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

April 4, 2024 GI-2024-02-SCG-64-02

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 SE Inland East Distribution Area (Inspection Unit)** on February 12 through 16, 2024 and February 20, 2024. 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, 2020, through December 31, 2023, and field inspections of SoCalGas' pipeline facilities in Chino, Corona, and Riverside 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 identified zero (0) probable violations of G.O. 112-F, Reference Title 49 Code of Federal Regulations (CFR), Part 192, and noted six (6) areas of concern which are described in the attached "Post-Inspection Written Preliminary Findings".

At the end of this inspection, SoCalGas provided adequate responses to each concern. Therefore, this letter also serves as an official closure of the 2024 Comprehensive Operation and Maintenance Inspection of SoCalGas SE Inland East Natural Gas Distribution District.

Thank you for your cooperation in this inspection. If you have any questions, please contact Jordan Lin, Utilities Engineer, at (213) 248-5023 or by email at JRN@cpuc.ca.gov.

Sincerely,

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

Attachments: see Post-Inspection Written Preliminary Findings

cc:

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Post-Inspection Written Preliminary Findings

Dates of Inspection: 2/12/2024 to 2/16/2024 and 2/20/2024

Operator: SOUTHERN CALIFORNIA GAS CO

Operator ID: 18484 (primary)

Inspection Systems: Chino, Corona, and Riverside Distribution Districts

Assets (Unit IDs) with results in this report: Southeast - Inland East (87047)

System Type: GD

Inspection Name: SoCalGas SE Distribution - Inland East

Lead Inspector: Jordan Lin

Operator Representative: Austin Walker, James Cervantes, and Frank Santa Cruz

Unsatisfactory Results

No Preliminary Findings.

Concerns

Emergency Preparedness and Response : Emergency Response (EP.ERG)

1. Question Title, ID: Emergency Response Performance, EP.ERG.POSTEVNTREVIEW.R
   - Question: 18. Do records indicate review of employee activities to determine whether the procedures were effectively followed in each emergency?
   - References: 192.605(a) (192.615(b)(1), 192.615(b)(3))
   - Assets Covered: Southeast - Inland East (87047 (64))
   - Issue Summary: Title 49, CFR Part 192, Section 192.605(a) states:

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

During field inspection on 2/14/2024 in Riverside district, SoCalGas crew could not conduct a scheduled compliance inspection on an underground pressure regulating station (station ID# 0209) due to a broken ladder leading to the station. The upstream vault ladder had the top rung broken and one anchor was not properly anchoring to the wall. It could jeopardize the safety of the crew while working inside the vault. Subsequently, for safety reasons, the crew did not go inside the vault and could not continue the compliance inspection.

SoCalGas' Gas Standard (GS) 223.0210 – Vault Maintenance and Inspection, Section 4.7 states:

"Prior to vault entry, performing initial inspection to the extent possible of the ladders, steps, handrails, and guardrails for safe surface condition and complete the inspection after entering the vault to ensure the structural integrity and a safe condition is being maintained at all times. Inspect for rusting in ladders and handrails. Inspect overall connection condition and make sure the bolts are tight. Loose bolts must be repaired properly."

SED noticed that the issue with this ladder had been reported since 2020 (Reference - M&R Inspection work order #520002481108, crew comment dated 09/30/2020) and SoCalGas did not correct the issue until this field inspection.

On 3/4/2024, SoCalGas provided a work order (WOA #520003787542) and photos showing that the vault ladder has been repaired. SED has reviewed SoCalGas' response and accepts the corrective actions that have been performed. SED considers this issue to be closed.

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

2. 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: Southeast - Inland East (87047 (64))

Issue Summary: 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."

On 2/16/2024, SED observed SoCalGas' leak survey crew performing a leakage survey in its leak survey map area SBD 298-2 in its Chino distribution district. The leak surveyor encountered a leak indication at the corner of East Raymond street and North Parkside Ct, in the city of Ontario, CA, which he identified as being a code 2 leak indication per company gas standard 223.0125 – Below Ground Leakage Coding and Mitigation Schedules. SED recommended SoCalGas remediate this leak indication following company standards. SoCalGas provided SED with the leak investigation work order number (WOA #520003792463) and leak repair work order number (WOA# 520003792394) for this identified leak indication on the same day.

On 3/4/2024, SoCalGas provided a leak repair order (WO#520003792394) showing that the leak has been repaired. SED has reviewed SoCalGas' response and accepts the corrective actions that have been performed. SED considers this issue to be closed.

Time-Dependent Threats: External Corrosion - CP Monitoring (TD.CPMONITOR)

3. Question Title, ID: Cathodic Protection Monitoring Criteria, TD.CPMONITOR.MONITORCRITERIA.O

Question: 3. Are methods used for taking CP monitoring readings that allow for the application of appropriate CP monitoring criteria?

References: 192.465(a) (192.463(b), 192.463(c), 192.463(a))

Assets Covered: Southeast - Inland East (87047 (64))

Issue Summary: Title 49, CFR Part 192, Section192.463(a)states:

> *"Each cathodic protection system required by this subpart must provide a level of cathodic protection that complies with one or more of the applicable criteria contained in appendix D of this part. If none of these criteria is applicable, the cathodic protection system must provide a level of cathodic protection at least equal to that provided by compliance with one or more of these criteria."*

During SED's field inspection with SoCalGas' team on 2/16/2024 in the Chino District, the following Cathodic Protection (CP) area (-0.850-volt criterion) showed the following pipe-to-soil read deficiency:

1. SL 41-49, read point "A" read -0.812 V.

SED recommended SoCalGas take the necessary corrective measures to restore cathodic protection to the above CP areas to ensure compliance with Title 49, CFR Part 192, Section 192.463(a).

On 3/4/2024, SoCalGas provided CP Area Troubleshooting - Mag record (WOA #520003794016) showing that the CP Area SL41-49 is up. The record shows that read point "A" read -0.900 V. SED has reviewed SoCalGas' response and accepts the corrective actions that have been performed. SED considers this issue to be closed.

4. Question Title, ID: Bonds, Diodes and Reverse Current Switches, TD.CPMONITOR.REVCURRENTTEST.O

Question: 11. Are interference bonds, diodes, and reverse current switches properly maintained and are they functioning properly?

References: 192.465(c)

Assets Covered: Southeast - Inland East (87047 (64))

Issue Summary: During field inspection on 2/14/2024 in Riverside district at interference bond location SL41-04 R, P0000, crew experienced a high pipe-to-soil CP read (approximately -2.22 V). As a result, the crew determined that the reading was out of tolerance and not stable – jumping readings.

SoCalGas' GS 186.0035 – Criteria for Cathodic Protection, Section 4.3.3 states:

> *"To prevent possible coating damage to effectively coated piping, a polarization potential of -1.20 volts (Instant Off) should not be exceeded."*

On 2/20/2024, with an email response, SoCalGas stated that it would investigate possible changes to the current remediation and determine if an upgrade to the resistor on the bond connecting two CP areas would resolve the issue. SED requested SoCalGas to provide updates on remedial action of this issue.

On 3/4/2024, SoCalGas provided CP Area Troubleshooting - Imp record (WOA #520003791089) showing that CP Area SL41-04 R is up. The record shows that P0000 reads 0.217 V which is in the allowed tolerance range of 0.050 V (lower tolerance) to 0.700 V (upper tolerance). SoCalGas remediated the issue by having the transmission department interrupt their rectifier allowing the distribution team to obtain a read point for P0000. SED has reviewed SoCalGas' response and accepts the corrective actions that have been performed. SED considers this issue to be closed.

5. Question Title, ID: Correction of Corrosion Control Deficiencies, TD.CPMONITOR.DEFICIENCY.R

Question: 13. Do records adequately document actions taken to correct any identified deficiencies in corrosion control?

References: 192.491(c) (192.465(d))

Assets Covered: Southeast - Inland East (87047 (64))

Issue Summary: During the record reviews, SED discovered the following CP areas were out of tolerance for more than one year.

1. LSRA REC4 (Area initial Down date - 1/10/2022)
2. RIV 140 (Area initial Down date – 10/12/2022)
3. RIV REC3 (Area initial Down date – 4/7/2022)
4. RUB 30 (Area initial Down date – 10/25/2022)
5. SB0098-R (Area initial Down date – 10/18/2022)

Title 49 CFR, Part 192, Section 192.465(d) states:

> *"Each operator must promptly correct any deficiencies indicated by the inspection and testing required by paragraphs (a) through (c) of this section. For onshore gas transmission pipelines, each operator must develop a remedial action plan and apply for any necessary permits within 6months of completing the inspection or testing that identified the deficiency. Remedial action must be completed promptly, but no later than the earliest of the following: prior to the next inspection or test interval required by this section; within 1 year, not to exceed 15 months of the inspection or test that identified the deficiency; or as soon as practicable, not to exceed 6months, after obtaining any necessary permits."*

SoCalGas' GS 186.0135 – Operation and Maintenance of Cathodic Protection Facilities, Section 1.4.2 states:

> *"Any identified problems after troubleshooting shall be included when determining a remediation plan as soon as practicable. Deficiency corrections should be remedied by the time of the next scheduled annual monitoring."*

SoCalGas failed to correct the deficiencies identified by its inspection and testing on those CP areas prior to the next inspection or test interval required by 49 CFR, Section 192.465(d) or within 1 year, not to exceed 15 months of the inspection that identified the deficiencies.

On 3/4/2024, SoCalGas provided the following response to each CP area that was found to be out of tolerance:

1. For LSRA REC 4, SoCalGas responded with, "CP area required impressed current system replacement. Delays were experienced in working with the electric utility and dates of delays can be provided upon request. Final step was to have Riverside Electric Utility to install the electric meter. The electric meter was installed on 2/29/2024. CP area to be worked on 3/8/2024 to bring area within tolerance."
2. For RIV 140, SoCalGas responded with, "CP area required an impressed current system replacement. Delays were experienced in working with the electric utility and dates of delays can be provided upon request. Currently working with city and company electrician to clarify electric service requirements in order to supply electricity to the system and bring the area within tolerance."
3. For RIV REC3 SoCalGas responded with, "CP area required impressed current system replacement. Delays were experienced in working with the electric utility and dates of delays can be provided upon request. Final step was to have

Riverside Electric Utility to install the electric meter. The electric meter was installed. CP area was worked and read up on 2/28/2024."

4. For RUB 30, SoCalGas responded with, "CP area required impressed current system installation. Delays were experienced in working with the electric utility and dates of delays can be provided upon request. Currently working with County and SCE to have service turned on." SoCalGas provided work order (WOA #520003788626) showing that the CP area is up.
5. For SB0098-R, SoCalGas responded with, "Final materials to install new insulation joint were received on 2/26. Planning is working to secure permits to begin work."

SoCalGas has been notifying SED Quarterly on the status of all five out-of-tolerance CP areas. SED has reviewed SoCalGas' response and accepts the plans of the corrective actions. SED requests SoCalGas to provide quarterly updates for each CP area until restoration of the CP system. SED may verify the corrective actions in future inspections.

Time-Dependent Threats: External Corrosion - Cathodic Protection (TD.CP)

6. Question Title, ID: Corrosion Control Records, TD.CP.RECORDS.R (also presented in: TD.CPMONITOR, TD.CPEXPOSED)

Question: 20. Do records indicate the location of all corrosion control items listed in §192.491(a)?

References: 192.491(a) (192.491(b), 192.491(c))

Assets Covered: Southeast - Inland East (87047 (64))

Issue Summary: SoCalGas provided records during pre-audit data request that CP area 41-07 has been identified as a Magnesium CP type in SoCalGas' CP Area Master file. However, during field inspection on 2/14/2024, SoCalGas' team confirmed that it is bonded to another rectifier CP system (CP area LSRA REC21), not a Magnesium protection type. On 2/20/2024, SoCalGas responded to SED's clarification question, SoCalGas stated that CP area 41-07 was bonded in December 2020 and would update its records for the appropriate protection type.

Title 49 CFR, Part 192, Section 192,491(a) states:

> *"Each operator shall maintain records or maps to show the location of cathodically protected piping, cathodic protection facilities, galvanic anodes, and neighboring structures bonded to the cathodic protection system. Records or maps showing a stated number of anodes, installed in a stated manner or spacing, need not show specific distances to each buried anode."*

SED recommended SoCalGas maintain the CP records and maps with accurate and correct information that reflects actual installation on the system as required by Title 49, CFR Part 192, Section 192.491.

On 3/4/2024, SoCalGas provided SED with the CP Area Master File demonstrating that the spreadsheet has been updated to show that CP area 41-07 is a rectifier protection type. SED has reviewed SoCalGas' response and accepts the corrective actions that have been performed. SED considers this issue to be closed.