

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 6, 2023

GI-2023-03-SCG-50-01ABC

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) response letter, dated July 6, 2023, that addressed one (1) probable violation and ten (10) areas of concern identified during the **General Order (G.O.) 112-F Comprehensive Operation and Maintenance Inspection of Southern California Gas Company (SoCalGas)'s Transmission South Desert** (Inspection Unit) conducted on March 20 through 30, 2023, and April 3, 2023.

Attached is a summary of all 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 2023 Comprehensive Inspections of SoCalGas' Transmission South Desert (Inspection Unit). 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 Huang, Utilities Engineer, at (213) 503-5083 or by email at ghg@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mahmoud Intably".

Mahmoud Intably, PE
Program and Project Supervisor
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

Terence Eng, P.E.
Program Manager
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 Huang
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: 3/20/2023 – 3 /30/2023

Operator: SOUTHERN CALIFORNIA GAS CO

Operator ID: 18484 (primary)

Inspection Systems: Blythe and Beaumont Transmission Districts and DOT-T Distribution Districts (San Bernardino, Fontana, Chino, Corona, Riverside, Palm Desert, El Centro, Yucca Valley, Beaumont, Murrieta, Ramona)

Assets (Unit IDs) with results in this report: T: South Desert (87056)

System Type: GT

Inspection Name: SoCalGas Transmission - South Desert

Lead Inspector: Gordon Huang

Operator Representative: Edwin Baires

Unsatisfactory Results

Time-Dependent Threats: External Corrosion - Cathodic Protection (TD.CP)

Question Title, ID Isolation from Other Metallic Structures, TD.CP.ELECISOLATE.O

Question 14. Are measures performed to ensure electrical isolation of each buried or submerged pipeline from other metallic structures unless they electrically interconnect and cathodically protect the pipeline and the other structures as a single unit?

References 192.467(a) (192.467(b), 192.467(c), 192.467(d), 192.467(e))

Assets Covered T: South Desert (87056 (50))

Issue Summary Title 49, CFR, Part 192, Section 192.467(b) states:

"One or more insulating devices must be installed where electrical isolation of a portion of a pipeline is necessary to facilitate the application of corrosion control."

During field inspections in Riverside Distribution District on March 30, 2023, SED observed SoCalGas' employee take a pipe-to-soil read at Point "B" of cathodic protection area (CPA) LOMA-35 (with -0.850 volt criterion) and found it to be -0.540 volts. After troubleshooting the CPA, SoCalGas'

employee found that the read point's riser was connected to a SoCalGas portable pressure monitoring apparatus. Upon examination, the configuration did not appear to have any electrical isolation, and may have caused the deficiency (low read at Point "B"). Therefore, SED finds SoCalGas in violation of Title 49, CFR, Part 192, §192.467(b) for failure to install an insulating device to facilitate the application of corrosion control.

SoCalGas' Response and Remedial Action:

SoCalGas acknowledges that while an assembly of temporary pressure monitoring devices was installed at regulator station ID386IE, it was not found to be the root cause of the out-of-tolerance condition on CP LOMA 35. Tests taken while the temporary pressure monitoring device was installed and after it was removed continued to show an out-of-tolerance condition.

Instead, investigation revealed that recent construction at the site reconfigured piping that may have led to an interference condition occurring between isolated cathodic protection systems operated by Transmission and Distribution. To accommodate this new pipe configuration, a bond between the Transmission and Distribution was installed. The area was read in tolerance on 6/12/2023 with a read of -1.912V.

SED's Conclusion:

SED has reviewed SoCalGas' response and accepts the corrective action that it has articulated and implemented. SED has opted not to impose a fine or penalty at this time. However, SED may review the effectiveness of SoCalGas' corrective actions during future inspections.

Concerns

Design and Construction: Design of Pipe Components (DC.DPC)

1. Question Internal Corrosion Control: Design and Construction (192.476), Title, ID DC.DPC.INTCORRODE.R

Question 53. Do records demonstrate the transmission line project has features incorporated into its design and construction to reduce the risk of internal corrosion, as required of 192.476?

References 192.476(d) (192.476(b), 192.476(c), 192.476(a))

Assets Covered T: South Desert (87056 (50))

Issue Summary During records review of SoCalGas' Transmission projects within the inspection period, SED requested records demonstrating that design and construction features to reduce the risk of internal corrosion were incorporated for Blythe District L2001 East MLV2001-30.99-0 Replacement (Work Order Authorization (WOA) 91858) or that incorporating such features to meet §192.476(a)(1), (a)(2), or (a)(3) are impracticable or unnecessary. Should the latter be the case, written procedures supported by as-builts or other construction records addressing internal corrosion risk

for WOA 91858 are also requested for review. This request was initiated on March 24, 2023 (DR-029-JEY).

As of May 22, 2023, SoCalGas has not provided the requested records to SED. SED requests that SoCalGas provide the requested records for review as soon as possible.

SoCalGas' Response and Remedial Action:

SoCalGas provided a response on May 23, 2023.

SED's Conclusion:

SED has reviewed SoCalGas' submission and may review the effectiveness of SoCalGas' mitigative and preventative measures against internal corrosion for Blythe Transmission District during future inspections.

Design and Construction: Pressure Testing (DC.PT)

2. Question Hydrostatic Testing - Environmental Protection, Title, ID DC.PT.PRESSTESTENVIRON.R (also presented in: DC.SPT, DC.PTLOWPRESS)

Question 11. Do records indicate while conducting tests under Subpart J – Test Requirements, the test medium disposal was conducted in a manner that minimized damage to the environment?

References 192.515(b) (192.629(a), 192.629(b))

Assets Covered T: South Desert (87056 (50))

Issue Summary During records review of SoCalGas' Transmission projects within the inspection period, SED requested pressure test medium disposal records for Blythe District L2001 East MLV2001-30.99-0 Replacement (Work Order Authorization 91858) on March 24, 2023 (DR-031-JEY).

As of May 22, 2023, SoCalGas has not provided the requested records to SED. SED requests that SoCalGas provide the requested records for review as soon as possible.

SoCalGas' Response and Remedial Action:

SoCalGas provided a response on May 23, 2023.

SED's Conclusion:

SED has reviewed SoCalGas' submission and accepts the response it has articulated. However, SED may review SoCalGas' test disposal records per SoCalGas Gas Standard (GS) 182.0170 §4.1.5 & GS 104.0231 §3 in greater detail during future inspections.

3. Question Hydrostatic Testing - Safety During Testing, DC.PT.PRESSTESTSAFETY.R Title, ID (also presented in: DC.SPT, DC.PTLOWPRESS)

Question 14. Do records indicate while conducting tests under Subpart J – Test Requirements, every reasonable precaution was taken to protect its employees and the general public throughout the testing?

References 192.515(a) (192.629(a), 192.629(b))

Assets Covered T: South Desert (87056 (50))

Issue Summary During records review of SoCalGas' Transmission projects within the inspection period, SED requested records demonstrating safety precautions were taken by SoCalGas to protect its employees and the public during pressure testing for Blythe District L2001 East MLV2001-30.99-0 Replacement (Work Order Authorization #91858) on March 24, 2023 (DR-034-JEY).

As of May 22, 2023, SoCalGas has not provided the requested records to SED. SED requests that SoCalGas provide the requested records for review as soon as possible.

SoCalGas' Response and Remedial Action:

SoCalGas provided a response on May 23, 2023.

SED's Conclusion:

SED has reviewed SoCalGas' response on May 23, 2023, and accepts the submitted documentation.

Maintenance and Operations: Gas Pipeline Class Location (MO.GOCLASS)

- 4. Question Change in Class Location Required Study, Title, ID MO.GOCLASS.CLASSLOCATESTUDY.R

Question 2. Do records indicate performance of the required study whenever the population along a pipeline increased or there was an indication that the pipe hoop stress was not commensurate with the present class location?

References 192.605(b)(1) (192.609(a), 192.609(b), 192.609(c), 192.609(d), 192.609(e), 192.609(f))

Assets Covered T: South Desert (87056 (50))

Issue Summary i. During records review of Blythe Transmission District's class location survey reports, SED requested supporting documents for work orders created in response to survey findings and responses to associated inquiries. This request was made under DR-09-JEY.

As of May 22, 2023, the requested records have not been provided in response to SED's records request. SED requests that the requested documents be provided for review.

ii. During records review of Beaumont Transmission District's class location survey reports, SED requested the Form 2112s for the following Class Location Survey work orders: 7119659, 7120236, 8059640, 8060215. This request was made under DR-18-JNE.

As of May 22, 2023, the requested records have not been provided in response to SED's records request.

- iii. During records review of Beaumont Transmission District's class location survey reports, SED requested supporting documentation for the following surveys:
 - 2018: L5000 (3) cum 54761.33 - 54978.73
 - 2019: L6900 cum 49549.1 - 50317.89
 - 2020: L2001 W cum 536878.33 - 537429.09
 - 2020: L2001 W cum 537429.1 - 537704.13
 - 2021: L2001 W cum 366794.91 - 367542.06
 - 2022: L6916 cum 462888.26 - 463764.86

This request was made under DR-024-GHG.

As of May 22, 2023, SoCalGas has not provided the requested records to SED. SED requests that SoCalGas provide the requested records for review as soon as possible.

SoCalGas' Response and Remedial Action:

- i. SoCalGas provided a response and the requested item on June 8, 2023.
- ii. SoCalGas provided a response and the requested item on May 23, 2023.
- iii. SoCalGas provided a response and the requested item on May 23, 2023.

SED's Conclusion:

SED has reviewed SoCalGas' responses on May 23 and June 8, 2023, and accepts the submitted documentation.

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

5. Question Prevention of Accidental Ignition, MO.GM.IGNITION.R
Title, ID

Question 7. Do records indicate personnel followed processes for minimizing the danger of accidental ignition where the presence of gas constituted a hazard of fire or explosion?

References 192.709 (192.751(a), 192.751(b), 192.751(c))

Assets Covered T: South Desert (87056 (50))

Issue Summary During records review, SED requested that a hot work permit and Job Safety Analysis for Work Order Authorization# 93328 be provided for review.

As of May 22, 2023, SoCalGas has not provided the requested records to SED. SED requests that SoCalGas provide the requested records for review as soon as possible.

SoCalGas' Response and Remedial Action:

SoCalGas provided a response and the requested item on May 23, 2023.

SED's Conclusion:

SED has reviewed SoCalGas' response on May 23, 2023, and accepts the submitted documentation.

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

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

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 192.709(c) (192.613(a), 192.613(b), 192.703(b), 192.703(c))

Assets Covered T: South Desert (87056 (50))

Issue Summary During records review of SoCalGas' Transmission projects within the inspection period, SED requested leak repair records for several Beaumont District leaks. This request was initiated on March 24, 2023 (DR-025-JEY).

As of May 22, 2023, SoCalGas has not provided the requested records to SED. SED requests that SoCalGas provide the requested records for review as soon as possible.

SoCalGas' Response and Remedial Action:

SoCalGas provided a response and the requested item on June 7, 2023.

SED's Conclusion:

SED has reviewed SoCalGas' response on June 7, 2023, and accepts the submitted documentation.

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

7. 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))

Assets Covered T: South Desert (87056 (50))

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

" During inspections the operator must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbonded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water."

SoCalGas Gas Standard (GS) 184.12 "Inspection of Pipelines on Bridge and Spans", §4.1.5 Pipe supports states in part:

"Is there evidence of improper insulation between the support and the pipe? Supports and insulators must be made of durable, noncombustible materials, such as Micarta or fiberglass reinforced plastic (FRP) pads. Woods is not approved material and shall not be used as a support or insulator."

During field inspections in Cactus City on March 27, 2023, SED observed span 2000-85.52 had its Micarta shifted, leading to improper insulation between the pipe and the support. On March 30, 2023, SoCalGas provided Work Order (WO) #8245458 to address the micarta remediation. SED requests that SoCalGas take corrective action to install the Micarta or FRP pads between the pipe and the support to prevent pipe-support contact and provide SED with a copy of WO #8245458 upon completion.

SoCalGas' Response and Remedial Action:

SoCalGas will continue to review and attempt repairs to the observed span within the next two weeks. Should attempts be unsuccessful, SoCalGas plans to initiate a remedial project for the observed span condition.

SED's Conclusion:

SED has reviewed SoCalGas' response and accepts the corrective action that it has articulated and proposed. However, SED may verify the corrective actions during future inspections.

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

- 8. Question Correction of Corrosion Control Deficiencies, TD.CPMONITOR.DEFICIENCY.R Title, ID

Question 13. Do records adequately document actions taken to correct any identified deficiencies in corrosion control?

References 192.491(c) (192.465(d))

Assets Covered T: South Desert (87056 (50))

Issue Summary Title 49, CFR Part 192, Section 192.465(d) states:

"Each operator shall take prompt remedial action to correct any deficiencies indicated by the monitoring."

SoCalGas GS 185.0135 "Operation and Maintenance of Cathodic Protection Facilities", Section 1.4.4.3.1 states:

"Once an area has been out of tolerance for over 12 months (365 days), a quarterly update shall go to the supervisor, manager, and director for review and comments. This update

is an ongoing requirement until the issue is corrected and the supervisor, manager, and director have been notified.

Notes: *If permits are delaying corrective actions, contact Pipeline Safety and Compliance for California Public Utilities Commission (CPUC) assistance to obtain permits from applicable agency"*

- 1) SED found that for DOT-T El Centro Distribution District cathodic protection area (CPA) 6001 8, records showed deficient readings were taken on November 22, 2019. SoCalGas' maintenance sheet troubleshooting remarks pointed to depleted anode beds in the area. The deficiency was corrected by February 17, 2022, with a new anode bed installation. This Cathodic Protection area was thus deficient for intervals exceeding SoCalGas' routine monitoring frequency defined in Gas Standard (GS) 186.0135, and as required in 49 CFR §192.465(d).

SED requests that SoCalGas provide SED copies of any communications sent to SED regarding assistance in the permitting process for the remediation of CPA 6001 8. If a request was not made, please explain why the CPA deficiency was not corrected promptly and SED was not contacted.

- 2) SED found that for DOT-T Yucca Valley Distribution District CPA 29 P REC 1A, records showed deficient readings were taken on October 24, 2022. SoCalGas' maintenance sheet remarks mention rectifiers and bonds being down due to Transmission work at Morongo Station.

SED recommends SoCalGas to take the necessary steps without delay to address the cathodic protection deficiencies and bring CPA 29 REC 1A in compliance with Title 49, CFR, Part 192, Subpart I.

SoCalGas' Response and Remedial Action:

As an agreed upon practice, SoCalGas provides SED a summary of all CP areas which are out-of-tolerance for more than a year. While specific areas aren't called out, SED is informed of the system statuses.

CP Area 6001-8 was included in the summary reports sent which were sent as follows:

- Q4 2020 – Sent on 1/29/2021
- Q1 2021 – Sent on 4/30/2021
- Q2 2021 – Sent on 7/30/2021
- Q3 2021 – Sent on 10/28/2021
- Q4 2021 – Sent on 2/1/2022

Typically, SoCalGas practice is to exhaust all internal avenues before elevating permitting issues to SED. In this case, to remediate the out-of-tolerance condition on 6001-8 we felt existing avenues were sufficient. Ultimately, two deep wells were required to be replaced and a third rectifier and well was moved due to a pipeline modification which caused the rectifier to be too close to the pipeline. This project also encountered permitting issues that included, but were not limited to: changes in property ownership

which was required to be recorded before permits were granted, questions on the jurisdiction between permit municipalities and a unique definition of anode bed well and non-standard permitting requirements for Imperial County that made SoCalGas redesign their installation to obtain permits.

CP Area 29P REC 1A was discovered out-of-tolerance on 10/24/2022 and was read in tolerance on 4/10/2023. Investigation revealed that its power source which was operated by Transmission had been turned off due to construction.

SED's Conclusion:

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

Time-Dependent Threats: External Corrosion - Cathodic Protection (TD.CP)

9. Question Corrosion Control Records, TD.CP.RECORDS.R (also presented in: Title, ID TD.CPMONITOR, TD.CPEXPOSED)

Question 24. Do records indicate the location of all corrosion control items listed in §192.491(a)?

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

Assets Covered T: South Desert (87056 (50))

Issue Summary During records review of DOT-T Distribution cathodic protection areas (CPA) on March 28-29, 2023, SED noted that electrical current source (ECS) points were not marked on the associated CPA maps. While the Basic Information Record (BIR) states the location of ECS points, SED believes that a visual marking of SoCalGas' ECS points (similar to how electrical testing stations (ETSS) are currently marked) would be beneficial for locating assets in the field.

As such, SED recommends marking ECS points per their stated BIR locations on associated CPA maps for the following CPAs:

- Chino - 055
- San Bernardino - SL 34-88"

SoCalGas' Response and Remedial Action:

Please refer to maps on Chino-055 (Map 1 and 2) and SBD-SL34-88 which were scanned and provided in the Sharepoint site for the audit. This information was communicated to the SED on April 3, 2023.

SED's Conclusion:

SED has reviewed SoCalGas' response and accepts the corrective action that it has articulated and implemented.

Time-Dependent Threats: External Corrosion - Exposed Pipe (TD.CPEXPOSED)

10. Question Examination of Exposed Portions of Buried Pipe,
Title, ID TD.CPEXPOSED.EXPOSEINSPECT.R

Question 2. Do records adequately document that exposed buried piping was examined for corrosion and deteriorated coating?

References 192.491(c) (192.459)

Assets Covered T: South Desert (87056 (50))

Issue Summary Title 49, CFR Part 192, Section 192.491(c) states:

"Each operator shall maintain a record of each test, survey, or inspection required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that a corrosive condition does not exist. These records must be retained for at least 5 years, except that records related to §§192.465(a) and (e) and 192.475(b) must be retained for as long as the pipeline remains in service."

SoCalGas Gas Standard 186.02 "Inspection of Exposed Pipe", Section 7.5 states:

"The pipe condition shall be described on Form 677-1, Pipeline Condition and Maintenance Report (transmission, Storage, and Distribution Operations) and Click Mobile Excavation Form 4300 for Medium Pressure Distribution pipelines using the pipeline coating and conditions codes illustrated in Appendix A. If a Form 677-1 is completed a copy should be forwarded to Gas Engineering-Pipeline Integrity".

During field inspections in Blythe Transmission District on March 22, 2023, SED observed Line (L) 1030 Milepost (MP) 54.47 & L2000 MP 54.47 were unintentionally exposed through acts of nature (erosion/washout). SED requests SoCalGas to provide a copy of the Pipe Condition and Maintenance Report (Form 677-1) including measures taken by SoCalGas to address any issues threatening pipeline integrity to prevent failures, releases, or other events that may endanger public safety.

SoCalGas' Response and Remedial Action:

SoCalGas is in the process of evaluating and planning the most effective mitigation measures for these segments. The planning process is lengthy due to the fact that these segments are in an environmentally sensitive location and mitigation methods will require prior approval from various environmental regulatory agencies. The segments are in a Class 1 and remote location. There is little possibility for endangering the public due to the location of the segments. SoCalGas will provide an update once permitting has been received and the remediation has started.

SED's Conclusion:

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