

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

IN RE: Chapter 11  
Case No. 18-12378 (LSS)  
WELDED CONSTRUCTION, L.P.,  
*et al.*, (Jointly Administered)  
Debtors.  
WELDED CONSTRUCTION, L.P., Adversary Proceeding  
Plaintiff, No. 19-50194 (LSS)  
v.  
THE WILLIAMS COMPANIES, INC.,  
WILLIAMS PARTNERS OPERATING Courtroom 2  
LLC, and TRANSCONTINENTAL GAS 824 Market Street  
PIPE LINE COMPANY, LLC, Wilmington, Delaware 19801  
Defendants. Tuesday, August 29, 2023  
9:36 a.m.

TRANSCRIPT OF HEARING  
BEFORE THE HONORABLE LAURIE SELBER SILVERSTEIN  
CHIEF UNITED STATES BANKRUPTCY JUDGE

**TRIAL (DAY 6)**

Electronically  
Recorded By: Brandon J. McCarthy, ECRO  
Transcription Service: Reliable  
1007 N. Orange Street  
Wilmington, Delaware 19801  
Telephone: (302) 654-8080  
E-Mail: [gmatthews@reliable-co.com](mailto:gmatthews@reliable-co.com)

Proceedings recorded by electronic sound recording;  
transcript produced by transcription service.



APPEARANCES:

For the Plaintiff: Kevin A. Guerke, Esquire  
Michael S. Neiburg, Esquire  
Travis G. Buchanan, Esquire  
YOUNG CONAWAY STARGATT & TAYLOR, LLP  
Rodney Square  
1000 North King Street  
Wilmington, Delaware 19801

For the Defendants: Jonathan C. Burwood, Esquire  
WATT, TIEDER, HOFFAR  
& FITZGERALD, LLP  
175 Federal Street  
Suite 1225  
Boston, Massachusetts 02110

Shelly L. Ewald, Esquire  
Wendy L. Bair, Senior Paralegal  
1765 Greensboro Station Place  
Suite 1000  
McLean, Virginia 22102

INDEX

ADVERSARY MATTER GOING FORWARD:

*WELDED CONSTRUCTION, L.P., Plaintiff, v. THE WILLIAMS  
COMPANIES, INC., WILLIAMS PARTNERS OPERATING LLC, and  
TRANSCONTINENTAL GAS PIPE LINE COMPANY, LLC, Defendants.  
Case Number 19-50194 (LSS)*

WITNESSES CALLED  
BY THE DEFENDANTS:

PAGE

DAVID SZTROIN

Direct examination (cont'd) by Ms. Ewald

1186  
1277

Cross-examination by Mr. Guerke

1291

1182

1

EXHIBITS

2

PLAINTIFF'S EXHIBITS:PAGE

3

PX-656 Williams electronic payment request form

1360

4

5

DEFENDANTS' EXHIBITS:PAGE

6

D-126 Email from T. Malone to D. Sztroin, 4/17/17

1305

7

D-211 Email from C. Pew to D. Sztroin, 7/17/17

1305

8

D-235 Email from T. Malone to J. Jones, 7/20/17

1305

9

D-460 Email correspondence

1193

10

D-476 Email from J. Lamper to D. Sztroin, 10/21/17

1189

11

D-585 Project progress report meeting email

1197

12

D-606 Email, 12/11/17

1191

13

D-677 Email, 1/08/18

1205

14

D-686 Email, 1/08/18

1207

15

D-690 Email, 1/08/18

1210

16

D-788 Email, 2/05/18

1211

17

D-792 Email response, 2/05/18

1218

18

D-821 Series of emails

1200

19

D-877 Trends 60/61 submission

1201

20

D-901 Rain/snow charts for Spreads 5, 6, 7

1227

21

D-901(a) Attachments

1227

22

D-1003 Email regarding 61-R1

1202

23

D-1047 Email from J. Lamper, 4/11/18

1229

24

D-1057 Email from D. Rothgeb, 4/16/18

1221

25

D-1059 Email from D. Rothgeb

1223

1183

1

EXHIBITS

2

DEFENDANTS' EXHIBITS:PAGE

3

D-1059(a) Email attachments

1223

4

D-1059(b) Email attachments

1223

5

D-1059(c) Email attachments

1223

6

D-1059(d) Email attachments

1223

7

D-1108 Email from D. Rothgeb, 5/02/18

1224

8

D-1210 Email correspondence

1234

9

D-1240 Email re April reconciliation

1224

10

D-1480 Hydrotest Section 3 chart

1246

11

D-1520 Email correspondence

1252

12

D-1530 Email correspondence, 9/27/18

1264

13

D-1592 Email to R. Lynn, 10/18/18

1254

14

D-1776 Rexroth invoice

1287

15

D-1876 Welded Construction safety record document

1261

16

D-1877 Information from G. McLaughlin

1262

17

D-1916 Hillis invoice

1283

18

D-1917 Hillis invoice

1283

19

D-1920 Hillis invoice

1283

20

D-1924 Hillis invoice

1283

21

D-1953 Welded invoice, 11/19

1267

22

D-1990 Mears invoice

1283

23

D-1991 Mears invoice

1283

24

D-1992 Mears invoice

1283

25

D-1993 Mears invoice

1283

1184

1

EXHIBITS

2

DEFENDANTS' EXHIBITS:PAGE

3

D-2015 Rosen invoice

1283

4

D-2016 Rosen invoice

1283

5

D-2017 Whitetail Services invoice

1284

6

D-2018 Whitetail Services invoice

1284

7

D-2019 Whitetail Services invoice

1284

8

D-2020 Whitetail Services invoice

1284

9

D-2021 Mears invoice

1281

10

D-2022 Mears invoice

1281

11

D-2023 Mears invoice

1281

12

D-2024 Mears invoice

1281

13

D-2025 Mears invoice

1281

14

D-2026 Mears invoice

1281

15

D-2027 Mears invoice

1281

16

D-2028 Mears invoice

1281

17

D-2029 Mears invoice

1281

18

D-2030 Mears invoice

1281

19

D-2031 Mears invoice

1281

20

D-2032 Mears invoice

1281

21

D-2033 Mears invoice

1281

22

D-2034 Mears invoice

1281

23

D-2035 Mears invoice

1281

24

D-2036 Mears invoice

1281

25

D-2037 Mears invoice

1281

1185

1 EXHIBITS

2 DEFENDANTS' EXHIBITS: PAGE

3 D-2043 LCSWMA invoice, 11/06/18 1289

4

5 JOINT EXHIBITS: PAGE

6 JX-105 Hillis invoice 1283

7 JX-106 Hillis invoice 1283

8 JX-107 Hillis invoice 1283

9 JX-108 Hillis invoice 1283

10 JX-109 Hillis invoice 1283

11 JX-110 Hillis invoice 1283

12 JX-111 Hillis invoice 1283

13 JX-112 Hillis invoice 1283

14 JX-113 Hillis invoice 1283

15 JX-114 Hillis invoice 1283

16 JX-115 Hillis invoice 1283

17 JX-116 Hillis invoice 1283

18 JX-117 Hillis invoice 1283

19 JX-128 Hillis invoice 1283

20

21 Transcriptionists' Certificate 1365

22

23

24

25

1 (Proceedings commenced at 9:35 a.m.)

2 THE CLERK: Please rise.

3 THE COURT: Please be seated. Good morning.

4 Please be seated.

5 MS. EWALD: Good morning, Your Honor.

6 THE COURT: Good morning. You may begin.

7 MS. EWALD: Thank you, Your Honor.

8 DAVID SZTROIN, DEFENDANTS' WITNESS, PREVIOUSLY SWORN,

9 RESUMES STAND

10 DIRECT EXAMINATION

11 BY MS. EWALD:

12 Q Good morning, Mr. Sztroin.

13 A Good morning.

14 Q Do you have your witness binder in front of you? It's  
15 the first volume -- or Volume 1, and only one, and I'd like  
16 to turn your attention, Mr. Sztroin, to D-476 within the  
17 witness binder and it's about a fourth of the way through at  
18 the -- of the binder.

19 Mr. Sztroin, Exhibit D-476 is an October 21, 2017 email  
20 from Mr. Justin Lamper to yourself and others. First of all,  
21 to orient us in time, how long has occurred at this point in  
22 October after NTP, after a Notice to Proceed?

23 A October 20, it's -- you could call it, like, say three-  
24 and-a-half weeks.

25 Q And who is Mr. Lamper?



1 A Excuse me?

2 Q Who is Mr. Justin Lamper?

3 A Okay. Justin was a safety specialist that was  
4 specifically assigned to the ASR project.

5 Q And who did Mr. Lamper work for? Was he a Williams  
6 representative?

7 A He was a Williams employee.

8 Q And Mr. Lamper is reporting, in his first sentence, he  
9 says, as you have probably heard by now, Welded has had a  
10 rash of incidents over the past two days, resulting in work  
11 being stopped by -- on spread 7 at 3:00 p.m. today. Do you  
12 see that?

13 A Yes.

14 Q And at this time, was Welded -- were there safety  
15 standdowns on the project due to these incidents that were  
16 occurring?

17 A Yeah. These were some incidents that were occurring,  
18 you know, prior to this right here that he had a growing  
19 concern.

20 Q And he has -- he's reporting here there will be a  
21 safety standdown conducted by Welded's management beginning  
22 at 7:00 a.m. tomorrow. Do you recall that there were times  
23 when -- were there times when work was stopped due to safety  
24 issues on the project?

25 A Yes. That's what a safety standdown is.

1 Q And Mr. Lamper also reports at the bottom of the email  
2 there were also two incidents reported to us today that  
3 occurred on previous days.

4 Were there times that Welded's safety reporting was not  
5 timely, Mr. Sztroin?

6 A Yes. In the kickoff meeting that Colby had conducted  
7 for each one of those spreads, he emphasized that it needed  
8 to be timely reported not, you know, several days later, but  
9 to end up making immediate notifications to Justin and others  
10 when they had these particular events occur.

11 Q And what is the importance of getting timely reporting  
12 of safety incidents?

13 A Well, we want to make sure that we understand at  
14 least -- even if it's limited information and they can come  
15 back with more details a little bit later, you know, what  
16 exactly happened, you know, were there any injuries, you  
17 know, to try to characterize those injuries if it resulted in  
18 a work loss -- lost workday, excuse me, and to go ahead and  
19 try to work with the say -- call it Welded counterpart to try  
20 to make sure that this -- these sorts of incidents -- you  
21 know, could be something about slips-and-falls or whatever it  
22 might be, to try to get ahead of it and try to prevent that  
23 from happening.

24 MS. EWALD: Your Honor, I'd move for the admission  
25 of D-476.

1 MR. GUERKE: No objection.

2 THE COURT: It's admitted.

3 (Exhibit D-476 received into evidence)

4 BY MS. EWALD:

5 Q And, Mr. Sztroin, after, as we see in October of 2017,  
6 in your view, did Welded's safety performance improve on the  
7 project?

8 A Not really.

9 Q And I'd like to turn to the next document, D-606, which  
10 is a email dated December 11th of 2017, and I'll draw your  
11 attention, again, to the email at the bottom of the page from  
12 Mr. Lamper and, at this time, were there -- this is now in  
13 December of 2017 and he is reporting that, I was informed  
14 yesterday that there have been multiple incidents that have  
15 occurred on spread 5 in the past couple weeks that have not  
16 been reported to Williams.

17 Were you aware or do you recall that that was an  
18 ongoing issue on the project?

19 A Yes.

20 Q And there is a -- in your email at the top of the page,  
21 you mention an incident with the powerline. Do you recall  
22 what that was, Mr. Sztroin?

23 A Yes.

24 Q And what occurred?

25 A Well, Willimas had a way of trying to assess the -- I

1 call it the potential severity of an incident. A potential  
2 severity is such that, well, maybe no one actually got  
3 injured, okay, but could some -- a different set of  
4 circumstances involved in that event, could somebody have  
5 gotten serious injured or possibly, you know, a fatality  
6 would've resulted.

7       When equipment, be it excavators or the sidebooms, if  
8 you end up hitting a powerline, you know, that particular  
9 energy, if you will, that's embedded in those powerlines,  
10 it's going to end up going to ground and if -- let's say, for  
11 example, that operator would've stepped off of that equipment  
12 at that inopportune time, could've easily resulted in  
13 electrocution.

14       So, especially powerline incidents like that where  
15 they're -- they don't have a spotter and they trying to cross  
16 underneath it and not paying attention, I took those sorts of  
17 incidents very seriously.

18 Q       And were there more than one of those incidences with  
19 regard to striking of powerlines during the project?

20 A       Yes there were.

21 Q       And at this time, you indicate to Mr. Springer after  
22 this incident with the powerline, perhaps Mike's request to  
23 establish some sort of line, whereby we start dinging them on  
24 safety shutdowns, costs, not reimbursed by Williams. Do you  
25 see that?

1 A Yes.

2 Q And what were you meaning -- intending by that?

3 A At times, the only way you're going to end up getting a  
4 contractor's attention is through -- is to start -- I call it  
5 back-charging them for these sorts of safety standdowns so  
6 that they start realizing the importance of safety and what's  
7 going on and to take this seriously.

8 MS. EWALD: Your Honor, I'd move for the admission  
9 of D-606.

10 MR. GUERKE: No objection, Your Honor.

11 THE COURT: It's admitted.

12 (Exhibit D-606 received into evidence)

13 BY MS. EWALD:

14 Q And, Mr. Sztroin, we've seen previously with regard to  
15 the Welded personnel that had left the project prior to NPT  
16 and your testimony after NTP did other Welded personnel leave  
17 the project?

18 A Yes.

19 Q And do you recall who they were?

20 A Well, it first started out with the -- both the project  
21 manager and the superintendent on spread 7.

22 Q And do you recall their names, Mr. Sztroin?

23 A Dan Warford (phonetic) was the superintendent. I want  
24 to say it was like maybe the second week or something like  
25 that after NTP that he left and Eric -- I think his name was

1 Wassenberg was the project manager that left and so other --  
2 that's about the two that comes to mind.

3 Q And at the time that the superintendent on spread 7  
4 left in October of 2017, did Welded propose a replacement?

5 A Yes.

6 Q And I'd like to turn your attention to next Exhibit,  
7 D-460, and it's an email chain between you, Mr. Hartmann, and  
8 Mr. Pew, and we see that -- does this email relate to the  
9 replacement for the proposed -- the superintendent on  
10 Spread 7?

11 A Yeah. His name was Jim Parker.

12 Q And did Transco review Mr. Parker's resume at the time  
13 he was offered as a replacement?

14 A Yes.

15 Q And did you have concerns at the time with regard to  
16 his capabilities?

17 A Yes. Both Colby and Mr. Hartmann had expressed some  
18 concerns that Jim's resume -- he really didn't have a lot of  
19 experience with large diameter, large projects.

20 Q And did Mr. Parker ultimately serve in that position as  
21 superintendent on spread 7?

22 A Yes.

23 Q And did -- were those concerns communicated to Welded  
24 at the time?

25 A Yes. Mark Hartmann had some conversations with Scott

1 Schoenherr, who was the general superintendent, and, you  
2 know, expressing, you know, their concerns, but it seemed as  
3 though they really didn't have anybody else to field in that  
4 position.

5 MS. EWALD: Your Honor, I'd move for the admission  
6 of D-460.

7 MR. GUERKE: No objection.

8 THE COURT: It's admitted.

9 (Exhibit D-460 received into evidence)

10 BY MS. EWALD:

11 Q Mr. Sztroin, I'd like to turn to -- I'm going to move  
12 to D-584 and ask you about the progress of the project as of  
13 December of 2017, and in December of 2017, were you receiving  
14 reports from Welded regarding their progress on the job?

15 A Yes. Both progress and cost reports that they were  
16 issuing.

17 Q And did you have any concerns based on the information  
18 that they were providing you at the time?

19 A Yes.

20 Q And what were your concerns?

21 A Well, the costs were starting to escalate. We could  
22 see that even as early as November, okay; that these costs  
23 were starting to climb and, at the time I sent out this  
24 particular meeting notice, a recurring meeting, you know, we  
25 had -- I think it was on Tuesdays. We had a much larger

1 group of individuals and it just -- from a time aspect, it  
2 seemed like there wasn't enough time to go ahead and  
3 specifically focus on the cost and schedule issues, you know,  
4 and ask these sorts of questions as to, you know, again, why  
5 the productivity is lagging and the -- you know, all of these  
6 other factors like this. So that's when I initiated this  
7 Friday meeting and then the focus was only like the project  
8 costs and schedule people, myself, Colby, and the  
9 construction managers. That was the ones representing  
10 Williams and, of course, they had the Welded personnel in  
11 that same Friday meeting.

12 Q And you indicate in your email that on November 28th,  
13 you say, that said, this first meeting is to take a dive into  
14 costs and scheduling issues/concerns, especially the progress  
15 on spread 7. What were your -- why were you pointing out  
16 spread 7?

17 A Well, you're talking about a project that was just two  
18 months underway. The costs and schedule performance indexes  
19 were well, well below one. In project management, we use  
20 that as a -- as an index, if you will. Anything greater than  
21 one, you're ahead. In other words, you're below costs and  
22 you're ahead of schedule. That's good.

23 But these numbers that we were getting from 7 was well,  
24 well below the one.

25 Q And if we could turn to that in your -- this exhibit at



1 page 8 to D-584, and I'll draw your attention to the progress  
2 report from Welded on spread 7.

3 And, first, can you orient the Court to the type of  
4 information that Welded was providing you here?

5 A Yes. Here's a detail of the planned and actual  
6 progress that they had for each -- at least at this time, for  
7 each of the different crews on the project. Again, some of  
8 them have zero, only because they're really not scheduled to  
9 start yet. So that's why, you know, from a plan aspect, it  
10 may be zero, right?

11 And so it also talked about the actual progress and if,  
12 for example, you were planning to have completed 10,000 feet  
13 of clearing and you completed only half that, well the --  
14 again, that's going to end up being a 50 percent complete,  
15 but you've spent, you know, more resources, if you will, to  
16 get that 10,000 feet. It all ties into both costs and  
17 schedule indexes. And at the very right-hand side, you can  
18 see the CPI and the SPI, which is cost performance index and  
19 schedule performance index --

20 Q And --

21 A -- and -- for each of these crews.

22 Q And, Mr. -- oh, thank you, Mr. Sztroin. I just want to  
23 draw your attention to the line that says subtotal base lay  
24 progressable activities. Do you see that?

25 A Yes.

1 Q And are these -- does this row total the actual hours  
2 to date and the earned hours to date for these activities,  
3 and I'm drawing your attention to the 53,321 actual hours and  
4 the earned, 17,459. Can you explain what information that  
5 communicates and how it relates to CPI, as you mentioned?

6 A Yes. Again, if everything was going really according  
7 to plan, if you had estimated that it was going to take let's  
8 just say 17,000 hours and it took a little bit more than  
9 17,000 hours, your cost performance index would be just  
10 slightly less than one, okay? That's really what it amounts  
11 to. It's always a plan versus actual comparison.

12 In this particular case, the actual hours was,  
13 collectively, at this point in time, was 53,321, but we --  
14 they only earned 17,459.

15 Q And when you say earned, does that mean they only  
16 made -- they only progressed those activities -- earned  
17 progress to 17,000 hours?

18 A That's correct.

19 Q And how does that relate to the -- what we see the .33  
20 and the .35 under costs -- under CPI and SPI?

21 A The 17 -- well, they take the -- really the 17,459 and  
22 divide it by the 53. That's one of the calculations that  
23 they utilize for those indexes.

24 Q And so here, the CPI was .33 for spread 7? Is that  
25 what that indicates?

1 A Yes.

2 Q And was that part of the -- was that the reason that  
3 you began instituting these Friday meetings?

4 A Yes. I mean we started seeing indications even as  
5 early as, you know, mid-November and, again, the numbers were  
6 just getting progressively worse.

7 MS. EWALD: Your Honor, I'd move for the admission  
8 of D-584.

9 MR. GUERKE: No objection, Your Honor.

10 THE COURT: It's admitted.

11 (Exhibit D-585 received into evidence)

12 BY MS. EWALD:

13 Q Mr. Sztroin, I --

14 MS. EWALD: I'll wait, Your Honor, until -- I  
15 don't want to interrupt your process.

16 THE COURT: Yeah. I'm just -- I'm looking at the  
17 exhibit, but go ahead.

18 BY MS. EWALD:

19 Q Mr. Sztroin, I'd like to move to the topic of the  
20 trends that Welded submitted for early mobilization. Do you  
21 recall those trends?

22 A Yes.

23 Q And I'd like to turn your attention to Exhibit Number  
24 821 in the notebook and Exhibit 821 is a series of emails.  
25 If we turn the page, at page 3, we see Trend Number 60. Do

1 you recall that there were three trends issued for early  
2 mobilization -- or early NTP? Excuse me.

3 A Yeah, this particular form, at least identified by  
4 Welded, included these three issues here.

5 Q And beginning with the -- this Trend Number 60, the  
6 first item says early NTP coming on September 25th instead of  
7 October 2nd. At the time, did you agree with the trends that  
8 Welded had submitted for early NTP?

9 A No.

10 Q And why not?

11 A Well, on several fronts. We issued the notice to  
12 proceed with the work and, as I stated earlier, you know,  
13 there is some preparation that needs to be done before the  
14 crews really ever hit the right-of-way. They have some  
15 specialized crews that are constructing the -- or improving  
16 on the contractor yard for trailers and, you know, to store  
17 equipment.

18 The have rock construction entrances that need to be  
19 installed again before, you know, the heavy equipment can  
20 start actually traversing on the right-of-way and they  
21 mobilize some resources, both in labor and equipment, and  
22 there was nothing for them to do and it's like -- that was  
23 really their call on doing that and it's like I -- we  
24 shouldn't be stuck paying for something like this when, you  
25 know, they're not planning this work cost effectively.

1 Q If we turn to the first page of D-821, we see  
2 Mr. Afshin's -- I'm -- I may be actually using his first  
3 name. Mr. Sztroin, could you explain what Mr. Afshin's role  
4 on the project was?

5 A Yeah. Afshin was the scheduler on spreads 4 through 7.

6 Q And was he providing you this evaluation of the trends  
7 that Welded had submitted for early NTP?

8 A Yes.

9 Q And one of the issues seems to be is why was it a  
10 trend? Typically, Mr. Sztroin, was issuing early notice to  
11 proceed a benefit to the contractor?

12 A Yes it was. I mean the date for the mechanical  
13 completion was a -- was the June 14th. They had a component  
14 for a -- in the incentive plan. If you finish early, you  
15 know, they're going to end up getting paid this particular  
16 bonus; again, that component of the incentive plan, and if  
17 they got started earlier, well, that just, you know, will  
18 help out a little bit, at least from -- I would seem to think  
19 from their perspective.

20 Q And did you approve this trend, Mr. Sztroin?

21 A No.

22 MS. EWALD: Your Honor, I'd move for the admission  
23 of D-821.

24 MR. GUERKE: No objection, Your Honor.

25 THE COURT: Thank you. It's admitted.

1 (Exhibit D-821 received into evidence)

2 BY MS. EWALD:

3 Q And, Mr. Sztroin, I'll turn your attention to Exhibit  
4 D-877. In the previous exhibit, we had seen Trends 60 and 61  
5 for early NTP. Was there also a trend submitted by Welded  
6 for early NTP on spread 7?

7 A Yes there were.

8 Q And I will draw your attention to page 9 of  
9 Exhibit 877. This is Trend Number 62, and the title is  
10 Spread 7, Manpower Increases During Project Mobilization and  
11 Startup. Do you see that?

12 A Yes.

13 Q And is this a -- another one of the early NTP trends?

14 A Yes.

15 Q And did you deny this trend -- or what was your  
16 response to this trend, Mr. Sztroin?

17 A Well, at least like, for example, like number one, it  
18 was really the same rationale for me rejecting even the trend  
19 that we had just previously looked at. As I had mentioned  
20 earlier about the Adores (phonetic), about the composite  
21 crew, that part -- I'm just saying is that particular  
22 section -- I wasn't disagreeing with, so it's -- I mean that  
23 was the feedback certainly we gave to Welded.

24 Q And with regard to the early NTP on September 25th, was  
25 that separate from the adores do you know?

1 A Yes it was.

2 MS. EWALD: Your Honor, I'd move for the admission  
3 of D-877.

4 MR. GUERKE: No objection, Your Honor.

5 THE COURT: It's admitted.

6 (Exhibit D-877 received into evidence)

7 BY MS. EWALD:

8 Q And one more exhibit with regard to these trends,  
9 Mr. Sztroin. If we turn to D-1003, there is an email  
10 regarding Trend 61-R1. Do you recall this -- again, this is  
11 the -- 61-R1 deals with spread 6, the early NTP.

12 A Yes.

13 Q And did you receive -- during the project, would you  
14 receive feedback from field personnel regarding these trends?

15 A Yes. For every trend that was submitted and/or if it  
16 resulted in EWR, I was asking both of those construction  
17 managers -- I wanted to end up making sure that they reviewed  
18 it and they at least provided, you know, their opinion about  
19 it, but they had no approval on that. That rested with me.

20 Q And so you were the -- you received information from  
21 them but you were the person who ultimately decided to  
22 approve or reject trends on the job, is that right?

23 A That's correct.

24 Q And this indicates that, with regard to Trend 61-R1,  
25 was the -- what was the decision with -- your decision with

1 regard to this particular trend?

2 A I rejected it for the same reason why I did the other  
3 two spreads.

4 Q And do you believe Transco should have to pay for  
5 Welded's decision to -- or Welded's decisions with regard to  
6 mobilization of people on the project --

7 A No.

8 Q -- at this time?

9 MS. EWALD: Your Honor, I'll move for the  
10 admission of D-1003.

11 MR. GUERKE: No objection, Your Honor.

12 THE COURT: It's admitted.

13 (Exhibit D-1003 received into evidence)

14 BY MS. EWALD:

15 Q And, Mr. Sztroin, at this time, in the few months into  
16 the project, were you starting to have -- we see you have  
17 instituted the Friday meetings. Were you starting to have  
18 additional concerns regarding the cost and schedule forecast  
19 from Welded?

20 A Yes.

21 Q And what did you do in regard to those concerns?

22 A Well, by the first or second week in December, like I  
23 said, the cost was still climbing, okay, the forecast. The  
24 forecasted cost was still climbing.

25 Q And, Mr. Sztroin, just let me interrupt you there. You



1 say the cost forecasts were still climbing. Where were those  
2 costs forecasts being reported to you by Welded?

3 A Yeah. Welded was providing those weekly reports to us,  
4 to myself, as well as the project controls, both in -- you  
5 know, the scheduler and the cost analyst.

6 Q And what were your concerns in response to those  
7 forecasts?

8 A Well, I had a pretty lengthy discussion with the  
9 project controls analyst and requested -- by then it was  
10 probably the second week in December and, you know, with the  
11 Christmas holidays coming up, I figured that the best timing,  
12 if you will, to have an onsite meeting would be right at the  
13 very first full week in January.

14 So that's when I requested that particular meeting to  
15 travel up there to Pennsylvania with not only the scheduler  
16 and the cost analyst, but to meet with Colby and all of  
17 the -- the two construction managers and then meet with  
18 the -- call it the counterparts with Welded spreads and,  
19 again, their scheduler and their project controls analyst and  
20 Marcus Hood.

21 Q And was this a meeting that you initiated Mr. Sztroin?

22 A Yes. I'm the one that requested it.

23 Q And if we turn to the second page or if -- I'll turn  
24 your attention to Exhibit D-677, and can you -- do you  
25 recognize D-677, Mr. Sztroin?

1 A Yes.

2 Q And it's a January 5, 2018 email from Hector Falcone to  
3 several recipients and he indicates, I am attaching next  
4 weeks' agenda. Is the document attached to the email? Is  
5 that the agenda that was set by Williams -- or by Transco for  
6 this meeting?

7 A Yes.

8 Q And the -- if we could just focus our attention on  
9 page 2, what was -- what were you interested in exploring  
10 under this bullet point progress report review CPI/SPI?

11 A Well, there were a number of issues we wanted to cover  
12 with each of the spreads. As you can see from the agenda  
13 that, you know, just looking at the cost curve reports,  
14 the -- you know, the breakdown and analysis, is we were  
15 interested in that sort of granularity.

16 Again, we really wanted to end up understanding, you  
17 know, where these particular costs were hidden; if it was any  
18 specific crews and why and so on and so forth.

19 The progress, the current performance, and a true  
20 forecast, based on different scenarios; in other words, you  
21 know, factoring in a number of possible mitigating measures,  
22 you know, we were going to end up discussing that as well to  
23 see, again, how to stem the -- this constant escalation in  
24 the costs that were, again, climbing pretty rapidly at this  
25 point in time.

1 And then lastly, we spent a -- probably -- an  
2 overwhelming bulk of the time spent was on the plan tie-in  
3 welds because we knew that -- and it's actually even labeled  
4 like that. We know that that was the critical path. We  
5 wanted to end up understanding, you know, how many welds were  
6 accomplished, progress to date, why is it behind schedule,  
7 number one.

8 Number two is, going forward, what sort of resources is  
9 it going to end up taking, you know, to make those tie-in  
10 welds?

11 We spent a considerable amount of time, you know, on  
12 each and every spread to talk specifically about that.

13 MS. EWALD: Your Honor, I'll move for the  
14 admission of D-677.

15 MR. GUERKE: No objection, Your Honor.

16 THE COURT: It's admitted.

17 (Exhibit D-677 received into evidence)

18 BY MS. EWALD:

19 Q And, Mr. Sztroin, you mentioned the discussion of tie-  
20 in welds prior to the meeting in January. I'll turn your  
21 attention to D-686, which is the next document in your  
22 notebook. This is an email from yourself to Mr. Grindinger  
23 and others on January 8, 2018, and I note that there is a  
24 table within your email that addresses the issue of tie-in  
25 welds. Can you explain what your -- what you were

1 communicating in this email regarding the tie-in welds?

2 A Yes. If I recall correctly, I think I was using the  
3 progress report at the early -- first week in December, if I  
4 recall, and those were the number of tie-in welds that Welded  
5 identified in their weekly progress report. Every week those  
6 welds were listed, as well as the ones that had been  
7 completed and, well, the ones that are going to be remaining,  
8 right? And that was far different than the feedback I was  
9 getting from our onsite inspection and it was a very  
10 noticeable difference in between the two and that was also,  
11 again, one of the -- one of my concerns about why are we that  
12 far off between the two parties.

13 So that was definitely on the agenda. That was going  
14 to determine the critical path. That's why I was very  
15 focused, and as well as my team, was very focused on  
16 understanding how many tie-in welds is this project  
17 anticipated to undertake.

18 Q And you see the number of tie-ins under the Williams  
19 box and the number of tie-ins under the Welded box. Is that  
20 the discrepancy that you were referring to?

21 A Yes.

22 MS. EWALD: Your Honor, I would move for the  
23 admission of D-686.

24 MR. GUERKE: No objection.

25 THE COURT: It's admitted.

1 (Exhibit D-686 received into evidence)

2 BY MS. EWALD:

3 Q And leading up to this January meeting, Mr. Sztroin,  
4 did you find out that other personnel were leaving Welded at  
5 this time?

6 A Yes.

7 Q And how was that communicated to you?

8 A It was -- I believe it was an email from Jim  
9 Grindinger. I think it was addressed to Afshin and I might  
10 have -- I think I was copied. But he's supplying us some  
11 information that Afshin had requested and he says, and -- oh,  
12 and, by the way, you know, I'm going to be leaving and this  
13 is my last week. I think he --

14 Q And I'll turn --

15 A I think he was calling it like that, so.

16 Q I'm sorry, Mr. Sztroin, I apologize for cutting you  
17 off. And if you would turn to Exhibit D-690, which is the  
18 next document in your binder, this is an email we see from  
19 Mr. Grindinger to Mr. -- to Afshin Pourmir at Williams, and  
20 is this the email that you were referring to?

21 A Yes.

22 Q And what was your response to this email at the time?  
23 Now, it's January 8th of 2018.

24 A Well, we're about to -- well, it's Monday, the  
25 January 8th. So the latter part of that week, I think it was

1 that -- matter of fact, I remember very vividly was that  
2 Thursday and Friday. That's when we had that onsite meeting  
3 with Welded personnel. So I'm looking at this right here  
4 and, again, I'm trying to end up understanding to get a  
5 credible forecast at completion cost and one of their key  
6 people is leaving Welded.

7 Q And did you reach out to Mr. Hood at that time?

8 A Yes I did.

9 Q And what did you advise him?

10 A You know, I'm very concerned, okay. I wanted to end up  
11 understanding -- you know, we -- actually, on that Monday, I  
12 think I was already in Pennsylvania when I got this and it's  
13 like, you know, are we wasting our time up here this  
14 particular week? Who's going to end up taking over? This  
15 was a really, really important, you know, key personnel and  
16 we needed that -- the feedback from that position to help us  
17 understand what is going to be the cost that we can  
18 anticipate at the completion of this project.

19 Q And did the meeting go forward in January, Mr. Sztroin?

20 A Yes.

21 Q And what occurred at the meeting?

22 A Well, when we got there, Jim -- John McNabb was going  
23 to end up serving in that particular role. Mr. McNabb was  
24 involved, like I says, in that kickoff meeting in January, so  
25 he was familiar with the project, okay. I didn't know how

1 much details he gathered just yet, but he was going to be  
2 taking over from that point in time.

3 Q And what was the outcome of the meeting?

4 A Well, like I said, we went through the agenda and we  
5 spent, like I said, earlier that I testified to, we spent an  
6 inordinate amount of time on the tie-in welds and  
7 Mr. Schoenherr led those efforts to find out, you know, with  
8 the crews they had dedicated -- I think at that time there  
9 were four tie-in crews and I think he called it two advance  
10 crews for road bores or whatever and he led the calculations  
11 on how many welds can we do a day, et cetera., et cetera.,  
12 and with the now revised increase, even from the December  
13 numbers that we saw, it was becoming very, very apparent that  
14 with the resources they had dedicated for the tie-in crews,  
15 it was going to have a mechanical completion date well past  
16 the June 14th, 2018 mechanical completion date.

17 Q And did you request a -- did you request any work  
18 product be provided at this meeting?

19 A We did.

20 Q What did you request?

21 A I wanted them to focus on -- you know, I even asked at  
22 that point in time, you know, whether additional crews could  
23 be brought in, you know, all of those, and so I'm basically  
24 asking for a mitigation plan and a schedule and a cost  
25 forecast to reflect all of this right here; how are you all

1 going to address this lack of dedicated resources for the  
2 tie-in crews given the remaining work that needs to be done  
3 and the increase in the number of tie-in welds that changed  
4 from December -- the beginning of December until now, the  
5 beginning of January.

6 MS. EWALD: Your Honor, I'll move for the  
7 admission of D-690.

8 MR. GUERKE: No objection, Your Honor.

9 THE COURT: It's admitted.

10 (Exhibit D-690 received into evidence)

11 BY MS. EWALD:

12 Q And, Mr. Sztroin, I'd like to draw your attention to  
13 the schedule that was -- schedule update that was provided  
14 after that January meeting. It is not in your binder and I  
15 would like to --

16 MS. EWALD: If -- Your Honor, if I may approach, I  
17 will hand it out.

18 THE COURT: You may.

19 BY MS. EWALD:

20 Q Mr. Sztroin, I've handed you Exhibit D-788, and it is a  
21 February 5, 2018 email from Ms. Cotton at Welded and -- to  
22 you and others and her email indicates, attached is the  
23 weekly update for the ASR project. Do you recall receiving  
24 these weekly updates during the project?

25 A Yes I do. Yeah.



1 Q And if we turn to the third page of the document, can  
2 you describe what's being provided here for your review?

3 A Yes. This is basically a consolidation where it says  
4 all spreads -- you know, that section and then, you know, the  
5 details start to follow to sort of dovetail into the overall  
6 spreads.

7 Q And I'd like to draw your attention to Activity A170,  
8 which is mechanical completion all spreads and what date is  
9 projected by Welded at this time for mechanical completion  
10 all spreads?

11 A July the 18th of 2018.

12 Q And does -- what -- and does that indicate that Welded  
13 is projecting a -- approximately a month delay to the  
14 mechanical completion date as of February of 2018?

15 A Yes.

16 MS. EWALD: And, Your Honor, I'd move for the  
17 admission of D-788.

18 MR. GUERKE: No objection.

19 THE COURT: It's admitted.

20 (Exhibit D-788 received into evidence)

21 BY MS. EWALD:

22 Q And I'll turn to the next document in your binder, and  
23 did you respond to Ms. Cotton and others with regard to the  
24 schedule showing a mechanical completion date of July 18th at  
25 this time?

1 A What document was that? Excuse me. I'm sorry.

2 Q I apologize. It's D-792, which I believe is in that  
3 binder --

4 A Yeah. Okay.

5 Q -- Mr. Sztroin. And I'll draw your attention to the  
6 email in the middle of the page where you responded to  
7 Ms. Cotton's weekly update. Do you see that?

8 A Yes.

9 Q And does that indicate that -- were you describing what  
10 the schedule was showing you in this email?

11 A Yes. That's correct.

12 Q And, according to the schedule update, what were  
13 the -- which were the last two spreads that were being --  
14 what were the projected mechanical completion dates of  
15 Spread 6 and 7?

16 A Well, spread 6 and 7 had that same July 18th of 2018  
17 date.

18 Q And when you say the same date, that's the same date we  
19 saw in the schedule, is that right?

20 A That is correct.

21 Q And what were your concerns -- why were you reaching  
22 out to Ms. Cotton when you received this -- the schedule  
23 update showing a one-month delay at this point in the  
24 project?

25 A Well, it seemed as though -- I wanted some

1 clarification that -- whether that schedule reflected the two  
2 additional tie-in crews requested for spread 7. In other  
3 words, again, back into that January, I wanted mitigation to  
4 see how they were going to end up handling it and I just  
5 wanted to end up getting that clarification that this was  
6 based on additional help or no additional help. That was --  
7 that's what was the driver behind the other questions to get  
8 that clarification.

9 Q And do you recall getting any answer from Welded at the  
10 time?

11 A I don't recall the -- what that response was.

12 Q And, Mr. Sztroin, was -- were you expecting an update  
13 from the January meeting? What did Welded advise they would  
14 provide you after that January meeting?

15 A Well, in the January meeting on that Friday, like I  
16 says, I basically ended the entire meeting with, okay, we had  
17 a lot of discussions; we discussed a lot of issues; when am I  
18 going to end up getting the data. When am I going to get  
19 these revised -- you know, the -- how can I say this? The  
20 forecasted cost may climb again, but I wanted a realistic  
21 credible schedule on a mitigation plan. I wanted a realistic  
22 forecast at completion cost and I was told two weeks.

23 Q Two weeks from the January 11th meeting?

24 A The January 12th meeting. Yeah, I think.

25 Q January 12th?

1 A Yeah, the Friday.

2 Q And did you receive the promised forecast on -- in two  
3 weeks?

4 A No.

5 Q What did -- what happened?

6 A Well, that Friday meeting, as I testified to earlier,  
7 it was a recurring weekly meeting that we had on costs and  
8 schedule and I was -- I recall even making a phone call to  
9 Marcus that Thursday afternoon and I said, so, Marcus, we're  
10 going to end up getting that forecast tomorrow, correct, and  
11 he said yes. I said okay.

12 And so here comes the Friday morning meeting. I think  
13 it was at 8:00 in the morning, but, anyway, the first --  
14 right when the meeting opened up, that was the very first  
15 thing I ended up asking for is, okay, so where is this  
16 forecast.

17 Q And did you have it? Did they have it?

18 A I was told that we don't have it and McNabb has left  
19 the company and we don't have it.

20 Q And what was your response?

21 A Well, they were actually still talking when they --  
22 after they said that, so I presumed to have provided some  
23 sort of clarification. I immediately got it from the room  
24 and went to Mr. Springer's office and pleaded with him to end  
25 up having a meeting with Mr. Hawkins, with all of these

1 people quitting, we're not getting forecasts. I just thought  
2 that there was something just terribly, terribly wrong and we  
3 needed to have this urgent meeting with Mr. Hawkins.

4 Q And was there a meeting?

5 A Yes there was.

6 Q And what happened?

7 A Well, again, I wanted to end up understanding, you  
8 know, why wasn't it finished and I started even questioning,  
9 you know, when did McNabb -- when did you all end up  
10 understanding that Mr. McNabb was leaving and, you know, some  
11 of these -- like trying to get a little bit of background  
12 even before trying to understand what are we going to do  
13 going forward, right, and Mr. Hawkins really didn't want to  
14 talk about what happened, okay? He appeared to be I'll say  
15 agitated that we didn't get this forecast and made it sound  
16 like he -- you know, Mr. McNabb left him in a bind.

17 So he did introduce Shawn Singleton as the -- and he  
18 was there in that January 31st meeting and he was going to be  
19 taking over the project controls analyst position for ASR.

20 Q And did they promise a forecast at that time?

21 A Yes. Mr. Hawkins had asked for about a month to have  
22 Shawn kind of wrap his arms around it because he's sort of  
23 like walking in cold, if you will, and for him to go ahead  
24 and understand, you know, all of the drivers on what has  
25 happened going forward, again, all of the things that we

1 spoke about and the concerns to get this reforecast with  
2 respect to schedule, cost, mitigation, all of it, and provide  
3 that towards the end of February I think it was, so.

4 Q And did you get a updated forecast in February?

5 A Yes, I believe so.

6 Q And, Mr. Sztroin, have you prepared a demonstrative  
7 exhibit that reflects the various forecasts that Welded's  
8 weekly reports provided?

9 A Yes.

10 MS. EWALD: Your Honor, may I approach?

11 THE COURT: You may. Thank you.

12 BY MS. EWALD:

13 Q Mr. Sztroin, I'm showing you what's been labeled as  
14 Defendant's Demonstrative Exhibit 13. Can you explain --  
15 first of all, did you compile the data that's displayed  
16 graphically in this exhibit?

17 A Yes. I acquired this data from their weekly cost  
18 reports that they issued to Williams -- or to Transco.

19 Q And when you say the -- their weekly cost reports, are  
20 you referring to Welded?

21 A Yes.

22 Q And can you show -- can you explain what information is  
23 showing here, first with regard to the blue bar and then the  
24 red bars and the dates below the bars?

25 A Yeah. So, as I stated to you earlier, the original

1 budget going into construction was the 454 million. That's  
2 in Blue. Of course, that stayed constant. That's the  
3 original budget. And so I wanted to end up tracking these  
4 variances from the budget and, more to the point, even the  
5 timeframe on when those forecasts were changing. So that's  
6 when we started identifying well, the -- I think the very,  
7 very first cost report that they issued was at the beginning  
8 of November. You know, one month later, you're talking that  
9 it had already escalated from 13 million over the targeted  
10 454 million and now it's 58 1/2 million.

11 So, as I testified to earlier, you know, this is the  
12 sort of information that's getting our attention. This is  
13 why we requested that January meeting.

14 And so we show up in January. They issued a  
15 estimate -- another forecast following that meeting,  
16 immediately following the meeting; it was on the 14th, and as  
17 you can see now, the numbers had -- the variances had  
18 ballooned from 56 million to 100 -- almost \$130 million and  
19 just continued to climb even after, you know, the reforecast  
20 that they had provided at the end of February. Now, the  
21 variance is \$181 million.

22 Q And is the -- does the February 25th, 2018 bar indicate  
23 the forecast that was provided to you in response to the  
24 request at the January meeting?

25 A Yes.

1 Q And was -- did Welded offer explanations regarding the  
2 reasons for these variances?

3 A Well, they were claiming that weather was a -- was the  
4 predominant factor in that. That was -- that's what we were  
5 told. It was obvious to me that the number of tie-in welds  
6 that was planned -- well, or the lack of planning, really, at  
7 the onset was woefully inadequate and so these numbers were  
8 also reflecting, you know, to complete those tie-in welds.  
9 So it was sort of a combination of different issues that was  
10 driving up these costs.

11 Q And I will turn to now another topic. Do you recall,  
12 Mr. Sztroin --

13 MS. EWALD: Oh, I need to move -- I'll move for  
14 admission of D-792, Your Honor. I apologize. That was the  
15 email --

16 MR. GUERKE: No objection, Your Honor.

17 THE COURT: It's admitted.

18 (Exhibit D-792 received into evidence)

19 MS. EWALD: And I think I have moved for the  
20 admission of D-788 already, but I will check that.

21 THE COURT: Yes.

22 BY MS. EWALD:

23 Q And now I'd like to move just chronologically on  
24 another topic, Mr. Sztroin, briefly, with regard to the  
25 reconciliation invoices.



1 Do you recall that the first reconciliation invoice was  
2 provided by Welded in December of 2018?

3 A Yes, I believe that's correct.

4 Q And that was the reconciliation for the October  
5 invoice; do you recall that?

6 A Yes.

7 Q And did you start to receive emails -- first of all,  
8 what was the process -- we reviewed yesterday the meeting  
9 agenda, that the field accountants were -- the work the field  
10 accountants were charged with doing. What was the process  
11 and who was responsible within Transco for reviewing those  
12 reconciliation invoices?

13 A Yes. Again, it was well-understood that Welded would  
14 be issuing a cash call for anticipated costs involved for a  
15 particular month and it would take roughly, you know, a month  
16 to assemble those costs and then submit it to our cost  
17 accountants.

18 LaDonna Rothgeb was the Williams personnel that was  
19 really heading that effort up. Again, the amount of data  
20 that was going to be including in these -- to support the --  
21 these invoice -- the actual invoices, not the estimated  
22 costs, but the actual costs was just going to be, you know, a  
23 tremendous effort to go ahead and reconcile that and that's  
24 where she had I know three lead cost field accountants  
25 dedicated for each one of those spreads.

1 Q And I'll turn to the next exhibit, D-1057, and it's an  
2 email from Ms. Rothgeb, dated 4/16/2018, to yourself and  
3 others and she indicates that she has attached all emails I  
4 could find to Welded for the discrepancies found for the  
5 October invoice audit that have not been answered to date.

6 The last one mentions she is working on it and hopes to  
7 have resolutions in the next day or so, and that was  
8 March 2nd, 2018.

9 Do you recall receiving this email from Ms. Rothgeb at  
10 the time?

11 A Yes.

12 Q And did she attach the emails that she had sent to  
13 Ms. Hollowell at Welded?

14 A Yes. There's an email string.

15 Q And do you know if she was able to get any responses or  
16 get help in obtaining responses from Welded after this email?

17 A I know that she was asking them for additional  
18 information, but it seems like that was not, you know,  
19 forthcoming for her to be able to finish with those sort  
20 of -- you know, call it closeout a particular month. It  
21 didn't seem like some of this data was being addressed.

22 MS. EWALD: And, Your Honor, I'll move for the  
23 admission of D-1057.

24 MR. GUERKE: No objection, Your Honor.

25 THE COURT: It's admitted.

1 (Exhibit D-1057 received into evidence)

2 THE COURT: But where's -- I thought you said  
3 there was a March 2nd, 2018 email. I just want to make sure  
4 I'm with you.

5 MS. EWALD: Yes. I believe in the attachments,  
6 in -- the attachments are the emails that have been exchanged  
7 between Ms. Rothgeb and Ms. Hollowell and I believe they are  
8 attached. I don't know, Your Honor, if there is a specific  
9 reference in the emails to the March 2nd date --

10 THE COURT: Okay.

11 MS. EWALD: -- that she is identifying. Okay.  
12 Page 11, Your Honor, I'm being told, and at March -- and we  
13 see the --

14 THE COURT: Oh, I see.

15 MS. EWALD: -- email at the top of the page and  
16 she's -- Ms. Hollowell replies to Ms. Rothgeb, saying I am  
17 getting the invoice back up together and continue to work on  
18 the payroll backup differences. I hope to have a good part  
19 of the resolutions sent to you in the next day or so.

20 THE COURT: Okay. Thank you.

21 BY MS. EWALD:

22 Q And we see, Mr. Sztroin, if we could turn to Exhibit  
23 D-1059, there is an email dated the same day from Ms. Rothgeb  
24 to Ms. Hollowell regarding the November reconciliation it.  
25 Do you recall receiving this email, Mr. Sztroin?

1 A Yes.

2 Q And the -- on April 16th, Ms. Rothgeb forwards to  
3 Ms. Hollowell at Welded. Attached are the Welded invoice  
4 discrepancies discovered during the November reconciliation  
5 audit, and I will just draw your attention to the  
6 attachments.

7 First of all, do you recall receiving this email,  
8 Mr. Sztroin?

9 A Yes.

10 Q And in the attachments, we have it printed, 1059(a),  
11 which is the November -- spread 7 November manhour  
12 discrepancies; 1059(b), the spread 5 November manhour  
13 discrepancies; 1059(c), the November spread 5 materials  
14 equipment subcontract invoice discrepancy spreadsheet, and  
15 then we see at 1059(d), it's the spread 6 November manhour  
16 discrepancies.

17 A Yes.

18 Q And was this the type of information that Ms. Rothgeb  
19 was seeking input on from Welded at this time?

20 A No. She was -- and her field accountants were, you  
21 know, identifying these particular discrepancies in the  
22 reconciliation process.

23 Q And was the delay in getting information from Welded  
24 part of the reason that Transco retained OGCS to do -- to  
25 assist with reviewing these costs?

1 A That's one of the reasons.

2 MS. EWALD: And, Your Honor, I'd like to move for  
3 the admission of D-1059 and the attachments, 1059(a)  
4 through 1059(d).

5 MR. GUERKE: No objection.

6 THE COURT: They're admitted.

7 (Exhibits D-1059 and D-1059(a) through (d) received  
8 into evidence)

9 BY MS. EWALD:

10 Q And, Mr. Sztroin, I will direct your attention to the  
11 next exhibit in the binder. Did Ms. Rothgeb continue  
12 requesting information from Ms. Hollowell, to your knowledge?

13 A Yes.

14 Q And we see that, in D-1240, Ms. Rothgeb is asking for  
15 the April reconciliation.

16 A 1240?

17 Q D-1240.

18 A Yeah.

19 Q And at -- do you recall that, at times, Ms. Rothgeb had  
20 to reach out to get reconciliation invoices themselves from  
21 Ms. Hollowell?

22 A Could you repeat the question, please?

23 Q Yeah. Were there times when Ms. Rothgeb had to reach  
24 out to Welded to get the reconciliation invoices themselves?

25 Do you recall that?

1 A Yeah, I do.

2 MS. EWALD: And, Your Honor, I'd move for the  
3 admission of D-1240.

4 MR. GUERKE: No objection.

5 THE COURT: Admitted.

6 (Exhibit D-1240 received into evidence)

7 BY MS. EWALD:

8 Q And, Mr. Sztroin, one last email in this chain of  
9 questions from Ms. Rothgeb. If we turn to D-1108, it's a  
10 May 2, 2018 email, and do you see that you were copied on  
11 these emails?

12 A Yes.

13 Q And what is Ms. Rothgeb providing to Ms. Hollowell at  
14 this time, which reconciliation audit was being submitted to  
15 Welded in May of 2018?

16 A It's for December.

17 Q And do you recall when -- and you may not, Mr. Sztroin.  
18 It's probably unfair to tax your memory, but do you recall  
19 when the December reconciliation was issued by Welded?

20 A No I do not.

21 MS. EWALD: Your Honor, I'd move for the admission  
22 of 1108.

23 MR. GUERKE: No objection.

24 THE COURT: It's admitted.

25 (Exhibit D-1108 received into evidence)

1 BY MS. EWALD:

2 Q Mr. Sztroin, going back to the progress of the project,  
3 was there -- did Transco continue to request information from  
4 Welded regarding the constant schedule for the project?

5 A Yes.

6 Q And was -- and who were you -- or who was your -- the  
7 persons on your team that were responsible for reviewing a  
8 constant schedule along with you?

9 A Well, Hector Falcone was the project cost analyst  
10 specifically on the spreads 5 through 7. Afshin was the  
11 scheduler on 4 through 7, so a little bit of overlap but --  
12 so he was focused on Central Penn Line South, collectively.  
13 And I was relying on Colby Pew and the construction managers  
14 at each of those -- our field spread offices that we had out  
15 there. That's where -- you know, to gather the information,  
16 if you will, and trying to see -- we were even doing our own  
17 forecasting based on, you know, their weekly progress, what  
18 has been accomplished, what they had been averaging, you  
19 know, things of that nature, you know, just to -- for us to  
20 go ahead and call it, if you will, get comfortable with some  
21 forecast because, again, we're getting these changes and we  
22 were requesting, even in those Friday morning meetings, you  
23 know, much more granular information from Welded to do  
24 exactly that.

25 Q And I'll draw your attention, Mr. Sztroin, to D-901 of

1 the next document in the binder, and the title of this email  
2 is Weather Recap for Spreads 5, 6, and 7, and attached is a  
3 rain/snow days trend chart, and I believe you mentioned that  
4 Welded was citing the weather as a primary reason for the  
5 cost and schedule impacts, is that right?

6 A Yes, that's -- that was -- that's what they were  
7 telling us.

8 Q And we see an email from Mr. Dubrell (phonetic) to  
9 Hector Falcone and he is sending -- he says, Hi, Hector.  
10 Please find the rain/snow charts for spread 5, 6, and 7.  
11 Please let me know if there are any required changes.

12 Was this part of the information that Transco was  
13 seeking at the time?

14 A Yes.

15 Q And Mr. Falcone had asked for a particular recap of the  
16 weather impacts. Do you see that?

17 A Yes.

18 Q And if we turn to the attachments, D-901(a), is this  
19 the information that -- do you recall receiving this  
20 information from Welded at the time regarding the weather per  
21 spread?

22 A Yes.

23 Q And We see at -- if we turn to D-901(a), page 4,  
24 Mr. Sztroin, does that -- can you tell me what that  
25 indications with regard to the planned rain and snow days



1 that Welded was reporting to you?

2 A Yes. The assumption was 1.2 planned rain or snow days  
3 per week.

4 Q And is that based on the planned rain/snow days that we  
5 see 1.2 in that top row?

6 A That's correct.

7 Q And, just to recap for the Court, how many days per  
8 week were planned for working on the project?

9 A Well, I thought at the onset it was one-and-a-half.

10 Q And I'm talking about the workdays for the project.  
11 How many days were -- of the week was Welded going to work?

12 A Oh, sorry. We were working Monday through Saturday,  
13 six days a week.

14 Q And did you understand, based on the information  
15 provided, that Welded was communicating they had planned for  
16 1.2 days of those sick -- six days to be weather impacted  
17 days?

18 A Yes.

19 MS. EWALD: Your Honor, I'd move for the admission  
20 of Exhibit D-901 and 901(a).

21 MR. GUERKE: No objection.

22 THE COURT: It's admitted.

23 (Exhibits D-901 and D-901(a) received into evidence)

24 BY MS. EWALD:

25 Q Mr. Sztroin, did -- were there additional safety issues

1 that occurred on the project after the emails that we looked  
2 at previously in the job in I believe it was October and  
3 January?

4 A Yes.

5 Q And I'll turn your attention to D-1047 and it's an --  
6 and draw your attention to the April 11, 2018 email from  
7 Mr. Lamper. Again, Mr. Lamper was Transco's safety  
8 representative on the job, is that right?

9 A Yes.

10 Q And do you recall receiving this email from Mr. Lamper?

11 A Yes.

12 Q And do you recall the circumstance that is being  
13 described here with regard to the issue of -- well, I'll ask  
14 you. Do you recall the circumstance that was being described  
15 here with regard to this sideboom?

16 A Yes. Apparently, they were lifting up a section, a  
17 pre-fabricated section and he says four-joint section. That  
18 means there's -- you got four pieces of pipe welded together  
19 and they were trying to move it and -- because he says we  
20 just finished rigging the lifting belts and they were getting  
21 ready to rig up the other two sidebooms and then the pipe  
22 began to slide down the hill into the pipe trench and because  
23 the -- you know, one of the sidebooms was still -- you know,  
24 had the straps, lifting devices, attached to it, the sideboom  
25 turned over.

1 Q And, in response to that, was a safety standdown held  
2 on the project do you know?

3 A Yes.

4 Q And the second from the last email -- or paragraph  
5 indicates Welded held a standdown for the entire spread on  
6 April 11, 2018. Can you describe what happens when there is  
7 a safety standdown for a particular on the project, to your  
8 knowledge?

9 A Yeah. I mean, in some instances; I'm not saying this  
10 particular one, but in some instances, it could be sometimes  
11 just a particular crew, but when they start talking about an  
12 entire spread, that means everybody working on that spread,  
13 all of the different crews that they have; welding and  
14 stringing and tie-ins, you name it, everybody stops for one  
15 of those particular safety standdowns.

16 MS. EWALD: And, Your Honor, I'd move for the  
17 admission of D-1047.

18 MR. GUERKE: No objection.

19 THE COURT: It's admitted.

20 (Exhibit D-1047 received into evidence)

21 BY MS. EWALD:

22 Q Mr. Sztroin, did you continue to have concerns with  
23 regard to Welded's productivity into May and June of 2018  
24 with regard to the tie-in welds?

25 A Yes.

1 Q I'd like to turn your attention to Exhibit D-1210, and  
2 it's an email between yourself and Mr. Kevin Walker. Who is  
3 Mr. Walker?

4 A Mr. Walker basically replaced Lee Bone as the  
5 construction manager for spreads 5 and 6.

6 Q And did you -- were you asking -- we see in your email,  
7 you say, Kevin Colby, your perspective on why we have all  
8 these welders and making 26 welds per week. What information  
9 was reported to you at that time by Mr. Walker?

10 A Well, I wanted him to end up providing feedback on what  
11 he was seeing out in the field with these -- how can I say  
12 that, the plan production, the number of tie-in welds, that  
13 they were planning with the crews that they had. They  
14 weren't getting the numbers, right? I wanted to end up  
15 understanding why, what's his perspective on it. So that's  
16 the purpose of this particular email.

17 Q And one of the things that Mr. Walker indicates in  
18 June, he indicates poor craftsmanship is another reason for  
19 low well count and there are some examples below. Can you  
20 explain what the terms that we see there, porosity, excessive  
21 repair links, what those terms mean, generally, in the -- in  
22 welding parlance?

23 A Yes. You know, the -- excuse me. We utilize API-1104  
24 as the acceptance criteria for those welds, whether it passes  
25 or it fails and porosity, they have a number of different

1 criteria that must meet that code; otherwise, it's rejected  
2 and rejected welds, depending on what exactly the cause is,  
3 it can result in just a repair. In other words, those  
4 welders will go ahead and grind out that particular defect on  
5 what's causing the rejection of that weld and it's what they  
6 call make a repair. Okay? And then they'll reshoot that  
7 weld with radiographic equipment and then if it passes, okay,  
8 that's -- that was the -- how it was handled. In other  
9 instances, cracks and excessive repair links, other things  
10 like that, those walls are cut out because it exceeds those  
11 specifications that we have in our construction specs and  
12 then it results in a cutout and then you have to go ahead and  
13 reweld the entire weld all over again.

14 Q And, Mr. Sztroin, we've heard some discussion in this  
15 proceeding with regard to the term, transverse indications.  
16 Are the items that are being described by Mr. Walker, are  
17 they transverse indications?

18 A I'm not a welding expert. You know, porosity could be  
19 a contributing factor. That's not my forte.

20 Q Understood, Mr. Sztroin. With regard to the issue of  
21 transverse indications, can you describe for the Court what  
22 the issue was with regard to the transverse indications on  
23 spread 5 and how the issue evolved?

24 A Yes. Spread 5 on the main line firing gang, okay, the  
25 tie-ins are always done with what we call stick welding. You

1 know, the official is shielded metal arc welding, but  
2 referred to as stick welding. So tie-ins are done with stick  
3 welding and, at the onset, welded chose to go ahead and use  
4 mechanized welding for the firing line.

5 Well, right at the very beginning, actually, that  
6 very -- the very first Friday morning meeting in January,  
7 they were -- Sonny Weems was stating to us that, you know,  
8 they were suffering a high degree of rejection wells from the  
9 mechanized welding and they were requesting to go to stick  
10 welding. He said it would end up improving the productivity,  
11 you know, certainly would cause less weld rejections, so we  
12 did and the earlier indications that all of a sudden here  
13 comes some cracks that were showing up in the radiography and  
14 we brought those to a lab just to ensure that, yes, they were  
15 cracks.

16 In other words, radiography is non-destructive testing.  
17 You don't, you know, open up that weld or tear into it, if  
18 you will, and find out what the cause is. The radiographic  
19 is an examination of it.

20 But because of the cracks, that was a concern of ours  
21 and we cut that -- it was a cutout and we ended up  
22 transporting that to a lab in Baton Rouge and, you know, here  
23 was these cracks and it was all traced originally to  
24 inadequate and maintaining the pre-heat for the stick  
25 welding. That's what the determination was.

1 Q And when you say the pre-heating for the stick welding,  
2 what is the purpose of pre-heating?

3 A Well, again, I'm not a metallurgist, but we have weld  
4 procedures, okay, and it dictates what sort of temperature  
5 you have to end up heating this pipe to and maintaining it,  
6 by the way, until for at least your -- what they call the  
7 root and hot pass so that these cracks won't develop into  
8 those -- root and hot passes are the very first wells that  
9 they make in circling on the girth weld, and they were not  
10 maintaining that required preheat so we used induction  
11 blankets and that seemed to then arrest, you know, that  
12 particular issue. So once that was recognized -- but, like I  
13 says, again, it was inadequate preheat that was going on but  
14 the induction blankets fixed it.

15 Q And when you say they were -- they weren't achieving  
16 adequate pre-heating, are you referring to Welded's forces?

17 A Yeah. Yes, that's correct.

18 Q And, ultimately, were the transverse indication issues  
19 determined to be accepted by Transco after the investigation  
20 and the remediation of using these induction blankets?

21 A The -- there was quite a few of the well rejections  
22 that I mentioned and, after that was occurring, it seemed as  
23 though the technician that was employed by GENEX, he was  
24 noticing this other -- I don't know how best to describe it,  
25 but some -- what he appeared to be some anomaly in the

1 radiography, at least for his interpretation, and that's  
2 where he was calling it transverse indications.

3 He thought that there was some cracks still. As it  
4 turned out then, after they had the final to fix, you know,  
5 and took care of these issues caused by the inadequate  
6 heating, then we brought in this subject matter expert and  
7 determined that then most of the wells were good and they  
8 were accepted.

9 MS. EWALD: And -- thank you, Mr. Sztroin. I'd  
10 move for the admission of D-1210.

11 MR. GUERKE: No objection, Your Honor.

12 THE COURT: It's admitted.

13 (Exhibit D-1210 received into evidence)

14 BY MS. EWALD:

15 Q Mr. Sztroin, I'd like to speak about the -- some of the  
16 permit issues that have been discussed in this proceeding.

17 First of all, there's been a discussion about the I-76  
18 crossing. Can you describe for the Court -- first of all,  
19 was -- at the time that notice to proceed was issued, was the  
20 crossing for I-76 part of the permit that had been obtained  
21 by Transco?

22 A Yes.

23 Q And what was the -- if you recall, what was the  
24 crossing methodology that had been permitted for the I-76  
25 crossing?



1 A Well, the I-76 was designated to be a jack and bore  
2 method. So that's how it was applied for. That's how the  
3 permit was granted.

4 Q And at -- did Welded request any variances with regard  
5 to the permit for the I-76 crossing and the surrounding  
6 areas?

7 A Not specifically for I-76. The variance request was  
8 for a particular stream that was -- I don't remember exactly  
9 how close it was, but it was somewhere around maybe 80 feet  
10 from the edge of I-76. That stream was permitted for an open  
11 cut. The variance request that we received from Welded was  
12 such that they wanted to extend that bore past that stream  
13 and basically include the stream with the I-76 bore. So it  
14 was not a Pennsylvania DOT permit modification. It turned  
15 out to be a PADEP-105 modification, and because it's a  
16 stream, those can be considered major modifications.

17 Q And what was Transco's response to this request for a  
18 variation -- for a variance to include the stream crossing in  
19 the bore of I-76?

20 A Well, I vividly remember this particular Friday meeting  
21 that I set up. I think it was April the 6th or something  
22 very close to it, and I knew that this request -- you know,  
23 here was a major modification. And, again, everyone was  
24 well-aware that major modifications can take upwards to three  
25 and four months. So I basically was -- I had an agenda. I

1 think there was three items on that agenda. I wanted to make  
2 sure that are we sure we can't do this work the way it's  
3 permitted, and I was told we got to end up -- we have to go  
4 ahead and bore it; there's no room between the edge of I-76  
5 and this stream and hence the need to this variance request  
6 to go ahead and change the bore -- the crossing method of  
7 that stream from open cut to a bore.

8 Q And did -- and who advised you of that? Was that  
9 Welded requesting that?

10 A That was Welded requesting that variance request.

11 Q And what did Transco do in response?

12 A Well, we made the variance request, we received the  
13 variance request and then we -- that allowed them to start  
14 the -- lengthen the bore from the original plan.

15 Q And what transpired after that?

16 A Well, during the course of the jack and bore method, it  
17 was I guess you could say speculated that they had -- and  
18 I've -- and I remember going to -- visiting the north side of  
19 I-76 from the nearest road crossing that they had to the  
20 north of that and then I walked down the entire right-of-way  
21 and as I got closer, they had these huge boulders that are --  
22 you know, has been excavated and is just sitting on the  
23 ground and so it was all speculated because, you know, people  
24 can't see exactly what's going on, right, in a bore like this  
25 and the boring machine had hit one of those boulders and was

1 starting to deflect on a horizontal alignment, so, instead of  
2 going straight, it started basically veering off and if that  
3 would have continued, by the time they would've cleared that  
4 stream, we would've been outside the limits -- the permitted  
5 limits of disturbance that we identified with FERC. That  
6 would take a variance request in its own right. Okay to go  
7 ahead and do that and then a lengthy process at that, we have  
8 to end up getting landowner concurrence before that even  
9 happens.

10 So that's when we met with them and that's when they  
11 requested to go back to the original plan, which was to go  
12 ahead and finish the bore, you know, just on the backside, on  
13 the south side of I-76, and then go back to that same  
14 crossing method that was originally planned for that stream  
15 crossing.

16 Q And did going back to the original method, did that  
17 require a -- any permission from PADEP or other agencies?

18 A Yes it did.

19 Q And was that part of the length of time then that  
20 ultimately was -- part of the length of time that ultimately  
21 I-76 crossing included that additional permit variance to go  
22 back to the original method?

23 A Yes. We had to explain to them why we wanted to go  
24 back.

25 Q And, MR. Sztroin, have you prepared a demonstrative

1 that addresses some of the tie-ins on spread 7?

2 A Yes.

3 MS. EWALD: And I will hand it out -- Your Honor,  
4 may I approach?

5 THE COURT: You may. Thank you.

6 BY MS. EWALD:

7 Q Mr. Sztroin, I'm drawing your attention to what's been  
8 identified as Defendant's Demonstrative Exhibits 9 and 10 and  
9 we see a reference to Exhibit D-1480 and we see on the first  
10 page a green and brown timeline chart, it appears, a graph  
11 that is identified as Hydrotest Section 3 at the bottom, and  
12 then the next slide, Exhibit 10, appears to be an expanded  
13 view.

14 Can you explain for the Court what the -- what is being  
15 shown in demonstrative 9 and 10.

16 A Yes. There's a number of key pieces of information  
17 that this TILOS March chart depicts. These March charts were  
18 produced and given to us really -- us, being Transco, on a  
19 weekly basis. This particular snapshot in time was dated  
20 August the 5th, and if you look at the zoomed in bar, if you  
21 will, they had the -- you know, it was called tie-ins and  
22 they have these different locations in this hydrostatic test  
23 section number 3.

24 If you look at the very top on the extreme kind of  
25 upper left, that's where Amtrak is located, you know,

1 relative to that position in that spread 7 and it shows the  
2 stationing. That's this 1480 plus 62. That's the stationing  
3 that's -- that corresponds to the construction alignment  
4 sheets.

5 Another noteworthy is move-around. You can see that  
6 little bitty I'd say dent, double arrow, if you will. What  
7 that is -- is that -- I call it natural obstacles is what  
8 prevents the mainline crew from ever traversing across that  
9 particular obstacle. It can be an interstate. You're not  
10 going to end up having equipment cross over the interstate,  
11 for example; certain railroad tracks; wide rivers, things of  
12 that nature, it requires a move-around.

13 Q And was that move-around always planned by Welded,  
14 Mr. Sztroin?

15 A It was always planned at the onset.

16 Q And we have heard some -- we've heard some testimony  
17 regarding the permission to cross the Amtrak railroad. Was  
18 that something that -- how did that transpire or how did that  
19 proceed? Was that permission delayed? Was -- let me --

20 A Excuse me.

21 Q Sure.

22 A Could you repeat the question?

23 Q Yes. Let me re-ask the question. Was the permission  
24 to cross the Amtrak railroad to do that crossing, was that  
25 something that was delayed in connection with where it was

1 shown on the original schedule?

2 A The permit to cross was delayed --

3 Q And is that something that --

4 A -- from the anticipated start of construction, yes.

5 Q And within -- and you mentioned that this is within  
6 Test Section 3. What did you mean by that?

7 A Well, all of these spreads, it's sort of a -- like  
8 maybe a technical issue, but the point is, is that, because  
9 of elevation differences that you have with this particular  
10 project, we had to go ahead and maintain minimum and maximum  
11 test pressures and if you exceeded -- we had -- we were  
12 careful about not exceeding what we call the specified  
13 minimum yield strength, which is the steel grade, if you  
14 will, that we bought for the project.

15 So, based on differences in elevation, you have to, for  
16 lack of a better word, kind of segregate or chop up the  
17 different test sections so that you can end up achieving the  
18 minimum required test pressure, but not to exceed the maximum  
19 that was specified, the maximum specified minimum yield  
20 strength.

21 So for spread 7, some spreads had I think five. I  
22 don't recall what -- how many there were in spread 5 or 6  
23 offhand but I just -- I do remember spread 7 had three of  
24 them and that's how you could see this hydrostatic test  
25 section 3.

1 Q And what are you describing with the box that says  
2 white spaces denote section has not been tied in. What are  
3 you showing there?

4 A So, back to where it says tie-ins, if they had -- it  
5 was almost liked treated as like I call it boxes, if you  
6 will, different areas along the pipeline system and if all of  
7 those particular stream crossings, road crossings, whatever,  
8 that had those tie-ins completed, it started making like, if  
9 you will, lengthening the contiguous section that was all  
10 welded up.

11 If it was a white blank space, that work had not been  
12 completed yet. In other words, we don't have a contiguous  
13 section for test section 3 to commence our hydrostatic test.

14 Q And so at the time that the Amtrak railroad tie-in was  
15 completed, were there other tie-ins still waiting to be --  
16 that welded had not performed on this test section 3?

17 A Yes.

18 Q And do you recall what some of them were?

19 A I just remember that the last two tie-in welds occurred  
20 I believe it was on the 21st of August and it actually  
21 occurred at two locations, one at Meadowview Road or -- I  
22 think it was called Meadowview Lane and the other -- and it  
23 was occurring at the same day. That was at I-76 itself.

24 But, by then, the Amtrack had already been completed.  
25 I think it was ten days earlier than that.

1 Q And so, to your knowledge, the I-76 tie-in was one of  
2 the last ones to be completed in this test section 3 for  
3 spread y?

4 A That is correct.

5 Q And, prior to the completion of the I-76 tie-in, could  
6 the testing have been done on spread 7?

7 A Well, by this snapshot in time, test section 1 had been  
8 completed. Test section 2 had not been completed yet and nor  
9 test section 3.

10 Q And what we're looking at here is the snapshot of test  
11 section 3, is that right?

12 A That is correct.

13 Q Thank you, Mr. Sztroin. And let's turn to the document  
14 in the binder at D-1480. Mr. Sztroin, which was the last  
15 spread to be completed on this project?

16 A The last spread to achieve mechanical completion was  
17 spread 5.

18 Q And do you recall that was on or about September 18th  
19 of 2014?

20 A That's correct.

21 Q And there -- was there issues that occurred on spread 5  
22 when -- first of all, I don't know if we've explained what  
23 hydrostatic testing is. I think you've talked about it.

24 Where -- what is hydrostatic testing in relation to the  
25 achievement of mechanical completion?



1 A Well, after you have a contiguous section of pipe that  
2 you had designated in that test section, once it's all welded  
3 up, then next steps are to go ahead and do what they call a  
4 cleaning run to -- if there was any trash or anything like  
5 that in the pipeline. You clean that. That's fairly quick.  
6 And then you fill it up with water and then you apply  
7 pressure to that water because water is generally considered  
8 incompressible and so that's why you use water and so -- and  
9 those tests are higher than the actual operating pressure and  
10 those tests are required by federal DOT regulations.

11 Q And did -- we see at D-1480 there is an email and the  
12 attachments indicate -- or the email indicates, Attached  
13 below is an email with notes regarding the hydrostatic test  
14 failure on spread 5. Do you see that?

15 A Yes.

16 Q And if we turn to page 5, what transpired in -- on  
17 September 1 -- or on or about September 1st with regard to  
18 the hydrostatic testing at spread 5?

19 A Okay. What happened is that they were pressuring up  
20 the particular pipeline for that test section and once it's  
21 pressured up and we reach that targeted test pressure, we  
22 generally let it stabilize and it's an eight-hour hydrostatic  
23 test.

24 Well, in the course of pressurizing it, we notice a  
25 sudden drop in pressure. If they had any kind of a pinhole

1 leak, we would be noticing that we could continue to, you  
2 know, pressure it up but then couldn't hold pressure, but  
3 with this sudden pressure drop, we figured that that was  
4 something that was a rupture that had occurred.

5 Q And was there an investigation?

6 A Yes. The next step was to go ahead and find out where  
7 it occurred. We found that location. Then resources in both  
8 labor and equipment was brought to that site. The pipe was  
9 excavated and then we can actually see what had occurred.

10 MS. EWALD: And, Your Honor, I have a  
11 demonstrative to hand out. Mr. Guerke. May I approach?

12 THE COURT: You may. Thank you.

13 MS. EWALD: Mr. Sztroin.

14 BY MS. EWALD:

15 Q Mr. Sztroin, I've handed you demonstrative Exhibit 11.  
16 Can you identify what this photo is depicting for the Court?

17 A Yes. Once the pipe was uncovered, we could end up  
18 seeing that they had a crack and -- well, basically a rupture  
19 that started at the top of the pipe and started traversing  
20 downward. So it validated our suspicions that they did have  
21 a rupture.

22 Q And did it take some time to resolve this issue on  
23 spread 5?

24 A Yes. By the time we finished excavating the pipe, we  
25 had to cut out not only the pipe, but the -- they had --

1 actually, that pipe was welded to a trimmed Weld El right  
2 there because it took a -- kind of a noticeable turn in the  
3 slope. So that's why you just can't bend that pipe that  
4 quick, you know, that sudden, if you will.

5 So it -- for those instances like this, it requires a  
6 Weld El and so we had to acquire another Weld El, get it then  
7 trimmed properly to match that of the slope that the pipe was  
8 going to -- needed to sit in, if you will, to go up the hill  
9 and so that -- yeah, that took time.

10 Q And was that work that needed to be done in order to  
11 achieve mechanical completion of the pipeline?

12 A Yes. We had to end up putting in, you know, a bit more  
13 pipe, this particular weld fitting, and the pipe on the other  
14 end of that and, after it was all welded up, then here comes  
15 the -- you know, we have to go ahead and start introducing  
16 more water because it lost some water as a result of this and  
17 then resumed the test.

18 Q And I believe you said we had to weld it up. Was  
19 this -- was welding it up and -- part of Welded's  
20 responsibility?

21 A Yes.

22 MS. EWALD: And I'd move to admit D-1480, Your  
23 Honor.

24 MR. GUERKE: No objection, Your Honor.

25 THE COURT: It's admitted.

1 (Exhibit D-1480, received into evidence)

2 MS. EWALD: Your Honor, I apologize. I realize  
3 it's 11:25. I've -- if the Court would like to take a  
4 morning break. I apologize. I have not noticed that time.

5 THE COURT: That's fine. Why don't we take ten  
6 minutes?

7 MS. WEALD: Thank you, Your Honor.

8 THE COURT: Thank you. We're in recess.

9 (Recess taken at 11:23 a.m.)

10 (Proceedings resumed at 11:41 a.m.)

11 THE CLERK: Please rise.

12 THE COURT: Please be seated.

13 MS. EWALD: Your Honor, may I proceed?

14 THE COURT: You may.

15 MS. EWALD: Thank you. And for purposes of  
16 timing, Your Honor, I -- if we wanted to break for lunch at  
17 12:30, I recognize that's not that far from now but it might  
18 be a good stopping point. I don't think I'll be quite  
19 finished with Mr. Sztroin's direct, but I will be pretty  
20 close, I think.

21 THE COURT: Okay.

22 BY MS. EWALD:

23 Q Mr. Sztroin, before the break, we were looking at the  
24 spread 5 hydro test failure and, again, just to orient  
25 everyone on the timeline here, spread 5 was the last spread

1 to be declared mechanically complete on the project, is that  
2 right?

3 A Yes.

4 Q And that was I believe around September 19th. Does  
5 that date sound right to you?

6 A Yes.

7 Q And was Welded complete with their work on the project  
8 as of September 19th?

9 A No.

10 Q And what work was remaining to be performed by Welded?

11 A Well, work had already started with respect to  
12 restoration and so that needed to be completed.

13 Q And when you say restoration, can you describe the  
14 activities that that entails for restoring the pipeline?

15 A Yes. After the pipeline is backfilled, in other words,  
16 covered up, FERC has a 20-day requirement that the  
17 restoration will start commencing and that's where you start  
18 hauling in the rest of the -- putting the rest of the soil on  
19 top and grading it and then, after that, you -- if there's  
20 topsoil segregation, this is where we segregate the topsoil  
21 from the subsoil as a requirement, actually, of the FERC  
22 conditions. That's where you restore the ground to the  
23 preconstruction contours.

24 After that's done, that's when you spread out mulch and  
25 seed and fertilize and get the vegetation growing again.

1 Q And I turn your attention, Mr. Sztroin, to  
2 Exhibit 1520, which I believe is the next document in the  
3 binder. There's an email exchange between you and Brett  
4 Becker. Who is Mr. Becker?

5 A Brett Becker was the project engineer over spreads 5  
6 and 6.

7 Q And this email exchange is on September 24th of 2018,  
8 so this would be after mechanical completion, is that right?

9 A Where's the -- I'm looking for the date.

10 Q I don't see a date in the top email, Mr. Sztroin.

11 A Right.

12 Q I see an email --

13 A Yeah.

14 Q -- in the middle from you to Marie Eve and Brett  
15 Becker --

16 A Yeah.

17 Q -- on September 24th.

18 A That would've occurred after in the thread. Yes, that  
19 was after mechanical completion.

20 Q And it appears that there's monitoring going on, on a  
21 daily basis. What was the monitoring that you're describing  
22 there?

23 A Well, after mechanical completion, and while  
24 restoration is going on, one of the very, very important  
25 events that occurs is when Williams -- or Transco makes the

1 request to FERC to place the assets into service. Just  
2 because it's mechanical complete does not mean that we're --  
3 that the pipeline is in service. It's only when you're  
4 actually moving natural gas up through the pipe and then you  
5 can, well, start collecting revenue on it at that time.

6 And -- but for FERC to grant permission for Transco to  
7 place it in service, they end up requiring a certain  
8 percentage of the pipeline right-of-way to be restored by  
9 that point in time.

10 Q And Mr. Becker is reporting to you -- you see in his  
11 third paragraph he indicates -- or he's describing that it's  
12 not going to look real good. He goes on to say, on top of  
13 that, spread 6, Welded restoration crews are literally miles  
14 behind their cleanup crews. We have many areas that are now  
15 out of compliance for stabilization since the final  
16 restoration is so far behind.

17 Do you understand what it means to be out of compliance  
18 for stabilization, Mr. Sztroin?

19 A Yes.

20 Q And what is that? What does that refer to?

21 A Well, as I just testified to, once you have the cleanup  
22 crews doing say their tasks and you have the restoration  
23 commencing and then stabilization, again, spreading that  
24 mulch, that's a 20-day requirement mandated by FERC.

25 So what this is telling me here is that the crews that

1 are doing that final cleanup and -- the restoration is  
2 lagging woefully behind, you know, their predecessor crew, so  
3 to speak, and they're -- by the time they catch up, it  
4 won't -- it will be past the 20 days, in other words. So  
5 that's the context that this email was written.

6 Q And was Transco looking into bringing on restoration  
7 crews to assist in this effort to address the out of  
8 compliance issues?

9 A Yes.

10 Q And what was done, do you know, in that regard?

11 A Well, I remember myself drafting the -- and RFS;  
12 again, that's an acronym for request for services, to several  
13 other contractors to help with the restoration efforts  
14 because the restoration was sorely lacking completion on the  
15 project and that's why we brought in additional help to go  
16 ahead and do exactly that.

17 Q And after this time, as evidence has been presented to  
18 this Court, do you recall that there was a withholding of  
19 approximately \$23 million from the October 5th cash call by  
20 Transco?

21 A Yes, I recall that.

22 Q And there's been some discussion of a meeting that  
23 occurred between Transco and Welded after that withholding.  
24 Were you in attendance at that meeting?

25 A Well, the date of that meeting was when?



1 Q Were you -- was it in October of 2018? Were you in  
2 attendance at that meeting with Mr. Wall?

3 A Oh, yes. I was present in that meeting.

4 Q Thank you, Mr. Sztroin. And where was that meeting  
5 held?

6 A It was held at Transco's offices in Houston.

7 Q And what was relayed by Welded at that meeting with  
8 regard to their financial situation?

9 A Well, Mr. Wall indicated to Transco that if they were  
10 not going to get paid for this particular withholding, there  
11 was strong indication that they would end up having to  
12 declare bankruptcy.

13 Q And was that the first time that you had heard that  
14 information from Welded's representatives? Had Mr. Wall ever  
15 provided that information to Transco before, to your  
16 knowledge?

17 A That's the first I heard of it.

18 Q And, at that meeting, did Mr. Wall relay to Transco  
19 that they had realized, at least at that time, \$84 and a half  
20 million of positive cashflow on the project from Transco?

21 A He didn't disclose that in the meeting.

22 Q And, ultimately, did Welded seek bankruptcy protection  
23 the following week?

24 A Yeah, sometime later, week, week-and-a-half, whatever,  
25 they did.

1 MS. EWALD: And I'd like to turn to -- oh, I'd  
2 like to move for admission of D-1520, Your Honor.

3 MR. GUERKE: No objection.

4 THE COURT: It's admitted.

5 (Exhibit D-1520 received into evidence)

6 BY MS. EWALD:

7 Q Mr. Sztroin, did you learn that there were  
8 subcontractors on the ASR project that had not been paid by  
9 Welded in October of 2018?

10 A Yes. We learned, you know, later on in that month that  
11 some of the subcontractors had not been paid.

12 Q And if we can turn to D-1592, I'll draw your attention  
13 to an email dated October 18, 2018, and the subject line is  
14 Atlantic Sunrise Notice to Welded Regarding Assurance for  
15 Subcontractor LGS.

16 A Yes, I see that.

17 Q Do you recall sending this email and letter to  
18 Mr. Hawkins?

19 A Yes.

20 Q And who was LGS?

21 A LGS was a subcontractor that Welded used; I believe it  
22 was in spread 7. They were tasked with, I think, the  
23 clearing and the grading, if I recall correctly. So  
24 that's -- that was the sort of work they performed for Welded  
25 in that area of the pipeline.

1 Q And do you know if -- and so turning to the -- let's  
2 turn to page 3 within Exhibit D-1592 and I'll draw your  
3 attention to the -- an email that you sent to Ricky Lynn  
4 October 18, 2018. Was that individual at LGS?

5 A Yes.

6 Q And you indicate, To set forth in Evan Kirchen's  
7 letter to LGS dated October 16, 2018, we understand that LGS  
8 claims that Welded has not paid for work performed by LGS  
9 pursuant to subcontract with Welded on the project. Do you  
10 recall advising -- or do you recall communicating with  
11 Mr. Lynn on that regard?

12 A Yes.

13 Q And your email goes on to indicate that you understand  
14 that LGS was seeking immediate advanced payment for work on  
15 the project.

16 A Yes, that's correct.

17 Q And in the second paragraph, you state, Transco is  
18 making arrangements to effect an ACH transfer of  
19 approximately 1.496 million to cover work to be performed  
20 from October 15 through October 31st. What were you doing  
21 on -- or what was your purpose in providing these assurances  
22 in payment to LGS at this time?

23 A Well, the restoration work was continuing, okay, so we  
24 wanted to keep the restoration work progressing on all three  
25 of these spreads and I mean that's why we were going to end

1 up covering that -- the funds that they were seeking to keep  
2 them on the project.

3 Q And did Transco issue payment to LGS in the amount of  
4 \$1,496,000?

5 A Yes.

6 MS. EWALD: Your Honor, I'd move for the admission  
7 of Exhibit D-1592.

8 MR. GUERKE: Your Honor, this is a part of our  
9 continuing objection, so I'd like to assert that here.

10 THE COURT: Okay. I'm going to admit it, subject  
11 to the relevancy objection.

12 MR. GUERKE: Thank you, Your Honor.

13 (Exhibit D-1592 received into evidence)

14 BY MS. EWALD:

15 Q And, Mr. Sztroin, if we could turn to Exhibit D-1620,  
16 did you get -- were you contacted by other subcontractors for  
17 Welded who had -- at the -- at or around the time of the  
18 bankruptcy filing?

19 A Yes. There were a number of subcontractors and vendors  
20 for materials and other kind of services that was starting to  
21 contact the company directly, you know, letting us know that  
22 they hadn't gotten paid.

23 Q And at D-1620, we see that Mr. Carson, from Bedrock  
24 Environmental is reaching out to you. Do you see that?

25 A Yes.

1 Q And with Bedrock Environmental, did you ever receive  
2 any competitive bids for the work that they were providing to  
3 the project?

4 MR. GUERKE: Objection, Your Honor. Same  
5 objection to the brand new breach of contract claim.

6 THE COURT: Yeah.

7 MS. EWALD: And, Your Honor, may I address this?

8 THE COURT: Um-hum.

9 MS. EWALD: This is not a claim by Transco in this  
10 proceeding. This is an issue of burden of proof, Your Honor.  
11 The plaintiff has the burden of proof of demonstrating that  
12 they complied with the contract and appropriately invoiced  
13 these amounts and this is --

14 THE COURT: How does this go to appropriate  
15 invoicing?

16 MS. EWALD: In the subcontract -- or in the --  
17 Section 8 of the contract, it provides several things with  
18 regard to subcontracting. You have to identify the invoice,  
19 the project, you have to prevent comingling of subcontractor  
20 invoices, and there is requirements in that same section for  
21 competitive bidding and for advance approvals.

22 THE COURT: Is this raised in a dispute -- in any  
23 dispute that Transco circulated prior to the lawsuit?

24 MS. EWALD: I don't know that they -- well,  
25 ultimately, the amount of money that these people ultimately

1 charged was part of the ongoing process of the reconciliation  
2 invoices. The contract is very clear that this is part of  
3 Welded's requirements.

4 THE COURT: I'll accept it. I'll let it come in,  
5 subject to this objection and we'll deal with it.

6 I'm concerned about things that weren't raised  
7 prior in the lawsuit, so I'm not sure it's -- goes to burden  
8 of proof, but -- because things had to also be raised timely.  
9 So I'm not sure it goes to burden of proof and, of course, I  
10 have no idea what Bedrock billed or didn't. So I don't know  
11 that it had to be competitively bid, so.

12 MS. EWALD: And I'm just going to ask the witness  
13 with regard to the subcontractors that provided these types  
14 of materials, if they were -- if he had received competitive  
15 bids for them.

16 THE COURT: Okay. Not suggesting that they needed  
17 to?

18 MS. EWALD: No, Your Honor.

19 THE COURT: It can come in, for what it's worth.

20 Mr. Guerke, I'm sorry. Go ahead.

21 MR. GUERKE: On the burden of proof, Your Honor,  
22 this wasn't raised before trial, let alone in the pleadings  
23 anywhere.

24 THE COURT: I don't --

25 MR. GUERKE: Or in the pre-trial order.

1 THE COURT: I don't think it was.

2 MR. GUERKE: And if it's -- if they're arguing  
3 it's not a claim now and it's a defense, they have the burden  
4 of proof on their own affirmative defenses.

5 THE COURT: Yes.

6 MR. GUERKE: I mean it's not our burden to  
7 disprove affirmative defenses that have never been asserted.

8 THE COURT: Correct.

9 MR. GUERKE: So, I don't want to belabor the  
10 point, but it's an issue for us and it came up for the first  
11 time in opening statements in this trial last Tuesday.

12 THE COURT: Okay. I'll figure this one out when I  
13 get to a decision, but I have expressed some concerns about  
14 this information.

15 MS. EWALD: Your Honor, I will move very quickly  
16 through this -- my questioning of Mr. Sztroin on these  
17 issues.

18 BY MS. EWALD:

19 Q Mr. Sztroin, with regard to the -- I think there's been  
20 some testimony with regard to subcontractors that provided  
21 materials and commodities with regard to United Rentals. Did  
22 you -- were you ever provided with competitive bids for the  
23 work that they performed or the supplies they provided?

24 A I don't recall seeing any correspondence from Welded on  
25 that.

1 Q And with regard to Western Supplies, did you receive  
2 any competitive bids in regard to the award of a subcontract  
3 to Western Supplies?

4 A I don't recall seeing any emails or correspondence  
5 concerning that.

6 Q And, finally, with Chachi Energy Services, do you  
7 recall receiving any competitive bids for the services or  
8 supplies that they provided?

9 A I don't recall seeing or having any correspondence  
10 concerning that.

11 MS. EWALD: And, Mr. -- or Your Honor, I'd like to  
12 move to admit to D-1620.

13 MR. GUERKE: Your Honor, same objection on -- as  
14 Bedrock. I know you've already addressed Bedrock, but I just  
15 want to make our objection clear that it now includes United  
16 Rentals, whatever that is; Western Supplies, whatever that  
17 is; and Chachi Energy Services.

18 THE COURT: Yes, and I'll -- the testimony is in.  
19 I think the question is whether it's relevant to anything.

20 BY MS. EWALD:

21 Q And, Mr. Sztroin, were there other subcontractors that  
22 were paid by Transco in connection with services that had  
23 been provided by them prior to the bankruptcy filing in  
24 October of 2018?

25 A Yeah. There were some payments made.



1 Q And do you recall the Lancaster County Solid Waste  
2 company, what -- were they requiring payments to be made for  
3 late invoices they had sent to Weldon?

4 A Yes, I recall that was one of the entities that Transco  
5 paid directly.

6 Q And what did -- what was the Lancaster Waste -- County  
7 Solid Waste?

8 A Well, there was -- well, it's just that, like a lot of  
9 waste, if you will, with regards to, you know, let me call it  
10 beat up mats and skids and other kind of things of that  
11 nature and this was being hauled to that particular landfill  
12 and, you know, there was charges for that.

13 Q And would they -- was Lancaster County Solid Waste,  
14 were they willing to continue to accept those deliveries  
15 without payment?

16 A Not unless we paid them directly. They were not  
17 willing to accept any more waste for the landfill.

18 Q And with regard to storage of some of the materials  
19 that Transco had paid for on the project, do you recall that  
20 there were -- they were being stored in a particular yard by  
21 Weldon?

22 A Yes.

23 Q And was Transco able to take possession of those  
24 materials and supplies that were being stored in that yard?

25 A No.

1 Q And what transpired with regard to those -- that  
2 particular yard and getting access to those materials?

3 A Basically, we had to end up paying Red Lion for those  
4 back charges that they hadn't gotten paid by Welded.

5 Q And after that, was Transco able to get access to  
6 their -- the materials and supplies that they had paid for?

7 A Yes.

8 Q I'd like to turn your attention, Mr. Sztroin, to  
9 Exhibit D-1876.

10 MR. GUERKE: Your Honor, I'm sorry for the tardy  
11 objection. We object to that last line of questions. Our  
12 understanding is the invoices that are in question are post-  
13 petition invoices.

14 THE COURT: Why don't you question him on cross?  
15 I don't think it's an objection. It's a cross issue.

16 MS. EWALD: May I proceed, Your Honor?

17 THE COURT: You may.

18 MS. EWALD: Thank you.

19 BY MS. EWALD:

20 Q Mr. Sztroin, I'll turn your attention to D-1876.  
21 Mr. Sztroin, were you reviewing -- in 2019, were you  
22 reviewing the safety performance of Welded on the project?

23 A Yes.

24 Q And were you gathering information from Mr. Lamper with  
25 regard to the safety issues that Welded had encountered?

1 A Yes.

2 Q And I see your email that you refer to Transco's  
3 position on Welded's dismal safety record. Is that how  
4 you -- what you -- how you considered Welded's safety record  
5 on the job?

6 A Yeah, I didn't -- you know, looking back, holistically,  
7 it -- at all of the events and -- that's basically my  
8 conclusion.

9 MS. EWALD: Your Honor, I'd move for the admission  
10 of D-1876.

11 MR. GUERKE: No objection.

12 THE COURT: It's admitted.

13 (Exhibit D-1876 received into evidence)

14 BY MS. EWALD:

15 Q And, Mr. Sztroin, did you also gather information with  
16 regard to non-conformances and areas of concern in 2019  
17 relating to Welded's work on the project?

18 A Yes.

19 Q And I'll turn to D-1877. Did you collect this  
20 information from Mr. McLaughlin?

21 A Yes.

22 Q And who is Mr. McLaughlin?

23 A Gerry was an engineer with the company. At the onset  
24 of the project, we wanted to implement a quality -- QA/QC, if  
25 you will, program to make sure that the -- even the

1 inspectors knew what they were doing; in other words,  
2 training. They understood the specifications.

3 And then, also, Gerry led the group to go ahead and  
4 periodically audit the actual construction to see that the  
5 contractor was also following, you know, specifications, not  
6 only the construction specifications, but even like product  
7 specifications, how to properly apply, you know, coatings. I  
8 mean it just -- the quality control program, basically, he --  
9 once I developed the outline, Gerry ended up finishing the  
10 entire program and implemented it during the construction.

11 Q And were these the quality metrics that Mr. McLaughlin  
12 provided to you regarding Welded's performance on the  
13 project?

14 A Yes.

15 MS. EWALD: And, Your Honor, I'd move for the  
16 admission of D-1877.

17 MR. GUERKE: No objection, Your Honor.

18 THE COURT: It's admitted.

19 (Exhibit D-1877 received into evidence)

20 BY MS. EWALD:

21 Q And, Mr. Sztroin, did Welded also report non-  
22 conformance -- non-conforming work, poor workmanship,  
23 defective work, on the project in their weekly reports?

24 A Yes, I can recall a section in their weekly reports.

25 MS. EWALD: Your Honor, I don't have this document

1 in my exhibits. May I approach?

2 THE COURT: You may. Thank you.

3 BY MS. EWALD:

4 Q Mr. Sztroin, I'm showing you what's been marked as  
5 Exhibit D-1530, and it is a September 27, 2018 email from  
6 Ms. Mitten (phonetic) at Welded and she is addressing you and  
7 Mr. Falcone and is transmitting the Welded progress reports  
8 for the week ending September 23rd. Do you recall receiving  
9 this report, Mr. Sztroin?

10 A Yes.

11 Q And was this one of the latest, perhaps the last,  
12 weekly report that Welded submitted to Transco?

13 A Yes.

14 Q And I will just draw your attention, Mr. Sztroin to  
15 the -- page 7 of Welded's weekly reports, and did Welded also  
16 report on the -- their quality metrics for the job?

17 A Yes.

18 Q And we see that there is, under Estimated Costs of  
19 Rework, that Welded is identifying cost of rework associated  
20 with five different categories. Do you see that?

21 A Yes.

22 Q And client inspection, would you understand that to be  
23 some issues that were identified by Transco during the  
24 project?

25 A Yes.

1 Q And for each one of the spreads, did Welded identify  
2 and quantify the estimated costs of rework on the project,  
3 and we can turn to page 17 of D-1530 to see spread 6.

4 A Spread 6, yes.

5 Q And also with regard to spread 7 at page D-27?

6 A Yes.

7 MS. EWALD: And, Your Honor, I'd like to move for  
8 the admission of D-1530.

9 MR. GUERKE: No objection.

10 THE COURT: It's admitted.

11 (Exhibit D-1530 received into evidence)

12 BY MS. EWALD:

13 Q I'd like to turn to, Mr. Sztroin, the restoration work  
14 for the pipeline that you have previously discussed, did  
15 Welded complete the entirety of the restoration work on ASR  
16 spreads 5 through 7?

17 A No.

18 Q And did Transco -- how did Transco accomplish the  
19 completion of the restoration work?

20 A Well, as we were approached, we basically had to  
21 stabilize the areas that we knew we couldn't complete before  
22 winter set in, so we had to stabilize those areas and then in  
23 the springtime we brought in this particular contractor who  
24 finished the restoration on all of the three spreads.

25 Q And do you recall approximately how much money Transco

1 paid the contractor who completed the restoration work?

2 A Yes. It was -- I believe that figure was something  
3 like 52 million, if I recall correctly.

4 Q And was that restoration work finally complete in 2019?

5 A Yes, I think it was completed in '19.

6 MS. EWALD: And I have a demonstrative, Your  
7 Honor, that I -- if I may approach?

8 THE COURT: You may. Okay. Thank you.

9 BY MS. EWALD:

10 Q Mr. Sztroin, we've identified as demonstrative  
11 Exhibit 12 a photograph that's dated May 16, 2019 and it  
12 is -- indicates a particular position and is described as  
13 erosion repaired north of Calvary Road 2.

14 First of all, can you explain what the photo is  
15 depicting with regard to work that was being done and what  
16 the work entailed?

17 A Yes. In addition to -- for this specific location,  
18 which happened to be in -- on spread 6, in addition to the  
19 restoration, there were a few areas that, quite possibly, was  
20 already restored, but, for whatever reason, maybe they had  
21 some erosion and channelization occurred, so the contractor  
22 had to go -- the contractor being Hillis, they had to go here  
23 and repair that particular area.

24 So after they did that and made those corrective  
25 actions, that's where you could see the mulch being

1 distributed over the pipeline right-of-way in the area that  
2 was repaired and they had seed and fertilizer beneath that  
3 so -- you know, to promote the vegetative growth.

4 Q And would that work be described as warranty work,  
5 Mr. Sztroin?

6 A Yes it would.

7 Q And was warranty work within Welded's original scope of  
8 work?

9 A Yes.

10 Q And did Welded perform any of this warranty work in  
11 2019?

12 A No.

13 Q And turning to Exhibit D-1953, do you recall receiving  
14 an invoice from Welded in November of 2019 for the --  
15 invoicing for the final amount of the fixed fee for profit  
16 and overhead on the project?

17 A Yes.

18 Q And did Transco respond to that request for the final  
19 invoice and final fixed fee?

20 A Yes.

21 Q And I believe the document's already in evidence, but  
22 what was -- what, in your view, was Transco's response? Did  
23 Transco deny the request for the final fixed fee?

24 A Yes.

25 Q And in -- at page 2 of the letter, it addresses the



1 final acceptance of the work. Was -- did -- in your view,  
2 did Welded achieve final acceptance and final completion of  
3 the work?

4 A No.

5 MS. EWALD: And, Your Honor, I believe that  
6 Exhibit D-1953 is already in evidence. It is not, I am told.  
7 I would move for the admission of D-1953.

8 MR. GUERKE: No objection.

9 THE COURT: It's admitted.

10 (Exhibit D-1953 received into evidence)

11 BY MS. EWALD:

12 Q Mr. Sztroin, after the pipeline was put in service,  
13 were there additional inspections that occurred of the  
14 pipeline?

15 A Yes. Our corrosion specialists; I think they're  
16 called, you know, integrity specialists now, but they  
17 performed what we call a ACVG survey. It's --

18 Q And --

19 A That's an acronym for alternating current voltage  
20 gradient. What that particular survey does is it's a basis  
21 for understanding the coating integrity because we coat the  
22 pipeline before it ever shows up on the job and then we  
23 inspect that coating again before it's ever installed into  
24 the ditch but we still wanted that assurance that the coating  
25 was in good shape, you know, after it was buried by Welded,

1 so our personnel, Williams' personnel, ended up conducting  
2 that particular survey.

3 Q And what were the results of that survey?

4 A There was quite a few noticeable coating anomalies that  
5 results have produced. They chose to, say characterize it,  
6 and call it three buckets, if you will; minor, moderate, and  
7 major, and even, you know, looking at just focusing on the  
8 major coating anomalies, there was -- it was quite a few on  
9 that spreads 5 through 7.

10 Q And were there -- what did Transco do then in response  
11 to the results of that ACVG survey?

12 A Well, by that time, when the results were in, I want to  
13 say it was in -- towards the end of January of the following  
14 year, which would've put this in January of '19.

15 Our Integrity Department, you know, met with some  
16 executives and they felt that we needed to bring in a  
17 consultant that specialized in this sort of an evaluation to  
18 see maybe what next steps we would need to do and so  
19 that's -- that occurred.

20 Q And was there -- at that time, was there a consultant  
21 retained by Transco to review the results of the survey?

22 A There was.

23 Q And I'll turn your attention to D-1956 in the binder  
24 and it's an email that is attaching, at page 3, the Atlantic  
25 Sunrise's expansion project, AC Closed Space Survey Summary

1 Report, dated November 26, 2019, and from a company  
2 identified as Mears.

3 A That's correct.

4 Q And we see at the top of page 4 of this exhibit that it  
5 indicates an alternating current, AC Closed Space Survey, was  
6 completed on the Atlantic Sunrise expansion pipeline and goes  
7 on to describe the survey that was conducted.

8 A Yeah, that's correct.

9 Q And is this the results of the -- did Mears perform  
10 that work?

11 A Mears performed the closed interval survey.

12 Q And did Mears also provide some advice with regard to  
13 how to address the results of the closed interval survey?

14 A Yeah. In the consultation with Mears, they reviewed  
15 the data from our ACVG survey and they came up with a list of  
16 recommendations that they were suggesting Transco proceed to  
17 really, you know, if you will, validate the integrity of the  
18 pipeline system. So -- and the closed interval survey was  
19 one of those suggestions provided by Mears. So we hired them  
20 under a separate RFS to conduct that particular work.

21 Q And in the course of conducting that work, did they  
22 also identify anomalies, other potential dents in the  
23 pipeline?

24 A Yes. They had suggested that we run a -- an internal  
25 inline tool and this particular tool will end up identifying

1 any kind of -- any corrosion internally, as well as  
2 externally. It would identify any ovality or dents. It  
3 would even -- is able to -- well, like I says, characterize  
4 the -- basically the integrity of that pipe. So that's when  
5 we accepted their recommendation and we employed a different  
6 company though to do that because that's really highly  
7 specialized. You have to have the right equipment to -- or  
8 tools to do that.

9 Q And who is the company that performed the inline  
10 inspection?

11 A Rosen Group.

12 Q And did they also require assistance from another  
13 contractor to assist them in the inline inspection?

14 A Yes. You have to sort of like do a cleaning run or two  
15 and get the pipe -- make sure that it's as clean as it can  
16 get and I think it was Pintail, if I remember, but they were  
17 basically a support subcontractor -- or a contractor from us  
18 to help do those sorts of tasks before the Rosen tool was ran  
19 in the pipe.

20 Q And I'd like to turn to the second -- to I think  
21 it's 1956(b), a presentation by Mears, entitled Atlantic  
22 Sunrise Preliminary Remedial Action Plan.

23 Was one of the remedial action plans proposed by Mears  
24 to examine potential -- to do an examination of these  
25 potential dents or ovality issues?

1 A Yes.

2 Q And if we can turn to I think it's page 52 of the  
3 presentation that we see provided by Mears. There -- and I  
4 apologize, it's 1956(b), page 52, and we see the ILI  
5 inspection results. It indicates a total of zero. What --

6 MR. GUERKE: Objection, Your Honor.

7 THE COURT: Mr. Guerke?

8 MR. GUERKE: This is hearsay and so is the other  
9 survey that was attached to the other exhibit and it's --  
10 this is basically an expert report with expert information  
11 that's not been identified as an expert witness in this case  
12 and you can't just submit, you know, an expert report  
13 attached to an email with a witness who isn't the expert.

14 THE COURT: Ms. Ewald?

15 MS. EWALD: Mr. Sztroin is not going to testify  
16 with regard to the merits of the dent or the information  
17 provided in this presentation. He's going to explain what he  
18 did and what Transco did in response to it and what was  
19 discovered. This is simply information that went into the  
20 decision to perform the dent remediation.

21 MR. GUERKE: What was discovered is the expertise,  
22 a specialized person or company that comes in and does all  
23 these tests and comes up with the results and the results are  
24 on the screen here, but that's improper expert testimony and  
25 it's hearsay.

1 MS. EWALD: Your Honor, it's not -- we're not  
2 calling Mears as an expert witness. We're --

3 THE COURT: No, but you want me to accept the  
4 truth of their report.

5 MS. EWALD: I'm going to ask the witness if, based  
6 on this report, that they did investigations and what  
7 transpired from those investigations.

8 THE COURT: Okay. But you don't want me to accept  
9 the truth of these reports?

10 MS. EWALD: I'm --

11 THE COURT: So they could be totally wrong?

12 MS. EWALD: Your Honor, I'm just saying these are  
13 the bases of the decisions that Transco made to proceed with  
14 additional work in the field.

15 THE COURT: Okay. Well, I'm not going to  
16 permit -- if you're going to move for the admission of these  
17 documents, I'm not going to admit them. I guess he can  
18 testify for what it's worth, what they did in response to  
19 some expert reports that I'm not going to admit.

20 MS. EWALD: Your Honor, I would say this is the --  
21 it's information that was prepared by a contractor, an agent,  
22 of Transco and --

23 THE COURT: Not an agent. A contractor.

24 MS. EWALD: A contractor to Transco, acting on  
25 their behalf and what they -- and information that they

1 received from them.

2 THE COURT: Well, maybe you could set some  
3 foundation for how this is a Transco's agent because I don't  
4 think so, based on the testimony I heard.

5 MS. EWALD: Mr. -- I believe the testimony is  
6 that --

7 THE COURT: It's an independent agency --

8 MS. EWALD: -- the -- they were --

9 THE COURT: -- that they hired to do a report.  
10 That's not their agent.

11 MS. EWALD: And, Your Honor, I would submit that  
12 the -- it's information that was -- it's relevant information  
13 received by the -- a subcontractor regarding the results of  
14 their survey.

15 THE COURT: Yeah, but that's -- I don't have the  
16 subcontractor here. It's hearsay. I'm going to sustain any  
17 objection to these documents.

18 BY MS. EWALD:

19 Q Mr. Sztroin, in response to the various studies that  
20 were performed by Mears and Rosen, did Transco take action  
21 with regard to them?

22 A Yes.

23 Q And what did Transco do?

24 A Rosen flagged approximately 22 locations where their  
25 equipment was picking up either dent or ovality issues, and

1 of those 22 locations, it -- the data that was provided to  
2 Transco strongly indicated that the pipe was resting on a --  
3 what they call a point load and, in this particular instance,  
4 it would be rock and, because it's resting directly on this  
5 particular point load, and of those 22, eight of them were  
6 involving where it was resting on a weld.

7       So there was some discussions that ensued with Rosen  
8 and Mears and our internal subject matter expert and then the  
9 net result was they ended up asking me to go to those  
10 particular eight locations, because we knew exactly where it  
11 was; the tools are very accurate, and excavate those and  
12 validate the inspection and that's exactly what we did.

13 Q       And what did the results of that -- and how did you do  
14 that? How did Transco do that?

15 A       Well, like I said, these particular dent and ovality  
16 issues that were flagged by the Rosen tool, every one of them  
17 were -- was identified in a 6:00 position, which is the  
18 bottom of the pipe. It's almost like they take their tools  
19 or whatever when they provide this data -- you know, the pipe  
20 is like this and they just kind of unfold it and kind of make  
21 a flat, you know, presentation where you can end up seeing,  
22 but every one of them showed it to be in a 6:00 position and  
23 when we started the excavation, every one of them showed that  
24 it was -- when the pipe was exposed, it's resting on rock  
25 and, sure enough, here's that weld that's right on -- again,



1 it's resting on the weld itself and that's why they had me  
2 flag those eight and every eight of them, all eight of them,  
3 that was exactly what we found. So it -- the visual, direct  
4 examination correlated to the results of the ILI tool.

5 Q And were Transco's contract include specifications  
6 regarding the presence of rock in the trench for backfilling  
7 purposes?

8 A Yes. It wasn't allowed to -- for the pipe to rest on  
9 rock. It either had to be select backfill, that was rock-  
10 free, and I think that was the terminology in our  
11 construction specifications, if I recall correctly, or it  
12 could end up resting on sandbags. You know, again, that's  
13 just, you know, even distributed load. There's no sharp  
14 edges, et cetera. But we found it to be resting on rock in  
15 all eight of them.

16 MS. EWALD: Thank you, Mr. Sztroin. Your Honor, I  
17 see it is 12:35. If we want to take our lunch break, I have  
18 a binder of invoices related to the work that Mr. Sztroin has  
19 described in connection with these issues and I provided the  
20 list to opposing counsel and I intend to move them into  
21 evidence as a -- similarly to the way we moved the  
22 reconciliation invoices into evidence, and I think we have an  
23 agreement in that regard.

24 MR. GUERKE: If I understand some of these, Your  
25 Honor, and they're just invoices, I don't think we have an

1 objection to just the invoices coming in.

2 But I haven't put eyeballs on every one here, so  
3 we'll need to do that.

4 THE COURT: Okay. I'll give you an opportunity to  
5 do that and we'll see if there's any issues.

6 MS. EWALD: Yeah. I understand, Your Honor. We  
7 provided it yesterday to try to assist in that regard.

8 THE COURT: Okay. How much longer do you think  
9 Mr. Sztroin would be on direct?

10 MS. EWALD: I think with the admission of those  
11 invoices, and hopefully if it can be done efficiently, I  
12 would say 15 to 20 minutes.

13 THE COURT: Okay.

14 MS. EWALD: That is primarily the conclusion of my  
15 testimony. I may have a few other items.

16 THE COURT: Okay.

17 MR. GUERKE: Your Honor, just for scheduling,  
18 could we have a little longer at lunch?

19 THE COURT: How much time do you want?

20 MR. GUERKE: Fifteen minutes? Thirty minutes  
21 longer?

22 THE COURT: Sure. So it's 12:35. If we come back  
23 at 2:00?

24 MR. GUERKE: Great.

25 THE COURT: Okay. We're back 2:00 and,

1 Mr. Sztroin, please don't speak with anyone about your  
2 testimony during the lunch break.

3 THE WITNESS: Yes, Your Honor.

4 THE COURT: Thank you. We're in recess.

5 (Recess taken at 12:34 p.m.)

6 (Proceedings resumed at 2:06 p.m.)

7 THE CLERK: Please rise.

8 THE COURT: Please be seated.

9 MS. EWALD: May I proceed, Your Honor?

10 THE COURT: You may.

11 MS. EWALD: Thank you.

12 DAVID SZTROIN, DEFENDANTS' WITNESS, PREVIOUSLY SWORN,

13 RESUMES STAND

14 DIRECT EXAMINATION (Cont'd)

15 BY MS. EWALD:

16 Q Mr. Sztroin, before the lunch break we were talking  
17 about the investigations of the dents identified on ASR  
18 spreads 5 through 7, and did you receive photographs of the  
19 remediation work that was performed to address these dents?

20 A Yes.

21 MS. EWALD: Your Honor, may I approach?

22 THE COURT: You may. Thank you.

23 BY MS. EWALD:

24 Q Mr. Sztroin, I'm showing you what's been identified as  
25 Plaintiff's Exhibit 630. Do you recall seeing these photos

1 previously?

2 A Yes.

3 Q And what do these photos show in connection with the  
4 spread 5 dent remediation work?

5 A Well, for the Exhibit 630, you can end up seeing the  
6 rock that is beneath the pipeline and you can actually pick  
7 out the girth weld that -- I'd have to point to this right  
8 here, but you can see the girth weld right here for the  
9 particular pipeline.

10 Q And what is the -- when you point out the girth weld,  
11 what is the importance of the girth weld? Who performed  
12 those welds?

13 A The girth weld is performed by Welded. That's where  
14 two pieces of pipe are joined together and welded up.

15 Q And what was the concern with regard to the rocks under  
16 the pipe where the girth weld was located?

17 A Again, I wasn't part of the discussions between Rosen  
18 and Mears and our company subject matter expert on this.  
19 But, again, of those 22 dents that the Rosen tool flagged,  
20 you know, they told me that they -- we called it down to  
21 eight that we needed to address and we identified these eight  
22 because it's resting on weld and it they had some specific  
23 concerns.

24 At that point in time, I didn't really kind of, you  
25 know, go into any kind of questions. I was just thinking

1 maybe I wouldn't have possibly understood some of the  
2 rationale behind it. I was just asked to go ahead and  
3 address these particular eight.

4 Q And in connection with the Mears investigation and the  
5 dent remediation work, did Mears and Hillis, Rosen, and  
6 Whitetail submit invoices to Transco?

7 A Yes.

8 MS. EWALD: And, Your Honor, I'd like to hand out  
9 the binders of the invoices that I had previously mentioned  
10 and provide them to counsel.

11 THE COURT: Okay. Thank you.

12 BY MS. EWALD:

13 Q And, Mr. Sztroin, I'll turn to binder 1 of 2, and I'll  
14 draw your attention to the invoice at Exhibit D-2021, the job  
15 invoice from the Mears group and it is -- the work is  
16 described as native survey and CIS for the ASR pipeline. Do  
17 you see that?

18 A Yes.

19 Q And are these the invoices for the survey and -- the  
20 close interval survey that you described in your testimony?

21 A Yes. It was for both the native and the close interval  
22 surveys.

23 Q And the -- in addition to the close interval surveys,  
24 if we turn to Exhibit D-2022, were these invoices including  
25 the Mears work in developing a plan to address the coating

1 anomalies?

2 A Yes, that was the -- call it the consulting -- the  
3 consultation we had with Mears to cover that at the -- you  
4 know, in the -- I think it was that March meeting to see, you  
5 know, what, if anything their recommendations would be to  
6 address those coating anomalies.

7 Q And did this also include the indirect inspection  
8 surveys that -- do these invoices also reflect the indirect  
9 inspection surveys performed by Mears?

10 A Yes.

11 MS. EWALD: And, Your Honor, I have previously  
12 provided the list of these invoices to opposing counsel and I  
13 would seek to move to admit the Mears invoices. I can read  
14 the exhibit numbers --

15 THE COURT: Okay.

16 MS. EWALD: -- into the record.

17 MR. GUERKE: We don't have an objection to the  
18 Mears invoices if it's the same listing.

19 THE COURT: Okay. Can you read that into the  
20 record, your list, please?

21 MS. EWALD: Yes I will, Your Honor. It is Mears  
22 invoices Exhibits D-1909, 2021, 2022, 2023, 2024, 2025, 2026,  
23 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036,  
24 and 2037.

25 MR. GUERKE: No objection, Your Honor.

1 THE COURT: Thank you. They're all admitted.

2 (Exhibits D-2021, D-2022, D-2023, D-2024, D-2025,  
3 D-2026, D-2027, D-2028, D-2029, D-2030, D-2031, D-2032,  
4 D-2033, D-2034, D-2035, D-2036, and D-2037 received into  
5 evidence)

6 BY MS. EWALD:

7 Q And, with regard to the Mears invoices, Ms. Sztroin, I  
8 believe you testified this study was done of the entire ASR  
9 pipeline, correct, at least the close interval survey?

10 A It was conducted on Central Penn Line North and Central  
11 Penn Line South, which comprised the bulk of the pipelines  
12 installed.

13 There was, oh, maybe 11 miles of looping that was done  
14 on the Lidi system. That did not cover those smaller  
15 pipeline loops that were installed.

16 Q And I'll turn now to the Hillis invoices. Mr. Sztroin,  
17 if you could turn to -- I believe it's behind the tab,  
18 Hillis, and the invoices, looking at 1916, and of this -- can  
19 you -- do you recognize the Hillis Group invoice, and I'll  
20 point your attention to the ASR anomaly digs title. Do you  
21 see that?

22 A Yes.

23 Q And what services did Hillis provide, as represented in  
24 these invoices?

25 A They provided the equipment and labor necessary to

1 excavate the pipeline in the vicinity of where the Mears --  
2 I'm sorry, the Rosen locations that they flagged on their  
3 tool so that we could do, again, the direct assessment of the  
4 pipe and, you know, direct assessment being excavated and  
5 looked at and taken measurements, things of that nature. So  
6 that's what their function was for the dent and ovality  
7 investigations.

8 Q And for the Hillis Group invoices that are included in  
9 this section of the binder, were these services provided in  
10 2019, to your knowledge, Mr. Sztroin?

11 A Yeah. I don't know exactly where it stops, but they  
12 conducted all eight of the digs for us. Seven of them was  
13 conducted in 2019 and the last remaining one was right at the  
14 start of 2020, I think in March is when we did that one.

15 MS. EWALD: And, Your Honor, I'd seek to move to  
16 admit the Hillis invoices, and this group of invoices is for  
17 the 2019 work, and I can read the exhibit numbers into  
18 evidence.

19 THE COURT: Okay.

20 MS. EWALD: Or when I move them into evidence.

21 MR. GUERKE: If they're on the list, then we don't  
22 have any objection to these.

23 THE COURT: Okay. If you can read them for us?

24 MS. EWALD: Yes, Your Honor. The Hillis invoices  
25 for 2019 include D-1916, D-1917, D-1920, D-1924, JX-105, JX-



1 106, JX-107, JX-108, JX-109, JX-110, JX-111, JX-112, JX-113,  
2 JX-128, JX-114, JX-115, JX-116, JX-117, D-1990, and D-1991,  
3 D-1992, and D-1993.

4 And I believe some of the -- the last four, Your  
5 Honor, are the invoices from 2020 that Mr. Sztroin was  
6 describing.

7 THE COURT: Then those are admitted.

8 (Exhibits D-1916, D-1917, D-1920, D-1924, JX-105,  
9 JX-106, JX-107, JX-108, JX-109, JX-110, JX-111, JX-112,  
10 JX-113, JX-128, JX-114, JX-115, JX-116, JX-117, D-1990, and  
11 D-1991, D-1992, and D-1993 received into evidence)

12 BY MS. EWALD:

13 Q And, Mr. Sztroin, with regard to the work that you  
14 described that Rosen performed, are you familiar with the  
15 invoices that were submitted by Rosen for their work?

16 A Yes.

17 Q And if we turn to D-2015 and D-2016, are those the  
18 Rosen invoices?

19 A Yes.

20 MS. EWALD: And I'd move to admit D-2015 and  
21 D-2016, Your Honor.

22 MR. GUERKE: No objection.

23 THE COURT: They're admitted.

24 (Exhibits D-2015 and D-2016 received in evidence)

25 //

1 BY MS. EWALD:

2 Q And, Mr. Sztroin, if you would turn to D-2017,  
3 Mr. Sztroin, is the -- do you recognize the invoice of  
4 Whitetail Oil Field Services?

5 A Yes.

6 Q And are these the invoices related to the work that  
7 Whitetail did to assist Rosen in the inspection?

8 A Yes.

9 MS. EWALD: And, Your Honor, I'd move for the  
10 admission of D-2017, 2018, and 2019.

11 MR. GUERKE: No objection.

12 MS. EWALD: And --

13 THE COURT: They're admitted.

14 (Exhibits D-2017, D-2018, and D-2019 received in  
15 evidence)

16 MS. EWALD: And 2020. I apologize.

17 THE COURT: And 2020.

18 MR. GUERKE: No objection.

19 (Exhibit D-2020 received in evidence)

20 BY MS. EWALD:

21 Q And with regard to the second binder --

22 MS. EWALD: Your Honor, I -- these are part of the  
23 Hillis Group invoices that were included in the invoices that  
24 I moved to admit. I would just like to clarify something  
25 with regard to the 2020 invoices with Mr. Sztroin.

1 THE COURT: Okay.

2 BY MS. EWALD:

3 Q Mr. Sztroin, looking at the Exhibit D-1990, do you  
4 recognize this as an invoice from the Hillis Group that was  
5 submitted in April, April 20th of 2020?

6 A Yes.

7 Q And turning to page 7 within Exhibit D-1990, were  
8 the -- was the work that Hillis was doing as part of the  
9 digs, the remediation digs, did they include that in their  
10 invoice with other warranty work that they were performing?

11 A Yes.

12 Q And did they break out in their invoice the dig crew  
13 and the dig weekly invoices related to the dent remediation?

14 A Yes.

15 Q And is that what we see here under ASR Dig 11 -- 11128  
16 Invoice Totals ASR Dig Crew?

17 A Yes.

18 Q And then just briefly, you testified; this is at the  
19 very end of the -- the very end of the binder with regard to  
20 your testimony concerning the invoicing for the -- I think  
21 it's called the Red Lion yard. Is that the yard where the --  
22 Welded had stored its materials?

23 A Yes. That's where some materials were being stored.

24 Q And are those the -- and turning to Exhibit D-1776,  
25 did -- does this invoice that -- for monies that Transco paid

1 to the Rexroth Equities, LP group that owned the Red Lion  
2 yard?

3 A Yeah. That was for the storage of these railcars that  
4 we -- the company owned.

5 Q And were those railcars being stored in the Red Lion  
6 yard that Welded had rented?

7 A Yes.

8 Q And does this invoice reflect that Transco began paying  
9 rent on that yard in -- page 4, rent on that yard, prior  
10 to -- or for services prior to the bankruptcy petition?

11 A Yes.

12 Q And it shows that rental was paid from August 1, 2018  
13 to December 31st, 2018, is that right?

14 A That's correct.

15 Q And if we turn to D-1775, which is the document before  
16 that, you'll see a conversation between Ms. Malone and  
17 Miss -- Rexroth regarding this -- with this yard. Were you  
18 aware that there was past due rent owing on this yard?

19 A Yeah. Tina's confirming that we can't remove this  
20 materials that we owned until, well, the rent was paid up.

21 MS. EWALD: And, Your Honor, I'd move for the  
22 admission of D-1776, which is the invoice and payment -- or  
23 the invoice for payment to Rexroth Equities.

24 MR. GUERKE: Your Honor, we have an objection to  
25 this exhibit on relevancy grounds, Your Honor.

1 THE COURT: D-1776?

2 MR. GUERKE: Yes.

3 MS. EWALD: Your Honor, this was amounts that  
4 Transco paid to the Rexroth Group in order to cover the past  
5 rent that was due prior to the bankruptcy petition.

6 THE COURT: Did you make a claim for it?

7 MS. EWALD: I think it was included in our proof  
8 of claim.

9 THE COURT: So the objection is a relevancy  
10 objection?

11 MR. GUERKE: Yes, Your Honor. It covers dates  
12 that were not on the job and -- that's the extent of it.

13 THE COURT: Okay. I'm going to overrule that  
14 objection. Admitted.

15 (Exhibit D-1776 received in evidence)

16 BY MS. EWALD:

17 Q And, Mr. Sztroin, just turning to the last document in  
18 this binder, 2043, I believe you had previously testified  
19 with regard to amounts that were paid to the Lancaster County  
20 Waste Disposal entity that were past due invoices from  
21 Welded. Do you recall that?

22 A Yes.

23 Q And if we turn to page 10 of Exhibit 2043, do we see an  
24 invoice that the Lancaster County Solid Waste Management  
25 Association sent to you on November 6, 2018 for waste

1 disposal from September 4th through October 12th of 2018?

2 A Yes, that's what the invoice states.

3 Q And was this amount of past due invoices paid by  
4 Transco?

5 A Yes they were.

6 MS. EWALD: I'd move for the admission of  
7 Exhibit D-2043.

8 MR. GUERKE: Your Honor, we don't object to the  
9 invoice, but to the extent there's hearsay in the cover  
10 letters that Mr. Sztroin is not on, we would object to that.

11 BY MS. EWALD:

12 Q Mr. Sztroin, you received this invoice, correct?

13 A Yes.

14 Q And the emails that are forwarding this invoice were  
15 received by you, according to -- you know, starting from  
16 page 5 to page 9 or page 8 of the exhibit, correct?

17 A Yes, they were sent to me.

18 Q And are you aware that these amounts were paid to the  
19 Lancaster County Waste Disposal Group?

20 A Yes, Transco paid the landfill for this particular  
21 invoice.

22 MS. EWALD: And, Your Honor, I think that the  
23 invoice and the emails attaching it are, you know, sent --  
24 were sent to Mr. Sztroin. The invoice was sent to  
25 Mr. Sztroin. He knows that it was paid and there is a check

1 that's reflecting that at page 9.

2 THE COURT: Okay. I'll admit the invoice and the  
3 emails that Mr. Sztroin is copied on.

4 MS. EWALD: Thank you, Your Honor.

5 (Exhibit D-2043 received in evidence)

6 BY MS. EWALD:

7 Q Mr. Sztroin, I'd like to turn to just a few issues with  
8 respect to the contract and with regard to the Exhibit 1 to  
9 Section 8 that we have seen discussed in the contract  
10 previously, and I think we can probably pull it up on the  
11 screen for you, Mr. Sztroin. It's JX-1503. But you're  
12 certainly welcome to pull it up on -- in the binder as well.  
13 It's a little difficult to read.

14 Mr. Sztroin, during the -- prior to and during the  
15 project, did you ever receive any request from Welded to  
16 increase the rates shown for the field personnel on this  
17 list?

18 A No, I don't recall seeing any particular document from  
19 them addressing that.

20 MS. EWALD: And, Ms. Bair, I apologize. It's  
21 actually the top of the -- Exhibit 1.

22 BY MS. EWALD:

23 Q I'm looking at the group of labor classifications and  
24 the rates that are shown. Do you recall receiving any  
25 requests from Welded to increase the rates shown on this

1 sheet?

2 A I don't no.

3 Q And do you recall receiving any request to add labor  
4 classifications to the list that is shown on Exhibit 1?

5 A I don't recall really.

6 Q And with regard to the pre-job conferences that have  
7 been discussed in this proceeding, they are PX-126, I  
8 believe, and, perhaps if we could pull those up on the screen  
9 as well and turn to page 2 of PX-126.

10 A Okay. So --

11 Q And do you see that, Mr. Sztroin?

12 A Um-hum.

13 Q Do you recall receiving these pre-job conference  
14 reports during the project?

15 A No, I don't recall seeing this.

16 Q And I have a few questions, Mr. Sztroin, about some of  
17 the other players of Transcontinental Gas Pipeline that we  
18 have heard about in this proceeding.

19 Michael Dunn, what was Michael Dunn's role with  
20 Transcontinental Gas Pipeline Company?

21 A Mr. Dunn is the chief operating officer over The  
22 Williams Companies.

23 Q And is he the chief operating officer of  
24 Transcontinental Gas Pipeline as well?

25 A I believe so, yes.



1 Q And is he located in Tulsa, Oklahoma?

2 A Yes.

3 Q And Mr. Dunn was the chief operating officer of  
4 Transcontinental during the ASR project, do you know that?

5 A Yes.

6 Q And then, finally, my last question, Mr. Sztroin, with  
7 regard to the scheduled bonus that has been discussed in this  
8 proceeding, during the project, did Welded, and even up to  
9 the submission of the final invoice in November of 2019, did  
10 Welded ever request a scheduled bonus for the work on the  
11 project up to November of 2019 that you received?

12 A I don't recall that they requested that.

13 MS. EWALD: Your Honor, I have no more  
14 questions --

15 THE COURT: Thank you.

16 MS. EWALD: -- at this time.

17 THE COURT: Thank you. Cross-examination.

18 MR. GUERKE: Thank you, Your Honor.

19 CROSS-EXAMINATION

20 BY MR. GUERKE:

21 Q Good afternoon, Mr. Sztroin. My name is Kevin Guerke.  
22 I represent Welded Construction.

23 Before your testimony this morning, you were sitting in  
24 the back row there. You were reading, it looked like an  
25 outline or some kind of analysis from your attorneys.

1 Do you remember doing that?

2 A Yes, I ended up -- these were some of the questions  
3 that they were going to end up reviewing.

4 Q What is -- what was included in that document you were  
5 reviewing?

6 A A list of questions.

7 Q Were a list of answers also included?

8 A In that particular document?

9 Q The document that you were reviewing this morning?

10 A This is the reviewing that we had with Legal, and those  
11 were my answers when they would end up asking those  
12 particular questions.

13 I said, This is how I'm going to answer these  
14 questions.

15 MR. GUERKE: Your Honor, I'd like a copy of the  
16 document that Mr. Sztroin was reviewing this morning when he  
17 was under oath.

18 MS. EWALD: Your Honor, Mr. Sztroin -- these notes  
19 were something Mr. Sztroin had before his testimony that he  
20 was looking at, with regard to, as far as I know, the  
21 exhibits that were identified. So they're not something that  
22 should be turned over to opposing counsel.

23 THE COURT: Remind me of the rules on reviewing  
24 documents during testimony.

25 MR. GUERKE: Well, you gave an instruction, Your

1 Honor, that he's not to discuss the subject matter of his  
2 testimony and he's looking at a document from his attorneys  
3 on the subject matter of his testimony.

4 MS. EWALD: Your Honor, there was no discussion  
5 with any attorneys and Mr. Sztroin regarding his testimony.  
6 There was no discussion whatsoever.

7 He had notes that he had previously that was not  
8 provided to him during his testimony.

9 THE COURT: Yeah, I'm not up to speed on this. I  
10 don't think he should have been looking at anything. I'm not  
11 up to speed on review of documents during testimony. That's  
12 why I asked for a refresher on it.

13 MS. EWALD: Your Honor, I want to make it  
14 absolutely clear. These documents were not provided to him  
15 during his testimony. He had them from before, then it's not  
16 something that he was provided while he was on the stand.

17 THE COURT: Yes, I understand that, but he was  
18 looking at something while -- during a break from his  
19 testimony.

20 I'll have to take a few minutes and go take a look  
21 at that. The District Court may even have a rule on that.  
22 I'm just trying to remember, because it hasn't happened to me  
23 in a long time.

24 If it's important for you to know that know, I'll  
25 have to take a break and take a look at it.

1 MR. GUERKE: Would you like me to proceed for a  
2 period of time and then we can break?

3 THE COURT: Why don't we proceed for a period of  
4 time and then I'll take a look at it during the break.

5 MR. GUERKE: Thank you, Your Honor.

6 Could you pull up D-1876, please.

7 BY MR. GUERKE:

8 Q Mr. Sztroin, this is a document that's been identified  
9 as D-1876.

10 Do you remember looking at this with your counsel?

11 A Yes, I remember reviewing this with Justin Lamper.

12 Q And you said this was a document, you said, showed  
13 Welded's abysmal record on safety, correct?

14 A That's what I stated.

15 Q And if you go to the chart about halfway down the page  
16 there, do you see the column where it says, "Safety  
17 category"?

18 A Yes.

19 Q And do you see the row that says "OSHA recordables"?

20 A Yes.

21 Q According to this document, Welded had only 17 OSHA  
22 recordables on Spreads 5 through 7 for the entire period that  
23 Welded worked on the ASR, correct?

24 A That's correct.

25 MR. GUERKE: Could you pull up D-2043, please.

1 BY MR. GUERKE:

2 Q Mr. Sztroin, do you recall just a few minutes ago,  
3 discussing this document with your attorney, and I'll ask you  
4 to turn to the second page, please; there, I believe, was the  
5 invoice from LCSWNA.

6 Do you recall that testimony?

7 A Could you show me the document in front of this?

8 I'm trying to see who this field check is being coded  
9 to.

10 Q Sure.

11 Mr. Sztroin, if you want to flip back and forth, you  
12 have the binder that you just went through with your counsel.

13 A Okay. 2043?

14 Q 2043. I think it's towards the end of the --

15 A Oh, Warahey (phonetic), yeah. Okay. Now, I'm familiar  
16 with it, yes.

17 MR. GUERKE: Could you go to page 10, please.

18 BY MR. GUERKE:

19 Q Mr. Sztroin, the date of this invoice is November 6,  
20 2018, correct?

21 A Yes.

22 Q That's after Welded filed bankruptcy, right?

23 A That's correct.

24 Q So this invoice was received by Transco for the first  
25 time after the bankruptcy was filed, correct?

1 A Yeah, this particular invoice was received after the  
2 bankruptcy.

3 MR. GUERKE: Could you pull up 1776, please,  
4 D-1776.

5 BY MR. GUERKE:

6 Q Mr. Sztroin, this is another one of the invoices that  
7 you just talked about related to Rexroth Equities.

8 Do you recall that testimony?

9 A Yes.

10 Q And this is the second page. It's D-1776, page 2.

11 Do you have that invoice in front of you?

12 A Yes.

13 Q The invoice date is December 15th, 2018, correct?

14 Upper-right corner.

15 A Yes.

16 Q It's addressed to Williams Construction, right?

17 A That's who it's addressed to.

18 Q It's not addressed to Welded Construction?

19 A It's not.

20 It's addressed to Williams.

21 Q And that is -- reflects a due date of December 16th,  
22 2018, right?

23 A That's correct.

24 Q Total amount is \$4,750, correct?

25 A Yes.

1 Q And do you see in the center of the page there, the  
2 rental period, August 1, 2018, through December 31, 2018?

3 A Yes.

4 Q Half of that time, Welded was -- I should say after the  
5 second week of November, Welded was off the job, right?

6 A On December 15th, I believe they were off the job.

7 Q But if you look at the rental period, August 1 through  
8 December 31, Welded wasn't on the job in December of 2018,  
9 correct?

10 A They weren't on the job December the 31st, no.

11 Q No, the month of December.

12 They were not on the job the month of December 2018,  
13 correct?

14 A Excuse me.

15 No, they were not on the job during the month of  
16 December.

17 Q And the second half of November, they were not on the  
18 job. The second half of November 2018, right?

19 A No, I don't believe they were.

20 MR. GUERKE: Your Honor, I have some exhibit  
21 binders I'd like to hand up.

22 THE COURT: Yes.

23 MR. GUERKE: May I approach, Your Honor?

24 THE COURT: You may. Thank you.

25 MR. GUERKE: Could you pull up --

1 BY MR. GUERKE:

2 Q And Mr. Sztroin, please look at what's been marked as  
3 D-126, please.

4 Mr. Sztroin, do you remember testifying yesterday about  
5 the planning period, or the pre-notice to proceed planning  
6 period in the spring and summer of 2017?

7 A Yes.

8 Q And you testified that you were not aware that PTAG and  
9 Bechtel personnel were involved in that pre-notice to proceed  
10 planning period, correct?

11 MS. EWALD: I'll object. I believe it  
12 mischaracterizes the witness' testimony.

13 THE COURT: I think it might, a little.

14 BY MR. GUERKE:

15 Q Do you recall your --

16 MR. GUERKE: I'll try to clean it up, Your Honor.

17 THE COURT: Uh-huh.

18 BY MR. GUERKE:

19 Q Do you recall testifying about the planning period,  
20 pre-notice to proceed 2017 yesterday?

21 A Yes, I recall the planning period.

22 Q Do you remember expressing concern that PTAG and  
23 Bechtel were working on pre-notice to proceed planning for  
24 Welded?

25 MS. EWALD: Same objection, Your Honor.



1 THE COURT: I'll overrule that.

2 THE WITNESS: I think I -- I thought that the  
3 question was, was I aware that they had PTAG and Bechtel?

4 And I think I replied "no," but I think that's  
5 what the question was at the time.

6 BY MR. GUERKE:

7 Q Mr. Sztroin, let's take a look at D-126, please.

8 D-126 is an email from Tina Malone, dated April 17,  
9 2017, to you, David Sztroin, correct?

10 A Yes.

11 Q And it starts by saying:

12 "David, here's the first set of invoices..."

13 Did I read that right?

14 A Yes.

15 Q And there are attached, several invoices, correct?

16 A Yes, there's several invoices.

17 Q And these invoices cover the pre-NTP period, right?

18 A Yes.

19 Q Could you go to page 26, please.

20 Mr. Sztroin, do you see on page 26 where there is a  
21 list of expenses under the heading "Agency expenses, February  
22 2017"?

23 A Yes.

24 Q And this part of this invoice, page 26, lists expenses  
25 for PTAG, Keith Wheeler, Sandy Williams, Lauren Benertz

1 (phonetic), and Bechtel Corporation, correct?

2 A Yes.

3 Q That is for work that agency personnel was performing  
4 on the ASR for Welded Construction, right?

5 A Yes.

6 Q Could you go to page 38, please.

7 A Excuse me, page?

8 Q 38.

9 A 38.

10 Q Mr. Sztroin, page 38 reflects an invoice support  
11 summary, March 2007, all agency and direct-labor wages.

12 Did I read that correctly?

13 A Yes.

14 Q And this invoice shows \$141,000 for PTAG and Bechtel  
15 personnel working on the ASR for Welded Construction, right?

16 A Well, on this particular page, it seems like Marcus is  
17 the person identified as Bechtel.

18 I don't see any specific call-outs on this page for  
19 PTAG.

20 Q Well, you see a call-out for agency indirect labor  
21 wages, at the top, correct?

22 A Yeah -- yes, I do.

23 Q And you recognize those names as people associated with  
24 PTAG, right?

25 A From that earlier page, yes.

1 MR. GUERKE: Can we turn to page -- to  
2 Exhibit 235, please.

3 THE WITNESS: D-235?

4 MR. GUERKE: D-235.

5 THE WITNESS: I don't seem to have that in this  
6 binder.

7 (Pause)

8 MR. GUERKE: Mr. Sztroin, what's the first exhibit  
9 you have in the binder?

10 THE WITNESS: Do you want to come?

11 MR. GUERKE: May I approach, Your Honor?

12 THE COURT: Yes.

13 He went backwards.

14 (Pause)

15 THE WITNESS: Okay.

16 THE COURT: He went backwards; that's why.

17 BY MR. GUERKE:

18 Q Do you have D-235 in front of you, Mr. Sztroin?

19 A Yes, I do.

20 Q D-235 is an email from Tina Malone to, it looks like,  
21 James Jones.

22 And at the bottom you are a part of the email string;  
23 am I correct?

24 A Yes, at the bottom, I'm part of the email thread.

25 Q And here at the bottom of this email string on the

1 first page of this exhibit, it's from James Jones to Tina  
2 Malone and you, dated July 20, 2017.

3 Am I right?

4 A Could you repeat the question, please.

5 Q The bottom email is from James Jones to you and Tina  
6 Malone, correct?

7 A Yes.

8 Q And the last sentence of that email on that page says:

9 "Please consider adding funds to RFS 646253.

10 Also, the RFS end date is 31, August, 2017, and that  
11 may need to be extended, as well."

12 Did I read that part correctly?

13 A Yes.

14 Q Attached to this email are a series of invoices,  
15 correct?

16 A Yes.

17 Q Would you please go to page 15 of D-235.

18 A Yes, I'm looking at it.

19 Q This is an invoice support summary, correct?

20 A Yes.

21 Q It's for the period April 2017, "All invoice summary."  
22 That's what it says at the top?

23 A Yes.

24 Q And it's for, it looks like, most of the month of  
25 April, correct?

1 A Yes.

2 Q Do you see Item 2, 3, and 4?

3 A Yes.

4 Q Item 2 states, "Agency PTAG: Indirect labor actuals."

5 It has a price of \$177,278, correct?

6 A Yes.

7 Q Item 3 states, "Agency Bechtel: Indirect labor."

8 And it has a price of \$68,312, correct?

9 A Yes.

10 Q And then it has Item 4, "All agency and field office  
11 expenses: \$17,714."

12 Right?

13 A Yes.

14 Q Could you go to page 17.

15 Page 17 shows an invoice support summary for "Agency  
16 indirect labor" and "All Bechtel labor."

17 Right?

18 A Yes.

19 MR. GUERKE: Could you pull up D-211, please.

20 BY MR. GUERKE:

21 Q Mr. Sztroin, I want to direct your attention to the  
22 middle of this email. It is from Colby Pew to you, dated  
23 July 17th, 2017.

24 Do you see that part of the email? It's actually the  
25 lower part. Yes?

1 A Yes.

2 Q Do you recall reviewing that email with your counsel, I  
3 believe it was this morning?

4 A Again, could you please repeat the question?

5 Q Sure.

6 Do you remember viewing this email, this part of the  
7 email that I've highlighted, with your counsel this morning?

8 A Yes.

9 With Shelly, you're talking about?

10 Q Yes.

11 A Yes, I recall that.

12 Q This related to a few of the Welded people leaving the  
13 project.

14 Are we all on the same page?

15 A Yeah, I recall that.

16 Q At the top of this exhibit is an email from Mark  
17 Hartmann to Colby Pew. It's dated July 17th, 2017.

18 Did I read that right?

19 A Yes.

20 Q And who is Mark Hartmann, again?

21 You testified about that earlier today.

22 A Mark Hartmann was the manager of construction for the  
23 Atlantic Gulf on the pipelines and that was his role.

24 Q And here, Mr. Hartmann is stating to Mr. Pew:

25 "I talked to Scott Schoenherr and got some more

1 details on the changes made. Based on our conversation, I  
2 think they are moving in the right direction. They plan to  
3 give us an overview of their new management team strategy,  
4 schedule, and other execution details in the meeting next  
5 week. I plan to attend. I will call you in the morning to  
6 discuss in more detail."

7 Did I read that correctly?

8 A Yes, that's what Mark Hartmann put in the email.

9 MR. GUERKE: Your Honor, I move into evidence  
10 D-235, D-126, and D-211.

11 MS. EWALD: No objections, Your Honor.

12 THE COURT: They're admitted.

13 (Exhibit D-126, D-211, and D-235 received into  
14 evidence)

15 BY MR. GUERKE:

16 Q Mr. Sztroin, you were the project manager for  
17 Spreads 4, 5, 6, and 7 on ASR, right?

18 A Yes.

19 Q Latex was the contractor on Spread 4, correct?

20 A Yes.

21 Q Welded was contractor on Spreads 5, 6, and 7, correct?

22 A Yes.

23 Q After Latex finished its work, Transco sued Latex in  
24 Oklahoma, correct?

25 MS. EWALD: Objection; relevance.

1 THE COURT: What's the relevance?

2 MR. GUERKE: That they file lawsuits against their  
3 contractors after they finish their work.

4 MS. EWALD: Your Honor, I don't think that is  
5 relevant to the issues in this lawsuit.

6 THE COURT: We'll see where it's going.

7 For the moment, you can answer the question.

8 Overruled.

9 BY MR. GUERKE:

10 Q Mr. Sztroin, after Latex finished its work, Transco  
11 sued Latex in Oklahoma, right?

12 A That is what I recall.

13 Q After Welded achieved mechanical completion, Transco  
14 sued Welded in Oklahoma, right?

15 A I believe that to be the says.

16 Q So Transco filed lawsuits against the contractors for  
17 the four spreads on which you were the project manager,  
18 right?

19 A Yes.

20 Q Fred Pace was the senior vice president of engineering  
21 and construction at Williams, correct?

22 A At the time that the letter of intent was drafted and  
23 executed, Fred was serving in that role.

24 Q Mr. Pace helped negotiate the contract, correct?

25 A I'm sorry?



1 Q Mr. Pace helped negotiate the contract, correct?

2 A I know he's -- again, I know he executed the intent  
3 letter.

4 I'm really not certain how much he got involved in the  
5 actual details of the contract itself, though.

6 Q He left Williams, right?

7 A Yes, he did.

8 Q Mr. Pace left the company and John Seldenrust took his  
9 spot, correct?

10 A That's correct.

11 Q John Seldenrust was the one who signed the ASR contract  
12 with Welded, correct?

13 A Yes.

14 Q Mr. Selden rust left the company and John Poarch filled  
15 that role, correct?

16 A Yes.

17 Q John Poarch was in that role in 2018 during Welded's  
18 work for Transco, correct?

19 A I know he was there in 2018.

20 I don't recall exactly when he came into that role, I  
21 should say.

22 Q The bidding process for ASR started in June 2015,  
23 right?

24 A That's correct.

25 Q The bid invitation was in Lancaster, Pennsylvania,

1 correct?

2 A That's where the job showing was.

3 Q And the ASR project covered over a hundred miles of  
4 pipeline that was mostly in the eastern part of Pennsylvania,  
5 correct?

6 A Yes, that's correct.

7 Q There were Pennsylvania regulatory bodies involved in  
8 the ASR pipeline construction, right?

9 A Pennsylvania regulatory bodies? Yes.

10 Q The Pennsylvania Department of Environmental Protection  
11 is one of those regulatory bodies, correct?

12 A That's correct.

13 Q The State Historical [sic] Preservation is one of those  
14 Pennsylvania regulatory bodies, right?

15 A That's correct.

16 Q The Pennsylvania Gaming Commission was another of those  
17 Pennsylvania regulatory bodies, correct?

18 A That's correct.

19 Q Transco had to obtain permits from those three  
20 Pennsylvania regulatory bodies to conduct the work on ASR,  
21 correct?

22 A Correct.

23 Q Transco had two Pennsylvania offices for ASR, right?

24 A Yeah -- yes.

25 Q It had the Pine Grove office and the Lancaster office,

1 correct?

2 A That's correct.

3 Q It had a couple of employees who were housed in the  
4 Pine Grove office, right?

5 A They had a couple of contract people housed in both  
6 offices.

7 Q There were a total of maybe 75 personnel for Transco --  
8 at the two Transco offices, right?

9 A Let's -- that number seems to be about right.

10 Q Transco's field accountants, that's LaDonna Rothgeb's  
11 team that you were describing earlier today, worked out of  
12 one of those Pennsylvania offices, right?

13 A Yeah, they worked, either in, if they were Spread 7 and  
14 that's what they were assigned to, they worked out of the  
15 Lancaster office. And if they were either on 5 or 6,  
16 assigned to those spreads, they were in Pine Grove.

17 Q Welded had three contractor yards on the ASR, right?

18 A That's correct.

19 Q The Marietta yard, Heilmandale yard, and Rausch Creek  
20 yard, correct?

21 A Yes.

22 Q Each one of those was in Pennsylvania, right?

23 A That's correct.

24 Q You were involved in some of the negotiation of  
25 Welded's contract, correct?

1 A Yes. The earlier ones, yes, I was.

2 Q Conceptually, the contract with Welded is a cost-plus,  
3 fixed-fee contract, right?

4 A That's correct.

5 Q No other ASR contractors had cost-plus, fixed-fee  
6 contracts, correct?

7 A Yes, that would be a correct statement.

8 Q The other contracts on ASR were either lump sum or unit  
9 cost, right?

10 MS. EWALD: I'll just object to the relevance of  
11 the form of the contract for these other spreads.

12 MR. GUERKE: Risk, Your Honor.

13 THE COURT: I'm sorry?

14 MR. GUERKE: It has to do with risk.

15 THE COURT: Yeah, I'll permit it.

16 Overruled.

17 Can you repeat the question for Mr. Sztroin,  
18 please.

19 MR. GUERKE: Certainly.

20 BY MR. GUERKE:

21 Q The other contracts on ASR were either lump sum or unit  
22 cost contracts, right?

23 A Yeah, that's correct.

24 Q You were concerned with controlling costs associated  
25 with a reimbursable cost contract, correct?

1 A Yes.

2 Q You were not a fan of the cost-reimbursable contract,  
3 right?

4 A I wasn't a fan of it, no.

5 Q You expressed concerns about it to Chris Springer,  
6 correct?

7 A That's correct.

8 Q Mr. Springer supported entering into a reimbursable,  
9 cost-plus, fixed-fee contract with Welded, right?

10 MS. EWALD: Objection; foundation.

11 THE COURT: Why don't you ask if he knows.

12 BY MR. GUERKE:

13 Q Mr. Sztroin, you know that Mr. Springer supported  
14 entering into a reimbursable, cost-plus, fixed-fee contract  
15 with Welded, right?

16 A I didn't have a lot of -- I wasn't a part of the  
17 conversations that Chris had with his upper management, which  
18 was Mr. Evan Kirchen. I know that he was asked to -- I'm not  
19 going to say support that -- support this particular one, and  
20 so I was asked to end up supporting it. I mean, that's our  
21 jobs.

22 Q So do you know that Mr. Springer supported the idea of  
23 entering into a contract with Welded Construction on a cost-  
24 plus, fixed-fee basis?

25 A I think he supported it.

1 Q And Transco ultimately signed that contract, despite  
2 the concerns that you had, right?

3 A I wasn't the decision-maker.

4 I just knew that this particular type of contract was  
5 going to, you know, to control the costs, that was my concern  
6 and back then.

7 Q Transco signed the contract, despite the concerns that  
8 you expressed, right?

9 A That I expressed to Mr. Springer only, yes.

10 Q Cost-plus, fixed-fee contracts shift more risk to  
11 Transco as the owner, right?

12 A Yes.

13 Q Cost was a major concern for you, correct?

14 A Yes.

15 Q A contractor has more risk with a lump sum or unit-cost  
16 contract, right?

17 A Yes.

18 Q Weather was a Transco risk under the Welded contract,  
19 correct?

20 A Yes.

21 Q There being no provision to assess contract  
22 productivity was a Welded contract risk for Transco, correct?

23 A Could you repeat the question, please?

24 Q Sure.

25 There was no provision to assess contract productivity

1 with the Welded contract, correct?

2 MS. EWALD: I'll just object, Your Honor, to  
3 asking Mr. Sztroin to opine regarding the scope of the  
4 contract.

5 Mr. Guerke can certainly ask him his understanding  
6 of the contract, but not to interpret what the contract means  
7 or provides.

8 THE COURT: Overruled.

9 Ask that question again.

10 BY MR. GUERKE:

11 Q The Welded contract with Transco did not have a  
12 provision to assess contract productivity, right?

13 A Nothing that I can recall in the contract.

14 Q And that was a risk for Transco, correct?

15 A Yes.

16 Q There was no cap on costs in the Welded contract,  
17 correct?

18 A I don't recall seeing any.

19 Q The fact that there was no cap on cost was a risk of  
20 the Welded contract for Transco, right?

21 A Yes.

22 Q This contract did not have a "not to exceed" number,  
23 right?

24 A I don't recall seeing anything in the contract that had  
25 that.

1 Q You've reviewed the contract, haven't you?

2 A Yes, I did end up reviewing the contract, you know,  
3 throughout the course of the negotiations and up until it was  
4 signed.

5 Q Weren't you Transco's 30(b)(6) corporate representative  
6 on the contract during depositions?

7 A I'm sorry, I don't know what a 30(b)(6) -- I'm not an  
8 attorney. I don't recall what that is.

9 Q Do you remember testifying on Transco's behalf on  
10 certain topics when your deposition was taken in December  
11 2020 and January 2021?

12 A Yes, I recall that.

13 Q You were speaking on behalf of Transco on the topics  
14 identified by your counsel before the deposition, correct?

15 A Well, yes, I was speaking on behalf of Transco.

16 Q In the process of preparing for those depositions, you  
17 must have reviewed the contract, right?

18 A Yeah, I remember re-familiarizing myself with it.

19 Q Transco's basis for its claim related to tie-in welds  
20 is Article 3(a), related to project team assistance; isn't  
21 that right?

22 A I don't know what the context was with what you just  
23 stated, I'm sorry.

24 MR. GUERKE: Could you pull up JX-1, page 53,  
25 please.



1 BY MR. GUERKE:

2 Q Mr. Sztroin, I've pulled up the document that's been  
3 marked JX-1. You've looked at it earlier today. It's the  
4 contract; in particular, page 53.

5 I'd like to focus your attention to Subheading A  
6 "Project team assistance."

7 Do you see that?

8 A Yes.

9 Q The two sentences in that first paragraph state:

10 "Contractor shall commit expertise to the ASR  
11 project team to assist in final planning and scheduling of  
12 progress needed for the defined and mechanical completion  
13 deadlines."

14 Did I read that sentence correctly?

15 A Yeah, that's what it's stating.

16 Q The second sentence says:

17 "Company and contractor will work together ahead  
18 of the notice to proceed to jointly determine the execution  
19 plan to achieve the lowest capital cost to build the project  
20 in the allotted schedule."

21 Did I read that correctly?

22 A Yes.

23 Q This is Transco's basis for its claim related to tie-in  
24 welds, right?

25 MS. EWALD: Your Honor, I'll just object to the

1 completeness of that question.

2 THE COURT: Overruled.

3 BY MR. GUERKE:

4 Q You can answer the question, Mr. Sztroin.

5 A This is what -- this is from the contract right here,  
6 correct?

7 That's what it said, but I don't think this ever  
8 occurred because of the people leaving the -- we asked to go  
9 ahead and plan this particular project and the people that  
10 was planning this project ended up leaving.

11 Q But Transco's basis for its claim against Welded  
12 related to the tie-in welds is based on this paragraph,  
13 right?

14 A Like I said, this has been awhile since I took those  
15 depositions. I don't remember exactly what the specifics  
16 were, you know, relating to this, with the context. I'm  
17 sorry.

18 Q Then let's look at it. It's on the screen.

19 The second sentence here says:

20 "Company and contractor will work together ahead  
21 of the notice to proceed."

22 Did I read that phrase correctly?

23 A Yes.

24 Q So that means that this joint effort was to take place  
25 before the notice to proceed was issued, correct?

1 A That's correct.

2 Q There were no tie-in welds made by Welded before the  
3 notice to proceed was issued, right?

4 A There was no work done prior to the notice to proceed.

5 Q So there were no tie-in welds made by Welded on this  
6 project before the notice to proceed, right?

7 A No.

8 Q My statement is correct, there were no tie-in welds  
9 made before the notice to proceed, right?

10 A That is correct.

11 Q This section does not include the words "tie-in."  
12 Correct?

13 A No, it does not.

14 Q This contract clause doesn't say that if the as-built  
15 tie-ins differ from the as-planned tie-ins, that Welded owes  
16 Transco the monetary difference, correct?

17 A There's no language in here that states that.

18 Q There are several reasons why tie-in welds during  
19 construction could exceed the plan number of tie-in welds,  
20 right?

21 A If one does the proper planning, those -- the tie-in  
22 welds planned, those closely align with the ones actually  
23 completed.

24 Q There are several reasons why tie-in welds during  
25 construction could exceed the planned number of tie-in welds,

1 right?

2 A It could.

3 Q The main line crew stopping short could create more  
4 tie-in welds.

5 That's a reason, right?

6 A The main line crew stopping --

7 Could you repeat the question, please?

8 Q Main line crews stopping short could create more tie-in  
9 welds, right?

10 A Yes, but that's a Welded decision to do exactly that,  
11 though.

12 Q Subsurface conditions could add to the number of tie-in  
13 welds, right?

14 A Someone will have to give me some examples to -- for me  
15 to agree with that statement.

16 Q So just that statement, you don't agree with; is that  
17 your testimony?

18 A That's -- I don't think that that's what I said.

19 Q I'm asking you a question.

20 A And could you repeat the question?

21 Q Could subsurface conditions add to the number of tie-in  
22 welds?

23 A I can't think of any offhand right now to agree with  
24 that statement.

25 Q Well, you would agree, karst could add to the number of

1 tie-in welds, right?

2 A I don't necessarily agree with that statement.

3 Q How about rock blasting? Could rock blasting add to  
4 the number of tie-in welds?

5 A Generally, rock blasting occurs before they even string  
6 the pipe.

7 Again, I'm thinking out loud here, but, actually, I  
8 don't see that either.

9 Q So you disagree that subsurface conditions, karst, or  
10 rock blasting could add to the number of tie-in welds.

11 That's your testimony?

12 A I can't think of any situation right now, sitting on  
13 the witness stand, to agree with that.

14 Q There were no restrictions in the contract for Welded  
15 to make a profit on the equipment fee, correct?

16 A No, I don't recall any that's in the contract.

17 Q There are no limitations on Welded losing money on the  
18 equipment fee, right?

19 A That's correct.

20 Q There's no mechanism in the contract for Transco to  
21 recoup money if Welded made a profit on the equipment fee,  
22 correct?

23 A There's nothing in the contract that allows for that.

24 Q And there's no mechanism in the contract for Welded to  
25 increase payments under the equipment fee if Welded was

1 losing money on the equipment fee, correct?

2 A No, I don't think there was -- was any provisions to  
3 recoup that, either.

4 Q So there's no -- there are no provisions on profit or  
5 losses on the equipment fee, true?

6 A True.

7 MR. GUERKE: Could you pull up JX-67, please.

8 BY MR. GUERKE:

9 Q Mr. Sztroin, you have this in your binder, but it's  
10 also on the screen. This is JX-67. It looks like it is the  
11 June 2018 cash call and March reconciliation.

12 Do you have that email and attached invoice as JX-67 in  
13 front of you?

14 A Yes, I see it.

15 Q If we could flip -- and please feel free to take a look  
16 at any part you want to look at -- but if we could flip to  
17 page 12, please.

18 A 67.

19 Q Mr. Sztroin, this is page 12 of JX-67.

20 Do you see that in front of you?

21 A Page 12 of 67?

22 Yes, I see this.

23 Q This is the direct labor recap for Spread 6 on this  
24 particular invoice, correct?

25 A (Indiscernible) reconciliation.

1 Yes.

2 Q A labor recap like this was included in all Welded's  
3 reconciliation invoices, correct?

4 A Although I had received some reconciliation from, you  
5 know, LaDonna, maybe on some issues that they were bringing  
6 up, I didn't really look at the details because, again,  
7 LaDonna was really spearheading those efforts.

8 Q Well, you approved the invoices, right?

9 A I would approve the cash calls and if the  
10 reconciliation was included and they had that figure, I did  
11 end up approving that.

12 But there was no back -- for me, I'm saying when I was  
13 reviewing this, there was no backup for the reconciliation.

14 Q Well, I'm asking you about this part of the  
15 reconciliation invoice, not the separate backup.

16 So, let's focus on direct labor recap in front of you,  
17 Spread 6. The labor recap like this, a chart like this was  
18 included in Welded's reconciliation invoices, right?

19 A You know, I just don't recall seeing the reconciliation  
20 invoices on a monthly basis.

21 I do remember seeing the cash call invoice, and having  
22 a call-out for the reconciliation, I do -- I remember seeing  
23 that. On the front cover of this right here, it's -- it was  
24 the backup is what I'm stating that I don't recall seeing on  
25 a recurring, monthly basis when I would see a reconciled

1 invoice amount on the front cover page.

2 Q But you would have reviewed the invoice before you  
3 approved it, right?

4 A Again, I don't recall the backup accompanying that cash  
5 call with a particular month's reconciliation.

6 I don't recall seeing that.

7 Q So do you recall seeing this direct labor recap or  
8 something familiar to it in Welded's invoices?

9 A Yeah, through maybe a few ones here and there that  
10 maybe LaDonna was calling, you know, that maybe they were  
11 having some issues with, yes. Something similar to this,  
12 yes.

13 Q Well, this is the detail that shows or reflects how  
14 Welded built up to this nearly \$11 million number in the  
15 bottom right, correct?

16 A Yes.

17 Q And each labor recap included columns for various wages  
18 and benefits paid to union personnel, correct?

19 A Yes, I see it is.

20 Q The labor recap includes specific categories of  
21 benefits like: benefits, vehicle, per diem, welding rigs,  
22 mechanical rigs, and then employer taxes.

23 Correct?

24 A That's what those columns denote.

25 Q Transco knew all of those items were being charged to



1 it as a labor cost, right?

2 MS. EWALD: I'll just object to the  
3 characterization, to the extent it's using the contractual  
4 term for labor costs.

5 THE COURT: Okay. I note the objection, but it's  
6 sort of a comment.

7 You can answer the question.

8 BY MR. GUERKE:

9 Q Transco knew all those items were being charged to  
10 Transco as labor costs, right?

11 A Yeah, LaDonna was reviewing these documents or their  
12 field accountants.

13 Q So the answer is, yes, Transco knew all these items  
14 were being charged to it as labor costs, right?

15 A They knew that they were being charged.

16 Q Being charged for these specific items, right, that are  
17 listed on the labor recap?

18 A Yes, the field accountants and LaDonna was aware of  
19 this.

20 Q And they're part of Transco, correct?

21 A They represented Transco.

22 Q If you add up the labor recaps for each of the spreads,  
23 that number appears in the direct labor summary on page 3.

24 MR. GUERKE: Could you go to page 3, please.

25 //

1 BY MR. GUERKE:

2 Q Do you see where it says, "Direct labor summary," and  
3 there's a number of --

4 It says, "Number one: Direct labor."

5 A Yes, I see that.

6 Q And then right below for number two, "Field management  
7 supervision."

8 Correct?

9 A Yes.

10 MR. GUERKE: If you could go to page 14, please.

11 BY MR. GUERKE:

12 Q This is JX-67, page 14, under the heading "Field  
13 management supervision recap."

14 Correct?

15 A That's correct.

16 Q Each reconciliation invoice included a spreadsheet or  
17 chart with the non-union, field management supervision being  
18 charged to Transco on ASR, right?

19 A Yes.

20 Q And each reconciliation invoice listed Welded, PTAG,  
21 and Bechtel, wages and benefits, correct?

22 A Yes.

23 Q And you can see where it's listed under "Benefits," and  
24 there are five numbers, together more than \$267,000.

25 Correct?

1 A Yes.

2 Q And then you can see the next column where it says,  
3 "Per diem, taxes, and vehicle."

4 And that totals more than 65 -- \$265,000, right?

5 A That's correct.

6 Q And just like with direct labor, if you add up the  
7 three spreads, you get the total on page 3 for field  
8 management and supervision recap, correct, page 3, here where  
9 it says, "Number two"?

10 A To clarify, we just saw one spread.

11 Are you asking if all three spreads, if they added up  
12 to this number?

13 Q Yeah. The three spreads have been added and it's  
14 reflected.

15 That total is reflected, here, in the summary, right?

16 A Well, I haven't seen all three spreads, but I presume  
17 that the math is correct.

18 MR. GUERKE: And then, if you could scroll down to  
19 Part 3 under the "Cost" category.

20 BY MR. GUERKE:

21 Q So then, you can see here that Welded added direct  
22 labor costs and field management supervision costs and came  
23 up with a total for labor costs, correct?

24 A That's correct.

25 Q And Welded, then, added a 50-percent equipment fee to

1 the total amount of labor costs, right?

2 A That appears to be about 50 percent.

3 Q That's how Welded calculated the equipment fee on each  
4 reconciliation invoice, right?

5 A Well, from this example right here, yes.

6 Q You approved, and Transco paid, reconciliation invoices  
7 with this information and calculation on the summary page,  
8 right?

9 A I approved it, yes.

10 Q Transco never disputed Welded's calculation of the  
11 equipment fee based on labor costs, until October 4th  
12 withholding, correct?

13 A I thought, perhaps, there may have been something  
14 earlier where there were voices of concerns about what they  
15 were finding on some preliminary, you know, auditing that was  
16 being conducted prior to October of 2018.

17 Q Those are the emails that you discussed with your  
18 attorney earlier today, right?

19 A Yes, I believe so.

20 Q I'm not asking that question.

21 Transco never disputed Welded's calculation of the  
22 equipment fee based on labor costs until the October 4th  
23 withholding, right?

24 A Nothing I can recall.

25 Q Could you go to page 16 on this exhibit, please.

1           Actually, I think it is page 17, I'm sorry.

2           Mr. Sztroin, each one of Welded's reconciliation  
3 invoices had a separate section for specialty equipment,  
4 right?

5   A       Yes, I believe so.

6   Q       And specialty equipment listed the details of the  
7 specialty equipment being charged to Transco on the ASR under  
8 the contract, correct?

9   A       The specialty equipment was a line item.

10   Q       And here, these charts show the purchase order, the  
11 vendor name, a description of the specialty equipment,  
12 invoice date, invoice number, subtotal, sales tax, use tax,  
13 and total.

14           Correct?

15   A       Yes, that's what the columns depict.

16           MR. GUERKE: Could you go down to about halfway  
17 down the page, to P080555; it's Enviro Services Rentals and  
18 highlight those four line items, please.

19           And can you go down to 5 and highlight 60947-A.

20           Right there, yep.

21 BY MR. GUERKE:

22   Q       Mr. Sztroin, this -- these reconciliation invoices from  
23 Welded clearly show that Welded is charging Transco for  
24 crawler carriers with attachments, correct?

25   A       Yes.

1 Q For example, you can see crawler carrier with  
2 hydroseeder there from Enviro Services Rentals, and it  
3 provides all the detail for that charge, right?

4 A Yes, I see that.

5 Q And if you go down to the Newman Tractor one, Welded's  
6 reconciliation invoice clearly shows Welded is charging  
7 Transco as specialty equipment, a Morooka with FINN straw  
8 blower, right?

9 A That's what's being charged.

10 Q It's clearly shown on this spreadsheet, right?

11 A Yes.

12 MR. GUERKE: And if you could scroll down, please,  
13 and highlight the last four charges here from United Rentals,  
14 I guess, and then Utility One Source.

15 BY MR. GUERKE:

16 Q Here, in this reconciliation invoice, Welded is clearly  
17 showing that it's charging, as specialty equipment, trench  
18 boxes, right?

19 A The description says, "trench boxes."

20 Q In the spreadsheet for specialty equipment, correct?

21 A Yes.

22 Q And, again, at the bottom, you can see Welded is  
23 charging Transco for a Morooka with a crane as specialty  
24 equipment, correct?

25 A That's what it shows.

1 MR. GUERKE: Could we go to page 29, please.

2 Mister -- and can you scroll down to the bottom and highlight  
3 all the parts that say, "truck rental," please.

4 BY MR. GUERKE:

5 Q Mr. Sztroin, the Welded reconciliation invoices have a  
6 separate section for outside services subcontracts summary,  
7 and that's what we're looking at here, correct?

8 A That's correct.

9 Q And this spreadsheet clearly shows Welded is billing  
10 Transco for a truck rental, right?

11 A That's what's included in this spreadsheet.

12 MR. GUERKE: Could you go to the next page,  
13 please, page 30.

14 BY MR. GUERKE:

15 Q There are a lot of truck rental line items on this  
16 spreadsheet, correct?

17 A That's correct.

18 Q And when -- every month when Welded paid a  
19 reconciliation invoice, it was paying these line items as  
20 part of Welded's reconciliation invoice, correct?

21 A Yes.

22 Q And a little farther down the page, you can see hauling  
23 services. There are about 10 entries for hauling services.

24 Do you see that part?

25 A (No audible response.)

1 Q Let's look in Nationwide Express Services, and those,  
2 maybe a dozen.

3 This spreadsheet clearly shows Welded is billing  
4 Transco for hauling services, right?

5 A Well, it shows this for a hauling permit surface --  
6 service.

7 Q And the two items above where it's highlighted say  
8 "hauling service," right, for Key Trucking?

9 A Yes, I see that.

10 Q So when you were approving payments for these  
11 reconciliation invoices, you were approving a payment for the  
12 Morookas with the attachments as specialty equipment,  
13 correct?

14 A As I testified to earlier, I don't recall if these  
15 particular reconciliation was accompanying the front invoice  
16 that had this listed.

17 I don't recall that this information was accompanying  
18 that is all I'm testifying to. I knew we had audit rights  
19 that, if later on, if there were some questions, that we  
20 could end up coming in there. But I wasn't going to hold up  
21 the invoice for -- how can I say -- questioning, whether, for  
22 example, are the trucks actually specialty equipment? Which  
23 employees were getting that? Did their contract call for it?  
24 That's what -- like I said, that's what -- what I figured  
25 would end up entailing in the audit process.



1 Q But you sued Welded for all those items. Transco has  
2 sued Welded for all those items, right?

3 A Sued -- I'm not certain the context of that statement.

4 Q You know --

5 A Can you ask me to clarify?

6 Q You know that Transco filed a lawsuit against Welded,  
7 challenging certain categories in its reconciliation  
8 invoices, right?

9 A That part, yes.

10 Q And you approved and paid those reconciliation  
11 invoices, correct?

12 A I paid the invoice for the cash call, and they had the  
13 reconciliation amount listed on those particular invoices.

14 Q And you're saying you didn't take the time to look at  
15 the invoices to determine what the charges were?

16 A I don't recall that these -- this -- the supporting  
17 documentation could have followed the invoice itself.

18 I don't recall that. I definitely recall signing the  
19 front cover sheet with all of the different line items. And  
20 if there was some sort of a true-up, and that's what these --  
21 the reconciliation process was part of, that, I was looking  
22 at.

23 MR. GUERKE: Could you pull up JX-1, page 486,  
24 please. And could you highlight the definition of "labor  
25 costs," please.

1 BY MR. GUERKE:

2 Q Mr. Sztroin, you're familiar with the definition of  
3 "labor costs" in the contract, right?

4 A I'm familiar with it.

5 Q Labor costs, under the contract, includes: fringe  
6 benefits, employee vehicle rental pay, travel pay, per diem,  
7 fuel pay, payroll, taxes, and insurance.

8 Right?

9 A That's included in the definition of "labor costs."

10 Q Even though fringe benefits and per diem are in the  
11 definition of labor costs, Transco took the position that  
12 only some of those labor costs would trigger the application  
13 of the equipment fee, correct?

14 A Yes, I believe that to be the case.

15 Q According to Transco, that's because some of the labor  
16 costs were not for actual work performed, right?

17 A I think -- I believe that that's one of the reasons for  
18 I'd say, maybe contesting parts of the -- parts of those  
19 costs.

20 Q And you believe some of those costs in the definition  
21 of "labor costs" were not for actual work performed, right?

22 A Well, some of them, like, for example, the -- I know  
23 that they had some -- the labor costs that were paid for  
24 during the holidays. And I recall reading one of the  
25 provisions where it said, "scheduled work days."

1 Those weren't scheduled work days.

2 Q You knew Welded was using the NPLA union agreements in  
3 place at the time of performance to pay union wages and  
4 benefits to union members working on ASR, correct?

5 A I remember those discussions, that that's what it was.

6 Q You knew Welded was using the NPLA union agreements in  
7 place at the time of performance to pay union wages and  
8 benefits to union members working on ASR, correct?

9 A Yes.

10 Q You knew Welded's invoiced labor costs were based on  
11 the 2017/2018 NPLA union agreements, right?

12 A Would you mind repeating the question, please?

13 Q Sure.

14 You knew Welded's invoiced labor costs were based on  
15 the 2017/2018 NPLA union agreements?

16 A Well, you knew going into the contract, I thought it  
17 was based on the 2016, if I recall correctly. I knew that  
18 they had some -- what appeared to be a change. You know, it  
19 was due up, if you will.

20 And there was -- they were going to be notifying us if  
21 those wages and benefits, collectively, I think, exceeded a  
22 certain percentage. That part, I recall, knowing that that  
23 was upcoming and I believe that was in the contract.

24 Q But you knew Welded was paying its union members based  
25 on the NPLA agreements that were in place during the work,

1 right?

2 A Yes, during the work, yes.

3 Q Welded was required to pay wages and benefits to union  
4 members, based on the NPLA labor agreements, effective at the  
5 time of performance, correct?

6 A Yes.

7 Q Rig pay is a fringe benefit owed to Union welders who  
8 worked on ASR, right?

9 A What sort of benefits?

10 Q Rig pay.

11 A Rig pay?

12 I'd like to see that, if you don't mind, please. I  
13 don't recall. The rig rental -- it may be in there, I just  
14 don't recall that particular as a line item.

15 Q Well, you know, from the labor recap in the  
16 reconciliation invoices that Welded was charging Transco for  
17 welding rigs and mechanical rigs, right?

18 A I remember they were -- that was a separate column, if  
19 you will. Yes.

20 MR. GUERKE: Could you pull up JX-18, please.

21 BY MR. GUERKE:

22 Q Mr. Sztroin, JX-18 are pre-job agreements on ASR  
23 Spreads 5, 6, and 7. And I'd like to go to the, I think it's  
24 the third page there.

25 "United Association Pipeline Pre-Job Conference

1 Report"; that's the title at the top, correct?

2 A Yes.

3 Q This is the pre-job agreement for the welders, right?

4 A Yes.

5 MR. GUERKE: If you'd go down to the "Remarks"  
6 section, please. And could you highlighting the part in the  
7 middle to the right side that says, "Rig pay shall be \$17 an  
8 hour, WEP."

9 BY MR. GUERKE:

10 Q Mr. Sztroin, do you see the part of this pre-job  
11 agreement, where it calls for rig pay at \$17 an hour WEP?

12 A Yes, I see that.

13 Q So that is a union benefit owed to welders under this  
14 pre-job agreement, correct?

15 A Yeah, that's what it states.

16 Q And that's what Welded had to pay union welders who  
17 worked for Welded on the ASR, right?

18 A Yes.

19 (Pause)

20 MR. GUERKE: Your Honor, would now be a time to  
21 take a break?

22 THE COURT: Certainly. Let's take 15 minutes.

23 MR. GUERKE: Thank you.

24 THE COURT: Thank you.

25 And Mr. Sztroin, don't speak with anybody or

1 (indiscernible) anything in the break -- thank you -- related  
2 to the testimony.

3 (Recess taken at 3:51 p.m.)

4 (Proceedings resumed at 4:30 p.m.)

5 THE COURT: Please be seated.

6 Mr. Guerke.

7 MR. GUERKE: Thank you, Your Honor.

8 BY MR. GUERKE:

9 Q Mr. Sztroin, we discussed this not long ago. But you  
10 testified as a corporate representative for Transco in  
11 December of 2020 and January 2021, correct?

12 A Yes. Those were the dates of those two depositions.

13 Q In your binder, Mr. Sztroin, there is a -- it doesn't  
14 have an exhibit number. It's identified as ADVDI186. It is  
15 maybe the fifth or sixth exhibit in the binder. I'm happy to  
16 help you if you can't find that one.

17 A Please, if you don't mind.

18 MR. GUERKE: May I, Your Honor?

19 THE COURT: Yes.

20 BY MR. GUERKE:

21 Q Mr. Sztroin, I've shown you a document that in the  
22 binder has been identified as Docket ID Number 186. It's  
23 from the record in this case. Is that the Welded  
24 Construction notice of Rule 30(b)(6) deposition of  
25 Transcontinental Gas Pipeline Company, LLC?

1 A Yeah. This is the 30(b)(6).

2 Q And within this document, there are a variety of  
3 topics.

4 And you were designated by Transco to testify on  
5 Transco's behalf on a certain number of these topics,  
6 correct?

7 A That's correct.

8 Q You were identified to testify on Topics 9 through 15,  
9 16 through 30, and 44 through 66, is that correct?

10 A Can you repeat those numbers again, please.

11 Q Certainly. 9 through 15, 16 through 30, 44 through 66.

12 A Yes.

13 Q Could you pull up Exhibit JX94, please.

14 A That's outside of this section right here?

15 Q It's a document in the binder. It has a tab on it, and  
16 the tab is JX94.

17 A JX94.

18 Q And, again, I'm happy to help you if you need.

19 A No. I can get it.

20 Q Okay. JX9 is a cover email from Stephen Hawkins and  
21 attached is Transco's October 4th withholding letter. If you  
22 could flip to the second page and -- I want to make sure you  
23 see that, Mr. Sztroin. Could you put those two next to each  
24 other, this page and page 3.

25 A Yes. It's on page 2 and 3?

1 Q Yes. You're familiar with this withholding letter,  
2 right?

3 A I'm familiar with it.

4 Q This is Transco's October 4, 2018, withholding letter  
5 to Welded Construction from Chris Springer, Atlantic Sunrise  
6 Project director, right?

7 A That's correct.

8 Q The second paragraph of this letter states:

9 "Based upon Transco's current review and the  
10 ongoing audit process, Welded has charged a 50 percent  
11 equipment fee on costs that do not include actual work  
12 performed, including show-up time and wait time."

13 Did I read that sentence correctly?

14 A Yes.

15 Q The next sentence states:

16 "Welded has also charged an equipment fee for  
17 costs related entirely to the provision of equipment rather  
18 than actual work performed, including vehicle rental and rig  
19 rental equipment charges."

20 Did I read that sentence correctly?

21 A That's correct.

22 Q That was Transco's interpretation of labor costs and  
23 actual work performed under the contract on October 4th,  
24 2018, correct?

25 A Correct.



1 Q That was OGCS's position on labor costs and actual work  
2 performed in 2018 also, correct?

3 MS. EWALD: I'll object as to foundation, Your  
4 Honor.

5 MR. GUERKE: I just asked him a question about the  
6 position that OGCS had in relation to this October 14th,  
7 2018, letter.

8 THE COURT: You can ask him if he knows.

9 BY MR. GUERKE:

10 Q Mr. Sztroin, you know that OGCS's position was  
11 consistent with this October 4th, 2018, letter, correct?

12 A I don't know if -- let me see. I don't know if that  
13 was their exact position on this. I wasn't involved with  
14 OGCS, and I didn't direct their work when they were  
15 conducting the audit.

16 Q But you know that OGCS's position in 2018 was  
17 consistent with this letter, right?

18 A I just know that OGCS provided some feedback to our  
19 management exactly what they were. That's what I'm saying I  
20 can't attest to because I didn't -- I wasn't involved with  
21 those audits. I knew, call it, on the fringe of what some of  
22 the issues were. But that's all I knew about it.

23 Q So in 2021, at the time of your deposition, your  
24 interpretation of labor costs and actual work performed was  
25 consistent with this October 4th letter, right?

1 A Mr. Springer wrote that memo at that time. That's  
2 what -- he was a Transco -- the project director for ASR.

3 That was the position of the company.

4 Q And that was the position you expressed in your  
5 depositions in December 2020 and January 2021, right?

6 A I believe so.

7 Q And your position at that time was that some benefits  
8 or fringe benefits would have tracked the 50 percent  
9 equipment fee and other benefits would not, right?

10 A I think that was the position that the company was  
11 taking on it.

12 Q So things like rainouts or safety standdowns were not  
13 for actual work performed, correct?

14 A You know, I don't recall exactly those details on which  
15 position they were taking on maybe very isolated events like  
16 what you just mentioned, sir. Perhaps that's exactly what it  
17 was, but I didn't recall the details of that. Again, I  
18 wasn't involved with those discussions on those details.

19 Q You agree that labor costs include per diem, right?

20 A Yeah. I seem to recall that in that definition.

21 Q In January 2021, it was Transco's position that per  
22 diem is not for actual work performed and, therefore, the  
23 equipment fee did not apply, correct?

24 A Again, I was familiar with some of these issues at  
25 large. I wasn't involved with those discussions with legal

1 or Mr. Springer and upper management or anybody else at that  
2 time. I knew that they had some issues that were  
3 challenging, and that's what Mr. Springer had put in this --  
4 in this particular memo, yes. And that was the position that  
5 Transco was taking. The details of exactly which -- you  
6 know, whether it was per diem or rig rentals or anything  
7 else, for that matter, that's what I don't know because I  
8 wasn't involved in those discussions.

9 Q Did I just ask you about travel pay, or did I ask you  
10 about per diem?

11 A You asked me about per diem.

12 MR. GUERKE: I lost my place. Forgive me, Your  
13 Honor.

14 BY MR. GUERKE:

15 Q Travel pay is included in the "labor cost" definition,  
16 correct?

17 A Yes, I think it was included.

18 Q But travel pay and other expenses like that are not for  
19 actual work performed. That's your position, correct?

20 A That was Transco's position.

21 Q So Transco's position was travel pay didn't get the 50  
22 percent multiplier, correct?

23 A Again, those details, I don't know exactly what they  
24 were contesting or not contesting. I don't recall that.

25 Q The calculation of the equipment fee under the contract

1 was one of the topics you were designated to testify on  
2 behalf of Transco, right?

3 A Yes. I think that was included in that -- or whatever  
4 that form number was that I had previously reviewed here a  
5 few minutes ago.

6 Q And travel pay and per diem not being associated with  
7 actual work performed, that understanding was based on OGCS's  
8 audit findings, correct?

9 A I just don't recall about the -- again, the details on  
10 what OGCS presented to our management. Perhaps it could have  
11 been.

12 Q At your deposition, we discussed your views --  
13 Transco's views on the phrase "actual work performed," right?

14 A I seem to recall some series of questions.

15 Q What's the actual -- what is the definition of "actual  
16 work performed," as used in the contract?

17 A Can I see the contract?

18 Q Sure. What part do you want to see?

19 A Where it defines actual cost of work performed.

20 Q Could you pull up JX1, page 486, please.

21 A What part of this binder is this in?

22 Q There's a big binder of the -- of the contract in front  
23 of you.

24 A This is it right here? I'll just --

25 Q This is the definition of "labor cost."

1 A Okay.

2 Q Could you zoom in on "labor cost," please.

3 A Yes. I see the labor cost and what is comprised of the  
4 labor cost.

5 Q This is where the phrase "actual work performed" is  
6 included, correct?

7 A "Actual work performed." Yes, it includes that  
8 statement.

9 Q And you provided an explanation of Transco's view on  
10 what actual work performed meant, correct?

11 A During the deposition?

12 Q Yes.

13 A Yes. It's been a while. But, yes, I remember some  
14 discussions about it.

15 Q On January 6, 2021, the date of your deposition, you  
16 didn't know that the word "work" was defined in the contract,  
17 right?

18 A You'll have to show me the deposition, but quite  
19 possibly not. I don't recall. It's been a while.

20 MR. GUERKE: Could you pull up Mr. Sztroin's  
21 deposition.

22 MS. EWALD: Your Honor, I'll just note for the  
23 record that this is improper use of a witness deposition. I  
24 don't think he testified or identified what he defined  
25 inconsistently.

1 THE COURT: Do you have a response?

2 MR. GUERKE: So, at the time of his deposition, he  
3 just testified that he didn't remember one way or the other  
4 whether he knew if the word "work" was defined in the  
5 contract. I think that's what he said.

6 THE COURT: That's what he testified. Is that  
7 inconsistent with his deposition?

8 MR. GUERKE: No. That's consistent with his  
9 deposition. He asked to see it. That's why I --

10 THE COURT: Well, then he's consistent.

11 MR. GUERKE: I'll move on, Your Honor.

12 Could you go to -- I think it's the second page of  
13 the contract, Article 1, please.

14 THE COURT: I'm sorry. Can you repeat. We're in  
15 the contract?

16 MR. GUERKE: JX1. I think we're going to be  
17 page --

18 THE COURT: Mr. Sztroin, there's a separate --  
19 yeah, exactly.

20 MR. GUERKE: The Bates number is 3390 on the  
21 bottom right of JX1, 3390.

22 THE WITNESS: What section of JX1 should I be  
23 looking at?

24 MR. GUERKE: May I approach, Your Honor?

25 THE COURT: Yes. But can you tell me -- remind

1 me, where are we looking?

2 MR. GUERKE: We're looking at Article 1 of the  
3 contract, Section 1, Article 1. So, it's right after the  
4 index.

5 MR. NEIBURG: The page number is 9.

6 THE COURT: Page 009. Gotcha.

7 THE WITNESS: Yeah, 009. Okay. I see it.

8 BY MR. GUERKE:

9 Q Your definition of "actual work performed" are people  
10 on the right-of-way making progress performing work, correct?

11 A Again, I don't have the deposition of what I said. If  
12 I'm understanding you correctly, Mr. Guerke, are you asking  
13 me to testify what I said in the deposition?

14 Q Let me try to clarify. That's fair. Your definition  
15 of "actual work performed" are people on the right-of-way  
16 making progress performing work. Isn't that right?

17 A Again, you're saying "your definition." Is that -- was  
18 that what I was testifying to in a deposition or is that in  
19 the contract? That's what I'm uncertain as to what you're  
20 asking for.

21 Q I asked you that question in your deposition. You gave  
22 me an answer. My question I just asked you is based on the  
23 answer you gave in your deposition. So, I'm asking you on  
24 the witness stand right now: Your definition of "actual work  
25 performed" is people on the right-of-way making progress

1 performing work, correct?

2 A If you're quoting what I said in there, that sounds  
3 probably consistent, yes. I would agree with that.

4 Q But you don't know whether the word "work" is defined  
5 in the contract, correct?

6 A It says -- it's included in the contract that I'm  
7 looking at in Article 1.

8 Q On January 6th, 2021, the date of your deposition, you  
9 did not know that the word "work" was defined in the  
10 contract, correct?

11 MS. EWALD: Again, Your Honor, I'll object to the  
12 reference to the deposition and Mr. Guerke's question. I  
13 don't believe that he's identifying any testimony  
14 inconsistent with that.

15 MR. GUERKE: I'm asking him about the date, as of  
16 that date.

17 THE COURT: I'm going to overrule that objection  
18 based on Rule 32. You can ask the question, but it might be  
19 helpful if he saw what he testified to.

20 MR. GUERKE: I was going to pull up a clip, Your  
21 Honor, where we have this discussion. But I don't want to --  
22 I want to be consistent with the Court's ruling.

23 THE COURT: I'm just looking at Rule 32:

24 "An adverse party may use, for any purpose, the  
25 deposition of a party or anyone who, when deposed, was the



1 party's officer, director, managing agent, or designee under  
2 Rule 30(b)(6)."

3 So, this was a Rule 30(b)(6) deposition, right?

4 MR. GUERKE: Your Honor, I'm going to move on to  
5 another topic.

6 THE COURT: Okay.

7 BY MR. GUERKE:

8 Q Mr. Sztroin, Welded revised its cost estimate in August  
9 2017, right?

10 A Yes.

11 Q Welded sent you a cost estimate in August 2017  
12 reflecting updated costs that went from \$335 million to  
13 \$410 million, correct?

14 A That's correct.

15 Q Mr. Sztroin, could you take a look at JX8. It's about  
16 midway through your binder, and we'll put it on the screen  
17 for you.

18 A Okay.

19 Q Mr. Sztroin, JX8 is an email from Marcus Hood to you  
20 dated August 4th, 2017. And there is an ASR cost  
21 reconciliation presentation attached; is that correct?

22 A That's correct.

23 Q You're familiar with the presentation, right, that's  
24 attached?

25 A I am.

1 Q If you could go to page 3 of this exhibit, please.

2 This is -- it's slide 2, but it's page 3 of the  
3 exhibit, bottom left-hand corner dated August 4th, 2017. And  
4 this gives a breakdown of some items that are being presented  
5 from Welded to Transco in this presentation, right?

6 A Yes.

7 Q And it reflects that the predicted cost would be  
8 \$410 million without contingency, right?

9 A Yes.

10 Q Could you pull up PX121, please. PX121 is a  
11 presentation that Welded put together and sent to Transco,  
12 and this presentation is dated August 17th, 2017, correct?

13 A That's correct.

14 Q You reviewed this presentation and attended a meeting  
15 where Welded's cost estimate was discussed in August,  
16 correct?

17 A It was in this particular presentation in the meeting  
18 that we had some further discussion about cost.

19 Q So this presentation involved cost, and the meeting  
20 also included cost, right?

21 A Yes.

22 Q You generally agreed with the \$410 million number, but  
23 you didn't like the exclusions that were included in the  
24 presentation. Is that fair?

25 A Yes.

1 Q And after that meeting, Welded went back, updated its  
2 estimate, and that's how it arrived at that \$454 million  
3 number, right?

4 A That's correct.

5 Q Could you turn to page 35, please, of this exhibit.

6 Mr. Sztroin, page 35 of this presentation, given to  
7 Transco, has the basis of the estimate explained on this  
8 slide 35, correct?

9 A Yes. I remember seeing this.

10 Q And you remember discussing this in the meeting,  
11 correct?

12 A Yes.

13 Q The first bullet states: "Bottom's-up crew buildup by  
14 spread."

15 Correct?

16 A Yes.

17 Q And then under that bullet, there are four separate  
18 bullet points. The third one states: "Utilized current labor  
19 agreements for rates."

20 Correct?

21 A Yes.

22 Q So this document and Welded's presentation described  
23 that it was utilizing current labor agreements for rates as  
24 part of this buildup estimate, correct?

25 A That's correct.

1 Q The second bullet -- second main bullet is:

2 "Construction supervision and project management."

3 Do you see that part?

4 A Yes.

5 Q And the second bullet in that section states:

6 "Price based on current salaries."

7 Did I read that correctly?

8 A Yes.

9 Q And it also states in the next bullet point:

10 "Included LOA and travel."

11 Correct?

12 A That's what it states.

13 Q So Welded explained that the basis of the estimate was  
14 priced based on current salaries and included LOA and travel  
15 for its buildup to this \$410 million number, correct?

16 A Yes.

17 Q So you knew -- Transco knew at the time, August 2017,  
18 that Welded was using current labor agreements and current  
19 salaries to set the cost estimate, right?

20 A Yes.

21 Q Could we go to JX13, please. Mr. Sztroin, JX13 is an  
22 email from James Grindinger to a variety of people, including  
23 yourself and Mr. Hood, dated September 19th, 2017; is that  
24 correct?

25 A Yes.

1 Q There are four attachments listed in this cover email.

2 And those four attachments are, in fact, attached to  
3 the email in this exhibit; isn't that right?

4 A Yes, I believe that's the case.

5 Q If you go to JX13, page 4. And you might have to turn  
6 your binder or turn the screen. After you had a discussion  
7 with Welded about the desire to curtail the exclusions in  
8 that \$410 million number, Welded went back and increased its  
9 estimate to this \$454 million number, correct?

10 A Correct.

11 Q And you accepted the \$454 million number from Welded  
12 after it updated its estimate, true?

13 A Yes.

14 Q And that became the central budget for the contract,  
15 correct?

16 A That's correct.

17 Q And you knew when that became the central budget for  
18 the contract, that Welded was using current salaries and  
19 benefits and wages that existed at the time of this estimate,  
20 correct?

21 A That's what the presentation showed, yes.

22 Q At the time of this \$454 million estimate, there were  
23 still a number of unknown risks that were not accounted for,  
24 correct?

25 A Yes.

1 Q For example, karst was an unknown risk?

2 A Well, part of that \$44 million increase was related to  
3 karst because I specifically ended up saying that they had  
4 some updated information. They needed to go ahead and  
5 utilize that in the development -- you know, if they were  
6 going to end up resubmitting that, I wanted them to go ahead  
7 and include it.

8 Q There was some unknown risks that were not factored in  
9 here, like protesters, court-directed shutdowns, issues with  
10 labor retention, right?

11 A Yeah. Those were still -- were still there.

12 Q The updated cost estimate, this \$454 million number,  
13 was included in Amendment 1 to the contract, right?

14 A Yes. I think that figure was used.

15 Q It was used to baseline rebates on the contract and  
16 also change the target for the incentive program, correct?

17 A Yeah, that sounds about right.

18 Q Could you go to JX1, please, page 845.

19 A 845. Is there a particular tab, Mr. Guerke?

20 Q Is your copy paginated?

21 A I have the page numbers at the top. Okay.

22 Q If it has page numbers at the top, it should say  
23 "JX1.0845."

24 A Yeah, I see this.

25 Q So page 845 of JX1, which is the contract, is the cost

1 estimate Welded presented to Transco in September 2017 that  
2 we just looked at, correct?

3 A Yeah, that was -- that was included.

4 Q So Welded's cost estimate and the buildup to the cost  
5 estimate became part of Amendment 1, right?

6 A Yes.

7 Q Do you see in the upper left-hand corner this is marked  
8 as Exhibit 8 to Amendment 1? It's, for the record, page 845  
9 still.

10 Mr. Sztroin, I want to direct your attention to Item 8.  
11 Item 8 is "equipment-NTP delayed," and the amount is a little  
12 more than \$6.2 million. Do you see that?

13 A Yes.

14 Q Transco wants a refund for that \$6.2 million for  
15 standby equipment that's listed here, Exhibit 8 to  
16 Amendment 1, right?

17 A Yes. I think that's included.

18 Q That's included in Transco's claim, correct?

19 A Yes.

20 Q The refund for equipment -- the standby equipment --  
21 the \$6 million-plus in standby equipment wasn't part -- or  
22 wasn't a basis for the October 4th withholding, correct?

23 A I don't know. I don't recall what was or what wasn't  
24 included in that October 4th since I didn't draft -- I didn't  
25 draft that email.

1 Q Mr. Sztroin, why don't you take a look at JX94. That's  
2 the October 4th withholding letter we discussed earlier. I'm  
3 happy to put it on the screen, but I'll just ask you a  
4 question after you've had a chance to look at it.

5 A JX94?

6 Q Yes, sir.

7 A Where is that in the binder? Front? Middle?

8 Q It's about 60 percent through.

9 A Okay. JX94. I got it.

10 Q It was a cover email, and then the two-page letter was  
11 attached.

12 A Yes, I see it.

13 Q The pre-notice to proceed standby equipment invoice was  
14 not a basis for Transco's October 4th withholding, right?

15 A When this letter was written, no, I don't see it in  
16 here.

17 Q Transco didn't dispute the payment of that standby  
18 equipment invoice until May of 2022, right?

19 A Again, I don't know what particular date that it was  
20 when the equipment NTP delay was included.

21 Q FTI, your expert, included its claim in its May 2022  
22 expert report, correct?

23 A Again, I don't recall the details of that report. But  
24 if it's in there, it's in there.

25 Q You read that report, right?



1 A Yes. But I don't remember, you know, a lot of the  
2 details in it.

3 Q Welded -- strike that. Transco had not asserted that  
4 claim against Welded before that May 2022 report, correct?

5 A I don't recall whether there was a claim earlier before  
6 that date or not.

7 Q Welded submitted that standby equipment invoice in  
8 December 2017, right?

9 A Repeat the question, please.

10 Q Welded submitted the standby equipment invoice that it  
11 is now challenging in December of 2017?

12 A Quite possibly, yes. I don't exactly remember when  
13 that was submitted.

14 Q I'm sorry. What was your answer, Mr. Sztroin?

15 A I testified to saying I don't recall exactly when that  
16 particular invoice was submitted.

17 Q Well, you know you approved the payment of that standby  
18 invoice -- standby equipment invoice whenever it was  
19 submitted, correct?

20 A If it was included in the invoice and I signed it, I  
21 approved it.

22 Q Well, you know for a fact that you approved the payment  
23 of the standby equipment invoice that Transco is now  
24 challenging, right?

25 A If you show me the document, in particular, if it is

1 December and if it's included, then yes.

2 MR. GUERKE: Your Honor, I have the invoice. I'd  
3 like to show the witness. I realized it wasn't marked as  
4 an exhibit, but I think I can use it at this point.

5 THE COURT: Yes.

6 MR. GUERKE: May I approach?

7 THE COURT: You may.

8 MR. GUERKE: Your Honor, we'd like to mark this as  
9 Plaintiff's Exhibit 656.

10 THE COURT: Okay.

11 BY MR. GUERKE:

12 Q Mr. Sztroin, the cover sheet of Exhibit 656 or PX656 is  
13 the Williams electronic payment request form, correct?

14 A That's correct.

15 Q And it says here -- the first line says, "Today's date:  
16 December 9th, 2017," right?

17 A That's correct.

18 Q And then two lines down, it says "Approver's name and  
19 job title." You're listed, "David Sztroin, E&C project  
20 manager staff, Atlantic Gulf Onshore, Atlantic Sunrise,"  
21 right?

22 A That's right.

23 Q And then your signature is next to the line that says,  
24 "Approver's signature," right?

25 A That's correct.

1 Q Two lines down it says, "Payment due date:  
2 January 5th, 2018," correct?

3 A That's correct.

4 Q Payment amount is a little more than \$78 million,  
5 right?

6 A That's correct.

7 Q And the account that it's referencing or the invoice  
8 that it's referencing is RFS644861, right?

9 A Yes.

10 Q Attached is a collection of, it looks like, invoices  
11 from Welded Construction, correct?

12 A That's correct.

13 Q And as you flip through, you'll see that the  
14 reconciliation invoice has those direct labor recap  
15 breakdowns that we discussed earlier today, right, a similar  
16 setup as the other reconciliation invoices?

17 A Yes.

18 Q If you go to the page at the bottom right that's Bates-  
19 stamped Transco-565925.

20 A 56 -- I'm sorry, I don't see -- where are you?

21 Q There's a series of words and numbers on the bottom  
22 right-hand of each page. Do you see the word "Transco" and  
23 then a bunch of numbers?

24 A Oh, that's the next page. I'm sorry. There's no pages  
25 of this. Is it further down?

1 Q For the record, it's Bates Number Transco-00565925.

2 And it's also on the screen, Mr. Sztroin, if you want  
3 to take a look.

4 A Okay. I see it.

5 Q This is the \$6-plus million-dollar pre-notice to  
6 proceed standby equipment invoice that Welded submitted to  
7 Transco, correct?

8 A Yes. It was included in this particular invoice.

9 Q And this is the invoice for more than \$6 million for  
10 standby equipment that Transco is now challenging, correct?

11 A That's correct.

12 Q And this was an invoice that you reviewed and you  
13 approved, right?

14 A I approved it.

15 Q This invoice in this package includes the numbers of --  
16 the number of pieces of equipment, right?

17 A Yes.

18 Q The type and description of that equipment, correct?

19 A That is correct.

20 Q It states whether it was owned or leased or financed,  
21 right?

22 A That's correct.

23 Q It identifies the rate, correct?

24 A That's correct?

25 Q And the duration or the time period that it was on

1 standby, according to this invoice, correct?

2 A According to this invoice, yes.

3 Q And you put all of those numbers together, and that's  
4 how you arrive at the little more than \$6 million, right?

5 A Yeah. I assume that the math on here is correct, yes.

6 Q So after you approved it, Transco paid this invoice,  
7 right?

8 A Yes, they did.

9 Q And at the time Transco paid, it hadn't asked for any  
10 additional documentation related to this invoice, right?

11 A At the time it was paid -- could you repeat the  
12 question, please.

13 Q At the time that Transco paid this invoice, Transco had  
14 not asked for any additional documentation, correct?

15 A I don't think that we did when we paid it.

16 Q At the time Transco paid it, Transco had not asked for  
17 any additional substantiation for the equipment listed on  
18 this invoice, right?

19 A Nothing I can recall.

20 Q The amount of this equipment -- the standby equipment  
21 for the notice to proceed delay, that was included in  
22 Amendment 1 that Transco's CEO Alan Armstrong signed in May  
23 of 2018, right?

24 A Again, you're referencing a document I'd have to end up  
25 looking at to confirm that.

1 MR. GUERKE: Could we go to -- before I move on,  
2 I'd like to move into evidence, Your Honor, PX656.

3 MS. EWALD: No objection, Your Honor.

4 THE COURT: Thank you. It's admitted.

5 (PX-656 received into evidence)

6 BY MR. GUERKE:

7 Q Could you pull up JX1, please. This is the contract,  
8 again, Mr. Sztroin. I'm going to show you the part that you  
9 just requested to see. Could you go to page 530.

10 Mr. Sztroin, this is JX1, page 530. You see here -- and  
11 if you want to look at the page before, you can see that this  
12 is Amendment 1.

13 A Yes, I see that.

14 Q On page 530, Alan Armstrong, as president and CEO,  
15 signed this amendment May 5th, 2018 -- I'm sorry, May 18th,  
16 2018; isn't that right?

17 A May 18th. That's correct.

18 Q And it was under the address Transcontinental Gas  
19 Pipeline Company LLC, 2800 Post Oak Boulevard, Houston,  
20 Texas, correct?

21 A Yes. That's the address of Transco.

22 Q You also approved the signing and Transco entering into  
23 Amendment 1, right?

24 A Yes. I initialed it.

25 MR. GUERKE: Could you go to -- I think it's the

1 next page.

2           Your Honor, would now be a good time to stop, or  
3 would you like me to keep chugging along? I'm at a natural  
4 breaking point.

5           THE COURT: Okay. How much more do you think you  
6 have?

7           MR. GUERKE: I honestly thought I'd be done an  
8 hour ago, but I would guess I have an hour.

9           THE COURT: Okay. Then we'll take a break for the  
10 evening. So, during the break, I took a look at the question  
11 that was raised -- and I'm sorry, Mr. Sztroin, you can stand  
12 down. You can sit down. You don't have to stand up there.

13           I took a look at the question that was raised with  
14 respect to the document that Mr. Sztroin was looking at this  
15 morning before the hearing. And as I said at the time, I  
16 think that was inappropriate. I think it's really no  
17 different than speaking to counsel about your testimony  
18 during a break. And so I think the document has to be  
19 produced.

20           I would also refer to Rule 612, which some courts  
21 use to support my conclusion - although, I don't think I have  
22 to use it to support that conclusion - with respect to  
23 writings used to refresh a witness's recollection while  
24 testifying. So -- and I think that's what Mr. Sztroin was  
25 doing. He was reviewing a document before his testimony,

1 which he testified had questions and answers that he might be  
2 asked during his testimony.

3 But I'm going to give counsel an opportunity,  
4 overnight, to come up with some contrary authority if they  
5 want to present it. But that's my ruling subject to  
6 hearing -- being convinced otherwise tomorrow morning.

7 MR. GUERKE: Your Honor, how should we preserve  
8 the document between now and then? I don't know where it is  
9 or who has it.

10 THE COURT: That's a good question. I don't know  
11 where it is or who has it. I assume Mr. Sztroin has it  
12 unless he gave it to his counsel. But the document should be  
13 preserved.

14 MS. EWALD: Your Honor, the document -- we will  
15 ask Mr. Sztroin to preserve the document. I will address the  
16 issue in the morning as well. But I would cite Delaware  
17 Rule 43.1 with regard to consultation with the witness.  
18 There's no consultation between Mr. Sztroin and his counsel  
19 with regard to his testimony. He testified to that. And  
20 there was no testimony with regard to use of the document for  
21 recollection or refreshing. We will address that issue.

22 THE COURT: Rule 43.1?

23 MS. EWALD: I believe that's the Delaware rule,  
24 but I will check.

25 THE COURT: Okay. We'll address this further in



1 the morning. Of course, the plaintiff can also provide any  
2 authority you would like to present as well.

3 MR. GUERKE: That raises a question I'd like to  
4 ask the Court about witnesses. We have rebuttal witnesses  
5 that we anticipate calling. What's the Court's rule on  
6 whether a rebuttal witness who's already testified, who's no  
7 longer on the stand, to either observe testimony before they  
8 go back on the stand as rebuttal or is that a no-no?

9 THE COURT: Can they observe testimony?

10 MR. GUERKE: For example, in the courtroom --

11 THE COURT: The experts weren't sequestered,  
12 right?

13 MR. GUERKE: Yeah, a rebuttal witness, fact  
14 witness.

15 THE COURT: Oh, a rebuttal fact witness? Have the  
16 parties talked about this?

17 MR. GUERKE: We have not.

18 THE COURT: I don't have a rule.

19 MR. GUERKE: Fair enough.

20 THE COURT: So, if the parties want to inform me  
21 as to what the rule should be. If they can't agree, then  
22 I'll make a decision.

23 MR. GUERKE: Thank you, Your Honor.

24 THE COURT: Okay. Anything else?

25 Because, yes, I'd rather not have any

1 unanticipated issues with witnesses.

2 MR. GUERKE: Thank you, Your Honor.

3 THE COURT: Thank you. We're in recess.

4 (Proceedings concluded at 5:30 p.m.)

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

CERTIFICATION

We certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter to the best of our knowledge and ability.

/s/ William J. Garling

September 9, 2023

William J. Garling, CET-543  
Certified Court Transcriptionist  
For Reliable

/s/ Mary Zajackowski

September 9, 2023

Mary Zajackowski, CET-531  
Certified Court Transcriptionist  
For Reliable