

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 1, 2024

GI-2024-01-SCG-40-03-04
GI-2024-01-SDG-53-03-04

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's (SoCalGas) and San Diego Gas & Electric's (SDG&E) response letter, dated April 10, 2024, that addressed ten (10) areas of concern identified during the **General Order (G.O.) 112-F comprehensive and full review inspection of SoCalGas' and SDG&E's Operation & Maintenance Procedures and Emergency Plan (OME Procedures Inspection)**. Attached is a summary of SED's inspection findings, SoCalGas' and SDG&E's responses to SED's findings, and SED's evaluation of SoCalGas' and SDG&E's responses to the findings.

This letter serves as an official closure of the 2024 Comprehensive Inspections of SoCalGas' and SDG&E's OME Procedures. 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, Utilities Engineer, at (213) 618-5263 or by email at gk2@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Mahmoud Intably".

Mahmoud (Steve) Intably, P.E.
Program and Project Supervisor
Gas Safety and Reliability Branch
Safety and Enforcement Division

cc: See next page.

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Post-Inspection Written Preliminary Findings

Dates of Inspection: 01/22/2024-01/26/2024

Operator: SOUTHERN CALIFORNIA GAS CO. and San Diego Gas and Electric Co.

Operator IDs: 18484 (primary) 18112

Inspection Systems: SoCalGas & SDG&E Distribution Procedure Updates

Assets (Unit IDs) with results in this report: SoCalGas' Main Office Inspection - Distribution (88391); SDG&E's Main Office Inspection - Distribution (88390)

System Type: GD

Inspection Name: 2024 SoCalGas & SDG&E Distribution OME Procedures

Lead Inspector: Gordon Kuo

Operator Representative: Austin Walker

Unsatisfactory Results

No Preliminary Findings

Concerns

Assessment and Repair: Repair Methods and Practices (AR.RMP)

1. Question Title, Tapping Pipelines Under Pressure, AR.RMP.HOTTAP.P
ID

Question 3. Is the process adequate for tapping pipelines under pressure?

References 192.605(b)(1) (192.627)

Assets Covered SDG&E's Main Office Inspection - Distribution (88390 (53B))

Issue Summary Title 49 CFR, Part 192, §192.605(b)(1) states:

"(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and subpart M of this part."

SDG&E Gas Standard (GS) **D7225 (Tapping/Stopping Polyethylene (PE) Fittings)**, provided on 1/10/2024, §4.8.15-17 states:

"4.8.15 Fuse the pipeline pipe to the branch saddle pup.

4.8.16 Slowly remove the squeezer.

4.8.17 Purge and test as required."

During SED's discussion regarding SDG&E GS **D7225 (Tapping/Stopping Polyethylene (PE) Fittings)**, SoCalGas and SDG&E determined that §4.8's process (Hot Tapping 2-Inch Outlet, Branch Saddles) may need further review and revision for clarity and accuracy in its process.

SED requests that SoCalGas and SDG&E extend this review to the SoCalGas common document GS **184.0115 (Tapping/Stopping Polyethylene (PE) Fittings)** and provide SED an update and final revisions (if revisions were published). In addition, SED recommends SDG&E and SoCalGas to include references for other aspects of their GSs concerning "approved lubricant" and purging and testing under section 4.8.17.

On February 13, 2024, SDG&E provided its revision to GS **D7225 (Tapping/Stopping Polyethylene (PE) Fittings)** with specified item stock references and corrections to its written process for hot tapping 2-inch outlet branch saddles.

SDG&E GS **D7225 (Tapping/Stopping Polyethylene (PE) Fittings)**, provided on February 13, 2024, Sections 4.8.15-16 states:

"4.8.15 Fuse the new pipe to the branch saddle pup and coupling.

4.8.15.1 Allow the fusion to cool to ambient temperature.

4.8.15.3 Before relaxing the squeezer, pack and purge the main, refer to GS D7911, Purging of Distribution Gas Lines of 60 PSIG.

Note: *Never purge a PE gas main into service through the squeezer. See GS D7279, Squeezing Polyethylene (PE) Pipe ½ through 8-inch for re-opening squeezer guidelines.*

4.8.16 Release the squeezer and soap test the tie-in and squeezed area."

SED reviewed SDG&E's response and accepts its revisions. No further response is required from SDG&E at this time.

SED's Conclusion:

No further response is required from SoCalGas and SDG&E at this time.

Emergency Preparedness and Response: Emergency Response (EP.ERG)

2. Question Title, Emergency Response, EP.ERG.READINESS.P
ID

Question 4. Does the process include procedures for ensuring the availability of personnel, equipment, tools, and materials as needed at the scene of an emergency?

References 192.615(a) (192.615(a)(4))

Assets Covered SDG&E's Main Office Inspection - Distribution (88390 (53B))

Issue Summary Title 49 CFR, Part 192, §192.615(a)(4) states:

"(a) Each operator shall establish written procedures to minimize the hazard resulting from a gas pipeline emergency. At a minimum, the procedures must provide for the following:

(4) The availability of personnel, equipment, tools, and materials, as needed at the scene of an emergency."

SDG&E GS **G8216 (Incident Command System (ICS) for Emergency Incidents)** Section 3 states:

"3.1 Acronyms

Department of Construction-Gas – DOC-G (Formerly the Gas Emergency Center – GEC)"

Further discussion with SDG&E found that DOC-G instead refers to "Department Operations Center".

SED reviewed SDG&E GS **G8216 (Incident Command System (ICS) for Emergency Incidents)** and found that the "Department of Construction - Gas (DOC-G) would replace the Gas Emergency Center (GEC)'s responsibility to provide logistical support towards emergency response.

SED requests SDG&E to revise GS **G8216 (Incident Command System (ICS) for Emergency Incidents)** and associated emergency plans and procedures prior to the DOC-G's approval and activation to clarify which work group would coordinate personnel, equipment, tools, and materials in the event of an emergency.

On February 13, 2024, SDG&E responded that after further internal discussion, SDG&E will revert mentions to the DOC-G back to GEC until DOC-G's implementation is complete. SED has reviewed and concurs with SDG&E's proposal. SED requests SDG&E to notify SED upon the implementation and activation of the DOC-G.

SoCalGas' and SDG&E's Response:

SDGE continues enhancing the emergency response plan that provides a framework for the Company to use in performing gas emergency functions before, during, and after an emergency incident, natural disaster, or technological incident. SDGE is finishing the development of a new Department Operations Center - Gas (DOC-G) concept of operations that encompasses the delineation of responsibilities between the company's Emergency Operations Center (EOC), Electric and Gas DOCs, and the field Incident Command structure, and further enhances existing processes, procedures, and guidelines to support incident monitoring, activation, notification, and demobilization. SDGE is moving to the next phase of testing new concepts of operation, training personnel, and coordinating emergency exercises. SDGE projects to implement the new DOC-G framework by Q1 of 2025. SED will be notified upon the implementation of the DOC-G.

SED's Conclusion:

SED has reviewed SoCalGas' and SDG&E's response and accepts the procedural revisions that it has articulated and implemented. However, SED may review and reassess the pertinent procedure during future inspections.

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

3. Question Title, Maintenance of Equipment Used in Joining of Plastic Pipe by Heat Fusion, ID MO.GM.EQUIPPLASTICJOINT.P (also presented in: DC.PLASTIC)

Question 15. Does the process require maintaining equipment used in joining of plastic pipe using heat fusion 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 192.605(b)(1) (192.756)

Assets Covered SoCalGas' Main Office Inspection - Distribution (88391 (40B)),
SDG&E's Main Office Inspection - Distribution (88390 (53B))
Issue Summary Title 49 CFR, Part 192, §192.756 states:

"Each operator must maintain equipment used in joining plastic pipe in accordance with the manufacturer's recommended practices or with written procedures that have been proven by test and experience to produce acceptable joints."

SoCalGas GS **184.0130 (Polyethylene Heater - Temperature Measurement and Adjustment)** states:

"6.1.1 Company calibration records are maintained and stored by the Pico Rivera Instrument Shop."

[...]

6.2.1 Contractors are responsible for the storage and maintenance of their own calibration records."

SED reviewed SoCalGas GS **184.0130 (Polyethylene Heater - Temperature Measurement and Adjustment)**. The procedure did not define the Pico Rivera Instrument Shop (who appear to be involved with calibration records under section 6.1) nor did it explain SoCalGas' oversight process to ensure adequate documentation of contractor calibration records (as mentioned in section 6.2).

SED recommended SoCalGas to consider adding Pico Rivera Instrument Shop under Section 2 and adding references to GS **191.0025 (Inspection and Scoring of Construction Work)** and Form 2849 in GS **184.0130 (Polyethylene Heater - Temperature Measurement and Adjustment)** to demonstrate its oversight of contractor thermometer calibration. SED also recommends SDG&E to consider making similar revisions to its common document GS **D7213 (Polyethylene Heater - Temperature Measurement and Adjustment)**.

On February 13, 2024, SoCalGas provided its revision of GS **184.0130 (Polyethylene Heater - Temperature Measurement and Adjustment)** and SDG&E stated it would review GS **D7213 (Polyethylene Heater - Temperature Measurement and Adjustment)** for applicable changes. SED reviewed the revised GS **184.0130 (Polyethylene Heater - Temperature Measurement and Adjustment)** and accepted its revision to section 6.2.1.

SED requests that SoCalGas review SED's recommendation for including the Pico Rivera Instrument Shop under Section 2 and an update on SDG&E's review of GS **D7213 (Polyethylene Heater - Temperature Measurement and Adjustment)**.

SoCalGas' and SDG&E's Response:

SoCalGas appreciates SED's recommendation to include the Pico Rivera Instrument Shop under section 2 of GS 184.0130. However, the purpose of section 2 is to outline the responsibilities and qualifications of those involved with the procedure outlined in section 4. Therefore, adding Pico Rivera Instrument Shop under section 2 of GS 184.0130 would not be appropriate. For the purposes of this standard, the Pico Rivera Instrument Shop only maintains the calibration records, which is already appropriately identified in the records section of GS 184.0130. Therefore, SoCalGas will not be moving forward with including the Pico Rivera Instrument Shop under section 2 of GS 184.0130.

SDG&E continues to review GS D7213 and identify the applicable changes as it relates to oversight of contractor thermometer calibrations. SDG&E will provide an update to SED once the applicable changes have been made to GS D7213.

SED's Conclusion:

SED has reviewed SoCalGas' and SDG&E's response and accepts the procedural revisions that it has articulated and implemented. However, SED may review and reassess the pertinent procedure during future inspections.

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

4. Question Title, Pipeline Purging, MO.GO.PURGE.P
ID

Question 2. Does the process include requirements for purging of pipelines in accordance with 192.629?

References 192.605(b)(1) (192.629(a), 192.629(b))

Assets Covered SDG&E's Main Office Inspection - Distribution (88390 (53B))

Issue Summary Title 49 CFR, Part 192, §192.629(a) states:

"(a) When a pipeline is being purged of air by use of gas, the gas must be released into one end of the line in a moderately rapid and continuous flow. If gas cannot be supplied in sufficient quantity to prevent the formation of a hazardous mixture of gas and air, a slug of inert gas must be released into the line before the gas."

SDG&E GS **D7911 (Purging 60 PSIG or Less Distribution Gas Lines into Service)** section 4.5.9.1, 4.7.4, and 4.8.2 state, in part:

"If methane readings reflected on the display of the combustible gas indicator (CGI) are a sustained reading between 88 - 94%, the pipeline methane concentration can be considered 100% gas."

SDG&E GS **D7911 (Purging 60 PSIG or Less Distribution Gas Lines into Service)** section 4.5.9.1, 4.7.4, and 4.8.2 make an exception for "sustained reading between 88-94%" to be "considered 100% gas". SED requests SDG&E to explain its rationale for the exception and its value range. In addition, SED requests SDG&E to explain how the process ensures sufficient quantity to prevent the formation of a hazardous mixture of gas and air under the exception scenario.

On February 13, 2024, SDG&E responded that the 88% - 94% methane content range was included to account for other constituents that may be present in natural gas other than methane. SED reviewed SDG&E's response and accepts its revisions. No further response is required from SDG&E at this time.

SED's Conclusion:

No further response is required from SoCalGas and SDG&E at this time.

Generic Questions: Generic Questions (GENERIC.GENERIC)

5. Question Title, Generic Question, GENERIC.GENERIC.GENPROCEDURE.P
ID

Question 2. Generic question - please provide context in result notes.

References N/A

Assets Covered SoCalGas' Main Office Inspection - Distribution (88391 (40B))

Issue Summary Title 49 CFR, Part 192, §192.13(d) states, in part:

"Each operator of an onshore gas transmission pipeline must develop and follow a management of change process, as outlined in ASME/ANSI B31.8S, section 11 (incorporated by reference, sees section 192.7), that addresses technical, design, physical, environmental, procedural, operational, maintenance, and organizational changes to the pipeline or processes, whether permanent or temporary."

SoCalGas GS **223.0012 (Pipeline Asset Reallocation)** sections 1.1.1.6 and 4.1.5.2 state:

"The outlet valve of the regulator station is the demarcation point for the pipeline transfer for pipeline patrol, leak survey, class locations and DOT compliance. The owner of the inlet pipeline also controls the inlet fire control valve of the regulator station."

SoCalGas GS **223.0012 (Pipeline Asset Reallocation)** section 4.1.5.1 states:

"The organization that maintains the pipeline downstream of the regular station will have responsibility for maintenance on the regulator station and the station inlet (fire control) and outlet (fire control) valves. Leak surveys and patrols will be performed by the organization that is receiving the assets."

SED reviewed SoCalGas Gas Standard (GS) **223.0012 Pipeline Asset Reallocation** which outlines pipeline asset transfers between SoCalGas' various operating groups (e.g., Distribution, Transmission) in implementing management of change in line with section 192.13(d). SED found that the phrase "outlet valve" and "outlet (fire control) valve" are used in similar contexts between section 1.1.1.6 and section 4.1.5 in identifying demarcation points for transfer and responsibility of pipeline assets near regulator stations. SED believes this use may leave room for confusion in future asset reallocations and requests SoCalGas to review the Gas Standard's language and revise if necessary (e.g., incorporate example figure).

On January 30, 2024, SoCalGas and SDG&E stated they will review GS **223.0012** and its SDG&E common document GS **T8124** to determine if more precise designations and language can be used to define the aforementioned valves. SED reviewed SoCalGas' and SDG&E's response and accepts its proposal. SED requests a status update upon completion of SoCalGas and SDG&E's review.

SoCalGas' and SDG&E's Response:

SoCalGas and SDGE are still reviewing the suggested changes. The proposed changes will impact on several other gas standards and those changes must be considered before finalizing any changes. These gas standards are currently set for review in the 3rd quarter of this year and if it is determined that changes are warranted, SoCalGas and SDGE will update the standards in the 3rd quarter.

SED's Conclusion:

SED has reviewed SoCalGas' and SDG&E's response and accepts the procedural revisions that it has articulated and implemented. However, SED may review and reassess the pertinent procedure during future inspections.

Post-Inspection Written Preliminary Findings

Dates of Inspection: 01/22/2024-01/26/2024

Operator: SOUTHERN CALIFORNIA GAS CO

Operator IDs: 18484 (primary) 18112

Inspection Systems: SoCalGas & SDG&E Transmission Procedure Updates

Assets (Unit IDs) with results in this report: SoCalGas' Main Office Inspection - Transmission (88388); SDG&E's Main Office Inspection - transmission (88389)

System Type: GT

Inspection Name: 2024 SoCalGas & SDG&E Transmission OME Procedures

Lead Inspector: Gordon Kuo

Operator Representative: Austin Walker

Unsatisfactory Results

No Preliminary Findings

Concerns

Assessment and Repair: Repair Methods and Practices (AR.RMP)

1. Question Title, Transmission Lines Permanent Field Repair of Defects, AR.RMP.FIELDREPAIRDEFECT.P ID

Question 10. Is the process adequate for the permanent field repair of defects in transmission lines?

References 192.605(b)(1) (192.713(a), 192.713(b))

Assets Covered SoCalGas' Main Office Inspection - Transmission (88388 (40A))

Issue Summary Title 49 CFR, Part 192, §192.713(a)(2) states, in part:

"(a)Each imperfection or damage that impairs the serviceability of pipe in a steel transmission line operating at or above 40 percent of SMYS must be—

(2) Repaired by a method that reliable engineering tests and analyses show can permanently restore the serviceability of the pipe."

SoCalGas GS **180.0015 (Wedding Bands, Reinforcing Sleeves and Canopies - Selection Guide)**, provided on 1/10/2024, Sections 4.1.4 & 4.2.1 states, in part:

"4.1.4. Bands that are at least the next standard wall thickness greater than the thinner of the two connecting pipes and the same grade or higher must be utilized.

[...]

4.2.1 ... The band material needs to match or exceed the grade and be at least the next standard wall thickness greater the thinner of the two connecting pipes..."

SED reviewed SoCalGas Gas Standard (GS) **180.0015 (Wedding Bands, Reinforcing Sleeves and Canopies - Selection Guide)** and found that Sections 4.1.4 (page 2) and 4.2.1 (page 4) do not clearly indicate the wedding band pipe grade relative to the two pipes to be joined.

SED recommended SoCalGas to review and revise, if needed, the written repair method for clarity. In addition, SED recommended SoCalGas to consider including a table or chart to help illustrate the relative technical specifications between the wedding band and connection pipes.

On January 26, 2024, SoCalGas stated it would revise the statement in Sections 4.1.4 and 4.2.1 later in 2024 to clarify that the wedding band grade must be the same or higher than the two connecting pipes. SED reviewed SoCalGas' response and accepts its proposal. SED requests SoCalGas to provide the revised GS for review once it is made available.

SoCalGas' and SDG&E's Response:

GS 180.0015, Wedding Bands, Reinforcing Sleeves and Canopies - Selection Guide has been revised and a copy of the gas standard has been made available in the CPUC Gas Standard Library SharePoint.

SED's Conclusion:

SED has reviewed SoCalGas' and SDG&E's response and accepts the procedural revisions that it has articulated and implemented. However, SED may review and reassess the pertinent procedure during future inspections.

2. Question Title, Transmission Lines Permanent Field Repair of Welds, AR.RMP.FIELDREPAIRWELDS.P
ID

Question 13. Is the process adequate for the permanent field repair of welds?

References 192.605(b) (192.715(a), 192.715(b), 192.715(c))

Assets Covered SoCalGas' Main Office Inspection - Transmission (88388 (40A))

Issue Summary Title 49 CFR, Part 192, §192.715(c) states:

"(c) A defective weld which cannot be repaired in accordance with paragraph (a) or (b) of this section must be repaired by installing a full encirclement welded split sleeve of appropriate design. "

SED reviewed SoCalGas Gas Standard (GS) **180.0015 (Wedding Bands, Reinforcing Sleeves and Canopies - Selection Guide)** which addresses §192.715(c) similarly to 49 CFR 192.713(a)(2). SoCalGas' procedures do not clearly indicate the wedding band wall thickness and material grade requirements relative to the pipes joined for permanent field repair of welds. Please refer to the affected procedure sections mentioned in AR.RMP.FIELDREPAIRDEFECT.P.

SoCalGas' and SDG&E's Response:

GS 180.0015, Wedding Bands, Reinforcing Sleeves and Canopies - Selection Guide is a selection guide and does not address these CFR sections [192.713(a)(2) and 192.715 (c)]. These O&M CFR sections are under GS 223.0180: Repair of Defects in Steel Pressure Piping. GS 180.0015 references GS 223.0180 for repairs.

SED's Conclusion:

SED has reviewed SoCalGas' and SDG&E's response and accepts the procedural revisions that it has articulated and implemented. However, SED may review and reassess the pertinent procedure during future inspections.

3. Question Title, Transmission Lines Permanent Field Repair of Leaks, AR.RMP.FIELDREPAIRLEAK.P
ID

Question 20. Is there an adequate process for the permanent field repair of leaks on transmission lines?

References 192.605(b) (192.717(a), 192.717(b))

Assets Covered SoCalGas' Main Office Inspection - Transmission (88388 (40A))

Issue Summary Title 49 CFR, Part 192, §192.717(b)(1) states, in part:

" Each permanent field repair of a leak on a transmission line must be made by—

(b) Repairing the leak by one of the following methods:

(1) Install a full encirclement welded split sleeve of appropriate design, unless the transmission line is joined by mechanical couplings and operates at less than 40 percent of SMYS. "

SED reviewed SoCalGas Gas Standard (GS) **180.0015 (Wedding Bands, Reinforcing Sleeves and Canopies - Selection Guide)** which addresses §192.717(b)(1) similarly to 49 CFR 192.713(a)(2). SoCalGas' procedures do not clearly indicate the wedding band wall thickness and material grade requirements relative to the pipes joined is unclear for permanent repair of

leaks on transmission lines. Please refer to the affected procedure sections mentioned in AR.RMP.FIELDREPAIRDEFECT.P.

SoCalGas' and SDG&E's Response:

GS 180.0015, Wedding Bands, Reinforcing Sleeves and Canopies - Selection Guide is a selection guide and does not address these CFR sections [192.713(a)(2) and 192.715 (c)]. These O&M CFR sections are under GS 223.0180: Repair of Defects in Steel Pressure Piping. GS 180.0015 references GS 223.0180 for repairs.

SED's Conclusion:

SED has reviewed SoCalGas' and SDG&E's response and accepts the procedural revisions that it has articulated and implemented. However, SED may review and reassess the pertinent procedure during future inspections.

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

4. Question Title, Correction of Corrosion Control Deficiencies, TD.CPMONITOR.DEFICIENCY.P
ID

Question 12. Does the process require that the operator promptly correct any identified deficiencies in corrosion control?

References 192.605(b)(2) (192.465(d), 192.9(f)(1), 192.452, 192.453)

Assets Covered SoCalGas' Main Office Inspection - Transmission (88388 (40A)),
SDG&E's Main Office Inspection - Transmission (88389 (53A))

Issue Summary PHMSA's limited enforcement discretion regarding regulatory changes from the Gas Transmission Final Rule (87 FR 52224 (Aug. 24, 2022)) is set to end on February 24, 2024. Said changes include enhanced remediation timeframes for remediation of cathodic protection deficiencies for onshore gas transmission pipelines per 192.465(d) & (f).

Under the new regulatory changes, Title 49 CFR, Part 192, §192.465(d) states in part:

"For onshore gas transmission pipelines, each operator must develop a remedial action plan and apply for any necessary permits within 6 months of completing the inspection or testing that identified the deficiency. Remedial action must be completed promptly, but no later than the earliest of the following: prior to the next inspection or test interval required by this section; within 1 year, not to exceed 15 months, of the inspection or test that identified the deficiency; or as soon as practicable, not to exceed 6 months, after obtaining any necessary permits."

SED reviewed SoCalGas Gas Standard (GS) **186.0135 (Operation and Maintenance of Cathodic Protection Facilities)** and SDG&E GS **G8019 (Operation and Maintenance of Cathodic Protection Facilities)** for compliance with 49 CFR 192.465(d).

The current version of both GSs, published on September 1, 2021, do not mention the enhanced remediation timeframes (completion of remediation no later than the earlier of one year after deficiency identified not to exceed 15 months, or not to exceed 6 months after obtaining any necessary permits). SED requests SoCalGas and SDG&E to implement the enhanced remediation timeframes in a timely manner to the pertinent procedures and provide said procedures as soon as possible upon publication.

On February 13, 2024, SoCalGas and SDG&E stated that their Gas Standards **186.0135 (Operation and Maintenance of Cathodic Protection Facilities)** and **G8019 (Operation and Maintenance of Cathodic Protection Facilities)** will be published on March 1, 2024, and preceded with an informational bulletin in February 2024, notifying departments of the regulatory change.

SED requests a copy of this notification and the revised Gas Standards be provided to SED as soon as possible to confirm the revision in accordance with section 192.465(d).

SoCalGas' and SDG&E's Response:

The published Gas Standards, 186.0135 and G8019, and informational bulletins, INFO-2409 and INFO-2414 have been made available in CPUC Gas Standard Library SharePoint.

SED's Conclusion:

SED has reviewed SoCalGas' and SDG&E's response and accepts the procedural revisions that it has articulated and implemented. However, SED may review and reassess the pertinent procedure during future inspections.

Generic Questions: Generic Questions (GENERIC.GENERIC)

5. Question Title, Generic Question, GENERIC.GENERIC.GENPROCEDURE.P
ID

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

References N/A

Assets Covered SoCalGas' Main Office Inspection - Transmission (88388 (40A)),
SDG&E's Main Office Inspection - Transmission (88389 (53A))

Issue Summary I. PHMSA's limited enforcement discretion regarding regulatory changes from the Gas Transmission Final Rule (87 FR 52224 (Aug. 24, 2022)) is set to end on February 24, 2024. Said changes include enhanced remediation timeframes for remediation of cathodic protection deficiencies for onshore gas transmission pipelines per 192.465(d) & (f).

- I. Under the new regulatory changes, Title 49 CFR, Part 192, §192.465(f) states:

"An operator must determine the extent of the area with inadequate cathodic protection for onshore gas transmission pipelines where any annual test station reading (pipe-to-soil potential measurement) indicates cathodic protection levels below the required levels in appendix D to this part.

(1) Gas transmission pipeline operators must investigate and mitigate any non-systemic or location-specific causes.

(2) To address systemic causes, an operator must conduct close interval surveys in both directions from the test station with a low cathodic protection reading at a maximum interval of approximately 5 feet or less. An operator must conduct close interval surveys unless it is impractical based upon geographical, technical, or safety reasons. An operator must complete close interval surveys required by this section with the protective current interrupted unless it is impractical to do so for technical or safety reasons. An operator must remediate areas with insufficient cathodic protection levels, or areas where protective current is found to be leaving the pipeline, in accordance with paragraph (d) of this section. An operator must confirm the restoration of adequate cathodic protection following the implementation of remedial actions undertaken to mitigate systemic causes of external corrosion."

Per SoCalGas and SDG&E, Gas Standards addressing §192.465(f) were in the process of being published at the time of the inspection. PHMSA's stay of enforcement ended on February 24, 2024. SED requests SoCalGas & SDG&E to include the written process addressing §192.465(f) requirements to their General Document Library in a timely manner and provide said procedures as soon as possible upon publication.

II. Title 49 CFR, Part 192, §192.13(d) states, in part:

"Each operator of an onshore gas transmission pipeline must develop and follow a management of change process, as outlined in ASME/ANSI B31.8S, section 11 (incorporated by reference, see section 192.7), that addresses technical, design, physical, environmental, procedural, operational, maintenance, and organizational changes to the pipeline or processes, whether permanent or temporary."

SoCalGas Gas Standard (GS) **223.0012 (Pipeline Asset Reallocation)** §§1.1.1.6 and 4.1.5.2 state:

"The outlet valve of the regulator station is the demarcation point for the pipeline transfer for pipeline patrol, leak survey, class locations and DOT compliance. The owner of the inlet pipeline also controls the inlet fire control valve of the regulator station."

SoCalGas GS **223.0012 (Pipeline Asset Reallocation)** §4.1.5.1 states:

"The organization that maintains the pipeline downstream of the regular station will have responsibility for maintenance on the regulator station and the station inlet (fire control) and outlet (fire control) valves. Leak surveys and patrols will be performed by the organization that is receiving the assets."

SED reviewed SoCalGas GS **223.0012 (Pipeline Asset Reallocation)** which outlines pipeline asset transfers between SoCalGas' various operating groups (e.g., Distribution, Transmission) in implementing management of change in line with Section 192.13(d).

SED found that the phrase "outlet valve" and "outlet (fire control) valve" are used in similar contexts between section 1.1.1.6 and section 4.1.5 in identifying demarcation points for transfer and responsibility of pipeline assets near regulator stations. SED believes this use may leave room for confusion in future asset reallocations and requests SoCalGas to review the Gas Standard's language and revise if necessary (e.g., incorporate example figure).

On January 30, 2024, SoCalGas and SDG&E stated they will review GS **223.0012** and its SDG&E common document GS **T8124** to determine if more precise designations and language can be used to define the aforementioned valves. SED reviewed SoCalGas' response and accepts its proposal. SED requests a status update upon completion of SoCalGas and SDG&E's review.

SoCalGas' and SDG&E's Response:

- I. The published Gas Standards, 186.0135 and G8019, have been made available in CPUC Gas Standard Library SharePoint.
- II. SoCalGas and SDGE are still reviewing the suggested changes. The proposed changes will impact on several other gas standards and those changes must be considered before finalizing any changes. These gas standards are currently set for review in the 3rd quarter of this year and if it is determined that changes are warranted, SoCalGas and SDGE will update the standards in the 3rd quarter.

SED's Conclusion:

SED has reviewed SoCalGas' and SDG&E's response and accepts the procedural revisions that it has articulated and implemented. However, SED may review and reassess the pertinent procedure during future inspections.