

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 9, 2023

GI-2023-03-SCG-67-02

Mr. Rodger Schwecke
Senior Vice President and Chief Infrastructure Officer
Southern California Gas Company
555 West 5th Street, GT21C3
Los Angeles, CA 90013

Dear Mr. Schwecke:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a **General Order (G.O.) 112-F Comprehensive Operation and Maintenance Inspection of Southern California Gas Company (SoCalGas)'s NW North Valley Distribution Area (Inspection Unit)** on March 6 through 10, 2023 and March 13, 2023. SED used the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety's "Inspection Assistant Form" as a reference guide to conduct the inspection. The inspection included a review of SoCalGas' records from January 1, 2018 through December 31, 2022 and field inspections of SoCalGas' pipeline facilities in Valencia, Lancaster and Branford districts. SED's staff also reviewed the implementation of SoCalGas' Operator Qualification program, which included field observation of randomly selected individuals performing covered tasks.

SED staff did not identify any probable violations of G.O. 112-F, Reference Title 49 Code of Federal Regulations (CFR), Part 192, but noted five (5) areas of concern which are described in the attached "Post-Inspection Written Preliminary Findings".

Please provide a written response within 30 days of receipt of this letter indicating the measures taken by SoCalGas to address the concerns noted in the "Post-Inspection Written Preliminary Findings".

Thank you for your cooperation in this inspection. If you have any questions, please contact Jesus Reyes, Utilities Engineer, at (213) 264-9087 or by email at JEY@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Terence Eng".

Terence Eng, P.E.
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division

Attachments: see Post-Inspection Written Preliminary Findings
cc: see next page.

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Post-Inspection Written Preliminary Findings

Date of Transmittal: 05/04/2023

Dates of Inspection: 03/06/2023 to 03/10/2023 and 03/13/2023

Operator: SOUTHERN CALIFORNIA GAS CO

Operator ID: 18484 (primary)

Inspection Systems: Lancaster, Valencia and Branford Distribution Districts

Assets (Unit IDs) with results in this report: Northwest - North Valley (87050)

System Type: GD

Inspection Name: SoCalGas NW Distribution-North Valley

Lead Inspector: Jesus Reyes

Operator Representative: Edwin Baires, Sandie To, Francisco Santa Cruz

Unsatisfactory Results

No Preliminary Findings.

Concerns

Maintenance and Operations: Gas Pipeline Odorization (MO.GOODOR)

Question Title, ID Odorization of Gas, MO.GOODOR.ODORIZE.P

Question 1. Does the process ensure appropriate odorant levels are contained in its combustible gases in accordance with 192.625?

References 192.605(b)(1) (192.625(a), 192.625(b), 192.625(c), 192.625(d), 192.625(e), 192.625(f))

Assets Covered Northwest - North Valley (87050 (67))

Issue Summary

1. Title 49, CFR Part192, §192.605(b) states:

"Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the

following, if applicable, to provide safety during maintenance and operations."

SoCalGas Gas Standard 189.005 "Operation of Odorometer" section 3.2.2 states:

"Install the pressure regulator and verify the pressure indicating gauge reads 5 psig or below."

During the field inspection on March 8, 2023, SED observed SoCalGas' employee conducting an odorant intensity test at [REDACTED], Tehachapi using an uncalibrated pressure indicating gauge. Gauges experience wear and tear and accuracy degradation over time. To ensure accurate readings, employee safety, and best industry practices, SED recommends that SoCalGas revise its Gas Standard 189.005 "Operation of Odorometer" to ensure calibrated pressure indicating gauges are used when conducting odorant intensity tests and promote safe operation of the pipeline system and safety to the employees.

Maintenance and Operations: ROW Markers, Patrols, Leakage Survey and Monitoring (MO.RW)

Question Title, ID Distribution Leakage Surveys, MO.RW.DISTPATROLLEAKAGE.R (also presented in: PD.RW)

Question 11. Do records indicate distribution leakage surveys were conducted as required?

References 192.603(b) (192.723(a), 192.723(b))

Assets Covered Northwest - North Valley (87050 (67))

Issue Summary

2. Title 49, CFR Part192, §192.723(b)(2) states:

"A leakage survey with leak detector equipment must be conducted outside business districts as frequently as necessary, but at least once every 5 calendar years at intervals not exceeding 63 months. However, for cathodically unprotected distribution lines subject to § 192.465(e) on which electrical surveys for corrosion are impractical, a leakage survey must be conducted at least once every 3 calendar years at intervals not exceeding 39 months."

During the field inspection on March 9, 2023, SED observed SoCalGas' employee performing a leakage survey at [REDACTED], Sylmar, Los Angeles County for compliance with §192.723 "Distribution Systems Leakage Survey", in accordance with SoCalGas Gas Standard 223.0100 "Leakage Surveys" and found a gas leak on an above ground Meter Set Assembly (MSA). SoCalGas' employee coded the leak in accordance with SoCalGas Gas Standard 223.0126

"Above Ground leak Classification and Mitigation Schedules" and contacted dispatch for further investigation. SED requests SoCalGas to provide SED with a copy of its investigation in accordance with SoCalGas Gas Standard 184.0245 "Leak Investigation" including the leak Repair Order (Form 4050).

Time-Dependent Threats: Atmospheric Corrosion (TD.ATM)

Question Title, ID Atmospheric Corrosion Monitoring, TD.ATM.ATMCORRODEINSP.O

Question 5. Do field observations indicate that pipe exposed to atmospheric corrosion is properly coated?

References 192.481(b) (192.481(c), 192.479(a), 192.479(b), 192.479(c), 192.481(d))

Assets Covered Northwest - North Valley (87050 (67))

Issue Summary

3. Title 49, CFR Part 192, §192.479(a) Atmospheric Corrosion Control-General states:

"Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.

During the field inspection on March 9, 2023, SED observed atmospheric corrosion on aboveground piping (span) # 17A02

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SED recommends that SoCalGas take the necessary steps to ensure that above ground piping exposed to atmospheric corrosion is protected from corrosion.

Time-Dependent Threats: External Corrosion - Coatings (TD.COAT)

Question Title, ID New Buried Pipe Coating Installation, TD.COAT.NEWPIPEINSTALL.O

Question 5. Is external protective coating being protected from damage that could result from adverse ditch conditions or supporting blocks?

References 192.461(d)

Assets Covered Northwest - North Valley (87050 (67))

Issue Summary

4. Title 49, CFR Part192, §192.461(d) states:

"Each external protective coating must be protected from damage resulting from adverse ditch conditions or damage from supporting blocks."

SoCalGas Gas Standard 184.12 "Inspection of Pipelines on Bridge and Spans", §4.1.5 Pipe supports states in part:

"Is there evidence of improper insulation between the support and the pipe? Supports and insulators must be made of durable, noncombustible materials, such as Micarta or fiberglass reinforced plastic (FRP) pads. Woods is not approved material and shall not be used as a support or insulator."

During the field inspection on March 9, 2023, SED observed the following spans had missing or improper insulation supports between the pipe and the support.

- Span 17A02 [REDACTED]
- Span B22002 [REDACTED]

SED recommends that SoCalGas take corrective action to install Micarta or FRP pads between the pipe and the support to prevent pipe-support contact.

Training and Qualification: OQ Protocol 9 (TQ.PROT9)

Question Title, ID Covered Task Performance, TQ.PROT9.TASKPERFORMANCE.O

Question 2. Verify the qualified individuals performed the observed covered tasks in accordance with the operator's procedures or operator approved contractor procedures.

References 192.801(a) (192.809(a))

Assets Covered Northwest - North Valley (87050 (67))

Issue Summary

5. Title 49, CFR Part192, §192.605(a) states:

"Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response..."

SoCalGas Gas Standard 189.005 "Operation of Odorometer" section 3.2.2 states:

"Install the pressure regulator and verify the pressure indicating gauge reads 5 psig or below."

During the field inspection on March 9, 2023, SED observed SoCalGas' employee conducting odorant intensity test at [REDACTED], [REDACTED], Santa Clarita, CA 91321 without installing the pressure regulator and verifying the pressure indicating gauge reads 5 psig or below.

SED recommends that SoCalGas review the performance of its employee and take the necessary steps to ensure that the employee is following the written Gas Standard when conducting the odorant intensity test and to ensure safe operation of the pipeline system.