

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 16, 2022

GI-2022-03-SCG-40-16

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 conducted a **General Order (G.O.)112-F Comprehensive Operation and Maintenance Inspection of Southern California Gas Company (SoCalGas)'s Transmission Producer Sites** (Inspection Unit) on March 7 through March 17 of 2022 for calendar years 2017 through 2021. SED conducted records review and field inspections of SoCalGas transmission pipeline facilities at San Joaquin Valley, Coastal, Basin, and South Desert regions within the Inspection Unit. SED's staff also reviewed the implementation of the Operator Qualification program, which included field observation of randomly selected individuals performing covered tasks. SED's staff used the Pipeline and Hazardous Materials Safety Administration's (PHMSA) Inspection Assistance (IA) as a reference guide to conduct this inspection.

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 official closure of the 2022 Comprehensive Operation and Maintenance Inspection of SoCalGas' Transmission Producer Sites. 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 Randy Holter, Senior Utilities Engineer (Specialist), at (213) 576-7153 or by email at randy.holter@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "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 Response to Findings – Closure Items

Concern(s)

1. Atmospheric Corrosion Monitoring

Question: 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))

Assets Covered: T: Coastal (87055 (52))

Issue Summary: During the field inspection on 3/9/22 at OM 3372 DCOR RINCORN, SED observed signs of atmospheric corrosion on above ground pipeline underneath pipe and pipe elbow.

Title 49 CFR, Part 192, §192.479(a) states in part; "Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere,", and

Title 49 CFR, Part 192, §192.479(b) states, "Coating material must be suitable for the prevention of atmospheric corrosion."

SED recommends that SoCalGas takes the appropriate corrective actions to clean and coat underneath the pipe and the pipe elbow to ensure compliance with Title 49 CFR, Part 192, §192.479(a)&(b).

SoCalGas' response & actions:

SoCalGas removed the layer of paint from the section of pipe with the suspected corrosion, inspected the pipe to ensure no corrosion had occurred and then repainted the pipe. Repainting of the pipe occurred on the same day the inspection was made.

SED's conclusion:

SED has reviewed SoCalGas' response and accepts their written and implemented corrective actions. Please be advised, SED may review SoCalGas' corrective action during future inspections.

2. Isolation from Other Metallic Structures

Question: 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: San Joaquin Valley (87053 (54)), T: Coastal (87055 (52)), T: Basin (87054 (51)), T: South Desert (87056 (50))

Issue Summary: During the field inspection, SED observed the following conditions:

- Electric Test Stations (ETS) at T: Coastal, OM 3372, 3373 & 3383 - SoCalGas Field Technician tested the insulating devices at outlet flanges and inlet flanges of the three ETS and found them to be shorted (electrically connected).
- ETS at T: Coastal, OM 3383 – SoCalGas Field Technician conducted pipe-to-soil (CP) read (inlet read) and found it to be -634mV. In addition, he tested the insulating device and found it to be shorted.
- ETS at T: Coastal, OM 5502 – SoCalGas Field Technician tested the insulating devices at outlet flanges and inlet flanges and found them to be shorted (i.e., facilities are not electrically isolated, or metal platform facility was built on was not electrically isolated).
- ETS at T: Basin, OM 1550 – SoCalGas Field Technician tested the insulating device upstream and downstream of demarcation flange, at the producer side of the plant, and found the CP read to be -534mV, and showed infinite resistance across the flange. In addition, SoCalGas Field Technician took another CP read at a different location and found it to be -531mv. According to SoCalGas representative, the low CP read was contributed to a stray current that may be occurring and the shorted insulating device on the filter/separator from underground piping.
- ETS at T: Basin, OM 5450X – SoCalGas Field Technician tested the insulating device between the producer piping and SoCalGas piping and found it to be shorted (CP read on both sides was the same -585mV (i.e., facilities are not electrically isolated, or metal platform facility was built on was not electrically isolated).

Title 49 CFR Part 192, §192.467 (a) states, “Each buried or submerged pipeline must be electrically isolated from other underground metallic structures, unless the pipeline and the other structures are electrically interconnected and cathodically protected as a single unit.”

SED recommends that SoCalGas takes the appropriate corrective actions to ensure that the insulating devices on its pipeline facilities are installed and in good working condition (preventing metal to metal contact across the joint) for compliance with Title 49 CFR, Part 192, §192.467(a).

SoCalGas’ response & actions:

SoCalGas agrees with SED's determination, with the exception of the OM 3373 location. OM 3373 was not tested for CP during the audit. SoCalGas has taken the following actions to remediate the other locations of concern:

OM 3372 - Will continue to work and troubleshoot to find the short between aboveground and underground piping. Expected date of completion: 08/10/2022.

OM 3383 - Working to troubleshoot and identify the short between the aboveground and underground pipe. Expected date of completion: 08/10/2022.

OM 5502 - Working with Producer Operator to verify that that the requested work has been completed to remediate the site. Expected date of completion: 08/10/2022.

OM 1550 - All work has been completed and have verified that the SoCalGas aboveground piping was/is electrically isolated from both SoCalGas owned underground pipe and producer piping.

OM 5450X - All work has been completed and have verified that the SoCalGas aboveground piping was/is electrically isolated from both SoCalGas owned underground pipe and producer piping.

SED's conclusion:

SED has reviewed SoCalGas' response and accepts their written and implemented corrective actions. Please be advised, SED may review SoCalGas' corrective action during future inspections.

3. Cathodic Protection Monitoring

Question: Are methods used for taking CP monitoring readings that allow for the application of appropriate CP monitoring criteria?

References: 192.465(a) (192.463(a))

Assets Covered: T: Coastal (87055 (52)), T: Basin (87054 (51))

Issue Summary: During the field inspection, SED observed the following conditions:

- ETS at T: Coastal, OM 3383 – SoCalGas Field Technician conducted pipe-to-soil (CP) read (inlet read) and found it to be -634mV. In addition, he tested the insulating device and found it to be shorted.
- ETS at T: Basin, OM 1550 – SoCalGas Field Technician tested the insulating device upstream and downstream of demarcation flange, at the producer side of the plant, and found the CP read to be -534mV, and showed infinite resistance across the flange. In addition, SoCalGas Field Technician took another CP read at a different location and found it to be -531mv. According to SoCalGas representative, the low CP read was contributed to a stray current that may be occurring and the shorted insulating device on the filter/separators from underground piping.

- ETS at T: Basin, OM 5450X – SoCalGas Field Technician tested the insulating device between the producer piping and SoCalGas piping and found it to be shorted (CP read on both sides was the same -585mV (i.e., facilities are not electrically isolated, or metal platform facility was built on was not electrically isolated).

Title 49 CFR Part 192, §192.463 (a) states, “Each cathodic protection system required by this subpart must provide a level of cathodic protection that complies with one or more of the applicable criteria contained in appendix D of this part. If none of these criteria is applicable, the cathodic protection system must provide a level of cathodic protection at least equal to that provided by compliance with one or more of these criteria.”

SED is concerned with the low CP reads observed at the locations noted above and requests that SoCalGas take the appropriate corrective actions to ensure that the CP criteria complies with Title 49 CFR, Part 192, §192.463(a) and the criteria provided in 49 CFR, Part 192, Appendix D.

SoCalGas’ response & actions:

OM 3383, 1550, and 5450X are all aboveground facilities, therefore SoCalGas disagrees with SED's determination. Aboveground facilities are not required to be cathodically protected. SoCalGas believes Title 49 CFR Part 192 section 192.463 does not apply.

SED’s conclusion:

SED has reviewed SoCalGas’ response and agrees with SoCalGas that when aboveground facilities that are isolated from the underground facilities by insulators functioning as required, then Title 49 CFR Part 192 section 192.463 does not apply. In this case, SED does not accept the SoCalGas response for CP protection validation reads at underground pipeline facilities at OM 3383, 1550, and 5450X:

During the field inspection at these locations, SED requested pipe-to soil reads on the underground section of the transmission lines and observed low CP reads.

SED is requesting SoCalGas to take corrective actions to ensure that its underground transmission pipelines’ CP reads are in compliance with Title 49 CFR, Part 192, §192.463(a) and the criteria provided in 49 CFR, Part 192, Appendix D. Please be advised, SED may review SoCalGas’ corrective action during future inspections.