

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 3, 2021

GI-2021-01-SCG-40-03

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 reviewed Southern California Gas Company's (SoCalGas) Gas Standards and Procedures response letter dated April 14, 2021, that addressed six (6) areas of concern identified during **General Order (G.O.) 112-F Comprehensive Review and Inspection of SoCalGas' Operation and Maintenance (O&M) Procedures** conducted on January 11 through 15, 2021.

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 2021 Comprehensive Review and Inspection of SoCalGas' O&M Gas Standards and 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 Desmond Lew, Senior Utilities Engineer (Specialist), at (213) 576-7020 or by email at dl4@cpuc.ca.gov.

Sincerely,

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

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

Attachment

cc: See next page

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Senior Utilities Engineer (Supervisor)
Gas Safety and Reliability Branch
Safety and Enforcement Division

Desmond Lew
Senior Utilities Engineer (Specialist)
Gas Safety and Reliability Branch
Safety and Enforcement Division

Claudia Almengor
Associate Governmental Program Analyst
Safety and Enforcement Division

Post-Inspection Written Preliminary Findings

Dates of Inspection: January 11, through January 15, 2021

Operator: SOUTHERN CALIFORNIA GAS CO

Operator ID: 18484 (primary)

Inspection Systems: SoCalGas OME Update

Assets (Unit IDs): SoCalGas' Main Office Inspection - Transmission

System Type: GT

Inspection Name: 2021 SoCalGas' Procedure Transmission

Lead Inspector: Desmond Lew

Operator Representative: Alexander Hughes

Unsatisfactory Results

No Preliminary Findings

Concerns

1. Assessment and Repair: Integrity Assessment Via Pressure Test (AR.PTI)

Question 3. Were test acceptance criteria and processes sufficient to assure the basis for an acceptable pressure test?

References 192.503(a) (192.503(b), 192.503(c), 192.503(d), 192.505(a), 192.505(b), 192.505(c), 192.505(d), 192.507(a), 192.507(b), 192.507(c), 192.513(a), 192.513(b), 192.513(c), 192.513(d), 192.921(a)(2))

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

Issue Summary Title 49 CFR Part 192, §192.505(d) - Strength test requirements for steel pipeline to operate at a hoop stress of 30 percent or more of SMYS states:

"For fabricated units and short sections of pipe, for which a post installation test is impractical, a preinstallation strength test must be conducted by maintaining the pressure for at least 4 hours."

SoCalGas Gas Standard (GS) 182.0170 *Strength Testing - High Pressure Pipelines and Facilities*, §4.5.2, states in part:

"Horizontally Directionally Drilled (HDD) pipe where a post-installed pressure test failure would be difficult to locate, repair or replace, shall be pretested for a minimum test duration of 4 hours at the planned post-construction hold pressure if the pipe segment will be operating at 30% SMYS or greater."

SED recommends SoCalGas revise this section to be consistent with the language stated in the regulation and to remove any ambiguity or misconception of the meaning that includes addressing:

- "short sections of pipe" and
- "a preinstallation strength test must be conducted"

SoCalGas' Response:

A post-installation pressure test is required for all HDDs as stated in SoCalGas GS 182.0170. For the sake of clarity, we added the following changes to SCG 182.0170 Section 4.5.2.: The term "planned hold post-construction pressure" has been changed to "planned hold post-installation test pressure;" and the statement was revised to clarify the need for a post-installation pressure test, "Regardless of whether a pre-test is completed, a post-installation pressure test is required to be performed that meets the requirements in Table 2."

Section 4.5.1 addresses the pressure test requirements for "short sections of pipe" which meets the requirements of 192.505 (d).

SED's Conclusion:

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

2. Maintenance and Operations: ROW Markers, Patrols, Leakage Survey and Monitoring (MO.RW)

Question 5. Does the process adequately cover the requirements for placement of ROW markers?

References 192.707(a) (192.707(b), 192.707(c), 192.707(d))

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

Issue Summary SED reviewed SoCalGas' Gas Standard (GS) 223.0075 *Pipeline Markers* for compliance in the course of this inspection. §2.3 of the GS states:

"The installation and maintenance of pipeline markers must be conducted by trained personnel familiar with the location and operation of the pipeline."

While trained personnel may be knowledgeable in installing and maintaining pipeline, unless they have been qualified, they cannot perform the covered task "maintaining line markers for buried main and transmission". SED recommends SoCalGas to revise §2.3 to replace "trained personnel" with "qualified personnel" and to ensure consistency with §6 Operator Qualification Covered Tasks, Covered Task 08.02 - Title 49 CFR, Part 192, §192.707 Maintaining line markers for buried main and transmission lines.

SoCalGas' Response:

In September 2020, the Gas Standard 223.0075 section 2.3 was updated to state as follows:

2.3. The installation and maintenance of pipeline markers must be conducted by **qualified** and trained personnel familiar with the location and operation of the pipeline.

SED's Conclusion:

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

3. Time-Dependent Threats: External Corrosion - Coatings (TD.COAT)

Question 4. Does the process give adequate guidance for the application and inspection of protective coatings on pipe?

References 192.605(b)(2) (192.461(c), 192.461(d), 192.461(e), 192.483(a))

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

Issue Summary Title 49 CFR, Part 192, §192.461(c) External corrosion control: Protective coating states that:

"Each external protective coating must be inspected just prior to lowering the pipe into the ditch and backfilling, and any damage detrimental to effective corrosion control must be repaired."

SoCalGas' Gas Standard (GS) 186.0117 - External surface preparation and shop-applied coating for high pressure corrosion service areas, §4.8 - Inspection, provides conditions and requirements for inspection. §4.8 did not address that the coating must be inspected just prior to lowering the pipe in the ditch. SED recommends SoCalGas to revise its GS 186.0117, §4.8 to be consistent with the language in §192.461(c).

SoCalGas' Response:

GS 186.0117 is for above ground paints that can be applied in the field and or the shop. This document is currently being updated in connection with its 5-year review and the following changes will be made:

- The current publication does not state "for above ground" but will be incorporated in the PURPOSE and/or POLICY AND SCOPE on the next publication.
- CFR 192.461(c) does not apply to GS186.0117 and will be removed from the O&M 49 CFR impacted sections.

A Notice of Publication of this Gas Standard is scheduled for June 2021.

SED's Conclusion:

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

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SED recommends SoCalGas revise this section to be consistent with the language stated in the regulation and to remove any ambiguity or misconception of the meaning that includes addressing:

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SoCalGas' Response:

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Section 4.5.1 addresses the pressure test requirements for "short sections of pipe" which meets the requirements of 192.505 (d).

SED's Conclusion:

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

2. Maintenance and Operations: Gas Pipeline Overpressure Protection (MO.GMOPP)

Question 6. Does the process require telemetering or recording gauges be utilized as required for distribution systems?

References 192.605(b)(1) (192.741(a), 192.741(b), 192.741(c))

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

Issue Summary SoCalGas Gas Standard (GS) 184.0031 *Pressure Monitoring of Distribution Systems* was reviewed for compliance in the course of this inspection. SoCalGas GS 184.0031 §3.2 defines the Under-Pressure condition as "an event ... which results in a pressure less than the established Minimum Operating Pressure for that system and results in any part of the pipeline system being shut down and results in at least one customer outage".

G.O. 112-F, Subpart B-Reports, §122.2(a)(4) defines an under-pressure incident, in part: "...results in any part of the gas pipeline system losing service or being shut-down.". SED interprets the language in §3.2 as possibly differing in scope because of this variance in verbiage. Therefore, SED recommends SoCalGas revise GS 184.0031 to be consistent with the G.O. and remove any ambiguity.

SoCalGas' Response:

SoCalGas GS184.0031 was revised to reflect the definition of an Under-Pressure Condition as stated in GO112-F. The updates were made to the "Purpose" part of the standard and Sections 3.2 and 6.5. The previous definition was "An event caused by the failure of any pressure controlling device, or any other unplanned event other than excavation related damage, that results in any part of the gas pipeline system being shut down and resulting in at least one customer outage." The revised definition is "An event caused by the failure of any pressure

controlling device, or any other unplanned event other than excavation-related damage, in the pipeline system which results in any part of the pipeline system losing service or being shut-down." Examples are given, which include an exclusion for the activation of a slam-shut regulator and an Under-Pressure Condition, defined as "An event that results in a pressure less than the established Minimum Operating Pressure for the system, and results in at least one customer outage".

SED's Conclusion:

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

3. Maintenance and Operations: ROW Markers, Patrols, Leakage Survey and Monitoring (MO.RW)

Question 9. Does the process adequately cover the requirements for placement of ROW markers?

References 192.707(a) (192.707(b), 192.707(d), CGA Best Practices, v4.0, Practice 2-5, CGA Best Practices, v4.0, Practice 4-20)

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SoCalGas' Response:

In September 2020, the Gas Standard 223.0075 section 2.3 was updated to state as follows:

*2.3. The installation and maintenance of pipeline markers must be conducted by **qualified** and trained personnel familiar with the location and operation of the pipeline.*

SED's Conclusion:

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