



Public Utilities Commission
STATE OF CALIFORNIA

Citation Date: July 2, 2020
Citation #: D.16-09-055 G.20-07-001
Operator ID#: 18484

CITATION
ISSUED PURSUANT TO DECISION 16-09-055

Gas Corporation (Operator) To Which Citation is issued: Southern California Gas Company (SoCalGas)

OFFICER OF THE RESPONDENT:

Mr. Rodger Schwecke, Senior Vice President
Gas Transmission, Storage & Engineering
Southern California Gas Company
555 West 5th Street, GT21C3
Los Angeles, CA 90013

CITATION:

Operator is cited a financial penalty amount of \$300,000 for violating General Order (G.O.) 112-F which incorporates by reference Title 49 Code of Federal Regulations (CFR) Part 192. Safety and Enforcement Division (SED) found three separate violations of 49 CFR Section 192.605(a) as a result of SED's incident investigation of National Response Center (NRC) Incident Reporting # 1252045 for the incident occurring on 7/15/2019 at 23562 Wooden Horse Trail, Murrieta, Riverside County, CA 92562.

VIOLATIONS:

General Order 112-F, Reference Title 49 Code of Federal Regulations (CFR), Part 192, Section 192.605(a) General states in part:

“Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least one each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.”

SED's investigation has found three separate violations of 49 CFR Section 192.605(a) due to SoCalGas employees failing to comply with Gas Standard 183.03, Field Guidelines-Emergency Incident Distribution/Customer Service as follows:

1. SoCalGas Gas Standard 183.03 Field Guidelines - Emergency Incident Distribution / Customer Service, Section 4.2.5 states:



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“Concentration of Gas - Determine if the concentration of escaping gas is sufficient to make ignition a possibility, especially in or under structures, whether from underground migration or air movement. Check and monitor perimeters of the area of hazard to determine if gas is migrating into surrounding buildings. If a combustible gas indicator is not immediately available, a judgment decision should be made on the need to evacuate the area.”

During SED interviews with SoCalGas, SoCalGas employees acknowledged not doing a gas migration survey. Absent a gas migration survey, SoCalGas could not accurately determine the concentration of escaping gas, or the possibility of ignition from underground migration or air movement. SED found that SoCalGas failed to determine if the concentration of escaping gas was sufficient to make ignition a possibility. As such, the gas migrated through the foundation into the house with enough concentration to ignite resulting in the explosion. Therefore, SED finds SoCalGas in violation of 49 CFR Section 192.605(a) for not following its own procedure.

2. SoCalGas Gas Standard 183.03 Field Guidelines - Emergency Incident Distribution / Customer Service, Section 4.2.13 states:

“Maintains Surveillance - Continue to maintain surveillance of uncontrolled escaping gas using an approved combustible gas detector to minimize the potential hazard to the general public until assistance arrives. Continually monitor and review the situation to ensure it does not escalate to a greater hazard. Keep Dispatch informed of conditions.”

During SED interviews with SoCalGas, SoCalGas employees stated they did not use any approved combustible gas detector to maintain surveillance of uncontrolled escaping gas to minimize the potential hazard to the general public until assistance arrived. SoCalGas’ failure to continuously monitor the uncontrolled gas to determine how far the gas migrated in the surrounding areas may have prevented it from providing the fire department enough information to make a sound assessment in evacuating people other than the proximity of the gas leak. This resulted in widespread property damage (two blocks radius), injuries to the firefighters, injuries to the general public, and one SoCalGas employee fatality. Therefore, SED finds SoCalGas in violation of 49 CFR Section 192.605(a) for not following its own procedure.

3. SoCalGas Gas Standard 183.03 Field Guidelines - Emergency Incident Distribution / Customer Service, Section 4.3.2.3 states:

“Control of gas at the point of discharge is to be performed by trained and qualified personnel only, using appropriate respiratory protective equipment and Gas Extraction Suit™ with all required personal protective equipment and under the following conditions:

The gas is blowing freely into the atmosphere, the work can be performed safely and the escaping gas can safely be controlled with approved tools and equipment. This equipment may include, but is not limited to; clamps, various approved steel squeezing devices, various approved polyethylene PE squeezing devices, etc.”

During SED interviews with SoCalGas, SoCalGas’ employees acknowledged not using respiratory protective equipment and a Gas Extraction Suit. SED found that SoCalGas failed to follow SoCalGas’ Gas Standard to wear respiratory protective equipment and Gas Extraction Suit while trying to control the blowing gas at the point of discharge. Therefore,



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SED finds SoCalGas in violation of 49 CFR Section 192.605(a) for not following its own procedure.

PENALTY:

SED assesses a maximum penalty of \$100,000 for each violation, as specified in California Public Utilities Code Section 2107.

Total Penalty Amount

As a result of the violations determined by SED and identified in this report, the total amount of this citation is \$300,000.

STATEMENT OF FACTS AND ENCLOSURES:

The following enclosures were used to establish the findings of fact:

Enclosure 1 – SED Investigation Report

Enclosure 2 – SoCalGas' Gas Standard 183.03, Field Guidelines – Emergency Incident Distribution/Customer Service

Enclosure 3 – Notice of Probable Violation (NOPV) letter-Original

Enclosure 4 – SoCalGas' NOPV response-Original

Enclosure 5 – NOPV letter-Revised

Enclosure 6 – SoCalGas' NOPV response-Revised



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SED CITATION ANALYSIS

Element	Staff Finding
Number of violation(s) and duration of violation(s)	<i>Three (3) violations of Title 49 CFR Part 192, Section 192.605(a). The violations occurred on July 15, 2019.</i>
Severity or gravity of the offense	<i>The proper recognition of a release of natural gas in a fire and explosion incident is critical to providing safe natural gas to customers. As a result of the leak that is the potential cause of the fire and subsequent explosion, one employee of SoCalGas was fatality injured and one person was admitted to the hospital requiring an overnight stay. Total property damage was estimated to exceed \$1,000,000. These violations are severe and warrant the maximum fine amount of \$100,000 per violation.</i>
Conduct of the utility	<i>The utility is being cooperative.</i>
Failure to ensure safety to its employees and the general public	<i>SoCalGas failed to respond adequately to an emergency and to protect the general public.</i>
Financial resources of the utility	<i>21.8 Million Customers, 3,962 Million Revenue requirement.</i>
The totality of the circumstances	<i>SoCalGas failed to ensure its employees adhere and follow its gas standards in accordance with federal code, PU Code and/or its own gas standards. The incident involved a fire and explosion which resulted in one (1) fatality, several injuries, and property damage</i>
The role of precedent	<i>N/A</i>
Resultant Citation Taking All Of These Factors Into Account	\$300,000.00



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RESPONSE:

Respondent is hereby called upon to provide a response to this Citation by: **5:00 PM on August 2, 2020**. By way of such response, Respondent, **within 30 calendar days**, must either pay the amount of the penalty set forth in this citation¹, or appeal² the citation. In addition, Respondent must do one of the following:

- (1) For violations constituting immediate safety hazards: Respondent must immediately correct the immediate safety hazards.
- (2) For violations that do not constitute immediate safety hazards: Violations that do not constitute immediate safety hazards must be corrected within 30 days after the citation is served. If said violations that do not constitute immediate safety hazards cannot be corrected within 30 days, then the Respondent must submit a detailed Compliance Plan to the Director of SED within 30 days after the citation issues, unless the utility and the Director of SED, before the expiration of the 30 day period, agree in writing to another date, reflecting the soonest that the Respondent can correct the violations. The Compliance Plan must provide a detailed description of when the violation will be corrected, the methodology to be utilized, and a statement supported by an declaration from Respondent's Chief Executive Officer or appropriate designee (CEO Declaration) stating that in the Respondent's best judgment, the time that will be taken to correct the violation will not affect the safety or integrity of the operating system or endanger public safety.

Note: Respondent will forfeit the right to appeal the citation by failing to do one of these two options outlined in the Response above within 30 days. Payment of a citation or filing a Notice of Appeal does not excuse Respondent from curing the violation. The amount of the penalty may continue to accrue until a Notice of Appeal is filed. Penalties are stayed during the appeal process. A late payment will be subject to a penalty of 10% per year, compounded daily and to be assessed beginning the calendar day following the payment-due date. The Commission may take additional action to recover any unpaid fine and ensure compliance with applicable statutes and Commission orders.

¹ For fines paid pursuant to Pub. Util. Code § 2107 and D.16-09-055 Respondent shall submit a check payable to California Public Utilities Commission using the attached Citation Payment Form. Upon payment, the fine will be deposited in the State Treasury to the credit of the General Fund and this citation will become final.

² Respondent may Appeal this citation by completing and submitting a Notice of Appeal Form. Please see the attached document, "Directions For Submitting An Appeal To A Citation Issued Pursuant To Decision 16-09-055" for information on the appeals process and the attached "Notice of Appeal Of Citation Form."



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NOTIFICATION TO PUBLIC AGENCIES:

As soon as is reasonable and necessary, and no later than 30 calendar days after service of the citation is effected, Respondent must provide a notification to the Chief Administrative Officer or similar local agency authority in the city and county where the violation occurred. Within 10 days of providing such notification, Respondent must serve an affidavit to the Director of SED, at the mail or e-mail address noted below, attesting that the local authorities have been notified; the date(s) for when notification was provided; and the name(s) and contact information for each local authority so notified.

The CPUC expects the Operator to take actions, as soon as feasible, to correct, mitigate, or otherwise make safe all violations noted on the Citation regardless of the Operator's intentions to accept or appeal the violation(s) noted in the Citation.

Lee Palmer

Director – Safety and Enforcement Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Leslie.Palmer@cpuc.ca.gov



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CITATION PAYMENT FORM

I (we) _____ hereby agree to comply with this citation dated _____, and have corrected/mitigated the violation(s) noted in the citation on _____ and no later than _____, all work to make permanent corrections to any mitigated, or otherwise remaining concerns related to the violation(s) will be completed as noted in the Compliance Plan we have submitted to the Director of SED and, herewith, pay a fine in the amount of \$ _____ as included in the citation.

Signature of Gas Corporation's Treasurer,
Chief Financial Officer, or President/Chief Executive
Officer, or delegated Officer thereof

(Signature) (Date)

(Printed Name and Title)

Payment must be with a check made payable to the **California Public Utilities Commission** and sent to the below address. Please include the citation number on the memorandum line of the check to ensure your payment is properly applied.

California Public Utilities Commission
Attn: Fiscal Office
505 Van Ness Avenue
San Francisco, CA 94102-3298

NOTE: A copy of the completed Citation Payment Form must be sent to the Director of the Safety and Enforcement Division, via email or regular mail, to the address provided on the Citation.



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DIRECTIONS FOR SUBMITTING AN APPEAL TO A CITATION ISSUED PURSUANT TO DECISION 16-09-055

Within 30 calendar days of the Respondent being served with a **CITATION ISSUED PURSUANT TO DECISION 16-09-055**, Respondent may appeal the citation.

Beyond 30 calendar days of being served with the citation, Respondent is in default and, as a result, is considered as having forfeited rights to appeal the citation. The Respondent must still correct the violation(s) as instructed in the Response section of this citation.

To appeal the citation, Respondent/Appellant must file a Notice of Appeal (including a completed title page complying with Rule 1.6 of the Commission's Rules of Practice and Procedure, and attached Notice of Appeal Form) along with copies of any materials the Appellant wants to provide in support of its appeal with the Commission's Docket Office **and** must serve the Notice of Appeal, at a minimum, on

- 1) The Chief Administrative Law Judge (with an electronic copy to: ALJ_Div_Appeals_Coordinator@cpuc.ca.gov),
- 2) The Director of Safety and Enforcement Division
- 3) The Executive Director
- 4) General Counsel
- 5) The Director of the Office of Ratepayer Advocates

At the address listed below within 30 calendar days of the date on which the Appellant is served the Citation. The Appellant must file a proof of service to this effect at the same time the Appellant files the Notice of Appeal. The Notice of Appeal must at a minimum state: (a) the date of the citation that is appealed; and (b) the rationale for the appeal with specificity on all grounds for the appeal of the citation.

California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102
Attn: <Insert Title>

NOTE: Submission of a *Notice of Appeal Form* in no way diminishes Appellant's responsibility for correcting the violation described in the citation, or otherwise ensuring the safety of facilities or conditions that underlie the violations noted in the Citation.

Ex Parte Communications, as defined by Rule 8.1(c) of the Commission's Rules of Practice and Procedure, are prohibited from the date the citation is issued through the date a final order is issued on the citation appeal.



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After receipt of the Appellant's *Notice of Appeal Form*, Appellant has a right to a hearing to be convened before an Administrative Law Judge. At least ten business days before the date of the hearing, the Appellant will be notified and provided with the location, date, and time for the hearing. At the hearing,

- (a) Appellant may be represented by an attorney or other representative, but any such representation shall be at the sole expense of the Appellant;
- (b) Appellant may request a transcript of the hearing, but must pay for the cost of the transcript in accordance with the Commission's usual procedures;
- (c) Appellant is entitled to the services of an interpreter at the Commission's expense upon written request to the Chief Administrative Law Judge not less than five business days prior to the date of the hearing;
- (d) Appellant is entitled to a copy of or electronic reference to Resolution ALJ-299 Establishing Pilot Program Citation Appeal and General Order 156 Appellate Rules (Citation Appellate Rules); and
- (e) Appellant may bring documents to offer in evidence (Rule 13.6 (Evidence) of the Commission's Rules of Practice and Procedure applies) and/or call witnesses to testify on Appellant's behalf. At the Commission's discretion, the hearing in regard to the Appellant's appeal can be held in a CPUC hearing room at either of the following locations:

San Francisco:
505 Van Ness Avenue
San Francisco, CA 94102

Los Angeles:
320 West 4th Street, Suite 500
Los Angeles, CA 90013

The hearing(s) held in regard to the Appellant's appeal will be adjudicated in conformance with all applicable Public Utilities Code requirements.



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Notice of Appeal Form
Appeal from Citation Issued by Safety and Enforcement Division
Pursuant to Decision 16-09-055

Appellant:

Mr. Rodger Schwecke, Senior Vice President
Gas Transmission, Storage & Engineering
Southern California Gas Company
555 West 5th Street, GT21C3
Los Angeles, CA 90013

Citation Date: July 2, 2020
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Appeal Date: _____

“Appeal of _____ from _____ issued by Safety and
[Operator Name] [Citation Number]
Enforcement Division”

Statements supporting Appellant’s Appeal of Citation (You may use additional pages if needed and/or attach copies of supporting materials along with this form).



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Enclosures to Accompany Utility Appeal

Utility to add Enclosures as appropriate