STATE OF CALIFORNIA Edmund G. Brown Jr., *Governor*

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

July 21, 2016 **GI-2015-03-07-SEM40-08 (SEM TIMP Part 2)**

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

SUBJECT: **General Order 112[1] Inspection of the Southern California Gas Company's and San Diego Gas and Electric Company's Gas Transmission Pipeline Integrity Management Program**.

Dear Mr. Cho:

The staff of Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a General Order (G.O) 112, Part 2 inspection of the Southern California Gas Company's and San Diego Gas and Electric Company's Gas Transmission Pipeline Integrity Management Program (TIMP) on March 2-6, March 9-13, and July 6-10, 2015. These two companies are collectively referred to as Sempra.

In 2013, SED separated the Sempra TIMP Inspection into two parts: Part 1 inspection was completed in November 2013, and it consisted of in-depth review of Sempra's TIMP plan, procedures and certain parts of its implementation records. Part 2 of the inspection was scheduled for 2015. This Part 2 inspection consisted of validation review of the Sempra TIMP implementation records and field verifications of various integrity assessment processes.

During the Part 2 inspection, SED used the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety's "Gas Integrity Management Field Verification Inspection Form" for the field verification portion of the inspection. SED's inspection findings are noted on the attached "Sempra 2015 TIMP Inspection Findings Summary" (Summary).

Please provide a written response within 30 days of your receipt of this letter indicating measures taken by Sempra to address the findings noted in the Summary. If you have any questions, please call Matthewson Epuna at (213) 576-7014 or Paul Penney at (415) 703-1817.

Sincerely,

Kenneth Bruno, Program Manager
Safety and Enforcement Division

cc: Paul Penney, SED
Jeff Koskie, Sempra
Mahmoud Intably, SED

Sempra 2015 TIMP Inspection Summary
March 2-6, March 9-13, and July 6-10, 2015

CPUC Identified Probable Violation:

I. Protocol Area A. Identify HCAs:

A.02 Potential Impact Radius

"Verify that the definition and use of potential impact radius for establishment of high consequence areas meets the requirements of §192.903. [§192.905(a)]"

Protocol A.02.b. states:

In cases where potential impact circles are used to identify high consequence areas, verify that the program requires that high consequence areas include the area extending axially along the length of the pipeline from the outermost edge of the first potential impact circle to the outermost edge of the last contiguous potential impact circle for those potential impact circles that contain either an identified site or 20 or more buildings intended for human occupancy. [§192.903 High Consequence Area (3)]"

Protocol A.05.b. states:

"Verify the program includes piping locations as high consequence areas if the area within the potential impact circle contains an identified site. [§192.903 High Consequence Area (2)(ii)]"

Title 49 CFR Part192, §192.903(3) states in part:
"Where a potential impact circle is calculated under either method (1) or (2) to establish a high consequence area, the length of the high consequence area extends axially along the length of the pipeline from the outermost edge of the first potential impact circle that contains either an identified site or 20 or more buildings intended for human occupancy to the outermost edge of the last contiguous potential impact circle that contains either an identified site or 20 or more buildings intended for human occupancy. (See figure E.I.A. in appendix E.)"

Sempra identified covered segments on Line 7000. One of the HCA segments (HCA # 1121816) on the Line 7000 was within an identified site and had a 90 degrees elbow turn and continued for a mile. However, this pipeline segment within the HCA # 1121816 did not extend completely to the outer edge of the potential impact circle that contains the identified site that contacts the outermost edge of the last contiguous potential impact circle. Piping locations were not appropriately identified as covered segments when the potential impact circle contained an identified site (using Method 2). Sempra did not provide a justification why it was not necessary to include the entire length of the pipeline within the impact circle. Therefore, Sempra is in violation of 49 CFR, Part 192, §192.903(3).

CPUC Concerns/ Recommendations:

I. Protocol Area C. Identify Threats, Data Integration, and Risk Assessment:

SED is concern that the format Sempra uses in presenting its TIMP data is confusing and requires frequent clarification. SED recommends that Sempra organize, summarize and present its TIMP data in a simplified and less confusing manner. This can be accomplish through use of simplified formats, for example organize the data, summarize the pertinent facts and present the data in tabular format, spreadsheet or any other format while capturing the pertinent pipeline features, inspection tool results, actual dig results and remedial action data.