

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



August 7, 2017

GI-2017-01-SEM40-03

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<sup>1</sup> Comprehensive Inspection of Sempra Energy Utilities (Sempra) Operation and Maintenance Procedures**

Dear Mr. Cho:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission reviewed Sempra Energy Utilities (Sempra) response letter dated March 30, 2017 that addressed four recommendations identified during the GO 112-F inspection of Sempra Energy Utilities' Operation and Maintenance Procedures on January 9-13, 2017.

Attached is a summary of SED's inspection findings, Sempra's response to SED's findings, and SED's evaluation of Sempra's response to the recommendations.

This letter serves as an official closure of the 2017 Comprehensive Inspection of Sempra Operation and Maintenance Procedures.

If you have any questions, please contact Mahmoud (Steve) Intably, at (213) 576-7016.

Sincerely,

A handwritten signature in blue ink that reads "Dennis Lee".

Dennis Lee, P.E.  
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, Kelly Dolcini, SED/GSRB, and Troy Bauer, Sempra Energy Utilities

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

**Sempra Operation and Maintenance Procedures**  
**Summary of Inspection Findings**  
**January 9-13, 2017**

**Recommendations and Concerns**

1. According to the General Order 112-F Subpart D – LNG, Section 162.4, the Operation and Maintenance Plan must provide written procedures in details for the mobile LNG equipment. In addition, the procedures must include a requirement to perform operational tests of mobile LNG equipment, after any modifications are performed to the equipment (including computer equipment and software) that could affect equipment operation, before using modified equipment for actual field use.

Although the Gas Standard 184.17 Temporary LNG Facility, Section 6.3 bulletin 7 of SCG requires a procedure for operational tests of mobile LNG equipment after any changes are completed to the equipment (including computer hardware and software changes), before using modified equipment for actual use, SED noted that the Gas Standard 187.14 used the words “*changes*” and “*completed*” but the regulation used the words “*modifications*” and “*performed*”. In general, “*change*” is used when the equipment is replaced by another one, and “*modify*” is used when minor adjustments is performed on the existing equipment in order to enhance its performance. In addition, “*complete*” is used when all necessary parts, elements, or steps, and “*perform*” is used in carrying out an action or pattern of behavior. SED recommends SCG to review and revise the Gas Standard 184.17 in accordance with the terms and phrases used in the regulation.

**Sempra’s Response:**

SoCalGas and SDG&E agree with SED’s recommendations and have made the changes to the associated gas standards.

**SED’s Conclusion:**

SED has reviewed Sempra’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. Title 49 CFR, Part 192, Section 192.605 Procedural manual for operations, maintenance, and emergencies, Section (a) requires the operator to review and update the procedural manual at least once each calendar year, but with intervals not exceeding 15 months. Gas Standard PP01.002 Management of Company Operations Standards - Definitions, Section 1.16, states the “Gas Standards in the O&M Plan is reviewed annually by the Responsible Persons of the Standards”. SED noted that an annual review of the O&M Plan was not sufficient to meet the regulatory requirement of not exceeding 15 months interval. As a result, SED recommends SCG to revise the procedures review interval in order to avoid the unnecessary confusion.

### **Sempra's Response:**

As recommended by SED, PP01.002, Management of Company Operations Standard – Definitions was revised adding the language to address 49 CFR §192.605(a) requirement for O&M Plan reviews to occur each calendar year at intervals not exceeding 15 months. Also, the previously shared document was separated into standalone gas standards for each utility, PP01.002 (SoCalGas) and PP01.002SD (SDG&E) now categorized as common documents. PP01.002 and PP01.002SD

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

SED has reviewed Sempra'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 The General Order 112-F Subpart A – Definitions, Section 105 defines Public Attention as *“any event that escalates to a level that initiates calls/complaints concerning a common safety concern being submitted to an Operator from 10 or more individuals or organizations. This can include, for example, large scale reports of the smell of gas by customers in the vicinity of an Operator's gas facilities. Public Attention criterion does not necessarily include an individual, or a crowd of persons, watching work being performed on company facilities”*.

The Gas Standard 142.1961 Area Odor Complaint Orders-Customer Service Dispatch Operations, Section 4.1.2 of SCG, however, states that:

*“Based on the volume of orders (any combination of 15 orders in a Section "general area"), with the same basic cause of request (BCR), A-1 and/or A-2s, Dispatch will declare and open a Message Center Report (MCR), and complete all internal Region and System notifications”*.

SED recommends SCG to revise the Gas Standard to clarify General Order 112-F, Subpart A, and stay in compliance with the regulation.

### **Sempra's Response:**

As recommended by SED, Section 4.1, paragraph 4.1.2 of standard 142.1961 has been revised. Specifically, verbiage was added to indicate the change from 15, to 10 Area Odor orders will require issuance of an MCR, as well as the following verbiage was added " This condition is reportable regardless of natural gas involvement".

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

SED has reviewed Sempra'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 SED noted that some of the SCG's Gas Standards had references to the previous General Order and did not reference the current General Order 112-F. SED recommends SCG to apply references to the current G.O. where applicable.

**Sempra's Response:**

SoCalGas instructed all responsible persons who own Gas Standards to review their documents in the Document Management System and update any old references to GO 112-E to the current GO 112-F. SoCalGas instructed that any necessary updates be made as soon as possible.

**SED's Conclusion:**

SED has reviewed Sempra'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.