

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 21, 2019

GI-2019-03-SCE-70-03-05-07-09

Mr. Colin E. Cushnie, Vice President
Energy Procurement and Management
Southern California Edison
2244 Walnut Grove Ave,
Rosemead, CA 91770

**SUBJECT: General Order 112-F Operation and Maintenance Comprehensive Gas
Inspection of Southern California Edison's Petroleum Gas Pipeline in Catalina Island**

Dear Mr. Cushnie:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a General Order (G.O.) 112-F Comprehensive Operation and Maintenance Inspection of Southern California Edison's (SCE) Petroleum Gas Pipeline on March 18 - 22, 2019 for calendar years 2015 thru 2018. SED used the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety's "Inspection Assistant Form" as a reference guide to conduct the inspection of Public Awareness Program (PAP), Distribution Integrity Management Program (DIMP), and Operator Qualification (OQ) Program. SED reviewed SCE's Operation and Maintenance (O & M) Plan and conducted field inspection of pipeline facilities, which include 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 14 concerns of which are described in the attached "Summary of Inspection Findings" and "Post-Inspection Written Preliminary Findings"

Within 30 days of your receipt of this letter, please provide a written response indicating the measures taken by SCE to address the violations and concerns noted in the "Summary of Inspection Findings" and "Post-Inspection Written Preliminary Findings".

If you have any questions, please contact Durga Shrestha, at (213) 576-5763 or by email at ds3@cpuc.ca.gov.

Sincerely,

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

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

cc: Mahmoud Intably, SED (mai@cpuc.ca.gov)
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**Summary of Inspection Findings
2019 SCE's Petroleum Gas Pipeline Inspection
March 18 – March 22, 2019**

I. SED Identified Probable Violations

1. Title 49 Code of Federal Regulation (CFR), Part 192, §192.605 Procedural manual for operations, maintenance, and emergencies

§192.605(a) General states in part:

“(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response.”

Title 49 CFR Part 192, §192.747 Valve maintenance: Distribution systems

§192.747(a) Valve maintenance: Distribution systems states in part:

“(a) Each valve, the use of which may be necessary for the safe operation of a distribution system, must be checked and serviced at intervals not exceeding 15 months, but at least once each calendar year.”

General Order No. 112-F, Subpart C, §143.3 Valve Maintenance states in part:

“Each valve, the use of which may be necessary for the safe operation of a distribution system, must be inspected, serviced, lubricated (where required) and partially operated at intervals not exceeding 15 months, but at least once each calendar year.”

SCE's Gas Standard 421 did not require a PE valve that is necessary for the safe operation of a distribution system to be inspected, serviced, and partially operated.

Valve No.	Location
80	Bird Park Housing parking lot (Plastic)
81	South of valve #80 (Plastic)
82	South of valve #81 (Plastic)
83	South of valve #81 (Plastic)
89	Triana Spare Main - CLOSED (Plastic)
90	Triana End of Main - charged (Plastic)
91	Triana End of Spare Main (Plastic)
92	Triana, feeds Buildings 4 & 5 (Plastic)
93	Triana, feeds Buildings 1 & 3 (Plastic)
94	Triana, feeds Building 2 (Plastic)
97	Wrigley Drive, South of Clemente (Plastic)

SCE has a total of 11 PE valves (listed in the table above) that are required to be inspected in accordance with SCE's Gas Standard 421. During the field inspection of SCE's PE valves that are necessary for the safe operation of the distribution system, SED staff observed that SCE's employees failed to check, service, and partially operate the PE valve # 93 to ensure

that it is operable. Therefore, SED found SCE in violation of G.O. 112-F, Section 143.3, Reference Title 49 CFR, Part 192, §192.605 (a) and §192.747(a).

2. Title 49 CFR Part 192, §192.707 Line markers for mains and transmission lines.

§192.707(c) Pipelines above ground states in part:

(c) Pipelines above ground. Line markers must be placed and maintained along each section of a main and transmission line that is located above ground in an area accessible to the public.

§192.707(d) Marker Warning states in part:

(d) Marker warning. The following must be written legibly on a background of sharply contrasting color on each line marker:

- (1) The word "Warning," "Caution," or "Danger" followed by the words "Gas (or name of gas transported) Pipeline" all of which, except for markers in heavily developed urban areas, must be in letters at least 1 inch (25 millimeters) high with ¼ inch (6.4 millimeters) stroke.*
- (2) The name of the operator and telephone number (including area code) where the operator can be reached at all times.*

During the field inspection of SCE's aboveground pipelines, SED observed a section of main line located between Upper East Terrace Road and Middle East Terrace Road, in an area accessible to the public, did not have a line marker. Therefore, SCE is in violation of G.O. 112-F, Reference Title 49 CFR Part 192, §192.707(c).

II. Concerns and Recommendations

1. Title 49 CFR, Part 192, §192.605 (a) Procedural manual for operations, maintenance, and emergencies.

§192.605(a) General states in part:

“(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response.”

a) SCE’s Gas Standard SP 421, Section 4.4 states, in part:

“Verify the valve type and manufacture.”

During the record review, SED staff found that SCE’s Valve Inspection Report (VIR) did not include the valve’s material information. In addition, some entries in the report were missing/left blank. SED recommends that SCE review/revise its VIR to address SED’s concern and to ensure that its employees complete the VIR accordingly.

b) SCE’s Gas Standard SP 421 Section 3 states, in part:

“Each operator must take prompt remedial action to correct any valve found inoperable, unless the operator designates an alternative valve or valves, for isolating line sections.”

SCE’s Gas Standard did not clearly define “inoperable” valve. SED recommends that SCE review/revise its procedure to address SED’s concern.

c) During the field inspection, SED observed valve casing for valve No. 23, was filled with sand/dirt. SCE’s Gas Standard did not include an instruction/steps to address the sand/dirt in the valve casing prior to inspect, service, and partially operate the valve. SED recommends that SCE review/revise its procedure to address SED’s concern.

d) SCE’s Gas Standard SP 405 Section 4.1.8.1.1 states in part:

“Repair and/or replacement records for mains and services shall be retained for the life of the facility.”

SCE’s Gas Standard SP 405 Section 4.1.8.1.3 states in part:

“Catalina Gas Operations will retain completed Form 431C for 6 years plus the current year.”

SCE’s Form 431C contains information related to pipeline materials and repairs. SED recommends that SCE review/revise its procedure to ensure Form 431C retained for as long as facility is in active service.

2. Title 49 CFR, Part 192, §192.605 Procedure manual for operations, maintenance, and emergency

§192.605(b)(3) Maintenance and normal operations states in part:

“Making construction records, maps, and operating history available to appropriate operating personnel”

During the record review, SED staff found that SCE's Gas Distribution System's map did not include the location of valves numbered 95, 96, & 97. In addition, valve number 46 was shown at two different locations on the Gas Distribution System's map. SED recommends that SCE review/revise its Gas Distribution System's map to address SED's concern.

Post-Inspection Written Preliminary Findings (DIMP, OQ, and PAP)

Date of Transmittal: May 20, 2019

Dates of Inspection: March 18 – 22, 2019

Operator: SOUTHERN CALIFORNIA EDISON CO

Operator ID: 18480

Inspection Systems: Petroleum Gas Pipeline, Santa Catalina Island

Assets (Unit IDs): Catalina Island (87037)

System Type: GD

Inspection Name: SCE LPG System, Avalon

Lead Inspector: Durga Shrestha

Operator Representative: Traci Degnan

Unsatisfactory Results

No Preliminary Findings.

Concerns

Records: Operations And Maintenance (PRR.OM)

1. Question Were materials and messages developed and delivered in other languages Text commonly understood by a significant number and concentration of non-English speaking populations in the operator's areas?

References 192.616(g) (API RP 1162 Section 2.3.1)

Assets Covered Catalina Island (87037 (70))

Issue Summary During the records review, SED staff found that SCE did not have supporting documents showing that Spanish language is commonly understood by a significant number of non-English speaking population in its operation's area. SED recommends that SCE conduct a census/survey to determine other languages commonly understood by a significant number of non-English speaking population in its operation's area and provide its customers with a PAP brochure written in that language(s).

2. Question Do records indicate the public awareness program for a master meter or Text petroleum gas system operator has met the requirements of Part 192?

References 192.616(j) (192.616(h), API RP 1162 Section 2.7 (Step 12), API RP 1162 Section 8.5)

Assets Covered Catalina Island (87037 (70))

Issue Summary SCE's Public Awareness Program Manual, Section 9.1, Assess Program Implementation states in part:

"SCE Catalina Gas Compliance Manager will conduct an annual internal self-assessment using the template from RP 1162 (Annex C)

API RP 1162 Section 2.7 (Step 12) requires the implementation of continuous improvement. Program changes based on results of an evaluation to improve effectiveness should be implemented and documented.

During the records review, SED staff found that the annual self-assessment of PAP did not have a formal written report showing the implementation of continuous improvement of PAP. SED recommends that SCE review/revise its PAP to address SED concern.

Topical Content (OQ, PA, CRM): Public Awareness Program Effectiveness (MISCTOPICS.PUBAWARE)

3. Question Were messages developed and delivered to advise affected municipalities, Text school districts, businesses, and residents of pipeline facility locations?

References 192.616(e) (192.616(f))

Assets Covered Catalina Island (87037 (70))

Issue Summary §192.616(e) states in part:

"The program must include activities to advise affected municipalities, school districts, businesses, and residents of pipeline facility locations"

SCE's Public Awareness Program Manual, Section 5.1 requires information on pipeline facility locations to be developed and delivered to affected municipalities, businesses, and residents.

During the records review, SED staff found that SCE did not provide the supporting document showing that information on pipeline facility locations were shared/delivered to affected school districts. SED recommends that SCE review/revise its PAP to address SED concern.

(Repeated 1)

- Question Text Were materials and messages developed and delivered in other languages commonly understood by a significant number and concentration of non-English speaking populations in the operator's areas?

References 192.616(g) (API RP 1162 Section 2.3.1)

Assets Covered Catalina Island (87037 (70))

Issue Summary During the records review, SED staff found that SCE did not have supporting documents showing that Spanish language is commonly understood by a

significant number of non-English speaking population in its operation's area. SED recommends that SCE conduct a census/survey to determine other languages commonly understood by a significant number of non-English speaking population in its operation's area and provide its customers with a PAP brochure written in that language(s).

4. Question Has an audit or review of the operator's program implementation been performed annually since the program was developed?

References 192.616(c) (192.616(i), API RP 1162 Section 8.3)

Assets Covered Catalina Island (87037 (70))

Issue Summary API RP 1162 Section 8.3 requires the Operator to complete an annual audit or review of whether the program has been developed and implemented according to Recommended Practice Guidelines. Sample questions are included which the operator should use in auditing the program implementation process. One of three methodologies should be used from 1) internal working group; 2) third party; or 3) Regulatory inspections.

During the records review, SED staff found that SCE did not have the supporting document showing that PAP was reviewed and implemented in accordance with Recommended Practice Guidelines. SED recommends that SED review/revise its PAP to address SED concern.

5. Question Was one or more of the three acceptable methods (i.e., internal assessment, 3rd-party contractor review, or regulatory inspections) used to complete the annual audit or review of program implementation?

References 192.616(c) (192.616(i), API RP 1162 Section 8.3)

Assets Covered Catalina Island (87037 (70))

Issue Summary §192.616(i) states in part:

"The operator program documentation and evaluation results must be available for periodic review by appropriate regulatory agencies"

SCE's Public Awareness Program Manual, Section 9.1, Assess Program Implementation states in part:

"SCE Catalina Gas Compliance Manager will conduct an annual internal self-assessment using the template from RP 1162 (Annex C)"

API RP 1162 Section 2.7 (Step 12) requires the implementation of continuous improvement. Program changes based on results of an evaluation to improve effectiveness should be implemented and documented.

During the records review, SED staff found that the annual self-assessment of PAP did not have a formal written report showing the implementation of continuous improvement of PAP. SED recommends that SCE review/revise its PAP to address SED concern.

6. Question Were changes made to improve the program and/or the implementation process based on the results and findings of the annual audit(s)?

References 192.616(c) (API RP 1162 Section 8.3)

Assets Covered Catalina Island (87037 (70))

Issue Summary API RP 1162 Section 8.3 requires the Operator to complete an annual audit or review of whether the program has been developed and implemented according to Recommended Practice Guidelines. Sample questions are included which the operator should use in auditing the program implementation process. One of three methodologies should be used from 1) internal working group; 2) third party; or 3) Regulatory inspections.

During the records review, SED staff found that SCE did not have the supporting document showing that PAP was reviewed and implemented in accordance with Recommended Practice Guidelines. SED recommends that SED review/revise its PAP to address SED concern.

(Repeated 1)

Question Text Do records indicate the public awareness program for a master meter or petroleum gas system operator has met the requirements of Part 192?

References 192.616(j) (192.616(h), API RP 1162 Section 2.7 (Step 12), API RP 1162 Section 8.5)

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"SCE Catalina Gas Compliance Manager will conduct an annual internal self-assessment using the template from RP 1162 (Annex C)

API RP 1162 Section 2.7 (Step 12) requires the implementation of continuous improvement. Program changes based on results of an evaluation to improve effectiveness should be implemented and documented.

During the records review, SED staff found that the annual self-assessment of PAP did not have a formal written report showing the implementation of continuous improvement of PAP. SED recommends that SCE review/revise its PAP to address SED concern.

Generic Questions: Generic Questions (GENERIC.GENERIC)

Question Text Generic question - please provide context in result notes.

References N/A

Assets Covered Catalina Island (87037 (70))

Issue Summary **A. Title 49 CFR, Part 192, §192.1007 What are the required elements of an integrity management plan?**

a) §192.1007(a)(1) Knowledge states in part:

"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 pipelines"

SCE has 0.52 miles of plastic PE pipelines in its gas distribution system. SCE did not have traceable, verifiable, and complete records to identify the characteristics of the pipeline's design, and the installation date to assess the applicable threats and risks to its gas distribution pipelines. SED recommends that SCE review/revise its Integrity Management (IM) Plan to address SED's concern.

b) §192.1007(a)(3) Knowledge states in part:

"Identify additional information needed and provide a plan for gaining that information over time through normal activities conducted on the pipeline (for example, design, construction, operations or maintenance activities)".

SCE's IM plan Chapter 3, Knowledge of the distribution system reference chapter 11, Section 11.1 - implementation plan, to gain the needed information over time through normal activities. Section 11.1-C specifies the steps needed to collect additional information to fill gap, but it did not specifically show the mechanisms or procedures to collect the missing information.

During IM Plan review, SED staff found that SCE's IM Plan did not have the mechanism to identify the type of plastic PE used in its gas distribution system. SCE's Form 431-C did not address the excavation damage in detail such as information about USA ticket, incorrect marking, human error, procedure related issue, training related issue, etc.

SED recommends that SCE implement a robust program to capture and address the missing data. In addition, SED recommends that SCE review/revise Form 431-C to include the additional information needed to be captured during O&M activities to identify the missing data. Furthermore, SED recommends that SCE implement QA/QC to ensure that its field personnel collect/capture the necessary data when completing Form 431-C.

c) During IM Plan review, SED found that SCE did not have an Additional/Accelerated (A/A) Actions to address excavation damage and mitigate the threat associated with excavation damage. SED recommends that SCE review/revise its IM Plan to address SED's concern.

B. Title 49 CFR, Part 192, §192.805 Qualification Program

During the records review, SED found that SCE's operator Qualification (OQ) Program did not address the number of times an individual can be re-evaluated after he/she failed to pass the evaluation process. In addition, if re-evaluation is offered, SCE should require the individual to go through a "cooling off" period following a failure to pass the evaluation. SED recommends that

SCE review/revise its OQ program to require individual to go through a "cooling off" period following a failure to pass the evaluation. See PHMSA FAQ OQ 2.11.