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

March 20, 2025

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

Subject: Southern California Gas Company's 6-Month Assessment Extension Requests for L1017, L2051, L4002, and L5000

Dear Mr. Schwecke:

The Safety Enforcement Division (SED) of the California Public Utilities Commission reviewed Southern California Gas Company's (SCG) 6-Month Assessment Extension Requests for L1017, L2051, L4002, and L5000 pursuant to Title 49, Code of Federal Regulations (CFR), Part 192 Section 192.939. Each of the 4 requests were submitted on December 31, 2024, seeking for a 6-month extension of the 7-calendar year reassessment interval.

SED reviewed SCG's justification document for the extension requests to complete SCC threat assessment. Furthermore, SCG informed SED that it will implement additional safety measures such as accelerated leakage surveys and patrolling during the extension period and other risk reduction measures including pressure reduction or isolation of impacted pipeline segment if the assessment cannot be completed within the 6-month extension. See Appendix A for a summary of each line.

SED met with SCG to discuss the background and the reasons for the requests. SCG informed SED staff that the driver for the active Stress Corrosion Cracking (SCC) threat assessment was due to PHMSA's Advisory Bulletin ADB–2017–01 which requires pipeline operators to approach the SCC threat as an active threat that must be assessed during every inspection cycle. The active SCC threat requirements often involve a minimum of three excavations and visual assessment inspections of selected locations that historically had not required Stress Corrosion Cracking Direct Assessment (SCCDA). These potential SCC threat locations are inherently located in environmentally sensitive areas such as wetlands, waterways, water sheds, and geohazard locations that require complex and time intensive permit applications.

SCG stated that they could not have requested the permits earlier, because they did not know what pipeline locations needed to be evaluated using SCCDA until it completed the In-Line Inspection (ILI) and reviewed the assessment reports. Based on the ILI report, SCG will select locations on the pipeline segments listed for SCCDA evaluation. Until then, SCG was unable to determine what permits and permitting agencies will be necessary.

Furthermore, SCG informed SED that TIMP construction activities on backbone transmission pipelines are staggered and scheduled to occur during seasons and times with lower gas demand

and slack capacity. SCG used the ILI assessment method to meet its established seven-year reassessment interval. However, SCG wants to perform three SCCDA digs to assess SCC threats (SCC in high-pH and near-neutral-pH environments). The environmental permits required for the SCCDA digs will push the completion date outside the 7-calendar year reassessment interval, hence the need for SCG's extension requests.

<u>SED Analysis</u>

First, SED acknowledges SoCalGas' response to PHMSA's Advisory Bulletin ADB–2017–01 which requires pipeline operators to approach the SCC threat as an active threat that must be assessed during every inspection cycle. SED recognizes that SCCDA digs are an important component to assess SCC threats (SCC in high-pH and near-neutral-pH environments).

Second, SED recognizes SoCalGas' plan for additional safety measures such as accelerated leakage surveys and patrolling during the requested extension period.

Furthermore, SED acknowledges the challenge of obtaining necessary environmental permits in a timely manner.

However, SED reviewed SoCalGas' 4 requests and hereby denies SoCalGas' requests to grant a formal extension request. Potential violations should be self-reported pursuant to CPUC Decision 18-05-023.

CPUC Decision 18-05-023, Appendix A, Section G states, in part:

> *3. Criteria for self-reporting potential violations:*
>
> > *a. A "potential" violation is a potential violation of GO 112-F, including the federal regulations incorporated into the program, CFR Title 49, Parts 190, 191, 192, 193, and 199 (for gas) and of GOs 95, 128, 165, 166, 174 (for electric) or other related applicable decisions, codes, or regulations; a potential violation that is voluntarily reportable is listed in Rules I.G.3.b and I.G.3.c below.*

SoCalGas' failure to meet the requirements of Title 49, Code of Federal Regulations (CFR) Part 192 may result in a potential violation which should be reported pursuant to CPUC Decision 18-05-023.

<u>Conclusion:</u>

Based on the aforementioned reason, SED does not believe granting a formal waiver (or extension) is the appropriate response to SoCalGas' four requests. SoCalGas should continue to implement additional safety measures such as accelerated leakage surveys and patrolling, with a goal to complete the SCCDA reassessment work as soon as practicable. Any failure to meet code requirements, including reassessment deadlines, should be reported through self-identified non-compliance notifications pursuant to CPUC Decision 18-05-023.

Furthermore, SoCalGas should retain documentation to substantiate its rationale for not completing a reassessment before its compliance due date.

On March 11, SED notified PHMSA of its decision to deny SoCalGas' extension requests. On March 18, PHMSA replied with no comments or objections.

If you have any questions, please contact Michelle Wei, at (213) 620-2780 or by email: miw@cpuc.ca.gov.

Sincerely,

Terence Eng

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

CC: Alex Hughes, SCG
Michelle Wei, SED/GSRB
Matthewson Epuna, SED/GSRB

Appendix A

a) <u>L1017</u>

SCG has evaluated 6.7 miles of L1017 using In-Line Inspection (ILI) and Stress Corrosion Cracking Direct Assessment (SSCDA) for External Corrosion (EC), Mechanical Damage (MD), and Stress Corrosion Cracking (SCC). Three SCCDA examinations remain and are pending permits from several municipalities and Caltrans. Permits to Caltrans, the FAA, and the City of Santa Ana were originally submitted February 2024. The permit from the FAA was received December 4, 2024 but the other two are still pending. Caltrans also requested that SCG request permits from the County of Orange, which were submitted January 16, 2025 and still pending. Once permits are obtained, SCG estimates that the assessments can begin on April 1, 2025. If it is determined that the assessments cannot be completed by the June 30, 2025 deadline, the pipeline will be evaluated to see what further risk reduction measures can be implemented. This will include temporary pressure reduction or shut-int/isolation of the impacted segments.

b) <u>L2051</u>

SCG has evaluated 45.1 miles of L2051 using ILI and SSCDA for EC, MD, and SCC. Three SCCDA examinations remain and SCG estimates that construction for the assessments can begin on February 10, 2025. Permits were submitted to the California Department of Fish and Wildlife (CDFW) on March 12, 2024 and were issued on December 20, 2024 but there was not enough time to complete the assessments before the December 31 deadline. If it is determined that the assessments cannot be completed by the June 30, 2025 deadline, the pipeline will be evaluated to see what further risk reduction measures can be implemented. This will include temporary pressure reduction or shut-int/isolation of the impacted segments.

c) <u>L5000</u>

SCG has evaluated 31.38 miles of L5000 using ILI and SSCDA for EC, MD, and SCC. Three SCCDA examinations remain and cannot currently be completed due to the winter season system capacity constraints. Initially, SCG had planned to begin construction for these assessments in October 2024, before the start of their winter gas season. However, the work needed to be postponed accommodating unforeseen safety related projects occurring on another backbone transmission pipeline. SCG estimates that the assessments can be completed by June 30, 2025. If it is determined that the assessments cannot be completed by the June 30, 2025 deadline, the pipeline will be evaluated to see what further risk reduction measures can be implemented. This will include temporary pressure reduction or shut-int/isolation of the impacted segments.

d) <u>L4002</u>

SCG has evaluated 15.1 miles of L4002 using ILI and SSCDA for EC, MD, and SCC. Three SCCDA examinations remain and are in challenging access and environmentally sensitive areas. These require complex planning and multiple permits from the San Bernardino National Forest (SBNF), San Bernardino County, and CDFW. Permits to the SBNF were submitted on September 27, 2024 but they responded in January 2025 and said they also required an archeological survey. The projected completion time for this survey is about 12 months if there are no impacts to a known resource in the vicinity. If an initial review does show a potential impact, a more thorough study could take 24 months. The San Bernardino County permit was submitted October 2, 2024 and is still pending. The CDFW permit has not been submitted yet, due to a required development of a water diversion plan for CDFW review. Preliminary estimates for obtaining all permits are September 1, 2025. Because this is past the 6-month extension deadline, SED and SCG had a meeting to discuss if permits could be accelerated or what the next steps were if assessment couldn't be completed in 6 months. SED will consult with PHMSA if there are any additional requirements if an operator cannot complete the assessment within the 6-month extension window. If it is determined that the assessments cannot be completed by the June 30, 2025 deadline, the pipeline will be evaluated to see what further risk reduction measures can be implemented. This will include temporary pressure reduction or shut-int/isolation of the impacted segments.