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July 18, 2018

Mr. Ken Bruno
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division
California Public Utilities Commission
320 W. Fourth Street, Suite 500
Los Angeles, CA 90013

Dear Mr. Bruno:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted G.O. 112-F Comprehensive review and inspection of Sempra's Operation and Maintenance (O&M) Procedures that included the Southern California Gas Company's (SoCalGas) Gas Standards and Procedures and San Diego Gas and Electric Company' (SDG&E) Gas Standards and Procedures on January 8-12, 2018. SED staff reviewed both companies' written O&M procedures pursuant to G.O. 112-F, Reference Title 49, Code of Federal Regulations (CFR), Parts 191, 192 and 193.

SED staff made 10 (ten) recommendations. Attached are SoCalGas and SDG&E's written responses and corrective actions.

Please contact Troy A. Bauer at (909) 376-7208 if you have any questions or need additional information.

Sincerely,



Troy A. Bauer

CC: Mahmoud (Steve) Intably, SED/GSRB
Matthewson Epuna, SED/GSRB
Kan Wai Tong, SED/GSRB,

ATTACHMENTS

**Sempra 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.

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.

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.

RESPONSE:

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

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.

RESPONSE:

As recommended by SED, SoCalGas' 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. “

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.

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.

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”.

RESPONSE:

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

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”.

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.

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.

RESPONSE:

SoCalGas agrees to modify the Gas Standard based on the recommendation from SED. However, SoCalGas 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.

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.

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.

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.

RESPONSE:

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

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.

RESPONSE:

SoCalGas 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.