

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 1, 2024

GI-2024-08-SCG-60-02ABC

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' Southeast - Orange County Coast Gas Distribution Area

Dear Mr. Schwecke:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission (CPUC) conducted a General Order (G.O.) 112-F Comprehensive Inspection of Southern California Gas Company's (SoCalGas) Southeast - Orange County Coast (SE - OC Coast) Natural Gas Distribution Area on August 12 through 16, and August 19, 2024. This inspection area covered SoCalGas' Aliso Viejo, Garden Grove, and Santa Ana Distribution districts. The inspection included the review of SoCalGas' records for calendar years 2020 through 2023 and field inspections of selected pipeline facilities within the inspection area. SED utilized the Pipeline and Hazardous Materials Safety Administration's (PHMSA) Inspection Assistance (IA) software as a reference guide for this inspection.

SED staff noted two (2) areas of concern as shown in enclosed "Post-Inspection Written Preliminary Findings" report.

Within 30 days of your receipt of this letter, please provide a written response indicating the measures SoCalGas took to address the concerns, noted in SED's Summary of Inspection Findings.

If you have any questions, please contact Sann Naing, Senior Utilities Engineer (Specialist) at (213) 266-4723 or by email at sn1@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, SCG
Larry Andrews, SCG
Matthewson Epuna, SED/GSRB
Sann Naing, SED/GSRB
Claudia Almengor, SED/GSRB

Enclosure: Post-Inspection Written Preliminary Findings

Post-Inspection Written Preliminary Findings

Dates of Inspection: August 12 to 16, and August 19, 2024

Operator: SOUTHERN CALIFORNIA GAS CO

Operator ID: 18484 (primary)

Inspection Systems: Southeast - OC Coast Gas Distribution O&M

Assets (Unit IDs) with results in this report: Southeast - Orange County Coast (87043)

System Type: GD

Inspection Name: 2024 SoCalGas SE Distribution _ OC Coast Inspection

Lead Inspector: Sann Naing

Operator Representative: James Cervantes

Unsatisfactory Results

No Preliminary Findings.

Concerns

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

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

Question 6. Do records indicate proper inspection of each distribution system valve that might be required in an emergency at intervals not exceeding 15 months, but at least once each calendar year, and prompt remedial action to correct any valve found inoperable?

References 192.603(b) (192.747(a), 192.747(b))

Assets Covered Southeast - Orange County Coast (87043 (60))

Issue Summary SoCalGas' valve inspection history showed that pipeline valves 42CNV-0069 and 42CNV-0070 were reported as "Inoperable Valves" for three consecutive years (2021 thru 2023), and these valves were still in inoperable conditions at the time of this SED inspection. SoCalGas informed SED that it has identified an alternate emergency shutdown plan for those inoperable valves and SoCalGas' engineering is still identifying the remedial actions for these two valves.

SoCalGas' Gas Standard (GS) procedure 184.16, Section 4.8.6.2 states in part:

"The alternate shutdown plan must not be considered a permanent solution for designating a control valve or repairing/replacing the existing inoperable valve."

Furthermore, SoCalGas' Gas Standard (GS) procedure 184.16, Section 4.8.8.1 of the same procedure states:

"Every effort shall be made to correct the inoperable valves within 15 months of discovery."

SED requests SoCalGas to provide the following for the two valves:

1. Copies of the following work order notifications:
 - a. Valve 42CNV-0069:
 - i. Work order Notification # 100020016288
 - ii. Work order Notification # 100022035527
 - b. Valve 42CNV-0070:
 - i. Work order Notification # 100020016287
 - ii. Work order Notification # 100022164252
2. What options are SoCalGas' planning and engineering departments exploring?
3. Estimated completion date for permanent remediation.

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

Question Title, ID Continuing Surveillance, MO.GO.CONTSURVEILLANCE.R (also presented in: PD.RW)

Question 2. Do records indicate performance of continuing surveillance of facilities as required, and also the reconditioning, phasing out, or MAOP reduction in any pipeline segment that was determined to be in unsatisfactory condition but on which no immediate hazard existed?

References 192.605(b)(3) (192.613(a), 192.613(b), 192.703(b), 192.703(c))

Assets Covered Southeast - Orange County Coast (87043 (60))

Issue Summary SED reviewed follow up inspection and remediation orders for Meter Set Assembly Atmospheric Corrosion (MSA ACOR) inspections for SoCalGas' MSAs: Aliso Viejo Gas Network Node (GNN) 228094300 (Data Analyst Reporting Tool (DART) Order 0921033616; original DART Order 0358274667), Aliso Viejo GNN 272087400 (Task System, Application, and Product (SAP)-PM520003406197; original DART Order 0130263427), and Aliso Viejo GNN 293087400 (Task SAP-PM520003406183; original DART Order 1252596889).

SoCalGas GS 185.0228 Section 33.1 states:

"Due to various conditions found, inspections are often not complete and require follow up remediation work. Remediation work must be completed to satisfy the CFR requiring inspection within the 39-month time frame. Additionally, tracking of the initial inspection work must be maintained in order to meet requirements."

DART Order 0921033616 is a follow up order for GNN 228094300, and the remediation was completed within the 39-month timeframe that was stipulated in the Gas Standard (GS) 185.0228 Section 33.1.

For GNN 272087400 and GNN 293087400, SoCalGas Distribution's Gas Operations group created SAP work orders SAP-PM520003406197 and SAP-PM520003406183 in response to the findings identified on 6/13/2023 by the MSA ACOR group with original work orders DART Order 0130263427 and DART Order 1252596889. The Gas Operations group's SAP work orders had a due date of 6/27/2023, which is 14 calendar days after the conditions were identified. However, per review of those work orders, SED noted that the SAP work orders were completed on 3/21/2024.

Please explain why the work orders listed above were not completed by the due date (6/27/2023) indicated on the SAP work orders. Also, explain the discrepancy between the requirements in the Gas Standard from the SAP work order requirements.