

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
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February 8, 2018

Jimmie Cho, Senior Vice President
Gas Operations and System Integrity
Southern California Gas Company
555 West 5th Street, GT21C3
Los Angeles, CA 90013

GI-2017-04-SEM-40-08

Subject: SED's Closure Letter for General Order (G.O.) 112-F Operation and Maintenance Comprehensive Inspection of Sempra Energy Utilities' Compressor Stations

Dear Mr. Cho:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a G.O. 112-F Operation and Maintenance Comprehensive Inspection at the following Sempra Energy Utilities' (Sempra) Compressor Stations on April 3-7 and 10-14, 2017:

1. Moreno Valley Compressor Station
2. Blythe Compressor Station
3. South Needles Compressor Station
4. North Needles Compressor Station
5. Kelso Compressor Station
6. Adelanto Compressor Station
7. Newberry Springs Compressor Station
8. Wheeler Ridge Compressor Station
9. Sylmar Compressor Station
10. Ventura Compressor Station

The inspection included a review of the Station's Leak Survey, Patrol, Cathodic Protection, Valves, Overpressure protection – reliefs and shutdowns, ESD system, Gas Detection and Alarm systems inspection records for calendar years 2013 thru 2016 and field inspections of the facilities at the aforementioned Stations. SED's staff also reviewed Operator Qualification records, which included field observation of randomly selected individuals performing covered tasks. SED's staff identified two probable violations of G.O. 112-F, Reference Title 49 Code of Federal Regulations (CFR), Part 192, and noted one concern which are described in the attached "Summary of Inspection Findings". SEMPRA notified SED that the following compressor stations were isolated from the pipeline system and decommissioned:

1. Cactus City Compressor Station isolated on May 5, 2016
2. Desert Center Compressor Station isolated on May 12, 2016
3. Rainbow Compressor Station isolated on October 18, 2016

A summary of the inspection findings documented by the SED, Sempra's response to the findings, and SED's evaluation of Sempra's response to all findings are outlined in the attached "Summary of Inspection Findings."

This letter serves as the official closure of the 2017 Operation and Maintenance Comprehensive Inspection of Sempra Energy Utilities' Compressor Stations.

Thank you for your cooperation in this inspection. If you have questions, please contact Durga Shrestha, at (213) 576-5763 or by e-mail at ds3@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Dennis Lee". The signature is written in a cursive, flowing style.

Dennis Lee, P.E.
Program and Project Supervisor
Gas Safety & Reliability Branch
Safety and Enforcement Division
California Public Utilities Commission

CC: Durga Shrestha, SED/GSRB
Kan Wai Tong, SED/GSRB
Matt Epuna, SED/GSRB
Kelly Dolcini, SED/GSRB
Kenneth Bruno, SED/GSRB
Troy Bauer, Sempra

Summary of Inspection Findings
2017 Sempra's Compressor Stations Inspection
April 03 – April 14, 2017

I. SED Identified Probable Violations

1. Title 49 CFR, Part 192 §192.731 Compressor Stations: Inspection and Testing of Relief Devices.

§192.731 Compressor stations: Inspection and testing of relief devices states in part:

“(c) Each remote control shutdown device must be inspected and tested at intervals not exceeding 15 months, but at least once each calendar year, to determine that it functions properly.”

On April 10, 2017, SED staff observed record at Adelanto Compressor Station facility that indicated the Emergency Shutdown (ESD) inspection was performed on October 12, 2012. The records indicated that the subsequent ESD inspection at this facility was performed on January 24, 2014. SCG did not provide inspection records for the year of 2013. Also, SCG did not provide 2012 through 2016 ESD inspection records for Sylmar Compressor Station facility. Sempra did not provide documentation to demonstrate that it inspected and tested the ESD devices at the aforementioned stations at intervals not exceeding 15 months, but at least once each calendar year, to determine that it functions properly. Therefore, Sempra is in violation of G.O. 112-F, Reference Title 49 CFR Part 192, Section 192.731(c).

Sempra's Response:

Adelanto:

This issue at Adelanto was self-reported to the CPUC on 1/27/2014. The original response and corrective action are below.

On Friday, 1/24/14 it was determined that the annual ESD required per code and our gas standards was not completed at the Adelanto Compressor Station. The non-compliance was discovered during a review of work orders in preparation for upcoming audits. Upon discovery of the missed work order, two Instrument employees were dispatched to the station and immediately conducted the required ESD. The completion of the work order on the 24th of January falls within the 15-month window, however the code also requires the ESD take place in the calendar year which did not occur in 2013.

The reason for missing the work order was determined to be a result of the order not being coded as a “compliance work order.” This resulted in the work order did not come up on any compliance exception or maturing reports and thus was not flagged. However, two subsequent ESD inspections did take place in 2013, in which the electronic ESD system was tested at each ESD station to ensure the ESD would initiate, however no valves were operated, nor was any gas blown. The ESD system was found to be in working order with no issues on both inspections.

Due to pipeline system operating parameters, the station generally does not operate and the station piping is typically depressurized. The Company's quick fix and the two ESD inspections

that took place in 2013, along with the fact that the station is generally not operating and its piping depressurized (and thus not likely to harm the public), warrants a finding of no violation.

Sylmar

SCG does not believe a violation or deficiency occurred at the Sylmar Compressor Station which has been out of service (OOS) since 5/21/2011. This station is depressurized while OOS. To perform this inspection, the station would need to be pressurized. The orders between 2012 and 2014 are marked as complete in our work order tracking system (Maximo) with a note that the test was unable to be performed due to station being OOS. The orders for 2015 and 2016 still show up as in progress in Maximo but the physical order reflects that the station is OOS. The reason for insufficient tracking of the work order was determined to be a result of it being not coded as a “compliance work order” within Maximo. In addition, the work order did not come up on any compliance exception or maturing reports and thus was not flagged. Being that this station is depressurized while OOS, we believe that the public was never in any potential harm because of the non-compliance.

Corrective Actions:

Adelanto

Considering this occurrence, the work order has been upgraded to a compliance work order to ensure it receives full compliance attention and gets tracked accordingly. In addition, a search of other work orders that are coded similarly is taking place to ensure this does not occur elsewhere.

Sylmar

Follow up work orders has been issued to track required inspections prior to placing station back in service. Considering this occurrence, the originating work order has been upgraded to a compliance work order to ensure it receives full compliance attention and gets tracked accordingly. In addition, a search of other work orders that are coded similarly is taking place to ensure this does not occur elsewhere.

SED’s Conclusion:

SED has reviewed Sempra’s response and accepts the corrective actions implemented by Sempra to address its compliance inspection deficiency.

2. Title 49 CFR, Part 192 §192.745 Valve Maintenance: Transmission Lines

§192.745 Valve maintenance: Transmission lines states in part:

“(a) Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year.”

On April 10, 2017, SED staff noted that the valves inspection at the Sylmar Compressor Station was performed on April 25, 2012. Subsequent visual valves inspection was conducted on October 3, 2013. The time interval between these two inspections is approximately 17 months. *Each transmission line valve that might be required during any emergency must be inspected*

and partially operated at intervals not exceeding 15 months, but at least once each calendar year. Therefore, Sempra is in violation of G.O. 112-F, Reference Title 49 CFR, Part 192 Section 192.745(a).

Sempra's Response:

SCG does not believe a violation or deficiency occurred. Sylmar Compressor Station has been out of service (OOS) since 5/21/2011. This station is depressurized while OOS. The referenced critical valve inspection consists of the valves that would typically operate in the event of an Emergency Shut Down (ESD). With the station OOS, the station is currently configured as isolated. Additionally, there are tap valves at L45-120 (Suction) and L115 (Discharge) that could be utilized in the event of emergency to isolate the station. These are maintained out of the Olympic District and were last inspected in September of 2016. Being that this station is depressurized while OOS and because there are additional valves to isolate the station, we believe that the public was never in any potential harm because of the non-compliance.

Corrective Action:

Follow up work orders has been issued to track required inspections prior to placing station back in service.

SED's Conclusion:

SED has reviewed Sempra's response and believes Sempra needs to better define the functions and better clarify the current status of the referenced valve. If the valve remains as a critical transmission valve, Sempra is required to perform the valve maintenance as per G.O. 112-F, Reference Title 49 CFR, Part 192 Section 192.745(a). In addition, if Sempra decides not to maintain its inactive pipelines, it needs to physically disconnect the segments as per G.O. 112-F, Reference Title 49 CFR, Part 192 Section 192.727 (c).

II. Concerns, Observations and Recommendation

SED's staff noted that an emergency evacuation plan was missing at the following compressor stations: Adelanto, Newberry Springs, Wheeler Ridge, Sylmar and Ventura. SED recommends that Sempra maintain the emergency evacuation plan at each compressor station.

Sempra's Response:

Emergency Evacuation Procedures are part of the Emergency Action Plan (EAP). We have verified that hard copies of EAP are present at these stations. This is an internal company policy to ensure safety of the employees during emergencies and to comply with all state and federal safety requirements.

SED's Conclusion:

SED has reviewed Sempra's response and accepts the corrective actions. SED acknowledges that Sempra's corrective actions will sufficiently address the aforementioned recommendation. However, SED may review the implementation of these stated corrective actions during future inspections.