

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 16, 2024

GI-2024-04-SCG-41-15

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 (CPUC) reviewed Southern California Gas Company (SoCalGas)'s response letter, dated July 10, 2024, that addressed three (3) probable violations and three (3) areas of concern identified during the **General Order (G.O.) 112-F Comprehensive Operation and Maintenance Inspection of SoCalGas's Playa Del Rey Storage Facility (Inspection Unit)**. Attached is a summary of SED's inspection findings, SoCalGas' responses to SED's findings, and SED's evaluation of SoCalGas' responses to the findings.

This letter serves as an official closure of the 2024 Comprehensive Operation and Maintenance Inspection of SoCalGas' Playa Del Rey Storage Facility. Any matters that are being considered for enforcement will be processed through the Commission's Citation Program or a formal proceeding.

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

Sincerely,

Mahmoud (Steve) Intably, P.E.
Program and Project Supervisor
Gas Safety and Reliability Branch
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cc: See next page.

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Post-Inspection Written Preliminary Findings

Dates of Inspection: 04/08/2024 - 04/12/2024

Operator: SOUTHERN CALIFORNIA GAS CO

Operator ID: 18484 (primary)

Inspection Systems: SoCalGas Playa Del Rey NGS Facility

Assets (Unit IDs) with results in this report: Playa Del Rey (88718)

System Type: GT

Inspection Name: 2024 Playa Del Rey NGS Facility

Lead Inspector: Gordon Kuo

Operator Representative: Linda Baker, Sandie To

Unsatisfactory Results

Maintenance and Operations: Gas Pipeline Maintenance (MO.GM)

1. Question Valve Maintenance Transmission Lines, MO.GM.VALVEINSPECT.R
Title, ID

Question 10. Do records indicate proper inspection and partial operation of transmission line valves that may be required during an emergency as required and prompt remedial actions taken if necessary?

References 192.709(c) (192.745(a), 192.745(b))

Assets Covered Playa Del Rey (88718)

Issue Summary Title 49, CFR Part 192, Section 192.745(a) states:

"Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year."

During records review of Playa Del Rey Storage Field, SED found that control valve #PR-NG-000-064 was missing its annual inspection records for the years of 2021, 2022, and 2023. According to SoCalGas' representative, the control valve #PR-NG-000-064 was deactivated on 9/16/2020 and returned to service on 10/31/2021. However, the status of the control valve #PR-NG-000-064 was left inactive in the Computerized Maintenance Monitoring System (CMMS) until 4/17/24. SoCalGas resumed the inspection of the control valve #PR-NG-000-064 on 4/17/24, missing the inspections for the years of 2021, 2022, and 2023. Therefore, SED finds SoCalGas in violation of Title 49, CFR, Part 192,

§192.745(a), for failing to inspect and partially operate the control valve #PR-NG-000-064 for calendar years 2021, 2022, and 2023.

SoCalGas' Response:

The control valve #PR-NG-000-064, was designated as inactive in the Computerized Maintenance Management System (CMMS) on September 16, 2020. Although the valve was reinstated to service on October 30, 2021, it remained inactive in the CMMS. On April 17, 2024, the valve was correctly re-activated in the CMMS, a corrective maintenance work order (#8599324) was promptly issued for inspection. The subsequent inspection on April 17, 2024, revealed no substandard conditions found.

To maintain the accuracy and currency of all maintenance and asset records, the supervisory team at SoCalGas Playa del Rey initiated refresher training on the CMMS in May 2024. This training was specifically designed for the Playa del Rey personnel, emphasizing the importance of timely and meticulous recordkeeping. This initiative aims to prevent any future discrepancies in the system's records.

SED's Conclusion:

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

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

2. Question Patrolling Requirements, MO.RW.PATROL.R
Title, ID

Question 2. Do records indicate that ROW surface conditions have been patrolled as required?

References 192.709(c) (192.705(a), 192.705(b), 192.705(c))

Assets Covered Playa Del Rey (88718)

Issue Summary Title 49, CFR Part 192, Section 192.705 states in part:

"(a) Each operator shall have a patrol program to observe surface conditions on and adjacent to the transmission line right-of-way for indications of leaks, construction activity, and other factors affecting safety and operation.

(b) The frequency of patrols is determined by the size of the line, the operating pressures, the class location, terrain, weather, and other relevant factors, but intervals between patrols may not be longer than prescribed in the following table:

| Class Location of Line | Maximum interval between patrols | |
|-------------------------------|---|--|
| | <i>At highway and railroad crossings</i> | <i>At all other places</i> |
| 1,2 | <i>7 1/2 months; but at least twice each calendar year</i> | <i>15 months; but at least once each calendar year</i> |
| 3 | <i>4 1/2 months; but at least four times each calendar year</i> | <i>7 1/2 months; but at least twice each calendar year</i> |
| 4 | <i>4 1/2 months; but at least four times each calendar year</i> | <i>4 1/2 months; but at least four times each calendar year"</i> |

During records review of Playa Del Rey Storage Field, SED found that a segment of Line 1167 (class 3 location), starting at station valve #1 to the compressor building and a segment of Line 9025 (class 3 location), starting at station valve #21 to the compressor building, were not in the CMMS system resulting in SoCalGas missing the inspection cycle for years 2020, 2021, 2022, and 2023. In addition, SED found that Line 9009 (class 3 location) and Line 9024 (class 3 location) were not part of the Patrolling cycle in the CMMS

which resulted in missing the inspection cycle for years 2020, 2021, 2022, and 2023. Therefore, SED finds SoCalGas in violation of Title 49, CFR, Part 192, §192.705 for failure to conduct the semi-annual patrolling survey for calendar year 2020, 2021, 2022, and 2023.

On April 24, 2024, SoCalGas provided SED with the following response:

"After further review of our records, it was determined that a portion of Line 1167 and Line 9025 headed toward the compressor building was missed in the Computerized Maintenance Management System (CMMS). As a result, the Pipeline Patrol/Leak Survey was not performed as required. SoCalGas Storage Operations remediated the finding by updating the asset descriptions in the CMMS for Line 1167 and Line 9025. Inspections were completed on April 11, 2024, and no Abnormal Operating Conditions were found. The next regularly scheduled inspection for this semi-annual work is in July 2024."

Furthermore,

On May 6, 2024, SoCalGas provided SED with the following response:

"SoCalGas Storage Operations immediately remediated the finding by adding Line 9009 to the Pipeline Patrol /Leak Survey work order. A corrective maintenance work order (#84597964) was generated and completed on April 11, 2024, with no Abnormal Operating Conditions (AOCs) found. The next regularly scheduled inspection for this semi-annual work is in July 2024."

After further assessment of the Pipeline Patrol/Leak Survey work order, Line 9024 was not entered into the Pipeline Patrol/Leak Survey work order and was consequently not patrolled. Upon discovery, a Pipeline Patrol/Leak Survey inspection was performed on April 17, 2024, with no AOCs identified. Line 9024 was added to the semi-annual inspection cycle."

SED reviewed SoCalGas' responses and accepted the corrective actions that SoCalGas implemented. Therefore, SED considers this issue to be closed.

SED's Conclusion:

No further response is required from SoCalGas at this time.

3. Question Leakage Surveys, MO.RW.LEAKAGE.R
Title, ID

Question 7. Do records indicate leakage surveys conducted as required?

References 192.709(c) (192.706, 192.706(a), 192.706(b), 192.935(d), 192.703(c))

Assets Covered Playa Del Rey (88718)

Issue Summary Title 49, CFR Part 192, Section 192.706 partially states:

"Leakage surveys of a transmission line must be conducted at intervals not exceeding 15 months, but at least once each calendar year."

During records review of Playa Del Rey Storage Field, SED found that Line 9009 and Line 9024 were not part of the leakage survey cycle in the CMMS. SED also found that a segment of Line 9025, starting at station valve #21 to the compressor building, and a segment of Line 1167, starting at station valve #1 to the compressor building, were not in the CMMS system. SED reviewed the leakage survey records for calendar years 2020 through 2023 and found that the above pipelines segments were not included in SoCalGas' leakage survey work orders, resulting in missing the annual leakage survey inspection records. Therefore, SED finds SoCalGas in violation of Title 49, CFR, Part 192, §192.706 for failure to conduct annual leakage surveys.

On April 24, 2024, in response to SED's data request, SoCalGas also provided the following:

"After further review of our records, it was determined that a portion of Line 1167 and Line 9025 headed toward the compressor building was missed in the Computerized Maintenance Management System (CMMS). As a result, the Pipeline Patrol/Leak Survey was not performed as required. SoCalGas Storage Operations remediated the finding by updating the asset descriptions in the CMMS for Line 1167 and Line 9025. Inspections were completed on April 11, 2024, and no Abnormal Operating Conditions were found. The next regularly scheduled inspection for this semi-annual work is in July 2024."

On May 6, 2024, SoCalGas provided SED with the following response:

"SoCalGas Storage Operations immediately remediated the finding by adding Line 9009 to the Pipeline Patrol /Leak Survey work order. A corrective maintenance work order (#84597964) was generated and completed on April 11, 2024, with no Abnormal Operating Conditions (AOCs) found. The next regularly scheduled inspection for this semi-annual work is in July 2024."

After further assessment of the Pipeline Patrol/Leak Survey work order, Line 9024 was not entered into the Pipeline Patrol/Leak Survey work order and was consequently not leak surveyed. Upon discovery, a Pipeline Patrol/Leak Survey inspection was performed on April 17, 2024, with no AOCs identified. Line 9024 was added to the semi-annual inspection cycle."

SED reviewed SoCalGas' response and accepts the corrective actions that SoCalGas performed. Therefore, SED considers this issue to be closed.

SED's Conclusion:

No further response is required from SoCalGas at this time.

Concerns

Maintenance and Operations: Gas Pipeline Operations (MO.GO)

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

Question 17. Are construction records, maps, and operating history available to appropriate operating personnel?

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

Assets Covered Playa Del Rey (88718)

Issue Summary Title 49, CFR Part 192, Section 192.605(b)(3) states procedures must include:

"Making construction records, maps, and operating history available to appropriate operating personnel"

During records review of Playa Del Rey Storage Field, SED found that Line 9007 was removed from service/abandoned in October 2020, yet Line 9007 was scheduled for inspection in June 2022 for atmospheric corrosion (work order #7985480 - bridge/span atmospheric corrosion inspection). In addition, SED found that Line 9015 was removed from service/abandoned from the group header in February 2021, yet Line 9015 was scheduled for inspection in July 2023 for patrol/leakage survey (work order #8280536 - patrol/leakage survey).

SED recommends SoCalGas to update the necessary records to reflect the new status of the pipelines.

On May 6, 2024, SoCalGas provided SED with the following response:

"SoCalGas has taken steps to ensure that the asset information for Line 9007, PD-9007/3GR (which is a duplicate of Line 9007), and Line 9015 are up to date. The updates, made on April 17, 2024, properly reflect the assets in the field."

Furthermore,

"The SoCalGas/Playa Del Rey supervision is committed to ensuring that all maintenance records are up-to-date and accurate. The system has been updated based on SED's feedback."

Refresher training has been scheduled for the personnel at Playa Del Rey in May 2024. This refresher training, for the personnel at Playa Del Rey will include an emphasis about the importance of timely and accurate recordkeeping."

SED reviewed SoCalGas' response and accepted its proposed corrective actions that it has articulated and implemented. No further response is required from SoCalGas at this time. However, SED may review the effectiveness of SoCalGas' implemented refresher training and records.

SED's Conclusion:

No further response is required from SoCalGas at this time.

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

2. 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), 192.9(f)(1), 192.453)

Assets Covered Playa Del Rey (88718)

Issue Summary Title 49, CFR Part 192, Section 192.481(c) partially states:

"If atmospheric corrosion is found during an inspection, the operator must provide protection against the corrosion as required by § 192.479."

Title 49, CFR Part 192, Section 192.479(a) states in part:

"Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section."

During records review of Playa Del Rey Storage Field, SED found that Bridge & Span Inspection work order #7985480 (Inspection completion date 10/06/2022) identified the following abnormal operating conditions (AOCs) on the inspection checklist:

1. Corrosion and cracked paint on Line 9024 & 9013
2. Corrosion on a pipe support on Line 9024
3. Falling/missing pipe wraps on PD-9007/3GR
4. Missing line marker labels (stencils) on PD-9007/3GR
5. Signs of corrosion, cracked wrap, and lack of line marker labels on Line 9007
6. Cracked/falling pipe wrap and line marker labels on Line 9009

SoCalGas generated a follow-up work order #8078272 with a starting date 10/06/2022. However, SoCalGas failed to remediate the above AOCs.

SED recommends SoCalGas to take the necessary corrective action to address the AOCs

On May 6, 2024, SoCalGas provided SED with the following response:

"SoCalGas began work to correct the findings on April 12, 2024. The target completion date for work order #8078272 is June 30, 2024. Here are our next steps:

A coating abatement for the pipelines will be performed in adherence to environmental and OSHA requirements, applicable policies, and procedures. Once the coating abatement activities are complete, a risk assessment will be conducted to determine the extent of the corrosion and integrity of the pipelines to remediate if necessary."

SED requests SoCalGas to provide a progress status report on its remedial actions.

SoCalGas' Response:

As of June 20, 2024, all necessary corrective measures have been successfully implemented to rectify the abnormal operating conditions of the bridge and span, as executed in the corrective maintenance work order #8078272.

SED's Conclusion:

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

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

Question 5. 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), 192.481(d), 192.9(f)(1), 192.453, 192.491)

Assets Covered Playa Del Rey (88718)

Issue Summary Title 49, CFR Part 192, Section 192.479(a) states:

"Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section."

During a field inspection on 4/9/2024, SED observed atmospheric corrosion on aboveground pipeline's flange bolts and nuts on the following:

1. Flanges at group piping near liquid separators (PDR downstairs level), including flange labeled as PP-GN-TKF-047.
2. On a flange of Line 1167 ahead of #1 valve (PDR upper level)
3. Corrosion on the bolts at PR-GN-TFK-009
4. Chipped paint on valve PR-GN-TFK-024
5. Corrosion on the bolts at PR-GN-TFK-023
6. Corrosion on the flange bolts & nuts near PR-GN-TFK-019

SED recommends SoCalGas to take corrective action to address the atmospheric corrosion on the flange bolts and nuts

On May 6, 2024, SoCalGas provided SED with the following response:

"SoCalGas has taken a proactive approach by generating a work order to address the 6 locations mentioned in this concern and set a target completion date of June 30, 2024. This will ensure that the issues are resolved swiftly and with utmost efficiency."

SED requests SoCalGas to provide a progress status report on its remedial actions.

SoCalGas' Response:

As of June 14, 2024, all remedial actions to address the atmospheric corrosion detection on the aboveground pipeline's flange bolts and nuts that were initially observed during the SED field inspection conducted on April 9, 2024, have been remediated and outlined in the corrective maintenance work order #8599351.

SED's Conclusion:

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