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September 23, 2022

Mr. Terence Eng, P.E.,
Program Manager, Gas Safety and Reliability Branch,
Safety and Enforcement Division,
California Public Utilities Commission,
505 Van Ness Ave, 2nd Floor
San Francisco, CA 94102

Dear Mr. Eng:

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 Distribution Integrity Management Programs (DIMP) of Southern California Gas Company (SCG) and San Diego Gas and Electric Company (SDG&E). SED also reviewed SCG and SDG&E's compliance with Section 114 of the 2020 Protecting our Infrastructure of Pipelines and Enhancing Safety (PIPES) Act. The inspection took place between May 16-20, 2022.

SED staff identified one (1) violation and two (2) areas of concern regarding DIMP and one (1) concern regarding Section 114. Attached are SoCalGas' written responses.

Please contact Alex Hughes at (949)697-2539 if you have any questions or need additional information.

Sincerely,

Alex Hughes
Pipeline Safety and Risk Mitigation Manager

CC:
Dennis Lee, SED/GSRB
Sikandar Khatri, SED/GSRB
Claudia Almengor, SED/GSRB

2022 SoCalGas/SDG&E DIMP & Section 114 Audit Response

Violation(s)

1. **Design and Construction: Pressure Testing (DC.PT)**

Question:	1. Do records indicate that pressure testing is conducted in accordance with 192.513?
References:	192.517(b) (192.513(a), 192.513(b), 192.513(c), 192.513(d))
Assets Covered:	88390, 88391 (Multi Unit)
Issue Summary:	SDG&E was unable to provide the pressure test records for SDG&E's DREAMS (Distribution Risk Evaluation and Monitoring System) project "DIMP 591311-Bruce Rd_530000138346" which was executed between 2/21/19 - 3/21/19. Section 7.3 of SDG&E Procedure D7265 published on 5/31/2018 states in part, "Each record must contain the following information which may be written on the back of the record or recording chart or entered into the form stamped on the back of the pressure recording chart… Test Pressure". Therefore, SDG&E is in violation of Title 49 Code of Federal Regulations §192.517(b) for failing to keep the record of pressure test results for this project. SDG&E is also in violation of Title 49 Code of Federal Regulations §192.605(a) by not following its Gas Standard procedure, GS D7265 effective during the period.

Response & Actions

SDG&E acknowledges that the records, specifically the test pressure for 8 services, for DIMP project 530000138346 were not recorded as required by company gas standard D7265 - Pneumatic Test Requirements for Pipelines Operating at 60 PSIG or less.

• As of 9/8/2022, SDG&E has retested and recorded the pressure test for the 8 services in accordance with company gas standard D7265 - Pneumatic Test Requirements for Pipelines Operating at 60 PSIG or less under work order 300000513059.

• The finding was shared and discussed with all impacted company employees and contractors in order to share lessons learned and emphasize the importance of properly capturing, recording, and providing pressure test information.

• The training department at SDG&E is currently reviewing the associated training for documenting the results of a pressure test and will implement improvements as appropriate.

• Additionally, SDG&E is currently reviewing the closeout process for construction projects with stakeholders and will be addressing the roles and responsibilities for verifying records associated with the job are traceable, verifiable, and complete.

Concern(s)

2. **Design and Construction: Construction (DC.CO)**

Question: 5. Do records indicate persons making joints in plastic pipelines are qualified in accordance with 192.285?

References: 192.285(d) (192.285(a), 192.285(b), 192.285(c), 192.807(a), 192.807(b))

Assets Covered: 88390, 88391 (Multi Unit)

Issue Summary: SED reviewed a sample of construction documents of DIMP (Distribution Integrity Management Program) projects. The information on plastic joiners and type of joints was available on "General Service Order, GSO" for services, however, SCG and SDG&E informed SED that for distribution main projects, there is no form available, and the only record is the "Completion Sketch". SED did not find this information on these sketches. Complete and accurate information is important for the integrity of the gas pipelines; therefore, SED recommends recording this information either on "Completion Sketch" or in other forms for retrieval when necessary.

The same concern was highlighted in the previous DIMP inspection in 2021. In the follow-up presentation during the kick-off meeting for the 2022 DIMP inspection, the operator apprised that it is exploring technologies to enhance the construction documentation process. SED recommends that as an interim solution, manual/electronic notes be recorded to document this information.

Response & Actions:

SoCalGas/SDG&E continues to explore both interim and longer- term solutions to capture information related to plastic joiners and type of joints. Identifying and selecting a viable solution includes many considerations. Some of which include technology reviews, training requirements, changes/impacts to current workforce procedures, overall risk analysis, deployment options and system sustainability with increased data entry/storage. Another key discussion topic revolves around data security/accuracy being that non-SoCalGas/SDG&E employees (contractors) who perform these tasks, will also be involved with this new solution. SoCalGas/SDG&E will continue our discovery and planning efforts and report back with a status update to SED by end of year (2022).

3. **Gas Distribution Integrity Management: Identify Threats (GDIM.TH)**

Question: 4. In identifying threats, do the procedures include consideration of all of the required threat categories to each gas distribution pipeline?

References: 192.1007(b)

Assets Covered: 88390, 88391 (Multi Unit)

Issue Summary: SED discussed with SCG and SDG&E the cybersecurity aspect of its distribution gas system. The staff of Cybersecurity, Risk and Compliance

group presented an overview of measures in place for cyber-security threats for the companies.

SED recommends that SCG and SDG&E's DIMP team evaluate cybersecurity as a potential threat for its gas distribution system. SED recommends that SCG and SDG&E's DIMP team should complete a cybersecurity assessment of its gas distribution system to identify potential gaps or vulnerabilities in the system such as loss of service, loss of data, effect of cyber-attack on its transmission system and effect of cyber-attack on IT and OT (Information Technology and Operational Technology) systems of the company etc. In addition, SED recommends SCG/SDG&E designate a DIMP coordinator/Subject Matter Expert (SME) to serve on various teams of the companies who work on cybersecurity threats.

Response & Actions:

SoCalGas/SDG&E's DIMP team is conducting a cybersecurity threat evaluation for its gas distribution system. Based on the results from the evaluation, DIMP processes will be assessed in collaboration with other cybersecurity processes in the company, as necessary. In addition, SoCalGas/SDG&E's DIMP team already has members currently serving on various IT and/or OT teams in the company that work on cybersecurity threats. This approach allows for timely information sharing between different organizations and for the company to learn and adapt quickly to manage the complex/sophisticated cybersecurity challenges.

4. **Section 114 : Section 114 - Gas Distribution (114.GD)**

Question: 5. Do procedures provide a methodology for identifying sources of fugitive natural gas emissions in the system?

References: 49 U.S.C. 60108(a)

Assets Covered: 88390, 88391 (Multi Unit)

Issue Summary: In response to an SED data request, SCG/SDG&E stated that examples of natural gas use as a fuel in its distribution system include natural gas fueled cathodic protection rectifiers, sensing lines, and natural gas-powered actuators. On a further inquiry, SCG/SDG&E informed SED that there is no document that talks about these uses and the possibility of fugitive emissions from the natural gas-powered actuators through venting and through components of a natural gas fired rectifiers. SCG/SDG&E also stated that no studies have been performed on fugitive emissions for equipment that uses gas for power, however, SCG has initiated research looking at fugitives associated with the actuators that is currently in progress.

SED recommends that SCG/SDG&E should identify all uses of natural gas as a fuel in its distribution system and formally document the same. In addition, studies should be carried out for all possible fugitive emissions for these uses of natural gas fueled cathodic protection rectifiers, sensing lines, and natural gas-powered actuators and others if identified. The

methods should be identified, documented, and implemented to minimize these emissions. Additionally, research initiated by SCG for fugitive emissions associated with actuators should be extended to SDG&E.

Response & Actions:

SoCalGas/SDG&E natural gas emissions associated with Distribution lines and facilities are identified, quantified, and documented in Appendix 4 & 5 of the SB 1371 Annual Emissions Report, submitted to the CPUC. No additional studies are necessary at this time as current methods are identified, documented and implemented to minimize emissions. Per Gas Standard 223.0100 (SoCalGas) section 4.1 and G8145 (SDG&E) section 4.1, Distribution performs leakage surveys of gas facilities at specified intervals using various methods. SoCalGas/SDG&E leakage surveys are inclusive of equipment at all Distribution lines and facilities including equipment that uses natural gas as a fuel, leading to measures to mitigate/reduce any emissions.