

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

July 6, 2023

GI-2023-05-SCG-51-02

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 Harbor Corridor Distribution Area (Inspection Unit)** on May 8 through 12, 2023 and May 15, 2023. 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 January 1, 2018, through December 31, 2022, and field inspections of SoCalGas' pipeline facilities in Huntington Park, Compton, San Pedro and 182nd districts. SED's staff also reviewed the implementation of SoCalGas' Operator Qualification program, which included field observation of randomly selected individuals performing covered tasks.

SED staff identified one (1) probable violation of G.O. 112-F, Reference Title 49 Code of Federal Regulations (CFR), Part 192, and four (4) areas of concern which are described in the attached "Post-Inspection Written Preliminary Findings".

Please provide a written response within 30 days of 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

Attachments: see Post-Inspection Written Preliminary Findings
cc: see next page.

Alex Hughes, Pipeline Safety and Risk Mitigation Manager
Pipeline Safety and Compliance
Southern California Gas Company
555 West 5th Street
Los Angeles, CA 90013

Larry Andrews, Emergency Strategy & Operations Manager
Southern California Gas Company
555 West 5th Street
Los Angeles, CA 90013

Mahmoud Intably, PE
Program and Project Supervisor
Gas Safety and Reliability Branch
Safety and Enforcement Division

Kan-Wai Tong, PE
Senior Utilities Engineer (Supervisor)
Gas Safety and Reliability Branch
Safety and Enforcement Division

Gordon Kuo
Senior Utilities Engineer
Gas Safety and Reliability Branch
Safety and Enforcement Division

Claudia Almengor
Associate Governmental Program Analyst
Gas Safety and Reliability Branch
Safety and Enforcement Division

Post-Inspection Written Preliminary

Findings

Dates of Inspection: May 18 through 12, 2023

Operator: SOUTHERN CALIFORNIA GAS CO

Operator ID: 18484 (primary)

Inspection Systems: Huntington Park, Compton, San Pedro and 182nd districts

Assets (Unit IDs) with results in this report: Northwest - Harbor Corridor (87038)

System Type: GD

Inspection Name: SoCalGas NW Distribution - Harbor Corridor

Lead Inspector: Gordon Kuo

Operator Representative: Edwin Baires, PSCA-Team Lead; James Cervantes, PSCA; Frank Santa Cruz, PSCA

Unsatisfactory Results

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

1. Question Atmospheric Corrosion Monitoring, TD.ATM.ATMCORRODEINSP.R
Title, ID

Question 4. Do records document inspection of aboveground pipe for atmospheric corrosion?

References 192.491(c) (192.481(a), 192.481(b), 192.481(c), 192.481(d))

Assets Covered Northwest - Harbor Corridor (87038 (55))

Issue Summary Title 49, CFR Part192, §192.481(a) states in part:

"Each operator must inspect and evaluate each pipeline or portion of the pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:

<i>Pipeline type:</i>	<i>Then the frequency of inspection is:</i>
<i>(1) Onshore other than a Service Line</i>	<i>At least once every 3 calendar years, but with intervals not exceeding 39 months.</i>

During records review of SoCalGas' inspections of aboveground pipe for atmospheric corrosion, SED found that SoCalGas did not inspect and evaluate aboveground pipe asset #B-17 within the required 39-month window. SoCalGas personnel stated that they were unable to gain access to inspect the aboveground pipe due to a permitting requirement.

SoCalGas stated that the permit was approved only recently to gain access to inspect and evaluate the asset #B-17. According to SoCalGas' records, the last inspection of the asset #B-17 was completed prior to 2020. SED urges SoCalGas to be proactive in obtaining the necessary permits to meet inspection interval requirements. SED found SoCalGas in violation of §192.481(a) for its failure to inspect aboveground pipe asset #B-17 for atmospheric corrosion within the required interval.

Concerns

Design and Construction: Meters, Service Regulators, and Service Lines (DC.METERREGSVC)

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

Question 1. 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 - Harbor Corridor (87038 (55))

Issue Summary Title 49, CFR Part192, §Code 192.353(a) states:

"(a) Each meter and service regulator, whether inside or outside a building, must be installed in a readily accessible location and be protected from corrosion and other damage, including, if installed outside a building, vehicular damage that may be anticipated."

During the field inspection on May 11, 2023, SED observed Meter Set Assembly (MSA) at [REDACTED] Los Angeles, exposed to vehicular traffic and was not adequately protected to prevent vehicular damage. On May15, 2023, SoCalGas generated Work Order #540000560970 to install protective bollards. SED requests SoCalGas to provide a copy of the work order completion along with photos of the MSA and the protective bollards.

On June 13, 2023, SoCalGas provided SED information on Service Order #540000561316, along with photos of the site before and after showing the gas riser to have been relocated away from vehicular damage. SED accepts the corrective actions taken by SoCalGas but may review and revisit in a future inspection. No further response is required by SoCalGas.

Time-Dependent Threats: External Corrosion - CP Monitoring (TD.CPMONITOR)

2. Question Cathodic Protection Monitoring Criteria, Title, ID TD.CPMONITOR.MONITORCRITERIA.O

Question 3. Are methods used for taking CP monitoring readings that allow for the application of appropriate CP monitoring criteria?

References 192.465(a) (192.463(b), 192.463(c), 192.463(a))

Assets Covered Northwest - Harbor Corridor (87038 (55))

Issue Summary Title 49, CFR Part192, Section 192.463(a) states that:

"Each cathodic protection system required by this subpart must provide a level of cathodic protection that complies with one or more of the applicable criteria contained in appendix D of this part. If none of these criteria is applicable, the cathodic protection system must provide a level of cathodic protection at least equal to that provided by compliance with one or more of these criteria."

During the field inspection on May 12, 2023, SED observed the following Cathodic Protection (CP) packages with -0.850 volt criterion had the following pipe to soil reads:

- CP package CO413-9:
 - Read point "F" measured -0.835 volt.
 - Read point "C" measured -0.756 volt.
 - Read point "D" measured -0.775 volt.
- CP package CO162W-7, read point "I" measured -0.764 volt.
- CP package LA3223-3, read point "M" measured -0.826 volt.

SED recommends SoCalGas follow its Gas Standard 186.0135 "Operation and maintenance of Cathodic Protection Facilities" and take the necessary corrective measures to restore cathodic protection to the above CP packages to ensure compliance with Title 49, CFR Part 192, §192.463(a).

On June 14, 2023, SoCalGas provided SED troubleshooting Service Orders #520003394011, #520003392865, and #520003394587 for the downed CP areas. SED requests SoCalGas provide an update on the troubleshooting Service Orders.

Training and Qualification: OQ Protocol 9 (TQ.PROT9)

3. Question Covered Task Performance, TQ.PROT9.TASKPERFORMANCE.O Title, ID

Question 2. Verify the qualified individuals performed the observed covered tasks in accordance with the operator's procedures or operator approved contractor procedures.

SoCalGas NW Distribution - Harbor Corridor

Issue Summary Title 49, CFR Part192, Section 192.605(a) states that:

"Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response...."

3.1 SoCalGas Gas Standard 107.0287 "GMI Gasurveyor - Combustible Gas Indicator (CGI)", § 4.6 "Note" states:

"Zeroing of any ambient reads displayed on the instrument is to be performed in a gas free environment.... Allow the instrument to fully purge any residual gas within the instrument's combustion chamber before performing a 'Zero' adjustment."

SoCalGas Gas Standard 107.0287 "GMI Gasurveyor - Combustible Gas Indicator (CGI), §4.6.2.3 states:

"If the instrument fails to zero the instrument during a start-up or while in use, return the instrument to the Pico Rivera Electronics Shop for repairs...."

During the field inspection, SED observed SoCalGas employees, (ID ■■■■■ and ID ■■■■■) who failed to follow the instruction in § 4.6 to perform a "zero" adjustment before conducting the leakage survey.

- May 10, 2023 - GMI Gasurveyer instrument with serial number (SN)117677 registered 200 parts per million (ppm) before starting to conduct the leakage survey.
- May 11, 2023:
 - GMI Gasurveyer instrument with SN117684 confirmed to have issues with the unit indicator stuck at 50-300 ppm in a gas free environment.
 - GMI Gasurveyer instrument with SN116489 confirmed to have issues with the unit indicator stuck at 50-300 ppm in a gas free environment.

SED recommends that SoCalGas review the performance of its employees and take the necessary steps to ensure that the employees are following the written Gas Standard when using GMI Gasurveyor - Combustible Gas Indicator, to ensure safe operation of the pipeline system.

On June 14, 2023, SoCalGas responded that it is common to see readings fluctuate between 0-15 ppm, which is acceptable. This is still significantly below the ppm readings seen out in the field. SoCalGas also

stated that employees have been counseled to ensure they know they can zero the unit if they suspect the readings are high to start at zero and ensure they get accurate indications. SED reviewed SoCalGas' response and accepts the remediation that it has articulated and implemented. No further response is required by SoCalGas.

3.2 SoCalGas Gas Standard 189.005 "Operation of Odorometer" §3.3.1 "Note 1" states:

"After changes to the flow control valve are made, the operator should wait approximately 15 seconds to smell the mixture."

During the field inspection on May 10, 2023, SED observed SoCalGas employee (ID [REDACTED]) performing an odorization test in the 182nd district. The employee failed to follow §3.3.1 "Note 1", and failed to wait approximately 15 seconds after changes to the flow control valve were made to smell the mixture.

SED recommends that SoCalGas review the performance of its employee and take the necessary steps to ensure that the employee is following the written Gas Standard 189.005 "Operation of Odorometer", §3.3.1 "Note 1" when using odorometer, to ensure safe operation of the pipeline system.

On June 14, 2023, SoCalGas responded that the employees have been counseled to follow the procedures as written. SED reviewed SoCalGas' response and accepted the remediation that it has articulated and implemented. No further response is required by SoCalGas.

Generic Questions: Generic Questions (GENERIC.GENERIC)

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

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

References N/A

Assets Covered Northwest - Harbor Corridor (87038 (55))

Issue Summary Title 49, CFR Part192, §Code 192.161(c) states:

"Each support or anchor on an exposed pipeline must be made of durable, noncombustible material..."

During the field inspection in San Pedro district on May 10, 2023, SED observed an exposed pipeline supported by wooden planks. SoCalGas stated that the wooden planks were treated wood and thus non-flammable, but has not provided supporting documents. SED requests SoCalGas to provide supporting documents showing that the wooden planks are made of durable, noncombustible material or remediate and replace the wooden planks with supports made of durable and noncombustible material.

On June 14, 2023, SoCalGas responded that a remediation plan for this unstable earth is currently in progress. SoCalGas also provided the preliminary designs of the replacement concrete supports. SED requests SoCalGas provide an update on the remediation process.