

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 21, 2024

GI-2024-07-SCG-66-02ABC

Mr. Rodger Schwecke
Senior Vice President and Chief Infrastructure Officer
Southern California Gas Company
555 West 5th Street, GT21C3
Los Angeles, CA 90013

Subject: G.O. 112-F Inspection of SoCalGas' Northwest-San Fernando Valley Gas Distribution Area

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 October 10, 2024, that addressed one (1) probable violation, and one (1) area of concern identified during SED's General Order (G.O.) 112-F Comprehensive Inspection of SoCalGas' Northwest-San Fernando Valley Natural Gas Distribution Area on July 15 thru 19, and July 22, 2024.

Attached is a summary of SED's inspection findings, SoCalGas' response to SED's findings, and SED's evaluation of SoCalGas' response to the findings.

This letter serves as the official closure of the 2024 G.O. 112-F Inspection of SoCalGas' Northwest-San Fernando Valley Natural Gas Distribution Area. If you have any questions, please contact Sann Naing, Senior Utilities Engineer (Specialist), at (213) 392-5947 or by email at sn1@cpuc.ca.gov.

Thank you for your cooperation in this inspection.

Sincerely,

Matthewson Epuna
Program & Project Supervisor
Gas Safety & Reliability Branch
Safety and Enforcement Division

CC: Alex Hughes, SCG
Larry Andrews, SCG
Matthewson Epuna, SED/GSRB
Sann Naing, SED/GSRB
Claudia Almengor, SED/GSRB

Enclosure: Post-Inspection Written Preliminary Findings and Evaluation Reports

Post-Inspection Written Preliminary Findings

Dates of Inspection: July 15 to 19, and July 22, 2024

Operator: SOUTHERN CALIFORNIA GAS CO

Operator ID: 18484 (primary)

Inspection Systems: Northwest - San Fernando Valley Gas Distribution O&M

Assets (Unit IDs) with results in this report: Northwest - San Fernando Valley (87049)

System Type: GD

Inspection Name: 2024 SoCalGas NW Distribution _ San Fernando Valley

Lead Inspector: Sann Naing

Operator Representative: Francisco Santa Cruz

Unsatisfactory Results

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

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

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 - San Fernando Valley (87049 (66))

Issue Summary §192.481(a) partially states:

"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>

"

SoCalGas installed the pipeline span SKL72 (Function location: GD.NOR.SAT.BS.SKL72) in its Saticoy distribution district on August 2017. However, this span was never entered into the company' inspection work management system. Consequently, SoCalGas failed to conduct the required 3-year Bridge and Span inspections from 2017 through 2023.

On August 7, 2024, SoCalGas provided the following information:

"SoCalGas recognizes the need to perform timely inspections. In this case SoCalGas notified the commission in May 2024 of the missing inspection in the companies monthly Exception Self-Report. To address the missing inspections, and the original non-compliant event, SoCalGas made the corrective actions as below:

- System Update: In May of 2024, the SoCalGas Saticoy Distribution supervision reviewed installation records of the asset and concluded the asset did not appear in the districts Bridge and Span inspection list. Once found, the asset has been added to SoCalGas's SAP system for future inspection.*
- Site Inspections: In May when SoCalGas was made aware of the missing inspections. SoCalGas supervision dispatched a distribution crew to do a comprehensive inspection on the asset. Inspection revealed no Abnormal Operating Conditions, (AOCs)."*

SED reviewed the information that SoCalGas provided and acknowledged SoCalGas' corrective action after it identified the error. However, SED believes that understanding the cause of the process failure and remediating the root cause of the failure is a better way to prevent reoccurrence. SED requests that SoCalGas investigate the reason for the process failure (entering a new pipeline span into its inspection work management program). SED request that SoCalGas provide its investigation result and prevention plan.

SoCalGas' Response:

This span was installed in 2017 by a team dedicated to high-pressure pipeline projects that reside outside of Distribution. SoCalGas recognized that handoff of information between this department and Distribution Operations had gaps. As such, Gas Standard 192.0026, Records Management for High Pressure Project Closeout, was established on 9/1/2023. This standard requires that the project owner provide the asset owner with redline mark-ups and asset change forms. The recommended timeline is 90 days after the date of operation or sooner. The process improvements established in this new Gas Standard help prevent situations like this from occurring. In this case this project was performed before the updated process had been implemented.

SoCalGas will look at other projects performed by this high-pressure workgroup from this time period to identify if any other span had similar deficiencies. If so, SoCalGas will mitigate as appropriate.

SED's Conclusion:

SED recognized SoCalGas' stated process improvement with its Gas Standard 192.0026 and accepts the corrective action plan that it has articulated and implemented. However, SED may review the effectiveness of SoCalGas' standard improvement and corrective actions during future inspections.

Concerns

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

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

Question 5. 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), 192.481(d))

Assets Covered Northwest - San Fernando Valley (87049 (66))

Issue Summary During field inspection on 7/17/2024, SED visited the sites where a SoCalGas' field crew was performing the Bridge Span inspections and observed evidence of atmospheric corrosion on the pipeline span supports (BS) BKJ21 (Functional location: GD.NOR.CNP.BS.BKJ21). The Span-BKJ21 is underneath a bridge over the Los Angeles River and uses the hanger supports, hanging from the bottom of bridge. SoCalGas' inspection crew correctly identified evidence of atmospheric corrosion on the pipeline hanger and documented it in the inspection report. SoCalGas indicated that it created a work order: 520003937709 on 7/18/2024, for the remediation of this inspection finding.

On August 7, 2024, SoCalGas provided the following additional information:

"SoCalGas agrees with SED's observation and has been begun taking remedial actions. Bridge And Span SAP inspection order 520003936454 was created and completed on June 17, 2024, noting an abnormal operation condition (AOC) of corrosion and pipe supports. A follow up SAP order, 520003937709, was created for the remediation of the AOCs on July 18, 2024. Work has begun to acquire appropriate permits to work in the wash from local and state municipalities. SoCalGas does not have the proper, safe, approved scaffolding to access the pipeline. Once an approved scaffold design is available, SoCalGas will begin remediation on the span."

SED requests that SoCalGas provide status update in its 30-day written response.

SoCalGas' Response:

Remediation order 520003937709 has been completed. Light surface rust on the supports was cleared, and the supports were painted. Photos of the repairs have been provided to SED.

SED's Conclusion:

SED has reviewed SoCalGas' response and photos of the repairs that were provided. SED accepts SoCalGas' corrective action on this matter.