

## PUBLIC UTILITIES COMMISSION

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October 22, 2019

Mr. Rodger Schwecke, Senior Vice President  
Gas Operations and System Integrity  
Southern California Gas Company &  
San Diego Gas and Electric Company  
555 West 5<sup>th</sup> Street, GT21C3  
Los Angeles, CA 90013

GI-2019-08-SEM-40-14

SUBJECT: SoCalGas/SDG&E Damage Prevention Program Inspection

Dear Mr. Schwecke:

National statistics indicate that efforts and programs targeted towards reducing damages to subsurface facilities are providing positive results. However, it's well established that such promising improvements primarily result from effective enforcement of states' respective one-call laws and the commitment of all excavation community stakeholders to establish and follow procedures related to excavation activities detailed in Best Practices Manual of the Common Ground Alliance (CGA). Though California Government Code Section 4216 (GC 4216), known as California's one-call law, has long incorporated CGA guidance, lack of enforcement greatly contributed to California trailing national statistics in not experiencing improvements in reducing damages to subsurface facilities, especially those related to entities not mandated by state and federal regulations to have damage prevention programs.

Effective one-call laws and enforcement of these laws has long been advocated by Pipeline Hazardous Material and Safety Administration (PHMSA) and the California Public Utilities Commission (CPUC). In fact, PHMSA now evaluates states' one-call laws and those it determines as being ineffective can be negatively impacted and/or entail PHMSA actions related to enforcement. To address this issue, in 2018 the California Underground Facilities Safe Excavation Board (Board) commenced operations and began establishing procedures towards California beginning to effectively enforce compliance with GC 4216. This does not impact the authority the CPUC has always had to enforce the damage prevention programs which operators jurisdictional to the CPUC have always been required to maintain and follow per CPUC General Order 112 (currently GO 112-F).

The Safety and Enforcement Division (SED) of the CPUC supports the new statewide effort to improve excavation safety and is continuing with its inspections to closely review operator' damage prevention programs. This inspection confirms that the operator's program complies with 49 CFR Part 192, Section 192.614, referenced by GO 112-F, and assures the operator's program has procedures for directional drilling/boring that include actions to protect its facilities from dangers posed by such trenchless technologies, and includes review of the operator's quality control process for confirming the adequacy of its internal performance measures regarding persons performing locating services and quality assurance programs. Our goal is to use information learned through this program, along with information from other SED investigations and that reported by the operators through GO 112-F requirements, towards

assuring that the damage prevention efforts of all excavation stakeholders continue to be targeted appropriately.

SED conducted a General Order 112-F inspection of the Southern California Gas Company (SoCalGas) and San Diego Gas Company (SDG&E) (companies) Damage Prevention Programs on August 20-23, 2019.<sup>1</sup> The inspection included a review of the companies' current Damage Prevention Programs, and some related records for the period of 2017-through present, as well as the companies' response to SED's March 2018 Report on its findings from the last damage prevention program inspection. Our inspection also included a review of field locates.

SED's findings are noted in the Summary of Inspection Findings (Summary) which is enclosed with this letter. The Summary reflects only those records and pipeline facilities that SED reviewed during the inspection.

During the audit, we noted a continuing lack of clarity within both SoCalGas and SDG&E processes for quality assurance and trending of data related to their damage prevention programs. Our review also noted some data discrepancies within the various data reports both companies provide to the CPUC and PHMSA; moreover, we noted that late ticket analysis for SoCalGas is providing results and conclusions which do not appear to be correct. We discussed these issues, along with our request to learn more details related to trends we have observed from data reported by the companies; however, we did not receive any responses which resolved the items we identified. Therefore, as we indicated to companies' representatives during the audit, we intend to schedule an additional review with both companies to further review these specific issues.

Within 30 days of your receipt of this letter, please provide a written response indicating the measures taken by SoCalGas and SDG&E to address the violations and observations noted in the Summary.

If you have any questions, please contact Sunil Shori at (415) 703-2407 or by email at Sunil.Shori@cpuc.ca.gov.

Sincerely,



Dennis Lee, P.E.  
Program and Project Supervisor  
Gas Safety and Reliability Branch  
Safety and Enforcement Division

CC: Kan-Wai Tong, Sunil Shori, & Claudia Almengor – SED  
Troy Bauer – SoCalGas/SDG&E

Enclosure: Summary of Inspection Findings

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<sup>1</sup> General Order 112-F was adopted by the Commission on June 25, 2015 via Decision 15-06-044.

## SUMMARY OF INSPECTION FINDINGS

49 CFR, Part 192, Section 192.614(a), in part, states: “... *each operator of a buried pipeline shall carry out in accordance with this section a written program to prevent damage to that pipeline by excavation activities...An operator may perform any of the duties required by paragraph (b) of this section through participation in a public service program, such as a "one-call" system, but such participation does not relieve the operator of responsibility for compliance with this section.*”

49 CFR, Part 192, Section 192.614(b), in part, states: “*An operator may comply with any of the requirements of paragraph (c) of this section through participation in a public service program, such as a one-call system, but such participation does not relieve the operator of responsibility for compliance with this section. However, an operator must perform the duties of paragraph (c)(3) of this section through participation in a one-call system, if that one-call system is a qualified one-call system... An operator's pipeline system must be covered by a qualified one-call system where there is one in place...*”

Finally, 49 CFR, Part 192, Section 192.614(c) requires: The damage prevention program required by paragraph (a) of this section must, at a minimum:

- (1) Include the identity, on a current basis, of persons who normally engage in excavation activities in the area in which the pipeline is located.
- (2) Provides for notification of the public in the vicinity of the pipeline and actual notification of the persons identified in paragraph (c)(1) of this section of the following as often as needed to make them aware of the damage prevention program:
  - (i) The program's existence and purpose; and
  - (ii) How to learn the location of underground pipelines before excavation activities are begun.
- (3) Provide a means of receiving and recording notification of planned excavation activities.
- (4) If the operator has buried pipelines in the area of excavation activity, provide for actual notification of persons who give notice of their intent to excavate of the type of temporary marking to be provided and how to identify the markings.
- (5) Provide for temporary marking of buried pipelines in the area of excavation activity before, as far as practical, the activity begins.
- (6) Provide as follows for inspection of pipelines that an operator has reason to believe could be damaged by excavation activities:
  - (i) The inspection must be done as frequently as necessary during and after the activities to verify the integrity of the pipeline; and
  - (ii) In the case of blasting, any inspection must include leakage surveys.

Both one-call systems (regional notification centers) instrumental in the operation of California's one-call damage prevention program, USANorth811 and DigAlert, meet the requirements of 49

CFR, Part 198, Section 198.39 and almost the entirety of Section 198.37. Therefore, both one-call systems are considered as a "qualified one-call system" per federal regulations. Moreover, since SoCalGas' subsurface gas pipeline facilities traverse the respectively defined territories of both one-call systems in California, USANorth and DigAlert, SoCalGas is a member of both systems. However, SDG&E is a member of DigAlert as its gas pipeline facilities are located within the territory covered by that system.

## **I. Probable Violations**

§192.13(c) states:

*"Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part."*

We believe that SoCalGas and SDG&E need to modify procedures of their respective Damage Prevention Programs to address the following:

### 1) Issues with SoCalGas Standard 184.0175 (and SDG&E equivalent G7451):

- a) Page 3, Section 4.2 - Clarify to indicate "location of non-company facilities..."
- b) Page 3, Section 5.2 - Include master-meter customers with piping systems (i.e. master-metered MHPs).
- c) Page 4, Section 6.1.2 - Though company standards discuss one-call centers, and the need to notify these centers of the intent to excavate, we found no statements in any company standards that require both SoCalGas and SDG&E to be members of the one-call centers. We are aware that both companies are members of the one-call centers covering their respective operating territories; however, it is imperative that a statement requiring one-call center membership be in company procedures/standards.
- d) Page 6, Section 6.3.4.2 - Company representatives indicated Section 6.3.4.2 only applies to company facilities; however, Section 6.3.5 doesn't limit power tools to clay spade. Standard needs to modify 6.3.5 to place limits on power tools that can be used or apply 6.3.4.2 to all facilities where power tool use is obtained through agreement.
- e) Page 9, Section 6.3.9 - Standard needs to specify a minimum of 12-inches of separation for boring work and not just "adequate" clearance. Moreover, a standby requirement would be good to determine that separations required by GO 112-F, especially when bored facilities cross companies' facilities, are provided following completion of a boring installation.
- f) Page 12, Section 7.1 - There is no procedural process to confirm, or document, that knowledge transfer as expected by Section 7.1 is occurring and what topics are covered during project or activity hand-offs between multiple inspectors or pipeline crews.

### 2) Issues with SoCalGas Standard 184.09 (and SDG&E equivalent G8122):

- a) Page 1, Section 1.4 - Standard continues to require stand-by for low and medium pressure provided "as necessary" as noted in last inspection. However, we believe some stand-by or field review for boring operations near such facilities may need to be proceduralized as being mandatory in order to confirm that clearances are maintained as required by GO 112-F.
- b) Page 2, Section 2.5 – There is no clear SoCalGas/SDG&E process to review contractor field activities to confirm continued compliance with damage prevention standards. This is especially important for SoCalGas because it requires company excavator contractors to perform their own locates of distribution company facilities as part of their contract work. For SDG&E, company excavator contractors are required to notify one-call, instead of performing their own locates, and SDG&E/Utilquest then mark and locate SDG&E facilities. Also, it was noted that SoCalGas/SDG&E have not mapped company owned electric service lines which power company gas facilities such as valves or rectifiers. SoCalGas representatives indicated that work is now underway to perform mapping of these electric facilities; however, no estimates for amount of work or completion date was provided during the audit. Since this is a serious safety issue, and a non-compliance with GO 112-F as well as GC 4216, we would like for the companies to accelerate efforts to complete mapping updates and provide a date positive by which we can expect this effort to be completed.
- c) Page 8, Section 7.2 – Currently, companies’ standards require investigation where physical evidence indicates encroachments near high pressure gas facilities in which the company did not provide monitoring; however, neither company has any policy/procedure for performing investigations of evidence of such encroachments near facilities other than high pressure. We believe the companies need to consider establishing procedures to identify instances in which more investigation of encroachment near facilities other than high pressure may be warranted/mandated (i.e., gas leakage along with physical evidence of encroachment without notification).
- d) Page 4 of revision, Section 3.14.1 - Clarify Section 3.14.1. to be clear that twenty-four inches on each side of a “single marking” applies only if size of the facility is not known or provided in the positive response.

### 3) Issues with SoCalGas Standard 184.02 (and SDG&E equivalent G8123):

- a) During our field review we noted that for Ticket A192310769, no “SDGE” marking was provided for gas and for Ticket B192300032, no "SDGE" or pipe diameter (2") were marked for gas mains per SDG&E Standard G8123. The companies need to continue assuring that field marking for company facilities are conveyed per company standards/procedures.
- b) Page 1, Section 1.1 - SoCalGas/SDG&E need to ensure that their policy statements clearly require them to follow all GC 4216 requirements for when the company is an excavator as well as a locator.
- c) Page 1, Section 1.1 - SoCalGas/SDG&E need to make sure there is a statement that requires both companies to be members of one-call centers.
- d) Page 2, Section 2.7.3 – We were unable to confirm if SoCalGas locates performed by company excavator contractors are being reviewed by any internal entity.

- e) Page 4, Section 2.12 - SoCalGas has no written frequency requirement for updating mapping data to USA. Company representatives indicated this is currently performed annually and may become quarterly; however, this is not proceduralized within the standards.
- f) Page 5, Section 3.12.1 - Better define Inactive subsurface installation to be clear such facilities are maintained in compliance with state/federal regulations.
- g) Page 7, Section 3.25.1 - Clarify Section 3.25.1. to be clear that single marking means if size is not known or provided in positive response.
- h) Page 12, Section 7.2 - No current process to capture ticket extension agreements and details. SoCalGas representatives indicated this is in revision; however, such a process and documentation requirements are essential requirements that were expected to already be implemented. SED reviewed 2019 late USA tickets which SoCalGas investigated and re-classified as not being late due to locator discussion with excavators. However, SED noted that these discussions appear to have taken place after the legal start date had already been exceeded and by which a positive response per GC 4216 had to have been provided. We question why SoCalGas' review reached incorrect conclusions for 2019 and the validity of any SoCalGas and SDG&E reviews of records for late locates not reviewed by SED (i.e., 2017-2018).
- i) Page 14, Section 7.6 - SoCalGas/SDG&E must ensure that Form 5153 and all other documents related to a given ticket (i.e., QA reviews) are cross referenced and easily retrievable for reviews of one-call notifications from their start to closure.
- j) Page 19, Section 7.16 - SoCalGas/SDG&E require that during the locate activity, any locator finding previously placed marks that are determined to be inaccurate to be concealed. However, there is no requirement for documenting and conveying the inaccuracy for review and/or determination as to the reason behind the inaccuracy. We believe capturing information related to inaccurate locates found in the field would assist the companies to better, and timely, identify existing marking and/or mapping deficiencies.

## **II. Areas of Concern/Recommendations**

- a) We suggest the companies consider modifying SoCalGas Standard 184.02 (and SDG&E equivalent G8123) to add a policy/procedure to mark pipeline facilities which continue through the delineations for the intended work area provided by an excavator and/or for facilities which may be located on the periphery, external to, the delineated work area. We believe extended markings, limited perhaps to 18-24 inches beyond the work area delineations, could raise excavator awareness to utilize proper excavation practices in the vicinity of the excavation, and not just within the delineated area.
- b) Both companies use Form.677-1 which captures times and facility conditions, Koreterra, or a work order generated for standby (i.e., for stand-by at work performed by a company contractor. We suggest that this be codified in the stand-by standard as to where time and standby activities can be captured.

- c) Contrary to their response to Item 1 from SED's 2018 Report to SoCalGas/SDG&E, the companies made no changes to Standards 184.09 or G8122, as indicated they would be doing in the response. These standards are currently being updated; however, they continue to have no requirements for stand-by for boring occurring near medium pressure (60 or under psig). As noted in Item 2a), above, this issue remains unresolved from the previous audit and report.
- d) Contrary to their response to Item 2 from SED's 2018 Report to SoCalGas/SDG&E, the companies made no changes to 184.02 or G8123, as they indicated they would be doing in the response. Company representatives indicated that currently there is, at a minimum, a one-per year review of each locator; however, the SoCalGas QA procedure presented does not indicate the per locator review and it appears to remain as a random sampling. Overall, the companies' QA processes continue to be unclear in confirming reviews performed for each locator. We suggest that SoCalGas consider incorporating a process, which SDG&E indicated it is currently using, for retaining a listing of the pool of operator qualified locators along with QA documentation in order to allow for confirmation of each locator undergoing a QA review and/or confirming why samples/reviews were not conducted for a given locator.
- e) Regarding the companies' response to Item 3 from SED's 2018 Report to SoCalGas/SDG&E, we noted that SDG&E freezes an employee's OQ for findings and SoCalGas performs supervisory reviews. However, there is still no written policy/process or procedure on how findings of human error/issues result in follow-up actions.
- f) Regarding the companies' response to Items 4, 5 and 7 from SED's 2018 Report to SoCalGas/SDG&E, changes made in April 2019 proceduralized Item 4 and the companies indicated they are making changes noted in the response for Item 5 and 7 in upcoming standards. However, nothing changed as of now. We would like to see the final changes in company standards related to the responses for Items 4, 5 and 7.
- g) Regarding the companies' response to Item 6 from SED's 2018 Report to SoCalGas/SDG&E, currently SDG&E targets a contract/in-house locate percentage of 50/50 (actual now is 55/45). SDG&E took over mark and locate (M&L) management from another group to have better access to Utilquest (SDG&E's contract locator) investigations. SDG&E has a QC program for its own M&L work force which it is currently piloting for Utilquest; however, there is no formal QC process for Utilquest in SDG&E's contract with that company, though SDG&E representatives indicated the company is working to implement one when SDG&E's contract renews in 2020, or sooner. We are concerned that there is no current requirement in the contract between SDG&E and Utilquest requiring Utilquest to perform any kind of QA/QC on itself for mark and locate activities performed on behalf of SDG&E and urge SDG&E to clearly incorporate contractual requirements at soon as possible.
- h) Regarding the companies' response to the concerns/recommendations from SED's 2018 Report to SoCalGas/SDG&E, issues noted above capture ongoing concerns we continue to have regarding our original Concern 1. Regarding Concern 2, SoCalGas made report changes in April 2019; however, we were unable to confirm procedural changes that support the statement: "the Company has improved reports that show damage trends." Regarding Concern 3, we were unable to see sufficient support of the monitoring, tracking and trending performed monthly of dig-in incidents. Finally, regarding Concern 4, SDG&E indicated its QA document, **SDG&E Locate& Mark Quality Control Program**, has been in place since 2017 and SoCalGas indicated its QA document,

**Distribution Locate and Mark Quality Management Assessment Guidelines (Updated July 2019)**, has been in place since 2014. However, neither of these documents are approved standards nor do the documents provide any dates when programs became effective. We continue to believe these programs need to be proceduralized in formal standards.