom of
18 page 3 and continuing all the way to the middle of page
19 6.

20 So the reason I subcategory -- subcategorized
21 each of those is because they in and of themselves
22 somewhat in a pigeonhole fashion provided a very, very
23 profound piece of evidence to support two things. One
24 is that I was under the responsibility of supporting my
25 overall opinions and conclusions, and in parallel with
26 that effort, responding at the same time to the rebuttal
27 testimony, particularly of James Mansdorfer and Mr.
28 Thompson, John Thompson, and we have the third element,

1 Mr. Hower, which is really in a category somewhat
2 distinct in and of itself.

3 Now, what I'm going to do here today, if I'm
4 permitted to do so, is work perhaps halfway down this
5 pyramid and show how all of this interrelates in order
6 to bring us back to the ultimate reasons as to why I
7 feel, this is a personal conviction by me, aside from
8 who are the people that I have been interfacing on, but
9 it is my personal conviction beyond any question, beyond
10 any scientific question, of the absolute need to
11 implement each and every one, particularly of the first
12 three Roman numerals. And the fourth Roman numeral has
13 only aris -- only arisen as a result of the rebuttal
14 testimony of James Mansdorfer.

15 Now, I was placed -- Roman numeral 4, really,
16 I came fully prepared here today to address not only
17 James Mansdorfer's testimony but to show unequivocally
18 why the ultimate disposition of this facility may be to
19 shut it down, and we already have very profound evidence
20 of the situation and what would be the circumstances
21 that would at least provide the framework for looking
22 into the possibility of Roman numeral 4.

23 So if I could provide a brief summary of those
24 issues at this moment and then work backwards, but I'll
25 basically take your guidance, your Honor.

26 EXAMINATION

27 BY ALJ BROWN:

28 Q All right. So why don't you -- all right.

1 Start with No. 1, the shallow gas monitoring and
2 collection system.

3 A Okay. Now, as far as the documentation, I'm
4 going to tell you pretty closely what documentation I
5 plan on producing here fully substantiated over the next
6 three days. I will attempt my best efforts to have
7 multiple copies of this available no later than
8 tomorrow, but if I need the additional time, I will
9 provide it on the third day, and if there's some
10 expression that maybe there would be the need to see
11 additional data, then I'm more than willing to provide
12 that.

13 Item No. 1 has, of all of these, has been the
14 most significantly quantified on a scientific basis. I
15 have been personally involved in the valuation of that
16 data from the very moment that it was generated.

17 Q And this is for Playa Del Rey or Montebello?

18 A This would pertain to the totality of
19 scientific soil gas testing that has been performed
20 throughout the region of the Southern California Gas
21 storage facility. And when I performed my evaluation
22 under Item 1, I also integrated the knowledge that I had
23 of all of the barhole studies that had been performed by
24 Southern California Gas Company, and also that, and a
25 very important part of that was having available not
26 only isotopic gas characterization test results, but
27 also, profoundly, helium pounds.

28 So what were the primary scientific data that

1 I could conclusively arrive with 100-percent scientific
2 certainty as to what I was observing experimentally
3 within the test results and the soil gas testing and the
4 barhole results that were produced throughout this total
5 region. I integrated the totality of that information
6 and determined not only a regional description but
7 determined nearly the exact pathways by which this oil
8 field gas was reaching the surface.

9 Q And did you commit those observations and
10 opinions to writing?

11 A Yes.

12 Q Okay. And do you have something that you
13 could either refer us to or that you could produce in
14 the next handful of days?

15 A Yes.

16 Q Or within a --

17 A As I sit here, I'm going to name documents,
18 and whoever from Southern California Gas Company could
19 make a recording of these documents and hold me
20 accountable for making sure that they're provided with
21 the number of copies that they need to convince
22 themselves that we have thoroughly reviewed these
23 documents.

24 So Document No. 1, you can put this on your
25 list. This was a study that was performed by Geoscience
26 Analytical, and it was performed specifically to
27 identify and characterize the hazards posed by the
28 identified leakage from certain wells in the Townlot

1 area, and these wells were specifically identified by
2 number as being Townsite No. 2 and Townsite No. 3 wells.

3 We have a specific individual within the
4 Geoscience Analytical organization. His name is Fleet
5 Rust. He is a geochemist. He went out to the site and
6 he performed a multiplicity of near-surface soil gas
7 studies. I have reviewed that study in meticulous
8 detail. I have interfaced personally with Dr. Fleet
9 Rust, and I have personally interfaced with his
10 colleague, and I have personally interfaced with that
11 organization, and the multiplicity of other
12 correspondence that has occurred between that company
13 and Southern California Gas Company and other studies
14 that were provided, including to the DOGGR.

15 Some of this information was provided to the
16 DOGGR. The individual from the DOGGR organization, his
17 name was Mr. Sanchez. I have spent considerable time in
18 reviewing this information with not only the DOGGR but
19 Mr. Sanchez. I have personally had conferences with
20 him. He is the person who I believe is the most
21 personally knowledgeable of what has happened over a
22 long period of time with the Townsite lots, the Townlot
23 wells and their serious leakage problems.

24 Basically, in order to come up with a more
25 complete understanding of what was going on, we begin
26 with the carpet plots that were generated by Geoscience
27 Analytical. And what those carpet plots reveal
28 unquestionably would be the enormity of thermogenic gas

1 that leaked directly to the surface under those Townsite
2 lots, Townsite No. 2 in particular, and what was done
3 was to generate what's referred to in the scientific
4 literature, and especially by Fleet Rust and Geoscience
5 Analytical, is what we refer to as isopleats. And I
6 will be more than willing to provide those isopleats
7 over the next several days. I will provide a copy of
8 what I view as being the most important document
9 generated by Geoscience Analytical establishing
10 conclusively that not only the Townsite 2 but the
11 Townsite 3 well were profusely leaking.

12 Q All right. Do you have any information about
13 any other wells, or is it just 2 and 3?

14 A Yes. No. There's a multiplicity of other
15 wells out there that I have examined in detail. And the
16 other one -- the well that stands out beyond any others
17 would be the Troxel well, and the Troxel well is
18 significant for several reasons. One is because of its
19 long history of documented information, which I have
20 available, and also the fact that the Troxel well and
21 the lot where that well is located is indeed, it's part
22 of the 32 wells that have been made a part of the Public
23 Utilities Commission CEQA study. I know we're
24 supposedly not to talk about CEQA-related issues, but in
25 terms of the relevancy --

26 Q Sure.

27 A -- of the gas seepage problems, Troxel
28 delineates the most salient features of what is

1 happening within this gas storage field in order to
2 create enormous dangers for the overlying residential
3 area. So I could just very briefly summarize --

4 Q Okay. What would be helpful, though, is,
5 based on your analysis of those studies and the work
6 that you've done yourself, what in particular in an
7 ideal world would the Public Utilities Commission do
8 with that information?

9 A The information basically is to reveal, number
10 one, that there has been a total nondisclosure on the
11 part of Southern California Gas Company that what is
12 taking place as an extreme danger out in the Townlot
13 area has, their portrayal of this area is, to the public
14 at least and to the general, even if someone attempted
15 to be generally well informed, is that that area, at
16 least to the present day, has nothing to do whatsoever
17 with their gas storage field.

18 Q All right. So but back to the question, what
19 would you like us -- what would the Public Utilities
20 Commission do in response to this, scold the Gas
21 Company, tell them to put a billboard up? I mean I -- I
22 mean what -- what could --

23 MS. MC PHERSON: Could we --

24 THE WITNESS: Your Honor, just a minute here.

25 ALJ BROWN: See, because --

26 THE WITNESS: I would refer to the -- our first
27 exhibit called Plaintiffs' Prepared Testimony.

28 ALJ BROWN: Q Correct. Okay. Now, wait a

1 minute. What I did like is when you can focus things on
2 specifics. When you say, installation of a shallow gas
3 monitoring and collection system, all right, where --
4 are you talking about that as part of the gas storage
5 facility or are you talking about it in reference to the
6 lots?

7 A I am speaking of it, the Roman numeral 1,
8 shallow gas --

9 Q Yes.

10 A -- monitoring and collections system would
11 have to be at least tailored to suit the unique
12 geological characteristics of two distinct subsurface
13 geological conditions throughout this area and that
14 underlie the gas storage operations.

15 Q So that would be the gas storage operation.
16 Okay.

17 A Okay.

18 Q What we don't want to spend time on is any
19 problem with the lots because we most probably are going
20 to have hearings on the application, and that would be a
21 time to bring up whatever information you think was
22 faulty about the information on the lots.

23 A Okay.

24 Q Okay? What I would like to focus on is what
25 the Commission could do in response to this. So here
26 you're talking about that maybe we could --

27 A Right.

28 Q -- do gas, shallow gas monitoring and a

1 collection system on the gas storage facility. Do you
2 have any idea, just as you sit there today, how
3 extensive that would be?

4 A Almost exactly, your Honor.

5 Q Like what would you envision?

6 A Yes. To begin with, the Roman numeral 1 is
7 fashioned to address what I view as being by far the
8 most serious hazard out there.

9 Q Okay.

10 A And we have a very unique geological condition
11 that underlies a large portion of the area that is
12 encompassed by the Playa Del Rey gas storage facility,
13 and that has been referred to in the scientific
14 literature as **the 50-foot gravel**. I did not invent that
15 term. It was actually invented by a scientist by the
16 name of **Poland, who was the chief hydrologist for the**
17 **State of California**.

18 Q Well, like how many monitoring systems? Is it
19 just one? I know that gas storage facility is giant.
20 I'm just trying to envision what you're envisioning.

21 A Okay. I could -- if I could make reference to
22 the exhibits that we've already marked, your Honor.

23 Q Sure. That would be very helpful.

24 A And I can just quote some salient language
25 from that document.

26 MS. MC PHERSON: Here. Are you referencing this?

27 THE WITNESS: No. Just one of the exhibits.

28 ALJ BROWN: Go off the record for a moment.

1 (Off the record)

2 ALJ BROWN: We'll go back on the record.

3 THE WITNESS: Okay. What I would like to key in
4 on under Roman numeral 1 is, I did not invent gas
5 monitoring and collection system.

6 ALJ BROWN: Sure, sure.

7 THE WITNESS: That term was developed as part of
8 virtually the same and identical problems that developed
9 at the Montebello facility. So what we're looking at
10 here is a public utilities document, although it's part
11 of an investigation which, that's not the importance of
12 why I have relied upon this document. The main reason
13 I've relied upon it is the language that's set forth on,
14 particularly on page 21, and it's about halfway down,
15 and here is the statement:

16 Southern California Gas Company
17 installed 24 gas monitoring wells
18 as well as a shallow gas
19 collection system due to problems
20 with gas leakage from the ground
21 into homes.

22 I'd like to focus just on that precise
23 language.

24 ALJ BROWN: Sure, sure.

25 THE WITNESS: What have I done to evaluate the
26 feasibility of using that concept at Playa Del Rey?
27 First of all, I reviewed an extensive amount of data on
28 file with the Division of Oil and Gas and also other

1 documents relating to the Montebello facility. I
2 personally have extensively investigated the subsurface
3 conditions. I've also investigated documents on file
4 with the City of Montebello in which Southern California
5 Gas Company came to the City of Montebello and requested
6 permitting approval for the drilling of these wells that
7 are discussed here. Within that documentation, it
8 delineates in great scientific detail to the City of
9 Montebello as to how and why this is going to be an
10 effective means in order to control the upward leaking
11 gases.

12 ALJ BROWN: Q Okay. So basically, one of your
13 wish list items would be for SoCalGas to do the same
14 thing for the Playa Del Rey field?

15 A Well, particularly within the 50-foot gravel
16 zone, which has been highly characterized both
17 vertically as well as regionally in the Poland reports,
18 which are historical documents. The document itself
19 published by Mr. Poland around the year 1954 is
20 approximately 120 pages long in itself. It's perhaps
21 the most detailed hydrological study performed anywhere
22 within the state of California, and fortunately, it
23 characterizes the exact zone that we would be dealing
24 with the number one fire and explosion hazard that has
25 been created that directly overlies the gas storage
26 facility. So.

27 Q Okay. So if, again, this is all part of your
28 wish list, if this was to happen in Playa Del Rey to

1 cover the 50-foot space, that would address some of your
2 concerns?

3 A It would address the most imminent and current
4 dangers posed, and which, just within the last several
5 weeks I have been involved in some of the most
6 convincing investigations which would heighten my
7 enormous concerns and worries, really, over at what
8 point we could have a fire or explosion or someone
9 becoming injured by the enormous, what I would
10 characterize as millions of cubic feet of thermogenic
11 gas that's leaking to the surface right at this moment
12 which I have detailedly characterized.

13 Q And maybe you could help me out with this
14 since I've had nothing to with Montebello at all. What,
15 from your research and studies, what is the size
16 comparison between Montebello and Playa Del Rey? Are
17 they the same size? Is Playa Del Rey twice as big?

18 A I would es -- it's approximately the same
19 size. We're talking about roughly a 300-acre area, and
20 we have a very similar urban development that overlies
21 the facility and we have very similar subsurface
22 geological conditions, the hydrology table, the oil
23 fields. In fact, the remarkable analogy is that the
24 same oil field company, which was **Union Oil Company**, in
25 the 1920s and the 1930s were responsible for drilling
26 the same wells as the well completion practices by Union
27 Oil Company, who drilled the **same wells in Montebello**.
28 **So the well completion practices in comparing the**

1 technology that was used is very, very important. So
2 again we have this similarity, very substantial
3 similarity of conditions existing.

4 Q Okay. Anything else on this point No. 1 that
5 needs to be in the record?

6 A Yeah. Point No. 1 is, if I could summarize
7 what is truly going on within the 50-foot gravel. The
8 50-foot gravel is constantly being recharged by the
9 up-flowing oil field gases that are emerging from below
10 the mineral right interface. So we have a 500-foot
11 interface in which below that Southern California Gas
12 Company owns and possesses all of the mineral rights,
13 and they also have very strangely somehow professed, in
14 legal documentation, professed that they have the right
15 to store storage gases close to the surface as 500 feet.
16 And that seems to me to be a real -- I've gone through
17 that. But I'd rather not digress into that point.

18 Q Is this at Playa Del Rey?

19 A Yes.

20 Q Okay. Anything else on point No. 1, the
21 shallow gas monitoring and collection system?

22 A The collection system really is devoted
23 towards preventing the buildup of pressure within this
24 50-foot gravel zone. The recharging of the gas from the
25 lower oil field depths continues to move up, and it's
26 millions of cubic feet per day. And no matter what
27 would be done at the present time to attempt to vent
28 these, with the limited number of vents that have been

1 installed to date, they are being totally overconsumed.
2 There wouldn't be enough venting there to be able to
3 vent out the enormity of the gas that's moving into the
4 50-foot gravel. Since it cannot move out as fast as
5 it's moving in, there is a buildup of pressure within
6 the 50-foot gravel.

7 Now, one of the most important lessons we have
8 learned, especially from Fairfax and all of the
9 subsequent fields, an extreme danger is correlated
10 directly with the level of pressure buildup within this
11 shallow zone. I call it a secondary gas field zone.
12 Now, that pressure buildup is, when it reaches a point
13 in excess of approximately 20 pounds per square inch of
14 pressure, if you were to, for example, not you actually,
15 but if --

16 Q Yes, right.

17 A -- someone were to actually take a drill bit
18 and drill 50 feet from the surface into that gravel
19 zone, there's most likely to be an immediate expulsion
20 and well blowout, and the blowout severity is correlated
21 directly with the pressure buildup.

22 Q Okay. And what would you suggest to address
23 that and prevent any problems from that buildup?

24 A Well, one methodology that was fully
25 enumerated by Exploration Technologies and particularly
26 Victor Jones was a method by which you would actually
27 draw out the water from the 50-foot gravel zone by way
28 of surface pumps, and then in the process of that being

1 brought to the surface, you would take the dissolved
2 gases that would be within that water and you would
3 degas the water, and then you return the water back down
4 to the 50-foot gravel zone. And this would be a
5 continuous process that would have to be implemented on
6 a 24-hour-a-day basis. Now --

7 Q Can that be done from just one site, or do you
8 have to have multiple?

9 A The characteristics of the gravel zone are as
10 follows: It has a generally updip direction as it moves
11 in an easterly direction. The gravel itself is
12 characterized as being highly permeable. The updip
13 direction of the gravel is both an extreme hazard as
14 well as an extreme help. What it means is that you
15 could use fewer numbers of, say, pump and treat
16 locations because you have a continual movement of these
17 gases in an updip direction. So the sphere of influence
18 of the area in which you are drawing out from the
19 50-foot gravel zone would be much greater if you --
20 because of the presence of that updip location. In
21 other words, if you are removing gases, it's going to
22 provide a space for other gases to naturally migrate
23 into that location and then successively be removed on a
24 progressive basis.

25 There's one caveat, and it's been clearly
26 identified by each and every location where there has
27 been an actual well blowout as a result of drilling into
28 the 50-foot gravel. This has occurred on repeated

1 occasions. And what I have done is I have gone back and
2 studied very carefully the hydrological records, and it
3 shows that every time there has been a blowout, and what
4 I mean as a drilling well blowout, it's a true blowout.
5 What happens is sometimes it will go on for as long as
6 24 hours, and it will be accompanied by a continuous
7 flow of water and gases that will gush into the air as
8 high as 20 to 30 feet, and that can continue on for a
9 period of 24 hours.

10 Now, sometimes or frequently, when they would
11 repeat the operation, they would not experience a well
12 blowout. So what I did is identified the exact
13 locations where these well blowouts occurred and then
14 study what I knew in all likelihood was the scientific
15 explanation for why that was occurring. And I convinced
16 myself that that indeed was a threat. So cut to the
17 chase.

18 Q Yes.

19 A Why isn't it a foolproof way of simply having
20 a limited number of these collection systems to pump out
21 the gas? We have -- within the gravel zone there are
22 undulations, and as we talked about before, if we have a
23 clay layer that over -- it extends over it. Let's say
24 that you had a low --

25 ALJ BROWN: You know what, I promised people a
26 break at 2:30. I've had the poor court reporter going
27 for an hour and 15 minutes.

28 We'll pick up from that, and then let's as

1 succinctly as possible finish with No. 1 if you have
2 anything more to say, and we'll move on to No. 2.

3 MS. MC PHERSON: And also if we could, I'd like to
4 bring up that special circumstance.

5 ALJ BROWN: You're off the record now.

6 (Recess taken)

7 ALJ BROWN: We'll go back on the record.

8 You're still under oath. And -- yes. Go
9 right ahead.

10 MS. MC PHERSON: Again, to cut to the chase here a
11 little bit, Dr. Endres, if you could bring up those
12 special circumstances just to start us off?

13 THE WITNESS: Yes. Within the last several
14 months, there has been a careful identification of a
15 huge oil field gas leak that is occurring.

16 MS. MC PHERSON: Excuse me. Could you at least --
17 or perhaps I need to give you the number, because we do
18 have an exhibit for what you're about to talk about. It
19 is GR -- I'm sorry -- Grassroots 4.

20 ALJ BROWN: Grassroots 4. Okay.

21 MS. MC PHERSON: Grassroots 4.

22 ALJ BROWN: Grassroots 4. Oh, it's got -- that's
23 the one with the picture.

24 MS. MC PHERSON: And actually, Grassroots 8 as
25 well will identify the location.

26 THE WITNESS: Yes.

27 ALJ BROWN: Q When you say within the last few
28 months, is that in 2005 or the end of the -- --

1 A Correct.

2 Q Okay.

3 A And I could more specifically characterize
4 this as an area that has been formerly identified as
5 being the freshwater marsh, and it's located at the
6 intersection, approximately at the intersection of
7 Lincoln Boulevard and Jefferson Boulevard. It's
8 approximately a thousand, 1500 feet west of the Lincoln
9 Boulevard, and it's also slightly south of Jefferson
10 Boulevard.

11 Q Okay.

12 A Located directly in the freshwater marsh, the
13 water of the freshwater marsh. The water is at that
14 point approximately 7 feet deep, and what is occurring
15 on an ongoing and continuous basis would be the movement
16 of oil field gases to the surface and bubbling in very
17 evident fashion through the water at that point.

18 Q All right. Now, do you have any studies that
19 you relied on that allowed you to determine that it was
20 Gas Company gas?

21 A Yes.

22 ALJ BROWN: Okay. And is there any way that you
23 can produce those or --

24 MS. MC PHERSON: That would be -- well, in part is
25 3, No. 3.

26 THE WITNESS: Correct.

27 ALJ BROWN: Q All right. Let's take a look at
28 GR-3. Okay. Dr. Endres, for someone who is a total

1 nonscientist, could you just tell me what these results
2 say to you?

3 A Okay. Page 2, which is titled Analysis
4 Report.

5 Q Yes.

6 A And then page 1, and then at the footnote of
7 page 2 we see that this report, analysis report has been
8 provided by Isotech Laboratories.

9 Q Yes.

10 A And this is a geochemical research laboratory
11 located in Illinois. It's a very competent laboratory,
12 and it's also been used routinely for performing this
13 type of gas analysis out there and for -- I'm familiar
14 with their testing procedures over a period of many
15 years.

16 Q Okay. Now, tell me what this analysis report
17 actually says in plain English.

18 A The most important line would be, within the
19 analysis report, if we go down about halfway on the page
20 we see the word "methane."

21 Q Yes.

22 A And then if we go across the three columns
23 that are displayed. The first column is we see 95.71.

24 Q Yes.

25 A And then above that we see that that is in
26 mol. percent. This is just a scientific --

27 Q Sure.

28 A -- description of the method of quantifying

1 the level of methane that was collected in the gas
2 sample.

3 The next column, which is referred to as Delta
4 C13, that's a very important number. We see that that
5 number is minus 61.59. And then in the next column we
6 see, very important also is Delta D per mil, and that's
7 minus 201.5. Now --

8 Q Why are those important?

9 A That would tell us that, with scientific
10 certainty, that the gas that has been collected, I
11 should say a few words about the method in which the
12 sample was collected, but the gas that's coming out of
13 this seep is pure thermogenic gas. It's oil field gas,
14 and its origin must with scientific certainty come from
15 the depths of the underlying oil field, in contrast to
16 some statements that we see within various reports that
17 this is biogenic or swamp gas. It's often been said:
18 Well, we're over wetlands and what else can you expect
19 but swamp gas.

20 This is anything but swamp gas. This is pure
21 thermogenic gas falling within one of the purest samples
22 that we have seen collected out there. And furthermore,
23 I have numerous other samples analyzed by the same
24 laboratory in which we have characterized, the
25 laboratory has characterized the relative degree of
26 thermogenic character of the gas. And we can bring in
27 charts of that type here during these hearings. And the
28 actual color coding is, for the nongeochemist, the color

1 coding for this type of analysis is definitive in and of
2 itself because, as Dennis Coleman has very appropriately
3 done in his evaluations, he has provided a color chart
4 comparison which tells us the degree of thermogenic
5 nature of this gas.

6 And this, also within the same region in which
7 this sample was collected there have been other very
8 detailed probes that have been put down, and we have --
9 I have diagrams. For example, the one most significant
10 probe would be one that was put down by Sepich
11 Associates. John Sepich placed a soil gas probe down
12 into the 50-foot gravel zone. It's approximately 50
13 feet in depth, and there were very high quality gas
14 samples that were collected from that 50-foot probe, and
15 those were also analyzed at Isotech Laboratories in the
16 same level of detail as what we have here. And what it
17 shows is that we have almost an identical match of the
18 isotopic thermogenic characteristics of the gas samples
19 collected from that 50-foot probe and the gas samples
20 that are collected directly over this seep.

21 Q Now, would your wish list No. 1, shallow gas
22 monitoring and collection system, would that address
23 this potential problem?

24 A Yes, it would.

25 ALJ BROWN: Okay. Anything else about the
26 monitoring and collection system you think we need to
27 have on the record? Can you think of anything, or Ms.
28 McPherson, did you have anything else.

1 DIRECT EXAMINATION (resumed)

2 BY MS. MC PHERSON:

3 Q I just had another point with regard to
4 perhaps No. 3 within relationship to this situation.
5 Dr. Endres, if you could perhaps give us your opinion
6 with regard to this special situation and No. 3 from a
7 standpoint of, I believe that we are bringing this
8 information to you for the first time, and once again, I
9 think it highlights something in particular, Dr. Endres,
10 with regard to safety and who is watch-dogging what is
11 going on?

12 A Yes. It's clear this has been an historical
13 area, this identical spot has been in an area of
14 historical leakage for a long, long time. Now, we have
15 initially, by "we," I mean Grassroots Coalition in
16 particular and then the follow-up analysis, have really
17 made certain that what we were observing and believe to
18 be occurring was indeed occurring. And so we can
19 conclude and relate this with the historical history of
20 this very location and know that if a proper monitoring
21 program as set forth in Roman numeral 3 were
22 implemented, then this situation would not be occurring
23 at the present time.

24 Q And I just wanted to highlight the fact the
25 proximity of this site to the well University City
26 Syndicate, which this may very likely be an enormous
27 leakage from this well, that it has been SoCalGas's
28 position that it monitors its abandoned wells twice a

1 year, and yet we have a situation where, well, certainly
2 the person that drew me to this site had observed this
3 for eight months already.

4 ALJ BROWN: Okay. Now, when you say, "Tie this
5 into No. 3," are you talking about written safety plans
6 and procedures?

7 MS. MC PHERSON: Q Yes. And how do you deal with
8 a situation like this should it arise, and has it been
9 dealt with right now. And I think that this is --
10 illuminates the situation as it stands right now as to
11 why there **needs to be a written safety plan and**
12 **procedure.**

13 A Well, I could address it very specifically,
14 your Honor, in making reference to **Mr. Mansdorfer's**
15 **rebuttal testimony** set forth here before us. And he has
16 addressed this exact issue. And when I read his
17 testimony, it's clear that he has at least a knowledge
18 that there is a probability or even a significant
19 probability that this well called University City
20 Syndicate is leaking, but then in anticipation of this,
21 he qualifies his rebuttal testimony by saying: well, I
22 think -- excuse me if I'm attempting to -- I'm not
23 trying to mischaracterize. I'm trying to characterize
24 in as simple words as possible Mr. Mansdorfer's
25 testimony, but he can speak to it himself. The words
26 are there.

27 But in essence what he is saying is that
28 University City Syndicate first, he believes, has been

1 properly abandoned. And if it has -- however, if it has
2 not been properly abandoned and if it is leaking, then
3 there is no responsibility of Southern California Gas
4 Company to do anything about it, and then furthermore,
5 he goes on to draw the conclusion or observation that
6 because, he gives an explanation for why Southern
7 California Gas -- why he believes Southern California
8 Gas Company is not responsible if the possibility is
9 that it's leaking. He says that the well is not within
10 the influence of the gas storage field. Okay.

11 My first question back to Mr. Mansdorfer if I
12 have the opportunity would be: well, Mr. Mansdorfer,
13 you say that is this not within the influence of the gas
14 storage field. Now, would your opinion and conclusion
15 be the same if I were to ask you if it was within the
16 sphere of influence of the Playa Del Rey oil field?

17 Now we have put it in a proper context because
18 there has never been any time in the many years that
19 Southern California Gas Company's operation of the
20 so-called Playa Del Rey gas storage field, that their
21 operation out there has not been an integral part of
22 operating the oil field. So the gas storage field is
23 only a subset of their total operations of the Playa Del
24 Rey oil field. This is an ongoing producing oil field
25 producing very, very large quantities of liquids. And
26 if you are operating a pure underground gas storage
27 facility, the general notion would be to the uninformed
28 person that we should expect predominantly only gas to

1 be processed through this infrastructure called the
2 Playa Del Rey gas storage field, but upon closer
3 inquiry, from day one of the operations, this facility,
4 first of all, was very carefully interfaced with the
5 Union Oil Company, who was operating the Gas Cap area at
6 that time.

7 EXAMINATION

8 BY ALJ BROWN:

9 Q Right. Let's bring you back to point No. 1.
10 Would a monitoring system prevent the kind of potential
11 safety hazards you are concerned about with now, the oil
12 leakage?

13 A Absolutely.

14 Q Okay. So your point No. 1 in a lots of ways
15 captures at least some of your safety concerns if that
16 were implemented?

17 A Well, if I could characterize it a slightly
18 different way. Under Roman numeral 1, going through a
19 proper implementation as clearly blueprinted by the
20 Montebello installation, the most significant part of
21 that is the ongoing monitoring, and the monitoring then
22 is telling you on an ongoing basis what steps you have
23 to take in order to be responsive to changes in
24 condition that are taking place within the shallow water
25 zone, and the water is telling you everything that's
26 going on. It's like it's there wanting to speak out.
27 It's just a matter of taking relatively simple
28 instrumentation and listening to what it has to say to

1 you. It's crying out to tell you, we've got this most
2 important information to tell you about if you would
3 just sit there and listen. And it's pretty simple
4 instrumentation.

5 Q Okay.

6 A That would be capable of responding to this
7 ongoing emergency that's occurring right at this time.

8 DIRECT EXAMINATION (resumed)

9 BY MS. MC PHERSON:

10 Q I have a question also, just one more with
11 regard to No. 3, the written safety plans and procedures
12 and this situation highlighting No. 3. Could you tell
13 me the proximity of the enormously dense Playa Vista
14 project and this leakage spot?

15 A Well, again, as I promised, and I'll set this
16 out as the documents that --

17 Q Excuse me. And also --

18 A Yes.

19 Q -- with the underlying geology that you've
20 just described, the 50-foot gravel zone?

21 A Right.

22 Q Does it not connect directly with across the
23 street?

24 A Well, I will promise the following documents
25 again, and I'll be held accountable for producing the
26 definitive detail on this. But I can highlight this by
27 coming back and to the -- what we've been referring to
28 as the analysis report. And I failed to mention the

1 significance of the 95.71 percent number. Now, to the
2 scientist that makes a great deal of meaning. For
3 someone uninformed with how to read this it wouldn't,
4 perhaps.

5 ALJ BROWN: Okay. What does it say?

6 THE WITNESS: In layman's terms, I would rather
7 choose the scientific description of count. I'd use the
8 word "count." And how can we characterize this by
9 counts? We can do it by what's referred to as parts per
10 million. What is the equivalent parts per million in
11 counts of 95.71? It is the following: 957,100 parts
12 per million of methane gas. That means that we have
13 something that would be equivalent to a ruptured gas
14 pipeline leak leaking pure pipeline gas to the air in
15 millions of cubic feet per day. Now, if that were
16 recognized as a pipeline leak with that magnitude of
17 gas, it would be declared an extreme emergency and a
18 very, very hazardous condition.

19 MS. MC PHERSON: I have another question also.
20 I'm sorry.

21 ALJ BROWN: No. Go ahead.

22 MS. MC PHERSON: I didn't see you doing that until
23 after.

24 ALJ BROWN: It's all right. Go ahead. You might
25 ask it.

26 MS. MC PHERSON: Q Dr. Endres, could you also
27 describe the potential for underground movement in
28 addition for something sight unseen at this point. I

1 mean do we know what is going on underground with any
2 other gases from this site that may be moving eastbound?

3 A Well, I would call it freeway conditions that
4 are connecting this area with the areas that are east of
5 that and which, to highlight, the reason I wanted to
6 bring in the count level of 950,000 parts per million is
7 is that there have been virtually an uncountable number
8 of soil gas tests taken at a depth of no greater than 5
9 feet throughout the regional area that have exceeded
10 900,000 parts per million where the maximum theoretical
11 level would be 1 million. That's so staggering that I
12 had to have my own question of the same perplexity I had
13 in my own question. So who did I direct who I thought
14 was the most knowledgeable person that could put this in
15 a relative framework, and that person happened to be
16 Walter Merschatt, and he has a scientific consulting firm
17 out of Wyoming, Casper, Wyoming.

18 ALJ BROWN: Okay. And where did -- tell me again,
19 what geographic area are you talking about right now?
20 Because you were talking about the marsh area.

21 THE WITNESS: Correct.

22 ALJ BROWN: Now, remind me, where did you go to
23 next?

24 THE WITNESS: This seep is occurring directly over
25 the mineral right area that is owned and possessed by
26 Southern California Gas Company.

27 MS. MC PHERSON: Now, I believe I gave you the
28 exhibit for that, which is the -- it says on there the

1 marsh seep and University City Syndicate. I gave it to
2 you, Bernie.

3 ALJ BROWN: Right. Okay. I thought you had
4 jumped to Playa Vista.

5 MS. MC PHERSON: Well, it is. It's right next to
6 it.

7 THE WITNESS: We're basically -- if we want to
8 characterize this land, we are in the area of land
9 that's surface land down to a depth of 500 feet. The
10 land is owned by the State of California and it's under
11 the authority of the State Lands Commission. That's the
12 surface regulatory ownership at this point.

13 ALJ BROWN: Is that for the marsh area?

14 THE WITNESS: The freshwater marsh is --

15 ALJ BROWN: The freshwater marsh.

16 THE WITNESS: The surface land rights are
17 currently owned by the State of California and under the
18 supervision of the State Lands Commission.

19 ALJ BROWN: Okay. And then, Ms. McPherson, you
20 asked a question that wasn't answered, which was, how is
21 that freshwater marsh connected to the Playa Vista?

22 MS. MC PHERSON: Right. And the proximity of it.

23 ALJ BROWN: The proximity.

24 MS. MC PHERSON: Q And what is the potential
25 hazard of something like that for sight-unseen gas
26 movement.

27 A It's connected, directly connected at a depth
28 of 50 feet by way of the 50-foot gravel zone that moves

1 updip in an easterly direction and causes virtually an
2 immediate opportunity for these leaking gases to move
3 within that 50-foot gravel zone under a highly
4 pressurized condition in a somewhat impermeable sand
5 layer, geological layer --

6 ALJ BROWN: Okay.

7 THE WITNESS: -- that extends above it, which
8 serves again similar to the clay layer we talked about
9 for the Fairfax case. So once it -- when the gas moves
10 up to the top of the gravel zone, it becomes entrapped
11 in a relatively impermeable zone that extends for
12 approximately 15 to 20 feet upwards until it reaches
13 another sand zone, and we've got some detailed
14 cross-sections that show exactly what that looks like.

15 ALJ BROWN: Okay. I have another question --

16 MS. MC PHERSON: Q I think, to cut to the chase,
17 Bernie, the idea that you had just expressed before also
18 with the freeway conditions within the 50-foot gravel
19 for gas movement to occur and that they may be occurring
20 directly from this well area directly underneath the
21 site?

22 A I would simply not agree with your
23 characterization that it may. With 100 percent
24 scientific certainty, they are not only directly
25 connected, but the same pressure levels exist within the
26 gravel zone. The high pressurization of that gravel
27 zone around the vicinity of the University City
28 Syndicate is virtually identical to the high pressure

1 conditions existing underneath the Playa Vista site and
2 extending eastbound over a large regional area.

3 Q So these Southern California oil field gases
4 are moving in freeway conditions underneath the Playa
5 Vista site?

6 A Horizontally and laterally, and they're moving
7 very dramatically in an easterly direction, and they're
8 largely being pushed by the repetitive actions of the
9 Pacific Ocean tides. So we've carefully looked at the
10 tidal influences. So it's, the tide rises and it pushes
11 the gas eastward with an increased pressure level. When
12 the tide goes out, the pressure goes down, and the gas
13 has ability to more freely flow into the gravel zone,
14 and now the tide comes back in and it pushes it like a
15 piston eastbound.

16 ALJ BROWN: Okay. Now, would also all of this be
17 captured with your shallow gas monitoring and collection
18 system?

19 THE WITNESS: Yes. A properly designed system --

20 ALJ BROWN: Good.

21 THE WITNESS: -- would absolutely capture it.
22 Yes, it would.

23 ALJ BROWN: All right. Is it time to move on to
24 our vent stack scrubbers?

25 MS. MC PHERSON: I would like to bring up a point
26 to you.

27 ALJ BROWN: Sure.

28 MS. MC PHERSON: In Grassroots 7.

1 ALJ BROWN: All right.

2 MS. MC PHERSON: That the document to the back of
3 this. This is a map of the region, and in the blowup
4 you can actually -- it's not a very big blowup, but the
5 blowup, it is -- this is oil field methane throughout
6 the region, which is the cover of GR-7. And these are
7 all oil field gases surfacing. But to the back of this
8 exhibit is the mineral right ownership that is directly
9 underneath the Playa Vista site, first phase, and that's
10 what it references. So once again, the oil field gases
11 that are surfacing are the jurisdiction and within the
12 sphere of influence of SoCalGas's oil field, and that is
13 what this document is part of our exhibits for.

14 THE WITNESS: I was remiss in not making one
15 additional comment. So if I can have the opportunity to
16 make that explanation.

17 ALJ BROWN: Okay. Sure.

18 THE WITNESS: What we have within our gas analysis
19 is to determine -- it's really a two-step process. Step
20 1 is to determine whether we can distinguish between
21 thermogenic and so-called biogenic gas. So we do that
22 through a very sophisticated geochemical analysis.
23 Isotech Laboratories is one of the best and most
24 sophisticated laboratories in the United States. And so
25 that is a very profound way to have this sample
26 analyzed.

27 However, we can go to a further
28 characterization because, as I mentioned, there's

1 oftentimes a distinction between whether this has a gas
2 storage operation connection or whether it has an oil
3 field connection. And as explained in, I believe it's
4 one of the reply briefs. It's probably Mr.
5 Mansdorfer's, and I would give him high marks. I'm
6 sorry for characterizing it that way. But he very
7 appropriately has gone through and characterized the
8 different types of gases. So I don't need to elaborate
9 on that.

10 ALJ BROWN: Right.

11 THE WITNESS: But what is especially profound
12 without doubt as being the primary discriminator and the
13 primary item that is relied upon by Southern California
14 Gas Company and any other competent scientific
15 evaluation that is being made, and I must say, I didn't
16 mean to criticize the well records, records on file with
17 Southern California Gas Company, because over the years
18 Southern California Gas Company has hired very, very
19 competent petroleum geologists and gas storage field
20 experts, the best to be found anywhere in the world, in
21 my opinion. And those reports I have fully relied upon.
22 I've reviewed them in great deal. I've had personal
23 dialogue with the people. Some of the people have
24 actually generated the most important documents. So I
25 have a high degree of respect for the fact that very
26 competent engineering studies have been performed as to
27 what's going on within this field.

28 But let me lead to the most principal point.

1 How do you track what's going on with gas movement
2 within a gas storage project of the type operated at
3 Playa Del Rey? The answer is helium counts are very,
4 very important. Helium basically allows you to map and
5 distinguish between the transported-in storage gas,
6 which is also thermogenic, has all the thermogenic
7 characteristics, and the native oil field gas.

8 So Mr. Mansdorfer has properly, and I give
9 great praise to the fact that he has distinguished
10 between those categories. But let me go on to point out
11 what has been missed in the rebuttal testimony, and that
12 is somehow an oversight on the part of their evaluation
13 that somehow has led them to conclude that no helium has
14 been found anywhere that would be of importance.

15 EXAMINATION

16 BY ALJ BROWN:

17 Q Now, do you have a study that disputes that?

18 A Absolutely.

19 Q Okay. And --

20 A I would qualify it, your Honor, by saying it's
21 not one study. It's a multiplicity of studies.

22 Q Do they cover the same timeframe that the ones
23 SoCalGas relied on do?

24 A Yes.

25 Q All right. Is there any way you can reference
26 those or produce those?

27 A Yes.

28 Q Okay. That would be very helpful.

1 A I would like to characterize, though, in maybe
2 one or two words just in the framework that I'm talking
3 about by counts. The reason I chose the word "counts"
4 is because it's especially profound when we talk about
5 helium counts. And we have a relative framework for the
6 magnitude of the helium count, and it begins as a
7 general reference frame for what is the helium count
8 within the natural gas that's transported into here by
9 pipeline from the Permian basin --

10 Q Right.

11 A -- in Oklahoma and Texas.

12 Q Right.

13 A And that's a very distinctive characteristic.
14 So over most of the years of operation of the Playa Del
15 Rey gas storage facility, the vast percentage of gas
16 that has been transported into this facility beginning
17 in 1942 has originated from the Permian basin, and it
18 has this distinctive helium characteristic.

19 Now, contrary to what I've seen stated in some
20 reports, some people are led to believe erroneously that
21 somehow helium is added to the gas as some kind of an
22 ingredient. It is not added at any point. It is a
23 natural and native to that particular basin of huge gas
24 fields of thermogenic and sometimes even taking on the
25 characteristics of biogenic isotopic characterization,
26 even though this gas is being produced from wells that
27 are 3 to 4,000 feet deep.

28 But the main thing is to focus upon the helium

1 and use that to identify that with 100 percent
2 scientific certainty we know that a portion of the gas
3 that's leaking into the 50-foot gravel zone has its
4 origin from the gas storage field proper as opposed to
5 the native oil field gases that reside within the Playa
6 Del Rey field.

7 Q Why do you think then there is kind of this
8 controversy between experts?

9 A I don't think there is a controversy between
10 experts.

11 Q Okay.

12 A Well, excuse me. The experts that we have
13 analyzed this information and have characterized it from
14 a geochemical standpoint. I have not seen any
15 controversy there. It's perhaps all those people who
16 have read this data, and then they attempt to put their
17 own English on it. I can cite, and I hope I can
18 produce --

19 Q No. That's good enough.

20 A I want to make reference, your Honor, to one
21 very important Southern California Gas Company letter,
22 which I have a copy of, and I could hopefully produce
23 that in the next few days.

24 ALJ BROWN: Okay. That would be helpful.

25 MS. MC PHERSON: The other thing, while we just
26 have Grassroots 7 in hand, is the point of the other map
27 on there, as Bernie was stating, through Exploration
28 Technologies and studies done through the City that were

1 done in part to a great extent because of Grassroots
2 Coalition's involvement in getting those studies done
3 and bringing a lot of these issues to light throughout
4 the area, is that they fully determined, there is no
5 question that the gases surfacing throughout the Ballona
6 Valley area are thermogenic gases, are oil field gases,
7 and I put just one map in here. There are more that
8 show ethane, propane, butane, are all signatures of
9 thermogenic oil field gas. Biogenic gases do not carry
10 these elements, and the maps that are shown here --

11 THE WITNESS: I'd like to comment on some of the
12 salient health and safety issues about the additional
13 chemical constituents within the gas that's migrating up
14 through the soil and directly into the area that
15 overlies this area. It's abundantly clear that the most
16 significant hazardous chemical that is listed on the
17 official state of California Proposition 65 chemicals,
18 this is identified as a reproductive harm chemical, and
19 that chemical is toluene. And it's showing up
20 throughout the soil gas study 5-foot probes throughout
21 the area that has been carried out extensively by
22 Exploration Technology, Inc.

23 And some of the charts that we're looking at
24 here, the most important chart, one of the most
25 important charts is the level of toluene that is
26 migrating up through the soils and entering the air
27 space over virtually the entirety of this gas storage
28 project. It's like a halo which is continually filling

1 the air space, and it subtends the entirety of the gas
2 storage project.

3 ALJ BROWN: Q Okay. In addition to shallow gas
4 monitoring and a collection system, are any -- would any
5 of your other suggested remedies deal with any of these
6 problems?

7 A Well, I think that I would be remiss if I did
8 not comment upon the absolute importance of
9 performing -- I'm sorry if that's my microphone.

10 MS. MC PHERSON: I don't know whose it is.

11 THE WITNESS: I would be absolutely remiss if I
12 did not comment upon the absolute importance of
13 performing proper abandonment procedures of these wells.
14 And if I could do a quick fast-forward, your Honor, I've
15 got this addressed in a much more succinct fashion when
16 we talk about the methods of the abandonment of these
17 wells, and what happens is that there's certainly
18 terminology used within DOGGR referred to as abandonment
19 of the wells to the current DOG standards.

20 Now, unfortunately, what has been repeatedly
21 used throughout the well leakage histories within the
22 Playa Del Rey gas storage project, and I would refer to
23 very specific wells. The one, Matt is in the audience
24 here, but we had a PUC hearing, and I believe it was
25 your Honor, and it was Orville Wright, and we were out
26 in the Westchester community room, and at that time I
27 identified that there was a specific well by the name of
28 Block 11 that was leaking, and I identified this

1 specifically to Administrative Law Judge Orville Wright,
2 and I asked him if he or any one else from his staff --
3 he was, I believe, still the administrative law judge.

4 ALJ BROWN: Yes, he was.

5 THE WITNESS: So I didn't want to show any
6 disrespect to you. But I asked him personally, I said:
7 "Would you be interested in actually going out and
8 observing an actual well that's leaking? We're prepared
9 here this afternoon to take you there." And what Mr.
10 Wright told me is that he would actually make an
11 official designation of the person he would select from
12 the Public Utilities Commission to go with me out to
13 that site, and it was Matt here that Mr. Wright had
14 designated. And I said: "Thank you, Mr. Wright."

15 And then shortly thereafter Matt joined me,
16 and we went out, and then when we got to the site, it
17 was a bit unfortunate because we had to climb down this
18 slope. We didn't really come prepared that well. But
19 we were able and I was able to stand there and point to
20 Matt. We said, now, you see well identification cover
21 right here, and it's Block 11, and we're in the Townlot
22 region, and you can see the gas bubbling right out of
23 this, this well.

24 And now, that simply set things in motion
25 because I wanted to use that somewhat as an example of
26 what was going to happen with the knowledge that
27 Southern California Gas Company had now that that well
28 was leaking. Well, they assigned a well crew they

1 brought down from Bakersfield, and it was placed over
2 that well for a period of about six weeks. And I was
3 told they had great, great difficulty in reabandoning
4 this well and it kept leaking, and they attempted about
5 six times.

6 Cut to the chase. What has been routinely
7 used, and this also extends out to Townsite Well No. 2,
8 which was found to be leaking in 1998, and virtually all
9 the other wells that were uncovered and found to be
10 leaking in the 1998 time period, they were all
11 reabandoned to the so-called current standards of the
12 Division of Oil and Gas.

13 But as we found out, as I found out later in
14 reviewing the records, the DOGGR actually allowed them
15 to do what's called a washover, and a washover is
16 nothing more than where the drill rig enters the well to
17 a depth of no greater than about 600 to a thousand feet.
18 It's really within the region of what we refer to as the
19 surface casing. And then they reenter the well and they
20 drill out, and then they put in a concrete plug, and
21 that is intended then and it's presumed that into
22 perpetuity that well is never going to leak again.

23 Well, unfortunately, the washover is a very
24 poor way of dealing with problems because they have
25 forgotten one of the most important lessons, and I've
26 got that delineated in here as well as to why wells
27 leak, and it's no matter how much effort you try with a
28 concrete plug, it's not foolproof. Cut to the chase,

1 is --

2 ALJ BROWN: Q Now, how do we deal -- how would
3 the Commission address that? What would you ask on your
4 wish list for the Commission to do?

5 A It is very -- all we're doing is asking the
6 following: that by any reasonable current standards of
7 monitoring what is going on.

8 Q So your No. 1, we'll deal with that, shallow
9 gas monitoring and the collection system?

10 A No.

11 Q No. We need to do --

12 A Not in the sense that we have to deal with
13 this problem. First of all, is DOGGR likely to change
14 their policies and procedures? Not likely, no. Okay.
15 We know, we have to assume the imperfections of wells
16 leaking. If that is a distinct possibility, then the
17 person who is responsible over determining the hazard
18 and degree of seepage does something very simple and
19 something very basic, and that is, first of all, not
20 using or relying upon barholes.

21 We repeatedly see reference throughout the
22 history of the Playa Del Rey gas storage field in which
23 Southern California Gas Company has relied upon barholes
24 for performing monitoring whether the wells are leaking
25 into the shallow zones and whether the gas is coming
26 right to the surface. Barholes are totally an
27 inappropriate, not scientifically accepted anywhere in
28 any community.

1 Q What would you suggest?

2 A I would suggest that, to begin with, we have
3 an established procedure used by the City of Los Angeles
4 with the leaking wells in the Fairfax area and we
5 install probes, permanently placed probes down into the
6 ground.

7 Q And would this be just for abandoned wells?

8 A No. Active and abandoned wells.

9 Q Okay. For active and abandoned wells.

10 A And what you have to do is to set up a matrix
11 within the vicinity of each well and continue to monitor
12 the gas movement into the soil probes that are placed at
13 a depth of approximately 10 to 15 feet below the
14 surface, and they're especially configured in order to
15 capture gas movement into the chamber, and then there's
16 a plastic tube which extends to the surface which
17 facilitates very easily someone come and extract a
18 sample and then have that sample analyzed in either a
19 laboratory or on an onsite gas chromatograph.

20 Q How often would you suggest a sample should be
21 taken?

22 A Once a week was established as a standard by
23 the City of Los Angeles.

24 ALJ BROWN: Okay.

25 DIRECT EXAMINATION (resumed)

26 BY MS. MC PHERSON:

27 Q One last question with regard to No. 4 on your
28 list perhaps. Dr. Endres, in your opinion, if the above

1 cannot be accomplished, cannot -- SoCalGas cannot
2 contain its gases, oil field gases, and their movement
3 to the surface, in your opinion, what should happen?

4 A Well, I would be -- as an engineer, quite
5 frankly, I am reasonably confident that a design can be
6 configured with proper engineering methodology to be
7 able to do this without it being cost prohibitive. What
8 I would question in Mr. Mansdorfer's testimony is that I
9 do not personally believe that such a system would be
10 cost prohibitive. But I would tend to fault Mr.
11 Mansdorfer because I don't see any evidence in his
12 testimony that such a system has ever been costed out.

13 What I would point out is that I have had the
14 opportunity to review detailed internal documents of
15 Southern California Gas Company in which they had made a
16 specific determination of what would be the consequences
17 of their overall gas storage operations that serves the
18 millions and millions of customers here in Southern
19 California area if the Playa Del Rey facility were to be
20 shut down. The results of that study, which was rather
21 extensive, concluded that it was entirely feasible to
22 shut down the Playa Del Rey facility and that all of the
23 customers could be served by the other multitude of
24 underground gas storage facilities currently operated by
25 Southern California Gas Company.

26 Now, that would have a certain cost impact.
27 So the evaluation, to me, is rather obvious, that you
28 simply take that study as a starting point and you come

1 back and you analyze what are the consequences to your
2 overall service of your customers that you have to
3 guarantee, and the gas storage facility at Playa Del Rey
4 has a special terminology, and it's primarily there in
5 order to serve a very narrow range of opportunities
6 where you have a sudden and short-term demand upon the
7 supplies of the entire available gas of Southern
8 California Gas Company, but yet from a mathematical
9 standpoint the Gas Company has to be 100 percent
10 certainty, with 100 percent certainty that they can
11 satisfy all of their customer demands.

12 So the way that you analyze it then is you
13 say: what is the significance of Playa Del Rey in
14 providing a hundred percent certainty of satisfying that
15 demand? And the answer was, first of all, with
16 consequences, cost consequences, that can be served by
17 the other existing gas storage facilities.

18 However, I had the opportunity, the privilege,
19 the fortunate opportunity, to have taken a trip to the
20 San Francisco office of the Public Utilities Commission
21 for a hearing which was about two hours in the morning,
22 and for the rest of the day I thought, if I'm already up
23 here, I want to take every opportunity to examine the
24 records at the Public Utilities Commission offices
25 pertaining to these gas storage operations, particularly
26 Playa Del Rey and Montebello. And I came up with some
27 very remarkable information.

28 First of all, I discovered there was enormous

1 controversy between Southern California Gas Company and
2 Southern California Edison, and Edison was strongly
3 protesting the sale or even anything to do with the
4 closure of the Montebello gas storage facility, had a
5 concern over what would happen with the Playa Del Rey
6 facility. And then as I looked into that problem, I
7 realized, wow, there's a whole new thing that's coming
8 in.

9 The reality of it is this: Beginning at the
10 deregulation stage of natural gas in or about 1993, it
11 set into motion the fact that a utility such as Southern
12 California Edison Company, which was very, very heavily
13 reliant upon natural gas, was now for the first time
14 allowed to go out on the open market and enter into
15 contracts with gas suppliers anywhere they could find
16 them and now provide delivery into their needs here in
17 Southern California.

18 The problem is, you can't buy, as Southern
19 California Edison Company, large supplies of natural gas
20 on the open market at the lowest possible cost unless
21 you have a place to store it. It's like a garage that
22 you've got to store a car in once you bring it to
23 California.

24 So the reality is that the most -- the largest
25 economic gain to be realized by Southern California Gas
26 Company, in a business standpoint, I can't fault them at
27 all, but Sempra Energy obviously is deriving huge profit
28 revenues by taking the Playa Del Rey gas storage fill

1 and using it to store gas that doesn't belong or own to
2 them but is actually owned by the Edison, the utility
3 companies that are burning it in their power plants,
4 including scattered to the plant down in Redondo Beach.
5 That was formerly owned by Edison, and then with the
6 energy deregulation, those plants were required to be
7 sold. But the operator of that plant, which is probably
8 an out-of-state company, with 100 percent certainty is
9 storing significant quantities of their natural gas that
10 they have bought somewhere in the open market. It's
11 been transported in, and they're paying Southern
12 California Gas Company in order to store their gas in
13 the Playa Del Rey gas storage facility.

14 So is Playa Del Rey truly a facility serving
15 the peak-shaving needs of Southern California Gas
16 Company? That's the term of art used for Playa Del Rey
17 for many years. It's a peak shaving gas field. The
18 answer is, in my mind, absolutely not.

19 So it comes back to the economic realities or
20 necessities under Roman numeral 4 is I believe the
21 numbers would show that there may in fact be a cost
22 trade-off between shutting down the facility and
23 actually implementing the gas collection and monitoring
24 system. It's probably in \$15 million per year category.
25 So you might have a close trade-off here.

26 EXAMINATION

27 BY ALJ BROWN:

28 Q All right. What about your suggestion for

1 vent stack scrubbers?

2 A Okay. Here I find it to be very disturbing.
3 I don't want to use this terminology, but we've seen
4 this big stack of information, and I look at the title
5 URS. Well, if I had quite a bit of time, I'd probably
6 go back and reread that document from cover to cover in
7 order to point out what are the shortfalls within that
8 study. But I have previously reviewed all of the
9 technology used in carrying out the URS study.

10 And I could simplify it in the following way.
11 And I would say the Department of Motor Vehicles, if I
12 were to receive a notice from the DMV saying that I have
13 to provide a smog certificate before I can reregister my
14 vehicle, I have to go down to an officially-approved
15 smog station and I have to drive in, and the first
16 conspicuous thing that the technician does is he doesn't
17 just fill up this room with exhaust emissions. What he
18 does is he takes a specially-tailored device and he puts
19 it directly into the exhaust, and he collects this
20 information, and it's recorded electronically on this
21 big box that he cannot override, and then if it
22 exceeds a certain threshold, it goes immediately to the
23 State, and then it's totally shut down, and basically,
24 you know, you're red-tagged and you got to go through
25 all these --

26 Q All right.

27 A Anyway, to make a long story short, I'm sorry
28 for digressing off the point, but URS study and the data

1 that I have looked into as providing the most
2 appropriate data for analyzing the vent stack emissions
3 are totally different. The vent stack emissions, you
4 have to determine the actual chemicals that are being
5 released from the vent stacks. So you don't go out in
6 the community of Playa Del Rey and carry out some kind
7 of air samples here and air samples there. You go right
8 to the vent stacks, and you know the characteristics of
9 the engines.

10 Mr. Hower is an expert. In fact, one of his
11 first retentions with Southern California Gas Company
12 was to come out and tell them how they should better run
13 these compressor engines so that they can meet and
14 overcome the permit violations that Southern California
15 Gas Company had received from the South Coast Air
16 Quality Management District. So why wouldn't you take
17 all of your engine knowledge, as Mr. Hower had, Hower
18 has, in his specialty and determine what are the actual
19 chemicals that are being released up the vent stacks,
20 the multiplicity of vent stacks, within the very highly
21 urbanized area of the compressor station up on the Playa
22 Del Rey bluffs? The answer is, you know exactly what
23 chemicals are being released up the vent stack.

24 Now, I would propose the following question on
25 cross-examination of Mr. Hower or any one else who is
26 going to talk about the URS report, my question is going
27 to be real basic. Mr. Hower, or any one from Southern
28 California Gas Company, I'm going to fast-forward here

1 to page 4 halfway down the list under the title Air
2 Quality Management District Records, where are we going
3 to find a direct inventory of the toxic emissions coming
4 from the Playa Del Rey compressor engines? You're going
5 to find it on file with the Air Quality Management
6 District.

7 How many years worth of data are you going to
8 find? You're going to find back to the time that the
9 legislation was adopted by our state legislature under
10 the so-called toxic hot spots legislation. This is
11 legislatively mandated that any one such as Southern
12 California Gas Company that is releasing toxic emissions
13 to the air must, under statutory law, provide those
14 emissions to the South Coast Air Quality Management
15 District.

16 Now, does that mean that the only authority
17 over violations or enforcement of that is the South
18 Coast Air Quality Management District? Well, the answer
19 is that we go to those records to determine what first
20 of all are the chemicals that are going up the vent
21 stack.

22 Now, I think we even have an emission within
23 Mr. Mansdorfer's rebuttal testimony that at least
24 there's some formaldehyde, or maybe it's Mr. Hower's
25 rebuttal testimony, but that would be the first chemical
26 to start with. There are very, very large quantities of
27 formaldehyde going up the vent stack, and formaldehyde
28 is the Proposition 65 chemical.

1 Now, Mr. Hower somehow thought that we're
2 alleging a Proposition 65 violation. He's totally
3 misguided. We didn't allege a Proposition 65 violation.
4 What we said is the State of California, through their
5 entire health branch hierarchy, the highest level
6 employs many, many of the best scientists and medical
7 experts on toxicology to be found anywhere. To my last
8 count, there may be as many as 15 or 20 on that stack,
9 at least before the budget crisis hit. And those people
10 are manditorily required under legislative mandate to
11 update and determine what are the chemicals that are to
12 be listed as subjecting the human population to very
13 distinctive types of health hazards, and these are
14 further characterized and subcategorized as cancer risk.
15 We also have reproductive harm chemicals. Those are the
16 two primary categories.

17 So some of these chemicals being released from
18 the vent stack fall into category of cancer-producing
19 chemicals. Some of them fall into category of
20 reproductive harm chemicals, and several of these, some
21 of the most important ones, fall in both categories.

22 So we start out by using the Proposition 65
23 chemicals as the most definitive list of chemicals that
24 are officially recognized by this state, and we find
25 that virtually all those chemicals are being vented up
26 the vent stack of the compressor station.

27 Now, do I stop there? Why do I say that
28 scrubbing of these gases would be very important? I

1 studied that in detail, because I had access to all of
2 the work orders that have been implemented within the
3 Playa Del Rey gas storage facility perhaps for the last
4 20 years. And I've studied those work orders very
5 carefully. And in essence, what we have going on in the
6 Playa Del Rey facility and especially the compressor
7 station vent stacks, it's essentially 1955 technology.
8 That was the last time that this facility had a major
9 upgrade. And so when it comes to vent stack emissions
10 and scrubbers, we're dealing with 1955 technology.

11 Q What would you like on your wish list for the
12 Commission to do about this?

13 A Well, the reason I chose Proposition 65
14 warning provided by Pacific Gas & Electric to the people
15 in the Northern California area under virtually
16 identical circumstances, we have it here in exhibit.

17 Q Okay.

18 A And one of the chemicals I would like to point
19 out --

20 Q Okay. No, no. Tell me what you -- do you
21 want us to order them to do like a billing insert where
22 they tell people what they're venting? I mean are you
23 asking the Commission to look into having vent stack
24 scrubbers installed?

25 A I'm looking specifically for vent stack
26 scrubbers to be installed.

27 Q And can you tell me, again, due to my
28 ignorance, how massive of a project is this?

1 A It may run from relatively minor to more
2 sophisticated. So you have, straightforward, you can
3 realize a virtual immediate improvement by relatively
4 modest cost. And I'm aware that at the present time
5 there are investigations going on even to the extent of
6 a simplistic step of raising the vent stack height. The
7 other is to install electromagnetically-charged elements
8 within the vent stack that actually absorb or grasp
9 certain chemical elements as they go up to the vent
10 stack, but --

11 Q Could these be used relatively easy on vent
12 stacks that are as old as you've just referenced?

13 A Your Honor, the area of environmental
14 engineering is replete, there are a multiplicity of
15 companies throughout this United States that have
16 developed off-the-shelf technology that is uniquely
17 tailored to satisfying and solving this problem right
18 now.

19 Q Okay.

20 A This is not anything -- this is no-brainer.
21 And you can go out and find off-the-shelf technology
22 from at least six or a dozen major suppliers across the
23 United States that could solve this problem very
24 quickly.

25 Q Okay. And the problem, where would you refer
26 us or what documents would you refer us to to identify
27 the problem that the scrubbers would fix?

28 A The first document would be all of the

1 Southern California Gas Company prepared files with --
2 on file with the Air Quality Management District which
3 definitizes the individual chemicals and the magnitude
4 of the toxic chemicals that are being released to the
5 atmosphere in the immediate vicinity of the compressor
6 station, and they're all going up the compressor station
7 vent stack.

8 So it's a no-brainer as far as what chemicals
9 you have to deal with, with one exception, and that's
10 the primary reason why I identified Proposition 65 data
11 from Pacific Gas & Electric, because we have one
12 additional chemical that has not been acknowledged in
13 any manner or form by Southern California Gas Company at
14 any time, and that's radon. And that's particularly
15 profound because Southern -- Pacific Gas and Electric
16 definitively identifies that natural gas, the same
17 natural gas that's being imported by Southern California
18 Gas Company, contains levels of radon, a radioactive
19 gas, and that what has to be addressed in the particular
20 concern that they have is that if we burn large
21 quantities of natural gas in our compressor engines that
22 the vent stack emissions do not consume the radon gas.
23 So it goes up the vent stack. So the first parameter
24 that we look at in the column, I have data on that. I
25 can bring it in in the next day or two.

26 Q And you have data. Do you have data on
27 SoCalGas or only on PG&E?

28 A I have data on virtually -- PG&E gas? Well,

1 it would be the same thing, because the engines are
2 operating the same way. The engine technology in the
3 burning of natural gas is just very well definitized.
4 And so the engine emissions from a compressor, from a
5 large horsepower compressor engine burning natural gas
6 is very, very well defined.

7 Q Okay. Would the records that SoCalGas
8 provides to the Air Quality Control District show if
9 there was any radon?

10 A No.

11 MS. MC PHERSON: No.

12 THE WITNESS: They've never monitored or even been
13 concerned about the problem at Playa Del Rey.

14 MS. MC PHERSON: That's not their jurisdiction.

15 THE WITNESS: Never been an acknowledgement that
16 it even exists.

17 ALJ BROWN: All right. Let's make sure we've
18 covered the important things on --

19 THE WITNESS: If I could add just one more quick
20 comment, your Honor.

21 ALJ BROWN: Yes.

22 THE WITNESS: Is that the emissions from the
23 combustion of natural gas, the quantification of those
24 chemicals are directly related to the quantity of
25 natural gas that is consumed by those engines over any
26 particular year. That number is exactly quantified
27 within the records of Southern California Gas Company
28 provided to the Air Quality Management District. So

1 with that singular number, there are direct mathematical
2 computations to determine the exact quantities of
3 formaldehyde, the exact quantities of benzene, the exact
4 quantities of the other hazardous, toxic chemicals
5 identified as Proposition 65 chemicals, all directly
6 mathematically quantifiable and computable using
7 standard techniques. In fact, they're so standard that
8 the South Coast Air Quality Management District allows
9 what we call exchange coefficients to be used, and
10 that's perhaps another --

11 ALJ BROWN: Q That's another subject for another
12 day, but let's -- okay.

13 So on your wish list we have shallow gas
14 monitoring and a collection system, which would address
15 an awful lot of your safety concerns with migrating and
16 potential leaking and vent stack scrubbers, which might
17 be able to capture some of the carcinogens and other
18 things.

19 A Or reduce.

20 Q Or reduce.

21 A Or reduce the level of health hazards posed to
22 the surrounding community, taking into account the
23 additional large data of -- we would call meteorological
24 data. Meteorological data is showing, for example, what
25 times of the day we have the largest hazard posed to
26 surrounding urban communities.

27 So a very simple step, initial step is to,
28 without any cost in hardware or anything else, we

1 already have detailed meteorological data existing for
2 the exact location of this compressor station location
3 that would allow almost a precise mathematical
4 computation to determine when these compressor engines
5 should be operated to perform their function within any
6 24-hour data and select the time period that would have
7 the minimal impact upon the surrounding urban
8 population.

9 For example, the two most predominant wind
10 patterns directly over the compressor station are that
11 during the daytime we have prevailing offshore to
12 onshore air movements, which any emission going up the
13 vent stack or coming off the tank farm is going to be
14 carried eastbound and it's going to largely collect in
15 the area of Virago Drive, which is immediately up on the
16 bluffs.

17 Q Okay.

18 A Now, nighttime and past midnight, totally
19 reverses on a statistical basis, and what happens is is
20 that the air currents totally reverse and the air
21 currents move almost counterclockwise and they move
22 prevailing almost back to a offshore direction.

23 Q Okay. Now, is -- oh, on that -- okay.

24 A In summary, I could synopsise it this way.
25 Any --

26 MS. MC PHERSON: I'm sorry. I know where you're
27 going.

28 THE WITNESS: -- mathematical analysis, as we're

1 routinely taught to do in systems engineering work, will
2 simply say, you integrate the meteorological data with
3 the time period that you have decided to use your
4 compressor engines to take the gas and use it to be
5 compressed down into the gas storage reservoir. That's
6 the reason for the compressor engine's usage is you're
7 taking the gas that's at low pressure --

8 ALJ BROWN: Right.

9 THE WITNESS: -- and you're pumping it up to about
10 1700 pounds per square inch of pressure, and you're
11 using natural gas in order to carry out that compression
12 stage.

13 ALJ BROWN: Q Do the compressor engines make any
14 noise?

15 A They have it very -- in all due respects, they
16 probably have done a very good job in soundproofing the
17 interior of the compressor station. When those engines
18 are running, it probably -- I've heard and I've talked
19 to people up there that they've got sharp ears, and
20 especially quiet at night, they can hear them running,
21 but by and large, they do an effective job of
22 soundproofing the interior of the compressor station.

23 ALJ BROWN: Okay. Anything else for your witness,
24 Ms. McPherson?

25 MS. MC PHERSON: I think we're covered, unless my
26 witness can think of something I've forgotten.

27 ALJ BROWN: Okay. We have this executive summary,
28 which I tell you I really appreciate. And it kind of

1 helped us focus today on exactly what --

2 MS. MC PHERSON: Yes.

3 ALJ BROWN: -- Grassroots as an intervenor, if
4 they had a wish list, what things the Commission, if
5 it's within their jurisdiction and the record supports
6 it, what you feel would ameliorate some of your health
7 and safety concerns.

8 MS. MC PHERSON: Yes. This document provides
9 that.

10 ALJ BROWN: Okay. Let me just see. And why don't
11 you take a quick -- you can go off the record for a
12 moment.

13 (Off the record)

14 ALJ BROWN: Why don't we go back on the record.

15 While we were off the record, Mr. Gilmore did
16 make a request. Could you repeat it for the record?

17 MR. GILMORE: Yes, your Honor. In Mr. Endres's
18 testimony, he makes the allegation that SoCalGas's
19 storage reservoir loses approximately a hundred million
20 cubic feet per year of natural gas. He says that's
21 based on studies. We have not seen those studies, as
22 Mr. Mansdorfer pointed out in his testimony served a
23 week ago. And so we would request that those studies be
24 brought to the hearing room tomorrow so that we can
25 review them.

26 ALJ BROWN: Very good. And I also have a request,
27 because I was operating in terms of preparing my own
28 questions from the Plaintiffs' Prepared Written

1 Testimony served March 30th, 2005. And I've wondered if
2 the executive summary has kind of taken the place of the
3 five requests or conclusions as they're put forth on
4 page 10 of that or --

5 MS. MC PHERSON: Supplanted it? No. I think it
6 would be in addition to.

7 ALJ BROWN: Some of them are duplicative.

8 MS. MC PHERSON: Yes.

9 ALJ BROWN: And others --

10 MS. MC PHERSON: Yes.

11 ALJ BROWN: Because what I would -- that's what I
12 would appreciate knowing so that I don't accidentally
13 not focus on something you still wanted me to focus on,
14 okay, for tomorrow.

15 MS. MC PHERSON: No. We've -- well, as my
16 witness, do you firmly stand behind both of these
17 documents and what is written within these documents?

18 THE WITNESS: To the extent that I have relied
19 upon what I believe to be very competent experts and to
20 the extent that they have rendered analyses and opinions
21 and conclusions, to that extent, there have been limited
22 circumstances in which I have relied upon that
23 information, but I'm prepared not only to substantiate
24 the information that was provided to me, the identity of
25 the experts that I relied upon, but what I would -- what
26 would give me the maximum advantage of satisfying the
27 request of Southern California Gas Company would be to,
28 within the extent that I cannot put together all of the

1 documents tomorrow, that I actually have the third day
2 somewhat as a reserve, and this would only impact when
3 and under what circumstances the cross-examination --

4 ALJ BROWN: Correct.

5 THE WITNESS: -- would begin. I basically have no
6 problems with cross-examination occurring at any time.
7 It's just that I would prefer and feel it would be more
8 appropriate if we were to take all of the documents that
9 we're going to actually -- I would want to lay the
10 foundation for, that those be brought in, and then to
11 whatever extent they want to cross-examine me on --

12 ALJ BROWN: Good.

13 THE WITNESS: -- they're welcome to.

14 ALJ BROWN: Mr. Gilmore.

15 MR. GILMORE: Thank you, your Honor. The most,
16 from our standpoint, the most important study to which
17 you've referred and is one that we need not just for
18 cross-examination but in order to prepare our case is
19 the study that you claim shows that the storage
20 reservoir is leaking 100 million cubic feet of gas per
21 year. So in terms of prioritizing the review of your
22 records, if you could find us that study by tomorrow, it
23 would be most helpful.

24 THE WITNESS: Okay. If I could say a few words on
25 that, your Honor.

26 ALJ BROWN: Only on -- you don't need say anything
27 about the study, because you'll bring it in either
28 tomorrow or Wednesday and then --

1 THE WITNESS: Well, I just want to emphasize here,
2 and I'm sure that Southern California Gas Company is
3 well, well aware of the source of this information. The
4 inventory, the most detailed inventory analysis that's
5 ever been made on the Playa Del Rey gas storage facility
6 was made and conducted on behalf of Southern California
7 Gas Company by the most preeminent expert on underground
8 gas storage inventory analysis to be found anywhere in
9 the world, and that person's name is Racine Tek. And I
10 have had --

11 ALJ BROWN: Q And when was that study done
12 approximately?

13 A It was done over two significant time
14 intervals. There was a time period in which Southern
15 California Gas Company was actually being sued by the
16 Federal Government, and it related to the manner and
17 usage of their accounting procedures of the -- a portion
18 of the storage gas, and the Internal Revenue Service was
19 contending that Southern California Gas Company had used
20 inappropriate procedures.

21 And so as part of that litigation which was
22 undertaken in the Federal Court here in the central
23 district, Southern California Gas Company retained the
24 services of Racine Tek to perform a comprehensive
25 inventory analysis in which he was provided all of the,
26 to all practical extents the totality of the data that
27 Southern California Gas Company had on performing
28 inventory analyses over 15 or 20 years, and he performed

1 a comprehensive analysis using that data.

2 Q Approximately when did he perform this
3 analysis?

4 A That particular study was performed back at
5 the time of that -- I believe it was in the early 1980s,
6 around 1982 or thereabouts. Now --

7 Q Do you have anything that's more up to date?

8 A Yes, your Honor. Basically, it was around the
9 2002 time period in which I worked with him personally,
10 Mr. Racine Tek, and it was for the specific purpose of
11 analyzing the inventory within the Pacific -- the Playa
12 Del Rey gas storage facility. So what he did is he
13 still retained within his files the totality of
14 information that he had used when he was directly
15 retained by Southern California Gas Company to perform
16 an inventory analysis. In the, approximately the 2002
17 time period, he went back and he performed another
18 detailed update of the inventory analysis and reached
19 certain conclusions based upon also updated knowledge
20 that he was provided regarding this facility.

21 Q And is that in a written form?

22 A To what extent? Yes. I would say the most
23 definitive written form is is that he prepared a
24 declaration under penalty of perjury regarding the
25 results of his studies and definitized it within that
26 declaration under penalty of perjury.

27 Q In 2002?

28 A I would say that we would have the exact --

1 I'm pretty sure I'd have a copy of the exact declaration
2 that he --

3 Q Okay. That will be fine, especially for --

4 A Just to simplify it, your Honor, I believe,
5 since I routinely perform expert testimony, I'm well
6 aware of the laws of the State of California regarding
7 what experts can rely upon, and certainly other experts
8 in the same field have prepared definitive reports that
9 are well based upon foundational material, and
10 especially in this case if he prepares a declaration
11 under penalty of perjury stating his conclusions, then
12 that's something I'm relied to allow -- I'm allowed to
13 rely upon as an expert myself after I've thoroughly
14 analyzed --

15 Q Sure, right.

16 A -- the data. And so I don't have to do my own
17 total independent analysis. I've done very, very
18 extensive evaluation of all inventory records, and I
19 also can very conveniently summarize several of the most
20 profound problems that exist within this storage field
21 as far as performing inventory analysis, and I've even
22 come up with a convenient way of describing this. So
23 that's how I can --

24 ALJ BROWN: Okay. What we need is --

25 MR. GILMORE: Your Honor, we can stipulate to,
26 that Dr. Tek performed the analysis to which Mr. Endres
27 is referring. There's no need to produce Mr. Tek's
28 declaration. We have it. We're aware of it. We just

1 did not know prior to that statement that Mr. Endres was
2 relying on the work done by Dr. Tek. So that's fine for
3 our purposes. So that you don't need to produce
4 anything more than that.

5 MS. MC PHERSON: Actually, it is -- is that all
6 right? I would like --

7 THE WITNESS: Well, with this caveat.

8 MR. GILMORE: Well, we will stipulate that he
9 performed that analysis.

10 THE WITNESS: Okay. I have no problem with that.
11 But with the additional caveat that if there is any
12 inconsistency between the opinions and conclusions that
13 I have rendered in any manner or form within this
14 documentation, that whatever I have stated regarding
15 inventory volume and loss of gases, that the actual
16 official numbers, by "official," I mean declared under
17 penalty of perjury by Racine Tek, that I would say that
18 those preempt everything else. That becomes the
19 definitive number to use.

20 And if I have, hopefully not, somehow
21 inadvertently not properly quoted his information, I
22 would say that I would gladly correct my testimony if
23 there is such a difference.

24 MR. GILMORE: Your Honor, let me cut through this,
25 please. We'll stipulate that Dr. Tek concluded that the
26 storage field was losing 100 million cubic feet of gas
27 per year.

28 ALJ BROWN: Okay. Perfect.

1 MS. MC PHERSON: And I have just a couple of
2 finishing points here also before we run out of time,
3 that I wanted to respond also and raise an issue with
4 Mr. Gilmore regarding data.

5 Again going back to the transcripts from 2001
6 in August when we had our hearings, Judge Brown, you had
7 said that we would provide data to back up our comments
8 and SoCalGas would also have to provide the data to
9 prove their point. And I believe that Grassroots would
10 like to see the data that backs up SoCalGas's position
11 that the reservoir isn't leaking in addition to, I mean
12 certainly this air study that we believe has no merit to
13 the issue. Also we would like again as to the motion --

14 MR. GILMORE: Your Honor, before we get to the
15 motion --

16 MS. MC PHERSON: May I finish, please?

17 MR. GILMORE: Well, you asked --

18 MS. MC PHERSON: No, no. I was just going to
19 quote.

20 ALJ BROWN: Stop.

21 MS. MC PHERSON: May I please finish?

22 MR. GILMORE: But you asked me to provide certain
23 information. I'd like to address that.

24 MS. MC PHERSON: Well, I'm not quite finished. If
25 I could -- I'm just quoting.

26 ALJ BROWN: Wait a minute. When I ask you to
27 stop, it means the two of you are talking over one
28 another. Okay? Okay. Now, you asked Mr. Gilmore for

1 some documents.

2 MS. MC PHERSON: As per --

3 ALJ BROWN: Correct.

4 MS. MC PHERSON: -- your statements here that in a
5 general sense that we would like to see them provide
6 documents to back up --

7 ALJ BROWN: Yes.

8 MS. MC PHERSON: -- their claims that the
9 reservoir is not leaking, just as they asked us to
10 provide documents to prove that it is leaking, rather
11 than us having the full burden of proof to just say:
12 This is what we have. Now show us something that you
13 have that shows that it isn't.

14 ALJ BROWN: Mr. Gilmore.

15 MR. GILMORE: Well, your Honor, we'd be happy to
16 present our case when it comes time to present our case,
17 and if we're going to rely upon any documents or
18 studies, we will make an effort to provide them to you
19 in advance.

20 MS. MC PHERSON: Thank you. And the other point
21 would be, again, which, yes, it does go to a motion,
22 that again in these documents, Judge Brown, you had
23 stated that, for instance, the CPUC always has the
24 ability, and I'm quoting here, to order an investigation
25 into anything it finds, even if you hadn't filed your
26 complaints, if accidentally, as part of checking on the
27 applications, the CPUC had run across a health and
28 safety concern, they could initiate their own

1 investigation. And then I move to the Safety Branch
2 where Mr. Epuna stated:

3 I want to note that our
4 investigations, our investigation
5 is independent of what SoCal is
6 doing. However, we requested data
7 from SoCal to compare to what we
8 are doing, but our investigation
9 is independent of their study.

10 And again, that harks to the motion that we
11 put forward that we would like to see that investigative
12 material.

13 ALJ BROWN: You didn't even need to file a motion.
14 You could have asked for that any time. You can call up
15 or chat with Matt on the way out here today. I don't
16 know how complicated it would be to get.

17 MS. MC PHERSON: All right.

18 ALJ BROWN: Okay.

19 MS. MC PHERSON: All right.

20 ALJ BROWN: You don't need to motion unless
21 someone has refused to give you something. You just ask
22 for it.

23 MS. MC PHERSON: All right. Well, as you had said
24 to put in a public record request, I think that we are
25 also covering our bases here to make sure that we are
26 provided with everything, that, your know, in hindsight,
27 one would say: "Well, you could have asked and you
28 didn't get it." So we're asking.

1 ALJ BROWN: Q Okay. All right. Now I have a
2 question that I wanted to ask Dr. Endres. On page 10 of
3 the Plaintiffs' Prepared Written Testimony, number one,
4 you asked for the, under your conclusions, the
5 installation of a gas monitoring well system and a
6 shallow gas collection system. That kind of parallels
7 your, we'll call it your wish list as part of the
8 executive summary on page 2. Are you with me?

9 A Yes, I am, your Honor. I understand where
10 you're going.

11 Q Now, on your conclusion No. 2 on page 10 of
12 the testimony, which is GR -- Exhibit GR-1, Grassroots
13 1, you then asked for:

14 An independent team must be
15 assembled to evaluate the well
16 leakage problems, identify what
17 wells are leaking now, and install
18 appropriate monitoring equipment
19 to protect against leaks in the
20 future.

21 All right. Does that step need to be taken
22 first before we could know where to do gas -- to
23 implement a gas monitoring well system?

24 A Your Honor, if I could cut to the chase. I
25 think that what I did is I took your guidance on this
26 very issue, and what I attempted, what has been
27 attempted here in the executive summary is to
28 characterize our recommendations in a much more cogent

1 or more of a per --

2 Q Sure, sure. But just tell me. Do we need --
3 do we need to evaluate -- how do you want us to evaluate
4 the well leakage problem?

5 A I believe, your Honor, that what we've
6 characterized as our four Roman numerals --

7 Q Yes.

8 A -- that perhaps all of the conclusions set
9 forth on page 10 can be recharacterized as some form of
10 subset of those four Roman numerals and they no longer
11 have to be addressed from the standpoint of our true
12 recommendations. That's why the executive summary has
13 been put in a more cogent way.

14 MS. MC PHERSON: Your Honor. Dr. Endres, I may be
15 disagreeing with you a little bit on this from a
16 standpoint of, again, I go back to the transcripts where
17 actually it was found that we would not be provided with
18 all of the well records because the rest of the two
19 teams, both Energy and Safety Branch, would be provided
20 with the entirety of SoCalGas's well records. And what
21 we are asking again, as is set forth in the motion, is
22 that we would like to see the entirety of the well
23 records of SoCalGas having been reviewed.

24 At this point there is no information showing
25 that that has ever occurred, and we very much need that
26 information. The entirety of the well record has never
27 been reviewed, unless there's something that -- I'm
28 sorry. Mr. Gilmore is raising his eyes at me. Did you

1 have a response for that?

2 ALJ BROWN: We can pursue that. I'm just trying
3 to clarify for my own purposes exactly what Grassroots
4 was still asking the Commission for as part of its wish
5 list and exactly how to imple --

6 MS. MC PHERSON: No. 2, I think, stands. And are
7 you saying, Bernie, then that this is a subset of the
8 other ones in broader headings, but that we and I
9 believe as part of having been a part of creating this
10 document that we still wish to have all of these?

11 THE WITNESS: Well, I would suggest the following.
12 I believe that what we can do over the next day or two
13 is take the four Roman numerals set forth here in
14 executive summary, use that as our primary framework,
15 and then we will go back and revisit the conclusions to
16 see if we need to draft any of the language here on to
17 any of the four Roman numerals, but I'm confident that
18 we can take the conclusions set forth here and
19 incorporate them, or not even have to incorporate them
20 into the four Roman numerals set forth, but it would
21 probably at worst be maybe a subpoint to be made or a
22 clarification point.

23 ALJ BROWN: Okay. And the reason I'm kind of
24 focusing in on this is to, one, to give the Commission
25 some direction and also to help give our testimony and
26 then hopefully the cross-examination some focus and to
27 also help both sides to focus in on the documents that
28 would be needed to either support or refute the request

1 being made. Okay?

2 MS. MC PHERSON: Yes.

3 ALJ BROWN: Rather than having it be an incredibly
4 large world, to focus it on the specifics.

5 MS. MC PHERSON: I'm for that.

6 ALJ BROWN: Okay. Now, is there anything else
7 that you wanted to do to wrap up today?

8 MS. MC PHERSON: Well, if we're going to quit at
9 4:30, I was going to suggest that we have Kathy Knight
10 come up and then come back, but we no longer have that.
11 So that if we could pick up tomorrow perhaps with even
12 Kathy for a short while but then have Dr. Endres lay the
13 foundation for the documents that we will be able to
14 provide tomorrow.

15 ALJ BROWN: Perfect. Why don't we go off the
16 record for just a second.

17 (Off the record)

18 ALJ BROWN: We'll go back on the record.

19 We will start at 10:00 a.m. tomorrow morning,
20 and I'm relieving you, Tom, of your court reporting
21 duties for the day.

22 (Whereupon, at the hour of 4:26 p.m.,
23 this matter having been continued to
24 10:00 a.m., April 19, 2005, at Los
Angeles, California, the Commission then
adjourned.)

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