

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 14, 2016

GI-2016-01-SEM40-16

Jimmie Cho, Senior Vice President
Gas Operations and System Integrity
Sempra Energy Utilities
555 W 5th Street, GT21C3
Los Angeles, CA 90013

SUBJECT: General Order (G.O.) 112¹ Comprehensive Inspection of Sempra Energy Utilities (Sempra) Operation and Maintenance Procedures

Dear Mr. Cho:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted G.O. 112¹ Comprehensive review and inspection of Sempra's Operation and Maintenance (O&M) Procedures that included the Southern California Gas Company's (SCG) Gas Standards and Procedures and San Diego Gas and Electric Company' Standards and Procedures on January 11-15, 2016. SED staff reviewed both companies' written O&M procedures pursuant to G.O. 112¹, Reference Title 49, Code of Federal Regulations (49 CFR), Parts 191 and 192.

SED staff noted one probable violation and made seven recommendations. The probable violation and recommendations are noted in the attached "Summary of Inspection Findings".

Please provide a written response within 30 days of your receipt of this letter indicating the measures taken by Sempra to address the probable violation and the observations noted in the Summary of Inspection Findings.

If you have any questions, please contact Mahmoud (Steve) Intably, at (213) 576-7016.

Sincerely,

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

Kenneth Bruno,
Program Manager - GSRB
Safety and Enforcement Division

CC: Mahmoud (Steve) Intably, SED/GSRB, Matthewson Epuna, SED/GSRB, Kan Wai Tong, SED/GSRB, and Troy Bauer, Sempra Energy Utilities

¹ General Order 112-F was adopted by the Commission on June 25, 2015 via 15-06-044

Sempra Operation and Maintenance Procedures
Summary of Inspection Findings
January 11-15, 2016

Violation

Title 49 CFR Part 192, Section §192.727 Abandonment or deactivation of facilities

§192.727 Abandonment or deactivation of facilities states:

“(a) Each operator shall conduct abandonment or deactivation of pipelines in accordance with the requirements of this section.

(b) Each pipeline abandoned in place must be disconnected from all sources and supplies of gas; purged of gas; in the case of offshore pipelines, filled with water or inert materials; and sealed at the ends. However, the pipeline need not be purged when the volume of gas is so small that there is no potential hazard.”

SCG Gas Standard 184.0080 Abandonment of Gas Services and Gas Light Tap Assemblies did not address the service line purging requirement. SED noted that SCG Gas Standard 184.0080 did not address purging of service lines. Therefore, SCG is in violation of General Order 112-F¹, Reference Title 49 CFR, Part 192, Section §192.727(a)(b).

Recommendations and Concerns

- 1) SCG Gas Standard 184.0085 Abandonment or Inactivation of Gas Distribution Pipelines, Section 4.1 Abandon mains and supply lines, 4.1.5 *“Purging pipeline of gas in accordance with SCG Gas Standard 182.0160 Purging pipelines and Components”* and in the same section under Note: *“Purging may be omitted when the volume of gas is so small that there is no potential hazard”*. SED noted that SCG Gas Standard 184.0085 parallel the regulation and did not justify (by theory or study the practice) why certain service lines are purged and not others during the abandonment or inactivation of service. SED recommends that SCG apply sound and best practice in determining the purging requirement for the service lines.
- 2) SCG’s Gas Standard 223.0345 Pressure Relief/Pressure Limiting Devices, Testing/Inspection, Section 13.2.1 requires SCG’s employees to take steps without delay to adjust, repair, replace or install additional devices as appropriate if a relieving device or signaling device tests indicate deviations that are unsafe. SED recommends that SCG review and revise its Standard 223.0345 to use manufacturer's recommended tolerance for the pressure relief and pressure limiting devices and address “unsafe deviation”.
- 3) SCG’s Gas Standard 223.0215 Valve Inspection and Maintenance – Transmission Section 4.6 requires SCG’s employees to partially operate the valve manually and/or pneumatically. Section 4.7 requires SCG’s employees if the valve is equipped with a hydraulic actuator, to verify hydraulic fluid level (within manufacturer specified range). It appeared that SCG’s standard did not address all the operating modes the valves may be subjected in the field. SED recommends that SCG review its valve inspection and testing procedure and apply the manufacturer's valve inspection recommendations.

- 4) SCG's Gas Standard 223.0130 Abandonment, Conversion and Reinstatement of Transmission Pipelines, Section 4.15 addresses the conversion of a steel transmission pipeline. Title 49 CFR Part 192, Section §192.14 Conversion to service subject to this part addresses a steel pipeline previously used in service not subject to this part qualifies for use under this part if the operator prepare and follow a written procedure to carry out Section §192.14 requirements. SED recommends that SCG revise its Gas Standard to include all steel pipelines (transmission and distribution pipelines).
- 5) SCG's Gas Standard 223.0315 Operation and Maintenance of generator Units- Transmission and Storage Operations, Section 4.2 addresses Start-Up and Section 4.5 addresses Shutting Down process for gas compressor units as required by Title 49 CFR Part 192, Section §192.605(b)(7) "*Starting, Operating and shutting down gas compressor units*". The Document Profile Summary did not cite Section §192.605(b)(7). SED recommends that SCG revise its Gas Standard to include the applicable regulation.
- 6) SCG's Gas Standard 223.0325 Main Centrifugal Gas Compressor Unit Operation addresses the Start-Up and Shutting Down operation. The Document Profile Summary Section did not cite §192.605(b)(6) that addresses purging before returning to service. SED recommends that SCG revise its Gas Standard to include the applicable regulation.
- 7) SCG's Gas Standard 223.0275 "Main Reciprocating Gas Compressor Unit Operation- Transmission and Storage Operations under Purpose" references Title 49 CFR Part 192, Section §192.729 but this section cited does not exist. SED recommends that SCG revise its Gas Standard to reference the appropriate Section of Title 49 CFR Part 192.