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



December 31, 2018

### GI2018-09-SCG-44

Mr. Jimmie Cho, Senior Vice President Southern California Gas Company 555 West 5<sup>th</sup> Street, GT21C3 Los Angeles, CA 90013

# Subject: Closure letter for General Order (G.O.) 112-F Operation and Maintenance Inspection of Southern California Gas Company's Goleta Storage Facility

Dear Mr. Cho:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission reviewed Southern California Gas Company's (SCG) response letter dated December 27, 2018 that addressed the violation and concerns identified during the GO 112-F inspection of SCG's Goleta Storage Facility on September 17-20, 2018.

Attached is a summary of SED's inspection findings, SCG's responses to SED's findings, and SED's evaluation of SCG's responses to the violation and concerns.

This letter serves as an official closure of the 2018 Comprehensive Inspection of SCG's Goleta Storage Facility.

Thank you for your cooperation in this inspection. If you have any questions, please contact Mahmoud (Steve) Intably, at (213) 576-7016 or by email: mai@cpuc.ca.gov.

Sincerely,

Matthewson Epuna Program and Project Supervisor - GSRB Safety and Enforcement Division

CC: Mahmoud (Steve) Intably, SED/GSRB, Matthewson Epuna, SED/GSRB, Kan Wai Tong, SED/GSRB, Kenneth Bruno, SED/GSRB, Claudia Almengor, SED/GSRB, and Troy Bauer, Sempra Energy Utilities

## Post-Inspection Written Preliminary Findings

Date of Transmittal: 11/22/2018

Dates of Inspection: 9-17 thru 20, 2018

Operator: SOUTHERN CALIFORNIA GAS CO

Operator ID: 18484

Inspection Systems: SCG's Goleta Storage Facility

Assets (Unit IDs): Goleta - Storage Facility (87077(44))

System Type: GT

Inspection Name: Goleta Storage Field

Lead Inspector: Mahmoud Intably

Operator Representative: Khoa Lei

## **Unsatisfactory Results**

# Facilities and Storage: Compressor Station System Protection (FS.CSSYSPROT)

Question Text Are gas engines in compressor stations equipped with mufflers that prevent gas from being trapped in the muffler?

References 192.171(e)

Issue Summary

Assets Covered Goleta - Storage Facility (87077 (44))

During the record review of Goleta Storage Field, SED's staff noted that Goleta Compressor station Unit #9, has a reciprocating engine exhaust gas equipped with model BEO-Engine Exhaust Silencer manufactured by Burgess-Aarding. The manufacture's description/specification of the model BEO-Engine Exhaust Silencer did not indicate that the model has vent slots or holes in the baffles of each compartment to prevent gas from being trapped in the muffler. SED noted that SCGs failed to take the necessary steps to ensure that the model BEO-Engine Exhaust Silencer is modified to prevent gas from being trapped in the muffler. Therefore, is in violation of General Order 112- F1, Reference title 49CFR, Part 192, §192.171(e).

#### SCG's Response:

SoCalGas performed internal inspections of the Main Unit #9 exhaust silencer and verified that vent holes are present in the baffles of each chamber of the silencer. As such, there is no violation of the General Order 112-F.

**Corrective Actions:** Documentation of the presence of the vent holes has been added to our equipment records.

#### SED's Conclusion:

SED has reviewed SCG's response and accepts the corrective actions that it has articulated and implemented. However, SED may review the records of the corrective action during future inspections.

## Concerns

### Design and Construction: Design of Pipe Components (DC.DPC)

Question Text Are anchors and supports being installed as required by 192.161?

References 192.141 (192.161(a), 192.161(b), 192.161(c), 192.161(d), 192.161(e), 192.161(f))

Assets Covered Goleta - Storage Facility (87077 (44))

Issue Summary 1

 During the field inspection of Goleta Storage Field, SED's staff observed that Line 5026 was supported with wooding supports temporarily coated with Pyrocrete 241 HD (cementitious fireproof material) until a permit is obtained from the California Coastal Commission. SED recommends that SCG expedite the replacement of the wooden supports.

#### SCG's Response:

Construction of the replacement supports began shortly after the audit and is now 100% complete. The work was performed pursuant to permits from the California Coastal Commission (Permit No. E-11-031-A2) and the County of Santa Barbara (Permit No. 17RVP-00000-00019.

#### SED's Conclusion:

SED has reviewed SCG's response and accepts the corrective actions that it has articulated and implemented. However, SED may review the records of the corrective action during future inspections.

## Design and Construction: Maintenance and Operations (DC.MO)

Question Text Does the process ensure that pipeline maintenance construction and testing activities are made to provide safety, as required of 192.605(b)?

References 192.605(b) (192.605(b)(9))

Assets Covered Goleta - Storage Facility (87077(44))

Issue Summary 1) SCG' procedure 223,0360 Instrument Maintenance and Metering Devices-Storage Field and Transmission Facilities, Section 4 Non-Custody Transfer Information Equipment reference SCG' procedure 185.0310, Measurement and Regulation Equipment: Inspection Schedule-Medium & Large Customer Meter Set Assemblies for inspection requirements. SCG's procedure 185.0310, Section 6, Instruments-Equipment Inspection Table did not include the process/steps needed to inspect and calibrate the Fisher Electro-Pneumatic transducer and Fisher positioner. SED recommends that SCG to review and revise its procedures to include the manufacturer's standard calibration procedure and to ensure that the Fisher relief valve 704-R is in a good working condition.

2) SCG' procedure 184.0275 Inspection Schedule-Regulator Station, Power Generating Plant Regulation Equipment Requirement, Appendix A, Section 4.11 check regulator lock-up states in part:

"Check all regulators, relief valves, and signaling devices for lock-up and record lockup difference" During the record review of measurement and regulation equipment, SED's staff observed that SCG' employees performing the inspection failed to log/record/enter the inspection result of the lock-up difference on the inspection form. SED recommends that SCG take the necessary steps to ensure the employees follow the instruction set forth in the procedure.

3) SCG' procedure 223.0345 Pressure Relief/Pressure Limiting Devices, Testing/Inspection, Section 11, Method-Pressure Limiting, Sub-Section 11.6 states in part:

"Result shall be documented on appropriate forms (i.e. MAXIMO order)"

During the record review of Pressure Relief/Pressure Limiting Devices, SED's staff observed that SCG' employees performing the inspection failed to document the lock-up result on the inspection form. SED recommends that SCG take the necessary steps to ensure the employees follow the instruction set forth in the procedure

#### SCG's Response:

- 1. This Fisher regulator is one of two shipping regulators utilized at the facility. Both shipping regulators were replaced in October 2018 and a new job instruction, which includes the manufacturer's recommendations, was written and added to the Maximo job plan.
- 2. Upon conclusion of the audit visit, SoCalGas reviewed this issue with the workgroup and clarified that the workgroup is required to follow the instructions as set forth in the procedure.
- 3. Upon conclusion of the audit visit, SoCalGas reviewed this issue with the workgroup and clarified that the workgroup is required to follow the instructions as set forth in the procedure. In addition, check marks will no longer be allowed, and a numerical value is required to be entered to record lockup.

#### SED's Conclusion:

SED has reviewed SCG's response and accepts the corrective actions that it has articulated and implemented. However, SED may review the records of the corrective action during future inspections.

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

Question Text Is pipe that is exposed to atmospheric corrosion protected?

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

Assets Covered Goleta - Storage Facility (87077 (44))

Issue Summary 1. During the field inspection of Goleta Storage Field, SED's staff observed that pipe supports for Line 5026 and Line 247 were in contact with a pipe (scraping the surface of the pipe) resulting in a coating damage to the pipe. SED recommend that SCG take the necessary steps to install Micarta to prevent coat damage and to paint the pipe to prevent any atmospheric corrosion.

#### SCG's Response:

- 1. Line 247: This issue was corrected the day after it was noted by SED.
- 2. Line 5026: This issue has been corrected as part of the project to replace the pipe supports.

#### SED's Conclusion:

SED has reviewed SCG's response and accepts the corrective actions that it has articulated and implemented. However, SED may review the records of the corrective action during future inspections.