



Troy A. Bauer
Pipeline Safety and Compliance Manager
555 W. Fifth Street, ML11A6
Los Angeles, CA 90013
909-376-7208
TBauer@SoCalGas.com

June 25, 2021

Mr. Terence Eng, P.E.
Program Manager, Gas Safety and Reliability Branch
Safety and Enforcement Division
California Public Utilities Commission
505 Van Ness Ave, 2nd Floor
San Francisco, CA 94102

Dear Mr. Eng:

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 Aliso Canyon Natural Gas Storage Field** Aliso Canyon (Inspection Unit) on April 5 through April 9 of 2021 for calendar years 2018 through 2020. SED conducted records review and field inspection of pipeline facilities in the Aliso Canyon area within the Inspection Unit.

SED staff identified one (1) notice of probable violation and four (4) areas of concern. Attached are SoCalGas' written responses.

Please contact Troy A. Bauer at (909) 376-7208 if you have any questions or need additional information.

Sincerely,

A handwritten signature in blue ink, appearing to be "Troy A. Bauer", written over a horizontal line.

Troy A. Bauer
Pipeline Safety and Compliance Manager

CC:
Gwen Marelli, SoCalGas
Mahmoud Intably, SED
Kan-Wai Tong, SED
Randy Holter, SED
Claudia Almengor, SED

2021 Aliso Canyon Natural Gas Storage Inspection
4/05/2021 to 4/09/2021

Notice of Probable Violation(s)

1. 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.



Concerns

2. 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.

3. 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.

4. 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.

5. 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 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.