

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



December 26, 2108

GI-2018-01-SEM-40-03

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

**SUBJECT: Closure letter for General Order (G.O.) 112 Comprehensive Inspection of Southern California Gas Company's (SCG) and San Diego Gas and Electric Company's (SDG&E) Operation and Maintenance Procedures**

Dear Mr. Cho:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission reviewed Southern California Gas Company's (SCG) and San Diego Gas and Electric Company's (SDG&E) response letter dated July 18, 2018 that addressed 10 (ten) recommendations identified during the GO 112-F inspection of SCG's and SDG&E's Operation and Maintenance Procedures conducted on January 8-12, 2018.

Attached is a summary of SED's inspection findings, SCG's and SDG&E's responses to SED's findings, and SED's evaluation of SCG's and SDG&E's responses to the recommendations.

This letter serves as an official closure of the 2018 Comprehensive Inspection of SCG's and SDG&E's Operation and Maintenance Procedures.

Thank you for your cooperation in this inspection. If you have any questions, please contact Mahmoud (Steve) Intably, at (213) 576-7016 or by email: [mai@cpuc.ca.gov](mailto:mai@cpuc.ca.gov).

Sincerely,

Matthewson Epuna  
Program and Project Supervisor - GSRB  
Safety and Enforcement Division

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

**SCG' and SDG&E's Operation and Maintenance Procedures  
Summary of Inspection Findings  
January 8-12, 2018**

**Recommendations and Concerns**

1. SDG&E's Gas Standard G7361 Pipeline Testing Requirements, Section 4.4.4.C.1 and Section 4.4.4.D.1 do distinguish between Maximum Allowable Operation Pressure (MAOP) and Maximum Allowable Test Pressure (MATP). SED recommends that SDG&E's revise the Gas Standard to make clear distinction between MAOP and MATP when referencing Table 2 of this procedure.

**SCG's and SDG&E's Response:**

As recommended by SED, SDG&E's Gas Standard G7361 will be revised to clarify the distinction between Maximum Allowable Operation Pressure (MAOP) and Maximum Allowable Test Pressure (MATP). Sections 4.4.4.C.1 and 4.4.4.D.1 will be updated to clarify that "maximum allowable pressure" for a given pre-hot-tap configuration is actually maximum allowable branch test pressure.

**SED's Conclusion:**

SED has reviewed SCG's and SDG&E's response and accepts the corrective actions that it has articulated and implemented. However, SED may review the records of the corrective action during future inspections.

2. SCG's Gas Standard 184.03 Replacement Criteria for Distribution Main and Services, under "Purpose" SCG has < 60 psig. The statement should indicate  $\leq 60$  psig. The procedure indicated  $\leq$  several times when addressing medium pressure for the main (section 2.1 ----- operate at 60 or less ( $\leq$ )). SED recommends SCG to revise the Gas Standard to clarify that the procedure addresses medium pressure that is  $\leq 60$  psig.

**SCG's and SDG&E's Response:**

As recommended by SED, editorial revision issued for Gas Standard 184.03 to clarify medium pressure.

**SED's Conclusion:**

SED has reviewed SCG's and SDG&E's response and accepts the corrective actions that it has articulated and implemented. However, SED may review the records of the corrective action during future inspections.

3. SCG's Gas Standard 184.17 and D8189 Temporary LNG Facility, Section 4.2.4 -The LNG storage container and associated equipment shall not be located in close proximity to overhead electric power lines operating over 600 volts. SED recommends SCG to review/revise the Gas Standard to include the minimum separation distance between power lines operating over 600 volts and LNG tanks/ and associated equipment.

**SCG's and SDG&E's Response:**

As recommended by SED, SCG's Gas Standard 184.17 and D8189 Temporary LNG Facility, Section 4.2.4 has been changed and published on 1/23/2018 to read:

"4.2.4. The LNG storage container and associated equipment shall be located at minimum distance of 15 feet away from overhead electric power lines (including overhead electric power lines operating over 600 volts) or any apparent sources of ignition. "

**SED's Conclusion:**

SED has reviewed SCG's and SDG&E's response and accepts the corrective actions that it has articulated and implemented. However, SED may review the records of the corrective action during future inspections.

4. SCG's Gas Standard Procedure 186.0015 Condition Assessment of Unprotected Distribution Steel Piping, Section 4.2.2 Operating environment, Section 4.2.2.1 Concentration of people (Business District, Schools, Churches, Hospitals, Residential, Rural, etc.). The Gas Standard did not address the environmental sensitive area. SED recommends SCG to revise the Gas Standard to address the environmental sensitive area.

**SCG's and SDG&E's Response:**

Current published version of the Gas Standard 186.0015, section 4.2.2.2 lists "Environmentally sensitive area" to reflect the current practice that it is part of the consideration.

**SED's Conclusion:**

SED has reviewed SCG's and SDG&E's response and accepts the corrective actions that it has articulated and implemented. However, SED may review the records of the corrective action during future inspections.

5. SCG's Gas standard Procedure C5050, Section 2 addresses only 49 CFR, Part 192, §192.615 (a)(3)(i, ii, and iii). The Section did not include 192.615(a)(3)(iv) "Natural disaster". SED recommends SCG to revise the Gas Standard to address "Natural disaster.

**SCG's and SDG&E's Response:**

As recommended by SED, C5050 Gas Standard was revised to address "Natural disaster".

**SED's Conclusion:**

SED has reviewed SCG's and SDG&E's response and accepts the corrective actions that it has articulated and implemented. However, SED may review the records of the corrective action during future inspections.

6. SCG's Gas Standard Procedure 189.0001, Section 5.5 ..... "New observer" and Gas Standard G8129 similarly indicated "New observer". SCG's Gas Standard 189.005, Section 3.3.2.1 uses a different wording when addressing "New observer". SED recommends SCG to revise the Gas Standard to have a consistent wording (similar language) when addressing "New observer".

### **SCG's and SDG&E's Response:**

As recommended by SED, Gas Standard 189.0001 was updated and republished on February 16th. Wording on Section 5.5 was changed replacing “new observer” with “new operator” to be consistent with GS 189.005.

### **SED's Conclusion:**

SED has reviewed SCG's and SDG&E's response and accepts the corrective actions that it has articulated and implemented. However, SED may review the records of the corrective action during future inspections.

7. SCG's Gas Standard Procedure 223.0215, Section 4 did not list the steps that need to be performed in a chronological order (item 4.9 s should be moved below 4.2). SED recommends SCG to revise the Gas Standard to list the steps that need to be performed in a chronological order.

### **SCG's and SDG&E's Response:**

SCG agrees to modify the Gas Standard based on the recommendation from SED. However, SCG will move the task after 4.5 rather than after 4.2. to address valves within a vault or a valve can for sites with such configurations.

### **SED's Conclusion:**

SED has reviewed SCG's and SDG&E's response and accepts the corrective actions that it has articulated and implemented. However, SED may review the records of the corrective action during future inspections.

8. SCG's Gas Standard Procedure 223.0215, Section 5 indicated cover task 16.02 that is related to distribution valves while the procedure addresses the work activities related to transmission valves. SED recommends SCG to revise the Gas Standard to address the correct cover task.

### **SCG's and SDG&E's Response:**

Task 16.02 is the correct covered task that addresses transmission valves, however, it is misidentified in the Gas Standard as being pertinent to distribution valves. It will be corrected and published to show that it does indeed cover transmission valves.

### **SED's Conclusion:**

SED has reviewed SCG's and SDG&E's response and accepts the corrective actions that it has articulated and implemented. However, SED may review the records of the corrective action during future inspections.

9. SCG's Gas Standard 167.0207 TIMP Risk Algorithm, Section 6.2.1 for 100 mV criteria the weighting value under this category is 5 (EC CP Factor value). Section 6.5.3 for 100mV criteria is 4 (M CF Factor Value). SED recommends SCG to review the Gas Standard to ensure that the weighting value for 100mV criteria is appropriate and reasonable.

**SCG's and SDG&E's Response:**

SCG has reviewed the Cathodic Protection Factor for both External Corrosion and Manufacturing threats and recognize that those factors should be consistent. SCG will update the Gas Standard 167.0207, section 6.5.3 to adjust 100mV criteria from 4 to 5.

**SED's Conclusion:**

SED has reviewed SCG's and SDG&E's response and accepts the corrective actions that it has articulated and implemented. However, SED may review the records of the corrective action during future inspections.

10. SCG's Gas Standard G8223, Section 3.2 addresses only PHMSA while 192.909(b) indicates that operator must also notify state or local pipeline safety authority. SED recommends SCG to revise the Gas Standard to include the notification to state or local pipeline safety authority.

**SCG's and SDG&E's Response:**

SCG Gas Standard 223.0315 and SDG&E Gas Standard G8223 were revised on 06/27/2018 per SED's recommendation. The revised verbiage now includes PHMSA and CPUC:

3.2 "Significant change" – As pertains to the Integrity Management (IM) Program, a change that is significant is any modification to the IM Program or transmission system that may substantially affect the program's implementation or may significantly modify the program or schedule for carrying out the Program Elements. All significant changes require PHMSA and CPUC notifications within 30 days of adoption. See TIMP.20, Regulatory Interaction

**SED's Conclusion:**

SED has reviewed SCG's and SDG&E's response and accepts the corrective actions that it has articulated and implemented. However, SED may review the records of the corrective action during future inspections.