

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 8, 2021

GI-2021-04-SCG-43-15

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 (SoCalGas)'s response letter dated June 25, 2021 that addressed one (1) violation and four (4) areas of concern noted during **General Order (G.O.)112-F Comprehensive Operation and Maintenance Inspection of Southern California Gas Company (SoCalGas)'s Aliso Canyon Natural Gas Storage Field** Aliso Canyon (Inspection Unit) conducted on April 5 through April 9, 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 Operation and Maintenance Inspection of SoCalGas' Aliso Canyon Natural Gas Storage Field. 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 that reads "Mahmoud Intably".

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

Attachments: see Post-Inspection Written Response to Findings – Closure Items
cc: see next page

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Post-Inspection Written Response to Findings – Closure Items

Date of Closure Letter: 07/07/2021

Date of Briefing: 04/09/2021

Dates of Inspection: April 5-9, 2021

Operator: SOUTHERN CALIFORNIA GAS CO

Operator ID: 18484 (primary)

Assets (Unit IDs) with results in this report: Aliso Canyon - Storage Facility (87036)

System Type: GT

Inspection Name: 2021 CPUC - SoCalGas - Aliso Canyon NGSF

Lead Inspector: Randy Holter

Operator Representative: Alex Hughes, Linda Hoang

Violations

1. Facilities and Storage: Facilities General

Question Title: Vault Maintenance

Question: Are inspections of selected vaults with internal volume 200 cubic feet housing pressure regulating/limiting equipment adequate?

References: 192.749(a)(d)

Assets Covered: Aliso Canyon - Storage Facility (87036 (43))

Issue Summary: During the field inspection of Aliso Canyon facilities, SED observed that vault #5025-C-1 did not have fall protection system such as vault cover or guardrail to assure that the vault condition does not present a safety hazard to SoCalGas' employees and the public.

49 CFR §192.749 Vault Maintenance, Item (d) states:

"Each vault cover must be inspected to assure that it does not present a hazard to public safety".

SED finds SoCalGas in violation of G.O. 112-F, Reference Title 49 CFR, Part 192, §192.749(d) for failing to adequately protect its employees and the

public from the potential safety hazard of falling into a vault and failing to provide an appropriate protection system to prevent such an occurrence.

SoCalGas' Response:

SoCalGas disagrees with SED's assessment that Title 49 CFR, Part 192, §192.749(d) applies to Vault #5025-C-1 as this structure is located on SoCalGas property, where access to the public is restricted and controlled, and does not present a hazard to public safety. Further, this structure is not located on a sidewalk or area designated as a walkway where people typically travel. Notwithstanding, SoCalGas has installed safety guardrails around the structure to provide an additional level of protection to Company employees.

SoCalGas Corrective Actions:

As previously communicated to the SED on April 23, 2021, SoCalGas has installed a guard rail around the open end of the pipe trench at C-1 Valve Station. Below is a more recent photograph taken, after the guard rail was painted.

SED's Conclusion:

SED accepts SoCalGas' proposed corrective actions. SED has verified the operator's upgrades to the facilities satisfy the requirements of this inspection. No further response is required from SoCalGas on this matter at this time.

Concerns

1. Facilities and Storage: Compressor Station System Protection

Question Title: Compressor Station Design/Construction – ESD

Question: Does each compressor station have an emergency shutdown system that is capable of shutting down gas compressing equipment and gas fires in the vicinity of gas headers and compressor buildings?

References: 192.167(a)(3)

Assets Covered: Aliso Canyon - Storage Facility (87036 (43))

Issue Summary: During the field inspection of Aliso Canyon Compressor Station, SoCalGas' representatives were not able to demonstrate that the emergency shutdown system is capable of shutting down gas compressing equipment and gas fires in the vicinity of gas headers and compressor buildings.

49 CFR 192.167(a)(3) states:

"It must provide means for the shutdown of gas compressing equipment, gas fires, and electrical facilities in the vicinity of gas headers and in the compressor building, except that:

(i) Electrical circuits that supply emergency lighting required to assist station personnel in evacuating the compressor building

and the area in the vicinity of the gas headers must remain energized; and

(ii) Electrical circuits needed to protect equipment from damage may remain energized."

SED requests that SoCalGas provide inspection records showing that the Aliso Compressor Station emergency system meets the minimum requirements set forth in 49 CFR §192.167(a)(3).

SoCalGas' Response:

The Aliso Canyon compressor station is equipped with an emergency shutdown system, capable of shutting down the compressors and electrical generators. When the system is activated, the gas piping in the compressor station is isolated and depressurized to a remote blowdown stack. The electrical generators shut down, effectively deenergizing the station equipment. The system is tested annually, per Gas Standard 223.0255, Testing and Maintaining Compressor Station Emergency Shutdown Systems.

SoCalGas Corrective Actions:

The compressor station Emergency Shut Down (ESD) work orders for 2018, 2019 & 2020, available for review during the audit, were sent to the SED on 06/11/2021, as requested

SED's Conclusion:

SED accepts SoCalGas' proposed corrective actions. SED has verified the operator's ESD inspection work orders for 2018, 2019 & 2020 showing that the Aliso Compressor Station emergency system meets the minimum requirements set forth in 49 CFR §192.167(a)(3). No further response is required from SoCalGas on this matter at this time.

2. Facilities and Storage: Compressor Stations

Question Title: Compressor Station Design/Construction - NFPA 70

Question: Does the equipment and wiring within compressor stations conform to National Electric Code, ANSI/NFPA 70, including the required posting or ready access of the permit?

References: 192.163(e)

Assets Covered: Aliso Canyon - Storage Facility (87036 (43))

Issue Summary: During SED's review of Aliso Canyon Compressor Station design and construction records, SoCalGas was not able to provide the necessary records to demonstrate compliance with National Electric Code, ANSI/NFPA 70, including the required posting or ready access of the permit:

1. *NFPA 70 - Annex H (Administration and Enforcement), Section 80.19(A)(2) states "A copy of the permit shall be posted or otherwise readily accessible at each work site or carried by the permit holder as specified by the authority having jurisdiction."*
 - a. *Verify by review of the permit that the permit bears the name and signature of the authority having jurisdiction.*

- b. *Verify by review of the permit that the permit indicates the following:*
- i. *Operation or activities for which the permit is issued,*
 - ii. *Address or location where the operation or activity is to be conducted,*
 - iii. *Name and address of the permittee,*
 - iv. *Permit number and date of issuance,*
 - v. *Period of validity of the permit,*
 - vi. *Inspection requirements.*

SED requests that SoCalGas provide the Aliso Canyon Compressor Station design and construction records indicating that the equipment and wiring within the station conform to National Electric Code, ANSI/NFPA 70, including the required posting or ready access of the permit.

SoCalGas' Response:

The equipment and wiring within the compressor station conforms to the requirements of the National Electric Code, ANSI/NFPA 70

In addition, you have specifically cited NFPA 70 – Annex H, which states that an “[a]ctivity authorized by a permit issued under this Code” shall be conducted in compliance with all requirements and that “[a] copy of the permit shall be posted or otherwise readily accessible at each work site or carried by the permit holder as specified by the authority having jurisdiction.” NFPA 70 – Annex H, Section 80.19(A), (B).

Annex H is categorized as “informative” and is therefore “not a part of the requirements of th[e] NFPA document.” See NFPA 70 – Annex H.

The County’s Electrical Code notes that “[t]he provisions of this Code shall not apply to public utilities.” Los Angeles Code of Ordinances, Title 27, Electrical Code, Section 80-3. For that reason and based on conversations with the County confirming that it does not issue permits for the compressor building’s equipment and wiring, SoCalGas has not obtained permits for electrical work in the compressor building. As such, there was no permit from the County to post or otherwise have readily accessible.

SoCalGas Corrective Actions:

To demonstrate SoCalGas conforms to the National Electric Code, SoCalGas has uploaded reference documents for the Aliso Canyon Compressor Station design and construction in the Share Point folder “NEC reference documents” for SED review.

SED’s Conclusion:

SED accepts SoCalGas’ proposed corrective actions. SED has verified the operator’s NEC reference documents meets the minimum requirements set forth in 49 CFR §192.163(e). No further response is required from SoCalGas on this matter at this time.

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

Question Title: 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: Aliso Canyon - Storage Facility (87036 (43))

Issue Summary: During the field inspection of Aliso Canyon Storage Facilities, SED observed that the aboveground pipelines at the following locations showed evidence of atmospheric corrosion such as rust, scale, or pitting:

1. At weld, across from the intersection of Limekiln Rd and Parkway Rd.
2. Paint chipping away at 7 O'clock position on elbow, right across from V/S C2.
3. Patrolled gas pipeline from valve station C1 to valve AC-NG-CK-006. Observed surface rust on the pipe at the weld location, across from the intersection of Limekiln Rd and Parkway Rd.
4. Stabilize liquid line banging on weld just upstream of Valve AC-NG-CK-006-causing atmospheric corrosion. [This item has been corrected, per SoCalGas, Alex Hughes email, "Aliso Canyon Storage Audit - P-45 U-bolts Installed".]
5. Clearance at 5025-C6A-C6B(-P69A) - clear out remaining fire brush at bypass line area and similar.

SED recommends SoCalGas should take the appropriate actions to address the atmospheric corrosion conditions found on its aboveground pipeline facilities.

SoCalGas' Response:

As previously communicated to SED, SoCalGas has taken appropriate action to address the atmospheric corrosion conditions, stabilization of the liquid line and fire brush clearance noted in the concerns list above. Please see corrective actions below.

SoCalGas Corrective Actions:

- # 1. Coating has been applied to welds across from the intersection of Limekiln Rd and Parkway Road. Pictures were previously sent to the SED.
- # 2. Chipped paint has been removed and coating has been applied. A picture was previously sent to the SED.
- # 3. Coating has been applied to surface rust on the pipe at the weld location, across from the intersection of Limekiln Rd and Parkway Rd. Pictures were previously sent to the SED.
- # 4. U-bolts were installed, as noted in CPUC observation above. A picture was previously sent to the SED.
- # 5. Brush has been cleared at and around Valve Station C6A. Pictures were previously sent to the SED.

SED's Conclusion:

SED accepts SoCalGas' proposed corrective actions. SED verified SoCalGas has taken appropriate action to address the atmospheric corrosion conditions, stabilization of the liquid line and fire brush clearance noted in the concerns list above. No further response is required from SoCalGas on this matter at this time.

4. Facilities and Storage: Compressor Stations

Question Title: Compressor Station Design/Construction - Exits

Question: Does each main compressor building operating floor have at least two separated, easily accessed, and unobstructed exits to a place of safety, main compressor building exits that have door latches that can be readily opened without a key, and main compressor building exit doors mounted to swing outward?

References: 192.163(c)

Assets Covered: Aliso Canyon - Storage Facility (87036 (43))

Issue Summary: During the field inspection of the Aliso Canyon Compressor Station, SED observed that the main compressor building exit doors are in various states of disrepair or not functioning as designed to provide a convenient possibility of escape and an unobstructed passage to a place of safety at the following locations:

1. West exit door at K-6 does not fully close unobstructed and appears to be missing parts and delaminating near the threshold
2. All east exit doors do not fully close unobstructed, appear to be unable to be closed without out wedging or missing parts.

To ensure that the Aliso Canyon Compressor Station building exit doors are functional and unobstructed, SoCalGas should take appropriate corrective action to demonstrate the exit doors are in good working condition.

SoCalGas' Response:

SoCalGas appreciates SED pointing out the potential safety concern; all doors have been repaired by a third-party contractor, as communicated on 06/04/2021.

SoCalGas Corrective Actions:

All exit doors at the compressor building were inspected and where necessary, adjusted or repaired. Pictures of all doors were previously submitted to SED.

SED's Conclusion:

SED accepts SoCalGas' proposed corrective actions. SED verified SoCalGas has taken appropriate action to address all noted compressor station doors in

this inspection part. No further response is required from SoCalGas on this matter at this time.