

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



July 23, 2019

GI-2019-05-SCG-42

Mr. Rodger Schwecke, Senior Vice President  
Gas Transmission, Storage & Engineering  
Southern California Gas Company  
555 West 5th Street, GT21C3  
Los Angeles, CA 90013

**SUBJECT: General Order 112-F Operation and Maintenance Inspection of Southern California Gas Company's Honor Rancho Storage Area**

Dear Mr. Schwecke:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a G.O. 112-F Comprehensive Operation and Maintenance Inspection of Southern California Gas Company's (SCG) Honor Rancho Area (Inspection Unit) on May 20 through May 23, 2019 for calendar years 2016 thru 2018. 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. SED conducted field inspections of pipeline facilities in the Honor Rancho Storage within the Inspection Unit. SED's staff also reviewed the Operator Qualification program, which included field observation of randomly selected individuals performing covered tasks.

SED's staff identified three (3) probable violations of G.O. 112-F, Reference Title 49 Code of Federal Regulations (CFR), Part 192, and noted twenty-three (23) concerns and these are described in the attached "Post-Inspection Written Preliminary Findings".

Please provide a written response within 30 days of receipt of this letter indicating any updates or corrective actions taken by SCG to address the probable violations and the concerns noted in the "Post-Inspection Written Preliminary Findings".

If you have any questions, please contact Gordon Kuo, at (213) 618-5263, or by email: GK2@cpuc.ca.gov

Sincerely,

A handwritten signature in blue ink that reads "Dennis Lee".

Dennis Lee, P.E.  
Program & Project Supervisor  
Gas Safety and Reliability Branch  
Safety and Enforcement Division

cc: Gordon Kuo, SED ([Gk2@cpuc.ca.gov](mailto:Gk2@cpuc.ca.gov))  
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# Post-Inspection Written Preliminary Findings

Date of Transmittal: 05/23/2019

Dates of Inspection: 5/20/19-5/23/19

Operator: SOUTHERN CALIFORNIA GAS COMPANY

Operator ID: 18484

Inspection Systems: Honor Rancho Storage Area

Assets (Unit IDs): Honor Rancho (88720)

System Type: GT

Inspection Name: 2019 Honor Rancho Storage Area/facilities

Lead Inspector: Gordon Kuo

Operator Representative: Khoa Le, Pipeline Safety and Compliance Advisor

## Unsatisfactory Results

### 1. 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 Honor Rancho (88720)

Issue Summary During the field inspection, SED staff observed that the aboveground pipelines had a missing /damaged pipe support that may cause undue strain and excessive vibration at the following locations:

1. Valve Station 4 - HR-NG-VS4-003 – Missing support (dead end flange)
2. Valve Station 1- Missing support for the flange
3. Withdrawal dead end flange outside the compressor building had a missing pipeline support

Title 49 CFR States

192.161 Supports and anchors.

(a) Each pipeline and its associated equipment must have enough anchors or supports to:

- (1) Prevent undue strain on connected equipment;
- (2) Resist longitudinal forces caused by a bend or offset in the pipe; and
- (3) Prevent or damp out excessive vibration.

Therefore, SED found that SoCalGas is in violation of GO 112-F, Reference Title 49 CFR, Part 192, Section 192.161(a).

## Concerns

### 1. Facilities and Storage: Gas Storage Field (Aboveground) (FS.GS)

Question Text Are the cathodic protection practices for field piping and related storage field facilities adequate?

References 192.463(a)

Assets Covered Honor Rancho (88720)

Issue Summary During the field inspection, SED observed that the CP reading at test station HR-WF-17.10-P, was out of tolerance (-0.81V). SED recommends that SCG take remedial action to address the low CP read.

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

Question Text Are line markers placed and maintained as required?

References 192.707(a) (192.707(b), 192.707(c), 192.707(d))

Assets Covered Honor Rancho (88720)

Issue Summary During the field inspection, SED staff observed that an aboveground pipeline near valve station 11 had a missing line marker. SED recommends that SCG install and maintain the line marker.

### 3. Time-Dependent Threats: Atmospheric Corrosion (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 Honor Rancho (88720)

Issue Summary During the field inspection, SED staff observed that SCG's aboveground pipelines had atmospheric corrosion and damaged (dis-bonded) coatings at soil-to-air interfaces at the following locations:

- Near CP read point HR-WF-17.10-P-pipe to soil coating damage
- Well #16 – atmospheric corrosion, paint chippings, and cracks
- Well #24– atmospheric corrosion

- Well # WEZU 22 near weld junction at HR-WF-22.10-P– atmospheric corrosion, paint chippings, and cracks
- Well # WEZU 22 near relief Valve HRW-022-RV1–atmospheric corrosion, paint chippings, and cracks
- Valve station #12– atmospheric corrosion
- Outside Compressor Building near ESD Station #15– atmospheric corrosion, paint chippings

SCG's Gas Standard 184.12 Inspection of Pipelines on Bridges and Spans, Section 4.1.4 states in part:

“Deterioration of protective coatings:

1. If the pipe is wrapped, are there any cracks or voids?
2. If the pipe is painted, are there any chips, cracks, and/or flaking?”

SED recommends that SCG gives particular attention at soil-to-air interfaces and take remedial action whenever necessary to maintain protection on the aboveground pipeline against atmospheric corrosion

## 4. Generic Questions: Generic Questions (GENERIC.GENERIC)

Question Text Generic question - please provide context in result notes.

References

Assets Covered Honor Rancho (88720)

Issue Summary

1) During the field inspection, SED staff observed the following:

1.1 Well # WEZU 13 had a leak at the grease fitting of HRW-013-01, a leak at K2, HRW-013-K2, and a leak at Emergency safety box.

1.2 Well # 16 had a leak at emergency safety box, HR-NG-446.

1.3 C7 – Fire Training site, SED found a displaced/out of position insulation (Micarta) under pipe HR-WF-3F-B-P. In addition, SED staff found that a pipeline bracket support was pushing against the pipe support bracket at pipe #HR-WF-1-WD-P.

1.4 Outside Compressor building, an injection pipe near ESD station #16 has a loose bracket support, a crack foundation on the injection side near ESD station #16, and a tubing carrying lubrication oil for the compressor was leaking.

1.5 During the field inspection, SED observed that the emergency lighting system at the compressor station had two light bulbs burned-out.

1.6 Valve Station #5 had heavy vegetation in contact with above ground pipelines and soil erosion.

1.7 Valve station #1 -Near HR-WF-01-OK-P had a missing insulation (Micarta) between the support and the pipe.

SCG's Gas Standard 184.12 Inspection of Pipelines on Bridges and Spans, Section 4.1.8 requires employees to clear vegetation in contact with pipelines, Section 4.1.6 requires employees to make note of erosion where the pipe contacts the ground, and Section 4.1.5 requires pipelines to have proper insulation between the support and the pipe.

SED recommends that SCG takes appropriate corrective measure to clear vegetation, to address the erosion, to have proper insulation between the support and pipe, to replace the

burned light bulbs, and to repair the gas leaks.

- 2) During the field inspection, SCG's employee stated to SED's staff that he will not be able to perform the inspection on the YZ odorant injection unit because of a nearby gas leak. SED reviewed the Gas Standard for the YZ odorant injection unit inspection and did not find any section indicating that such inspection should be aborted in case of a nearby gas leak. SED recommends that SCG review its training manuals and inspection procedures to ensure such inspection could be performed accordingly.
- 3) During the field inspection, SED staff observed a leakage survey on an SCG pipeline by Eric Chavez and found that Mr. Chavez did not follow SCG's Gas Standard to visually examine and survey above ground facilities.

SCG's Gas Standard 223.0100 Leakage Surveys, Section 4.5.2 states in part:

"Survey shall include visual examination of all above ground facilities"

SCG's Gas Standard 223.0100, Section 4.5.5.6 states in part:

"Survey all risers and other above ground Company Infrastructure including meters set assemblies"

SED recommends that SCG takes the appropriate measure to ensure its employees familiar with and following applicable Gas Standards when performing compliance duties.

- 4) During record review for work order #1216 (year 2016), the SCG PCMR Form did not include a section to log the pipeline conditions from internal corrosion inspection/examination when a pipeline is exposed. SED recommends that SCG add the section in the PCMR Form for documentation of the internal corrosion inspection/examination of its pipelines.
- 5) During record review, SED found that the inspection records for the fire hydrant (test and certification) were missing for year 2018. SED recommends that SCG retain and organize appropriate records to ensure compliance.
- 6) During the record review, SED found that the following work orders were missing a checklist/supervisor approval:
  - Work order #5936646 (year 2015) – Supervisor did not review/approve the work order
  - Work order #6044900 (year 2016) – Supervisor did not review/approve the work order
  - Work order #6815155 (year 2018) – Missing Bridge and Span Inspection Checklist and supervisor did not review/approve the work order.

SCG's Gas Standard 184.12 Inspection of Pipeline on Bridge and Span, Section 2 requires employees to complete the Bridge and Span Inspection Checklist and for Field Supervisors to review all inspection information.

SED recommends that SCG remind its supervisors the importance of completing the work reviews according to the Gas Standard.