

PUBLIC UTILITIES COMMISSION505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

January 6, 2023.

GI-2022-02-SCG-40-15

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 (CPUC) conducted a General Order (G.O.) 112-F Comprehensive Operations and Maintenance Inspection of the following Southern California Gas Company (SoCalGas) Compressor Stations on February 8-11 and 14-18, 2022:

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|-------------------------------------|--|
| 1. Blythe Compressor Station | 6. Newberry Springs Compressor Station |
| 2. South Needles Compressor Station | 7. Wheeler Ridge Compressor Station |
| 3. North Needles Compressor Station | 8. Sylmar Compressor Station |
| 4. Kelso Compressor Station | 9. Ventura Compressor Station |
| 5. Adelanto Compressor Station | |

The inspection included records review of the Station's Leak Survey, Patrol, Cathodic Protection, Valves, Overpressure protection – reliefs and shutdowns, Emergency Shut Down (ESD) system, Gas Detection and Alarm systems inspection records for calendar years 2018 thru 2021 and field inspections of the facilities at the Stations. SED's staff also reviewed Operator Qualification records, which included field observation of randomly selected individuals performing covered tasks.

SED staff used the Pipeline and Hazardous Materials Safety Administration's (PHMSA) Inspection Assistance (IA) as a reference guide to conduct this inspection. SED's staff did not observe any probable violations of G.O. 112¹, Reference Title 49 Code of Federal Regulations (CFR), Part 192, but noted one area of concern. The summary of the inspection findings documented by SED, SoCalGas' response to the findings, and SED's evaluation of SoCalGas' response to the findings are outlined in the attached "Summary of Inspection Findings."

This letter serves as the official closure of the 2022 Comprehensive Operation and Maintenance Inspections of SoCalGas' Compressor Stations.

Thank you for your cooperation in this inspection. If you have any questions, please contact Wilson Lule, Utilities Engineer, at (213) 392-4965 or by email at wkl@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Matthewson Epuna".

Matthewson Epuna
Program and Project Supervisor
Gas Safety and Reliability Branch
Safety and Enforcement Division

CC: Alex Hughes, SoCalGas, Kan Wai Tong, SED/GSRB, Molla Mohammad Ali, SED/GSRB
Claudia Almengor, SED/GSRB, Matthewson Epuna, SED/GSRB.

Summary of Inspection Findings
2022 SoCalGas' Compressor Stations Inspection
February 08 –11 & 14-18, 2022

Concern:

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

Question Title, ID Valve Maintenance Transmission Lines, MO.GM.VALVEINSPECT. R

Question 10. Do records indicate proper inspection and partial operation of transmission line valves that may be required during an emergency as required and prompt remedial actions taken if necessary?

References 192.709(c) (192.745(a), 192.745(b))

Assets Covered SoCalGas' Main Office Inspection - Transmission (88388 (40A))

Issue Summary 49 CFR 192.745 (b); Each operator must take prompt remedial action to correct any valve found inoperable unless the operator designates an alternative valve.

Observed Discharge and Suction valves exercise at Kelso Compressor plant on 2/11/2022:

Discharge valve **235-58.79-2**, had a visible oil leak. Operator exercised the valve with some level of difficulty. During the exercise, SED observed valve fluid on the exterior of the valve body, and the operator was unable to operate the valve. SED reviewed past four-year maintenance cycle records and found the following:

1. The hydraulic leak was first noticed in 2018, on the work order (w/o) #659 8357, dated 1/24/2018.
2. A follow -up w/o # 6598347 was issued and completed on 1/26/2018. Review of the work order showed that the asset numbers on the discharge valve did not match. SCG explained that the staff worked hour was charged on a different station (North Needles) work order, but the work was done on Kelso Station.
3. W/O # 787-7809 indicated repair of hydraulic fluid leak, dated 2-16-2022. It showed that the upper and lower oil seals were replaced, tested, and the valve was returned to service.
4. SED is concerned that the valve inspection and maintenance records are reported on different station work orders.

Response:

SoCalGas agrees with the finding. This was a clerical error. Maximo work order #6598347 is not a follow up work order. It is the original work order for the North Needles valve inspections. The follow up note documenting that the valve had been repaired was added to the wrong work order, #6598347. The same personnel that maintain North Needles Station also maintain Kelso Station and the notes were inadvertently added to work order #6598347. The original Kelso valve inspection work order #6598357 has similar but different valve mileposts which led to the confusion. A separate follow up work order #7877809 was created to document the latest repairs.

SED's Conclusion:

SED has reviewed SoCalGas' response and accepts the corrective actions. SED acknowledges that SoCalGas' corrective actions will sufficiently address the concern. However, SED may review the implementation of these stated corrective actions during future inspections.