

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 28, 2017

GI-2017-01-SEM40-03

Jimmie Cho, Senior Vice President
Gas Operations and System Integrity
Sempra Energy Utilities
555 W 5th Street, GT21C3
Los Angeles, CA 90013

SUBJECT: General Order (G.O.) 112¹ 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 conducted G.O. 112¹ Comprehensive review and inspection of Sempra's Operation and Maintenance (O&M) Procedures that included the Southern California Gas Company's (SCG) Gas Standards and Procedures and San Diego Gas and Electric Company's Standards and Procedures on January 9-13, 2017. SED staff reviewed both companies' written O&M procedures pursuant to G.O. 112¹, Reference Title 49, Code of Federal Regulations (CFR), Parts 191, 192 and 193.

SED staff made four recommendations. The recommendations are noted in the attached "Summary of Inspection Findings".

Please provide a written response within 30 days of your receipt of this letter indicating the measures taken by Sempra to address the recommendations noted in the "Summary of Inspection Findings".

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

Sincerely,

A handwritten signature in blue ink that reads "Kenneth A. Bruno".

Kenneth Bruno,
Program Manager - GSRB
Safety and Enforcement Division

CC: Mahmoud (Steve) Intably, SED/GSRB, Matthewson Epuna, SED/GSRB, Kan Wai Tong, SED/GSRB, and Troy Bauer, Sempra Energy Utilities

¹ 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.

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.
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.

- 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.