

NOTICE OF AMENDMENT

OVERNIGHT EXPRESS DELIVERY

May 10, 2022

Mr. Scott Drury
President and Chief Executive Officer
Southern California Gas Co
555 West Fifth Street
Los Angeles, California 90013

CPF 1-2022-052-NOA

Dear Mr. Drury:

From October 11 through 15, 2021, an inspector from the California Geologic Energy Management Division (CalGEM), acting as an agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Southern California Gas Company's (SCG) procedures for its Aliso Canyon, Honor Rancho, and Playa Del Rey Underground Natural Gas Storage Facilities (UNGSF) located in Los Angeles County, California and its La Goleta UNGSF located in Santa Barbara County, California.

On the basis of the inspection, PHMSA has identified an apparent inadequacy found within SCG's plans or procedures, as described below:

1. § 192.12 Underground natural gas storage facilities.

(a) ...

(c) *Procedural manuals.* Each operator of a UNGSF must prepare and follow for each facility one or more manuals of written procedures for conducting operations, maintenance, and emergency preparedness and response activities under paragraphs (a) and (b) of this section. Each operator must keep records necessary to administer such procedures and review and update these manuals at intervals not exceeding 15 months, but at least once each calendar year. Each operator must keep the appropriate parts of these manuals accessible at locations where UNGSF work is being performed. Each operator

must have written procedures in place before commencing operations.

SCG's written procedures for conducting maintenance and normal operations were inadequate to ensure safe operation of a pipeline facility. Specifically, SCG's Gas Standard 224.0000 *Testing and Inspection of Safety Valves and Wellhead Valves* (Standard 224.0000) did not include the actions that must be taken if manual wellhead valves required repair or replacement in accordance with API RP 1171, Section 9.3.2 (Section 9.3.2).

Section 9.3.2 states, in part, that "[t]he valves shall be maintained, repaired, or replaced in accordance with the operator's valve maintenance program for isolation valves."

During the inspection, CalGEM reviewed SCG's Standard 224.0000, Section 6.4 (Section 6.4) and Section 6.5 (Section 6.5). Section 6.4 stated, in part, "[i]ssue a corrective maintenance order (CM) for any unresolved substandard conditions," while Section 6.5 stated, in part, "[a]dditional maintenance, repair or replacement of wellhead valves shall be planned and scheduled as needed." However, no additional actions were included in the written procedures that specified how to repair or replace manual wellhead valves.

Therefore, SCG's written procedures were inadequate to ensure safe operation of a pipeline facility in accordance with § 192.12(c). SCG must revise its written procedures to include the actions that must be taken if manual wellhead valves require repair or replacement.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. Enclosed as part of this Notice is a document entitled Response Options for Pipeline Operators in Enforcement Proceedings.

Please refer to this document and note the response options. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. § 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. § 552(b).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under § 190.211. If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement

action will be closed.

It is requested (not mandated) that Southern California Gas Co maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Robert Burrough, Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration, 840 Bear Tavern Road, Suite 300, West Trenton, NJ 08628. In correspondence concerning this matter, please refer to **CPF 1-2022-052-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible. Smaller files may be emailed to robert.burrough@dot.gov. Larger files should be sent on USB flash drive accompanied by the original paper copy to the Eastern Region Office.

Sincerely,

Robert Burrough
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: Response Options for Pipeline Operators in Enforcement Proceedings