

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 29, 2022

GI-2022-05-SCG-65-02ABC

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 NW San Joaquin Valley Distribution Area (Inspection Unit)** on May 2 through May 6, 2022. 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 calendar years 2018 to 2021 and field inspections of pipeline facilities in the Bakersfield, Hanford, Porterville, and Visalia Distribution Districts. SED's staff also reviewed the implementation of the Operator Qualification program, which included field observation of randomly selected individuals performing covered tasks.

SED's staff noted nine (9) areas of concern which are described in the attached "Post-Inspection Written Preliminary Findings".

Please provide a written response within 30 days of your receipt of this letter indicating the measures taken by SoCalGas to address the concerns noted in the "Post-Inspection Written Preliminary Findings".

Thank you for your cooperation in this inspection. If you have any questions, please contact Gordon Kuo, Utilities Engineer, at (213) 618-5263 or by email at gk2@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Terence Eng".

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

cc: Alex Hughes, SoCalGas
Gwen Marelli, SoCalGas
Gordon Kuo, SED/GSRB
Kan-Wai Tong, SED/GSRB
Mahmoud (Steve) Intably, SED/GSRB
Claudia Almengor, SED/GSRB

Post-Inspection Written Preliminary Findings

Date of Transmittal: 08/23/2022

Dates of Inspection: May 2-6, 2022

Operator: SOUTHERN CALIFORNIA GAS CO

Operator ID: 18484 (primary)

Inspection Systems: Bakersfield, Hanford, Porterville, and Visalia Distribution Districts

Assets (Unit IDs) with results in this report: Northwest - San Joaquin Valley (87048)

System Type: GD

Inspection Name: SoCalGas NW Distribution - San Joaquin Valley

Lead Inspector: Gordon Kuo

Operator Representative: Austin Walker, Miguel Gamboa, Francisco Santa Cruz, Miguel Gamboa

Unsatisfactory Results

No Findings.

Concerns

Records : Operations And Maintenance (PRR.OM)

Question Title, ID Normal Operations and Maintenance Procedures - History, MO.GO.OMHISTORY.R

Question 2. Are construction records, maps and operating history available to appropriate operating personnel?

References 192.605(a) (192.605(b)(3))

Assets Covered Northwest - San Joaquin Valley (87048 (65))

Issue Summary Records for vault work order 520002773599 indicated that the sizes of the two vaults of Reg Station DRS 6677N were 200 cubic feet. During field visit on 5/5/2022, SoCalGas measured the vaults and confirmed that they were 6 feet x 6 feet x 5 feet (180 cubic feet). SED requests that SoCalGas updates the vaults' size on their records. On 5/20/22, SoCalGas updated SED that it had removed the vaults from the 200 cubic feet category. SED believes that SoCalGas has adequately addressed the discrepancy of the size description and accepts this correction taken by SoCalGas, but may review and reassess this item in future inspections.

Question Title, ID Maintenance of Equipment Used in Joining of Plastic Pipe by Heat Fusion, MO.GM.EQUIPPLASTICJOINT.R

Question 36. Do records indicate equipment used in joining plastic pipe by heat fusion was maintained in accordance with the manufacturer's recommended practices or with written procedures that have been proven by test and experience to produce acceptable joints?

References 192.603(b) (192.756)

Assets Covered Northwest - San Joaquin Valley (87048 (65))

Issue Summary Per SoCalGas, there are no requirements for taking pictures or other methods of capturing and maintaining records of equipment used in joining plastic pipe by heat fusion. While SoCalGas and SED acknowledge that GS 184.0130 requires employees to use approved and calibrated IR thermometers, there is no method outlined in the written procedures to keep track of which IR thermometer was used for a given project. Without the ability to track IR thermometers used in a given construction project, the IR thermometers' calibration records cannot be provided for review. Accordingly, IR thermometer calibration records were not provided for review during the inspection for projects such as Notification# 2040914037.

SED recommends SoCalGas to develop and implement record keeping requirements to identify and record specific information (e.g. Capital Tool number, calibration date) for calibrated equipment used in any given plastic pipe joining such as an additional form for plastic pipe joining records or another set of work records.

Pipeline Field Inspection : Pipeline Inspection (Field) (FR.FIELDPIPE)

Question Title, ID Customer Meters and Regulator Location, DC.METERREGSVC.CUSTOMETERREGLOC.O

Question 4. Are meters and service regulators being located consistent with the requirements of 192.353?

References 192.351 (192.353(a), 192.353(b), 192.353(c), 192.353(d))

Assets Covered Northwest - San Joaquin Valley (87048 (65))

Issue Summary On 5/5/2022, SED observed SoCalGas personnel perform a leak survey on map 3-57. At the address of [REDACTED] Visalia, SED observed tire tracks and a parked motorcycle near a meter set assembly (MSA). Although the path leading to the MSA was not paved, SED believed that vehicular activity did occur near the MSA and could pose a risk of damage to the MSA. SED suggested SoCalGas consider placing protective bollards at this location to prevent any vehicular access and damage to its meter. On 5/20/22, SoCalGas responded to and adequately addressed this concern by installing protection railings and bollards around the MSA. SED accepts the remedial action taken by SoCalGas, but may review and reassess this item in future inspections.

Question Title, ID Rectifier or other Impressed Current Sources, TD.CPMONITOR.CURRENTTEST.O

Question 17. Do field observations confirm impressed current sources are properly maintained and are functioning properly?

References 192.465(b)

Assets Covered Northwest - San Joaquin Valley (87048 (65))

Issue Summary On 5/5/2022, SED observed a field inspection of SoCalGas' cathodic protection systems. SED found that read point M00 of cathodic protection area (CPA) SL563-003 was -0.544 V, which was less negative than the -0.850 V requirement listed in Appendix D to 49 CFR Part 192. SoCalGas was able to raise the read to -0.719 V after adjusting its rectifier settings. After further diagnosis of the rectifier anodes by SoCalGas on 5/11/2022, SoCalGas planned to install a new deep well anode pit to bolster the cathodic protection current for the CPA. SED requests a copy of the work plan and/or work progress from SoCalGas regarding its permanent remediation of this cathodic protection deficiency for future reference.

Question Title, ID Interference Currents, TD.CPMONITOR.INTFRCURRENT.O

Question 22. Are areas of potential stray current identified, and if found, the detrimental effects of stray currents minimized?

References 192.473(a)

Assets Covered Northwest - San Joaquin Valley (87048 (65))

Issue Summary On 5/4/2022, SED observed that SoCalGas CPA SL 151-2 in the Bakersfield district, which contains a critical interference bond, was found to be down. SED requests SoCalGas to promptly take remedial actions for this CPA.

Question Title, ID Atmospheric Corrosion Monitoring, TD.ATM.ATMCORRODEINSP.O

Question 27. Do field observations indicate that pipe exposed to atmospheric corrosion is properly coated?

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

Assets Covered Northwest - San Joaquin Valley (87048 (65))

Issue Summary #1: During leak surveys, SED observed signs of atmospheric corrosion at several MSAs. SED requested SoCalGas to assess the aboveground pipelines coating and remediate any atmospheric corrosion issues at the following locations:

- [REDACTED] Lemoore
- [REDACTED] Lamont
- [REDACTED] Lamont
- [REDACTED] McFarland

On 5/20/22022, SoCalGas responded to and adequately addressed this concern by remediating the coating and atmospheric corrosion issues. SED accepts the remedial action taken by SoCalGas but may review and reassess this item in future inspections.

#2: During vault inspections on 5/5/2022, SED observed signs of atmospheric corrosion inside a vault structure, SAP ID: GD.NOR.VSL.CM.C0000012547, [REDACTED] Visalia. SED requested SoCalGas to assess and remediate any atmospheric corrosion issues.

On 5/20/2022, SoCalGas responded to and adequately addressed this concern by remediating the observed issue on 5/12/22 (WO#520003043810). SoCalGas dewatered and cleaned the vault. SoCalGas also cleaned and recoated the MSA within the vault. SED accepts the remedial action taken by SoCalGas, but may review and reassess this item in future inspections.

Question Title, ID Valve Maintenance Distribution Lines, MO.GM.DISTVALVEINSPECT.O

Question 37. Is proper inspection being performed for each distribution system valve that might be required in an emergency, and prompt remedial action to correct any valves found inoperable?

References 192.747(a) (192.747(b))

Assets Covered Northwest - San Joaquin Valley (87048 (65))

Issue Summary On 5/5/2022, SED observed the field inspection of Plug Valve 38000160. During this inspection, SED found that SoCalGas was not able to operate the plug valve, even with 3 employees. Subsequently, this inspection was marked as incomplete because the employees did not have enough time to lube the valve and confirm whether it was inoperable or hard to operate. SED requested SoCalGas to complete the inspection and provide the final work order detailing the results of this valve inspection, along with any other remedial actions taken if the valve was found to be inoperable.

On 5/20/22, SoCalGas responded to and adequately addressed this concern by flushing and operating the valve on 5/12/22. SoCalGas was able to return the valve to normal operating condition. SED accepts the remedial action taken by SoCalGas, but may review and reassess this item in future inspections.

Question Title, ID Prevention of Accidental Ignition, AR.RMP.IGNITION.O

Question 39. Perform observations of selected locations to verify that adequate steps have been taken by the operator to minimize the potential for accidental ignition.

References 192.751(a) (192.751(b), 192.751(c))

Assets Covered Northwest - San Joaquin Valley (87048 (65))

Issue Summary 1. On 5/4 - 5/2022, SED observed regulator station inspections and found no deployment of Barricades and cautionary signage near SoCalGas' Regulator Stations, RS 6297 and RS 667N, where their operations might create a gaseous atmosphere leading to the potential for accidental ignition during purging and bleeding of the gas from their pipelines.

On 5/20/22, SoCalGas stated that their crew would follow the SoCalGas Gas Standards SCG GS 185.0275 to implement signage in line with SCG GS 166.0025. In addition, SoCalGas' M&R workgroup would work with the policy holder of SCG GS 185.0275 on procedural changes. SED accepts the remedial action taken by SoCalGas, but may review and reassess this item in future inspections.

2. On 5/5/2022, during a vault inspection of Mt Whitney LCVM, a pre-entry inspection for natural gas indications was done via CGI. However, the Altair 5X multi-gas indicator was not activated and placed for sampling until a few minutes after the M&R personnel had entered the vault and begun their work. Per SoCalGas' Gas Standard 223.0210 - Vault Maintenance and Inspection 4.2, subsequent tests are to be conducted to insure a safe atmosphere. On 5/20/22022, SoCalGas responded to and adequately addressed this concern by reviewing the SoCalGas' Gas Standard on 5/13/22022 and documented the understanding of the Gas Standard between the employee and Visalia M&R work group on an Enterprise Training Form 5300. SED accepts the remedial action taken by SoCalGas, but may review and reassess this item in future inspections.

Generic Questions : Generic Questions (GENERIC.GENERIC)

Question Title, ID Generic Question, GENERIC.GENERIC.GENOBSERVE.O

Question 1. Generic question - please provide context in result notes.

References N/A

Assets Covered Northwest - San Joaquin Valley (87048 (65))

Issue Summary 1. During several leak surveys, SED observed the discovery of several leaks at the following addresses. Please provide the follow-up work orders for these leaks.

- [REDACTED] Lemoore (Leak survey map 99-52)
- [REDACTED] Lemoore (Leak survey map 99-52)
- [REDACTED] Lemoore (Leak survey map 99-52)
- [REDACTED] Porterville (Leak survey map 72-89)
- [REDACTED] Porterville (Leak survey map 72-89)

2. On 5/4/22, M&R field personnel were unable to fault two GMI units used at DRS ID 6297 and field tested at EPM ID 44003 in the Bakersfield district. On 5/6/22, SoCalGas stated both GMI Gasurveyors used by SoCalGas employees 63912 and 57526 (Tag 117970) were unable to show fault while conducting glove test and sent to Pico for further examination. SED would like to request a brief update on SoCalGas' findings and whether the condition encountered were caused by an isolated or systemic cause.