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

August 10, 2018

Jimmie Cho, Senior Vice President
Customer Service and Distribution Operations
Sempra Energy Utilities
555 W 5th Street, GT21C3
Los Angeles, CA 90013

GI-2018-03-SEM40-PSEP

Subject: General Order (G.O.) 112-F Construction Safety Assurance Inspections of Southern California Gas Company's and San Diego Gas and Electric Company's Pipeline Safety Enhancement Program (PSEP) Construction Projects.

Dear Mr. Schwecke:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a G.O. 112-F Construction Safety Assurance Inspections of Southern California Gas Company's and San Diego Gas and Electric Company's Pipeline Safety Enhancement Program (PSEP). The two companies are hereby referred to as Sempra Energy Utilities (Sempra). On November 13 thru17, 2017, SED's staff reviewed Sempra's construction records for the PSEP projects that have been completed. In addition, SED's staff conducted material traceability records review and field verification of Sempra's PSEP construction projects on March 19-23, 2018.

SED reviewed Sempra's Standard Procedure 1101; "Quality Plan for PSEP" (SP-1101) that was issued on June 24, 2016. SED used the SP-1101as the Sempra's PSEP Construction Standard Procedure, Quality Assurance and Quality Control Plan (QA/QC) for PSEP construction projects. SED's staff did not observe a probable violation with the adequacy of the QA/QC Plan. However, SED's staff made a recommendation that is described in the enclosed "Summary of Inspection Findings".

Please provide a written response within 30 days of receipt of this letter indicating any updates or corrective actions taken by Sempra. If you have any questions, please contact Ha Nguyen, at (213) 576-5762 or by email: hn1@cpuc.ca.gov.

Sincerely,

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

CC: Ha Nguyen, SED/GSRB
Troy Bauer, Sempra
Matt Epuna, SED/GSRB

Summary of Inspection Findings
Pipeline Safety Enhancement Program Inspection
November 13-17, 2017 and March 19-23, 2018

SED's Recommendation

SED reviewed construction records of completed PSEP projects and field verification of selected projects to validate if Sempra has conducted Quality Assurance (QA) and Quality Control (QC) monitoring and inspections as outlined in its PSEP Standard Procedures SP-1101 (Quality Plan for PSEP). SED recommends that Sempra conduct and document all unannounced field inspections of all its PSEP construction projects in order to verify that all construction activities and processes are performed in accordance with the spirit and letters of the QA/QC Plan.