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June 24, 2011

Mr. Paul Clanon  
Executive Director  
California Public Utilities Commission  
505 Van Ness Avenue, 5<sup>th</sup> Floor  
San Francisco, CA 94102

**Subject: Update to Report of SoCalGas and SDG&E on Actions Taken in Response to the National Transportation Safety Board Recommendations**

Dear Mr. Clanon:

This letter provides a third update to our April 15, 2011 Report on Actions Taken in Response to the National Transportation Board's Safety Recommendations. In our April 26 and May 9 updates, we reported that SoCalGas and SDG&E had located additional documentation for certain pipeline segments in Category 4. These updates reduced SoCalGas and SDG&E post-1970 Category 4 miles to 12 and 2 miles, respectively.

As shown in the attached Update to our April 15 Report, we are pleased to report that through our ongoing records review process, we have located complete documentation of hydrostatic pressure testing for an additional 6 miles of SoCalGas post-1970 Category 4 pipelines. This reduces SoCalGas post-1970 Category 4 miles from 12 to 6 miles. We are further pleased to report that we have completed initial patrols and leak surveys for all Category 4 pipelines.

All supporting pipeline files and information used to prepare our Update are immediately available for review by the Commission. Should you have any questions or concerns, please contact me at your earliest convenience.

Sincerely,



Richard M. Morrow  
Vice President  
Engineering & Operations Staff

cc: Ms. Michelle Cooke, Interim Deputy Executive Director, CPUC  
Mr. Richard Clark, Director, Consumer Protection and Safety Division, CPUC  
Ms. Julie Halligan Deputy Director, Consumer Protection and Safety Division, CPUC

**Status Report of  
Southern California Gas Company  
and  
San Diego Gas & Electric Company  
on  
Actions Taken in Response to  
NTSB Safety Recommendations**

**June 24, 2011**

## **Status Report of Southern California Gas Company and San Diego Gas & Electric Company's Actions Taken in Response to NTSB Safety Recommendations**

### **I. Introduction**

On April 15, 2011, Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E) submitted a report to the California Public Utilities Commission (the Commission) detailing the actions taken by the utilities in alignment with the recommendations the National Transportation and Safety Board (NTSB) issued to Pacific Gas and Electric Company (PG&E) on January 3, 2011 (April 15 Report). In the April 15 Report, SoCalGas and SDG&E provided a preliminary action plan, which proposed to submit a progress report to the Commission on June 24, 2011. This report is the progress report proposed in the preliminary action plan and updates the following:

- Status of the records review of pipeline segments subject to the NTSB recommendations (i.e. pipeline segments located in Class 3 and 4 locations and Class 1 and 2 high consequence areas, hereinafter referred to as "NTSB Criteria");
- Status of universal actions taken with respect to Category 4 pipeline segments;
- Status of pressure reductions;
- Status of in-line inspections (ILI) using transverse flux inspection (TFI) tools; and
- Status of pressure testing

### **II. Records Research Update**

To address the NTSB's safety recommendations as expeditiously as possible, SoCalGas and SDG&E implemented a comprehensive process of records review and analysis that categorized pipelines and pipeline segments for further action. That categorization process placed all NTSB Criteria pipeline segments operated by SoCalGas and SDG&E into one of four categories as follows:

Category 1 includes those pipelines and pipeline segments that have documentation of hydrostatic pressure testing per NTSB Safety Recommendation P-10-2 (Urgent).

Category 2 includes those pipelines and pipeline segments that have documentation of pressure testing using a medium other than water. Category 3 pipelines and pipeline segments are those that have a documented highest historical operating pressure that is at least 1.25 times the current MAOP. Operation of a pipeline at a pressure that is at least 1.25 times its current MAOP essentially serves as an in-service strength test using natural gas as the medium.

Categories 1 and 2 have documentation of pressure testing and, per NTSB Safety Recommendation P-10-1 (Urgent), do not require further action. Categories 3 and 4 include all NTSB Criteria pipeline segments that were not placed in Categories 1 or 2. All Category 3 and 4 pipeline segments are prioritized for further analysis and action per NTSB Safety Recommendation P-10-4.

The review of records continues for NTSB Criteria pipeline segments, and has further been expanded to include all transmission pipeline segments, per Commission Decision (D.)11-06-017, Order Paragraph 4. Results are summarized in Table 1 below.

Table 1

	Demonstrated Safety Margin			Safety Margin to Be Verified		Total
	Category 1	Category 2	Category 3	Category 4		
	Hydro- Statically Tested (NTSB P-10-2)	Strength Tested with Nitrogen or Other Medium	In-Service Strength Tested with MAOP Reduction	Activities in Progress to Validate Safety Margin (NTSB P-10-4)		
				Pre-1970	Post-1970	
SoCalGas	817	248	23 <sup>3</sup>	316	6	1410
SDG&E	136	8	0	6 <sup>12</sup>	2 <sup>2</sup>	206 <sup>4</sup>

<sup>1</sup> For SoCalGas, 151 miles of pre-1970 pipe and 1 mile of the post-1970 pipe in Category 4 have been smart pigged.

<sup>2</sup> Maximum operating pressure has been reduced.

<sup>3</sup> Six miles of abandoned pipelines have been removed from Category 3.

<sup>4</sup> Numbers may not add due to rounding.

### **III. Universal Actions**

The preliminary action plan described in the April 15 Report proposed to conduct bi-monthly patrols and leak surveys of all Category 4 pipeline segments. SoCalGas and SDG&E subsequently expanded the scope of these universal actions to include all Category 3 pipeline segments. Initial patrols and leak surveys have been completed on all Category 4 pipeline segments. During the surveys, a total of seven leak indications were discovered, all of which were classified as Code 2 or Code 3.<sup>1</sup> All have either been repaired or are in the process of being repaired. These universal actions will continue until all Category 3 and Category 4 pipeline segments have been addressed per the proposed Implementation Plan to be filed by SoCalGas and SDG&E on August 26, 2011 per D.11-06-017.

### **IV. Pressure Reductions**

SoCalGas and SDG&E continue to evaluate their transmission system to determine where location-specific operational conditions allow for immediate reductions of the operating pressures for Category 4 pipelines without jeopardizing reliability of service to customers. This action is being taken in an abundance of caution. The following is a list of the Category 4 pipeline segments (total of approximately 64 miles) being operated at reduced maximum operating pressures in response to the NTSB Safety

Recommendations:

- SDG&E Line 1600 (≈30 miles)
- SDG&E Loop Lines 49-11, 49-13, 49-14, 49-15, 49-16, 49-17, 49-18, 49-19, 49-20, 49-22, 49-25, 49-26, 49-27, 49-28, and 49-32 (≈33 miles total)
- SoCalGas Line 37-49 (≈0.8 miles total)

At the direction of the Commission's Consumer Protection and Safety Division (CPSD), these pipeline segments continue to be listed in Category 4.

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<sup>1</sup> Code 2 Leaks are leaks that are recognized as being non-hazardous at the time of detection, but justify scheduling repairs. Code 3 leaks are leaks that are determined to be non-hazardous and can reasonably be expected to remain non-hazardous.

## V. In-Line Inspections

In the April 15 Report, SoCalGas and SDG&E proposed to perform in-line inspections of piggable Category 4 pipeline segments to validate the integrity of those pipeline using a transverse field inspection (TFI) tool.

Three Category 4 pipelines were scheduled for inspection using the TFI tool, one of which is scheduled to be completed in two segments. The status of each project is as follows:

- 12" Line 317 - Completed  
Internal inspection of Line 317 was successfully completed using a TFI tool. A final report from the vendor is expected in July 2011. Validation excavations and field inspection will be conducted after the report is analyzed.
- 30" Line 2001 West (Moreno to Santa Ana) – October 2011  
Inspection is anticipated during October 2011. A final report from the vendor is anticipated 90 days after completion of ILI.
- 30" Line 2001 West (Santa Ana to La Puente) – October 2011  
Inspection is anticipated during October 2011. A final report from the vendor is anticipated 90 days after completion of ILI.
- 30" Line 2003 West (Los Angeles to East Los Angeles) – September 2011  
Inspection is anticipated during September 2011. A final report from the vendor is anticipated 90 days after completion of ILI.

As discussed at the June 22-23 Technical Workshop held by the Commission in Rulemaking 11-02-019, SoCalGas and SDG&E propose to use TFI to help determine whether to perform a strength test or replace a pipeline segment. Completing a post-inspection analysis of this detailed inspection data prior to raising the pressure in a pipeline 50% to 60% above its maximum allowable operating pressure is a prudent measure designed to minimize costs and expedite the process of executing the proposed Implementation Plans. This will be discussed more fully in the proposed Implementation Plans to be filed on August 26, 2011 per D.11-06-017.

## **VI. Pressure Test**

A 370-foot section of Category 4 pipeline was removed from service for maintenance. The 370-foot segment was tested to a level of at least 1.5 times the MAOP for a period of 8 hours, and included a 30-minute spike in accordance with NTSB Safety Recommendation P-10-4. This segment of pipeline is now included in Category 1.

## **VII. Conclusion**

SoCalGas and SDG&E have completed the first series of patrols, leak surveys and pressure reductions specified in their April 15 Report. In addition, the use of ILLI tools and pressure tests are underway. Records research continues and planning for abandonment or pressure testing of pipeline segments is in progress. The plan of action for Category 4 pipelines specified a transmittal of final action plans to the Commission by October 21, 2011. However, this proposal has been superseded by D.11-06-017, which requires that more comprehensive plans be submitted no later than August 26, 2011. SoCalGas and SDG&E will continue to apply universal actions and take advantage of opportunities to inspect and test their system. The next scheduled communication to the Commission regarding the status of SoCalGas and SDG&E's efforts undertaken in response to the NTSB Safety Recommendations and D.11-07-016 will be a briefing with Commission staff on or before August 1, 2011.

As stated in the April 15 Report, SoCalGas and SDG&E have reviewed established MAOPs for all Category 4 pipelines and nothing in the review process revealed any significant concerns with the currently-established MAOPs for those pipelines. Accordingly, we remain confident that these pipelines are operating safely. The leak surveys and inspections described above, provide an added level of confidence in the safe operation of the pipeline system.