

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



November 29, 2018

Jimmie Cho, Senior Vice President
Gas Operations and System Integrity
Southern California Gas Company
555 West 5th Street, GT21C3
Los Angeles, CA 90013

GI-2018-10-SDG-46

Subject: General Order (G.O.) 112-F Comprehensive Operation and Maintenance Inspection of San Diego Gas & Electric Company's South Districts Facility

Dear Mr. Cho:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a G.O. 112-F Comprehensive Operation and Maintenance Inspection of San Diego Gas and Electric Company's (SDG&E) South Districts Facility (Inspection Unit) on October 01-05, 2018 and October 08-12, 2018. The inspection included a review of South Districts records for the period of 2015 through 2017, as well as field inspections of pipeline facilities in the Metro, Eastern, and Beach Cities districts. Also, SED staff reviewed the Inspection Unit's Operator Qualification records, which included field observation of randomly selected individuals performing covered tasks.

SED's findings are noted in the Attached Post-Inspection Written Preliminary Findings (Summary) section of this letter. The Summary reflects only records and pipeline facilities that SED inspected during the inspection.

Within 30 days of your receipt of this letter, please provide a written response indicating the measures taken by SDG&E to address the violations and concerns noted in the Summary.

If you have any questions, please contact Ha Nguyen at (213) 576-5762 or by email at Ha.Nguyen@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Kenneth A. Bruno".

Kenneth Bruno
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division

CC: Ha Nguyen, SED/GSRB
Troy Bauer, Sempra
Kan Wai Tong, SED/GSRB
Claudia Almengor, SED/GSRB

Post-Inspection Written Preliminary Findings

Date of Transmittal: 11/14/2018

Dates of Inspection: 10/01/2018 – 10/05/2018 & 10/08/2018 – 10/12/2018

Operator: SAN DIEGO GAS & ELECTRIC CO

Operator ID: 18112 (primary)

Inspection Systems: Beach Cities District, Eastern District, and Metro District

Assets (Unit IDs): SDG&E South Districts (87075)

System Type: GD

Inspection Name: SDG&E South Distribution

Lead Inspector: Ha Nguyen

Operator Representative: Nadia Hang

Unsatisfactory Results

Records: Operations & Maintenance (PRR.OM)

Question Text	Do records indicate distribution patrolling was conducted as required?
References	192.603(b) (192.721(a), 192.721(b))
Assets Covered	District South (87075 (46))
Issue Summary	Most of SDG&E's pipeline patrols were completed within the 4 ½ months but two Pipelines 49-17-H and 49-18 (49-17 crossed a highway and Pipeline 49-18 has 3 highway crossings and one rail crossing) were not patrolled within the 4 ½ months compliance window. SDG&E missed the compliance window by one day. Therefore, SDG&E was in violation of G.O. 112-F, Reference Title 49 CFR, Part 192, Section 192.705(b).

Pipeline Field Inspection: Pipeline Inspection (Field) (FR.FIELDPIPE)

Question Text	Are pipe, valves, and fittings properly marked for identification?
References	192.63(a) (192.63(b), 192.63(c), 192.63(d))
Assets Covered	District South (87075 (46))
Issue Summary	Regulator Stations have been missing components identification marks. Therefore, SDG&E was in violation of 192.63(a)

Question Text	Are field or bench tests or inspections of regulating stations, pressure limiting stations or relief devices adequate?
References	192.739(a) (192.739(b))
Assets Covered	District South (87075 (46))
Issue Summary	<p>During SED field observation of a live dual run regulator station 1531 inspection on 10/24/2018, we observed that</p> <ol style="list-style-type: none"> 1. Equipment 101 (Pilot for Monitor Regulator left run) did not lock up and later rebuild the pilot to achieve lock up 2. Equipment 301 & 300 (Pilot and Main Monitor Regulator right run) did not lock up and later rebuild the main body (replaced the diaphragm) to achieve lock up 3. Set points for 201 & 401 adjusted to swap the working and standby runs <p>SDG&E's procedure G8159 Section 6.22 states "Report and give details of any internal inspection and/or repair performed". However, none of the above three conditions documented on the inspection form submitted with work order # 510000613830.</p> <p>Therefore, SDG&E was in violation of 192.605(a) for its failure to follow its own procedure</p>

Concerns

Records: Reporting (PRR.REPORT)

Question Text	Have accurate records been maintained documenting mechanical fitting failures that resulted in hazardous leaks?
References	192.1009 (191.12)
Assets Covered	District South (87075 (46))
Issue Summary	We found the attached 17 Code-1 leaks found & repaired in 2017 and noted the leak were found at "Mechanical Fitting" and "Fitting Body or Seals". However, only one leak reported to DOT in your 2018 "Mechanical Fitting Failure Report". Please explain why the other Hazardous leaks at "Fitting Body" were not reported to DOT?

Records: Operations & Maintenance (PRR.OM)

Question Text	Do records indicate inspection and testing of pressure limiting, relief devices, and pressure regulating stations?
References	192.709(c) (192.739(a), 192.739(b))
Assets Covered	District South (87075 (46))
Issue Summary	<ol style="list-style-type: none"> 1. During a review of some pressure limiting station maintenance records, SED observed a Lock up value which exceeds the maximum limit noted, per Table-5 of G8159, with out any corrective action documented. 2. During a review some pressure limiting station maintenance record, SED observed in some forms where the unit for "As-Left setting" and "As-Left Lockup recorded as "EA", which stands for "EACH", that needs to be corrected to "PSIG" in the future.

Pipeline Field Inspection: Pipeline Inspection (Field) (FR.FIELDPIPE)

Question Text	Is pipe that is exposed to atmospheric corrosion protected?
References	192.481(b) (192.481(c), 192.479(a), 192.479(b), 192.479(c))
Assets Covered	District South (87075 (46))
Issue Summary	Leak Survey and Patrol crews should notice the AOC condition and take remedial action when performing survey annually.

Question Text	Is anomaly remediation and documentation of remediation adequate for all segments?
References	192.487(a) (192.487(b))
Assets Covered	District South (87075 (46))
Issue Summary	<p>1) 3 CPAs (105, 137, & 215) are still out of compliance. These areas were up and down between 2016 and 2018. The last troubleshoot in 2018 showed all are in compliance, but they are down this time</p> <p>2) Three CP-10s found out of compliance during field visit</p> <p><u>Update from SDG&E on 10/12</u></p> <p>215: Drilled and waiting for construction to install new anode bed</p> <p>137: Still troubleshooting</p> <p>105: Fixed the short with cable ground and now is in compliance (-1066 mV)</p> <p>Only one CP 10 at 10299 Thanksgiving Street is pending for new anode installation, the other two re mediated and now in compliance</p>

Question Text	Is sampling of combustible gases adequate using an instrument capable of determining the percentage of gas in air at which it becomes readily detectable?
References	192.625(a) (192.625(c), 192.625(d), 192.625(e), 192.625(f))
Assets Covered	District South (87075 (46))
Issue Summary	<p>During a SED field visit of an odorant test site, it was readily detectable the natural gas odor in the ambient air prior to the test. According to SDGE's procedure G8130 for Operation of Odorator,</p> <p>Section 3.2.1 states that "The test area should be sheltered from the wind and void of ambient odors that might interfere with the test."</p> <p>Section 3.2.3 states that "To avoid interference with the test, check for leaks preferably just using the nose to detect natural gas odor (not necessarily soap testing). If natural gas odor is noticed, then fix any leaks. If ambient gas odor cannot be prevented, do not continue with the test."</p>

Question Text	Is proper inspection and partial operation being performed for each distribution system valve that might be required in an emergency, and prompt remedial action to correct any valves found inoperable?
References	192.747(a) (192.747(b))
Assets Covered	District South (87075 (46))
Issue Summary	<p data-bbox="427 302 1432 464">During SED field observation of valve 1175 inspection on 10/05, it was found that the valve was very hard to operate even with two people with a help of extension bars. It took more than 10 minutes to move. Previous years inspection also noted "Hard to Operate". SDG&E also documented the 10/05 inspection as "Inoperable Valve" and assigned a temporary Alternative Valve until permanent solution (Reference: Inspection form 10/05/18 and email correspondence on the same day)</p> <p data-bbox="427 485 1432 537">SED is concerned that, this may not be appropriate during emergency situation in addition to the location of the valve, which is located in the middle of a 4-way street intersection.</p> <p data-bbox="427 558 1432 611">Therefore, SED recommends SDG&E to look for an Alternative Means of Control for this valve, if possible, or repair the valve for easy operation.</p>