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April 22, 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 a General Order (G.O.) 112-F, Reference Title 49, Code of Federal Regulations (49CFR), Parts 191 and 192, Gas Distribution Pipeline Integrity Management Program inspection of the gas distribution systems of the Southern California Gas Company and San Diego Gas and Electric Company, collectively referred to as Sempra Energy Utilities (SEU). The inspection, conducted from August 7 through August 10, 2017, included a review of the gas Distribution Integrity Management Program (DIMP), procedures and records.

SED staff noted one recommendation SEU. Attached is SEU's written response.

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 Energy Utilities DIMP inspection

## Summary of Inspection Findings August 7 through August 10, 2017

### I. SED Identified Probable Violations

None

### II. Concern and Recommendation

**Title 49 CFR, Part 192, §192.1007 What are the required elements of the integrity management plan?**

**§192.1007 What are the required elements of the integrity management plan states in part:**

(a)(1) *“Identify the characteristics of the pipeline’s design and operations and the environmental factors that are necessary to assess the applicable threats and risks to its gas distribution pipeline”.*

(a)(7) *“The evaluation must consider each applicable current and potential threat, the likelihood of failure associated with each threat, and the potential of consequences of such a failure”*

(c) Evaluate and rank risk states in part:

*“Evaluate and rank risk. An operator must evaluate the risks associated with its distribution pipeline. In this evaluation, the operator must determine the relative importance of each threat and estimate and rank the risks posed to its pipeline. This evaluation must consider each applicable current and potential threat, the likelihood of failure associated with each threat, and the potential consequences of such a failure.*

### **PHMSA-Introduction to Risk Assessment Methods defines Consequence**

*“The consequence is the impact on the population, property, and environment in the vicinity of the leak. Consequences can even involve financial impacts on the operator and distribution of services to customers”*

### **SEU’s DIMP A Terms, Definitions, and Acronyms defines:**

**Consequences of failure:** *The impact that a pipeline failure could have on the public, employees, property, and the environment*

**Risk:** *the product of the likelihood of a failure associated with a threat and the potential consequences of such a failure*

**SEU’s DIMP 4 Evaluation and Rank Risk, page 5 of 12 Weighting Factors for Consequence states in part:**

*“Consequence weight factors have been determined by a team of field/internal personnel. Each component of consequence is assigned a weight factor. The attribute data is the consequence of the environment and the PHMSA numbers are the consequence of the cause. The sum of these consequence scores represents the total consequence associated to each threat”.*

The components to be considered in the determination of the consequence are leak code, pipe diameter, operating pressure, proximity to structures, and incident fatality Percentage (Derived on a per-threat basis using the national PHMSA data from the last 20 years for all distribution serious incidents).

SED reviewed SEU’s DIMP.4 and found that SEU failed to include population density (schools, fire houses, hospitals, people with special mobility, commercial centers, location where other subsurface conduits may enlarge gas migration patterns, etc.) in the determination of the consequence. Therefore, SED recommends that SEU to review and revise DIMP.4 “Evaluation and Rank Risk” to include all applicable components for the consequence including population density (in determining the consequences) when calculating the risk score for a pipeline segment to ensure effective implementation of DIMP.

**RESPONSE:**

SoCalGas/SDG&E perform Risk Assessment of pipeline segments as part of DIMP Distribution Risk Evaluation and Monitoring System (DREAMS) and population density, which includes churches, schools, health and day care facilities, hospitals, and other significant commercial gathering points is considered. However, SoCalGas/SDG&E recognize that DIMP 4 verbiage focuses on Risk Assessment on a program level using leak based performance analysis and is lacking the explanation of how population density is considered at pipeline segment level. SoCalGas/SDG&E will update DIMP 4 to describe Risk Assessment of pipeline segments.