

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 16, 2016

GI-2015-04-SCG66-02A

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

Subject: General Order (G.O.) 112¹, Operation and Maintenance Inspection of Southern California Gas Company's (SoCalGas) Distribution Facilities in the Northwest-San Fernando Valley Region.

Dear Mr. Cho:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a G.O. 112¹ Operation and Maintenance Inspection of Southern California Gas Company's (SCG), distribution facilities in the Northwest-San Fernando Valley Region (Inspection Unit) (Glendale, Canoga Park and Saticoy Districts) on April 27 through May 1, 2015. The inspection included a review of Inspection Unit's Cathodic Protection Packages (CP) for calendar years 2013 and 2014, and field inspections of selected pipeline facilities in the Glendale, Canoga Park and Saticoy districts. SED staff also reviewed Qualification of Pipeline Personnel records and field observations of selected individuals performing covered tasks on Inspection Unit facilities.

SED staff identified one probable violation of G.O. 112¹, Reference Title 49 Code of Federal Regulations (CFR), Part 192. SED also made two recommendations, and stated several concerns and observations. These are described in the enclosed "Summary of Inspection Findings".

Please provide a written response within 30 days of receipt of this letter indicating any updates or corrective actions taken by SCG. Pursuant to Commission Resolution ALJ-274, SED staff has the authority to issue citations for each violation discussed during the inspection. SED will notify SCG of the enforcement action it plans to take after it reviews SCG's inspection response.

If you have any questions, please contact Randy Holter, at (213) 576-7153.

Sincerely,

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

Kenneth Bruno
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division

CC: Randy Holter, SED/GSRB
Matthewson Epuna, SED/GSRB
Jeff Koskie, Sempra

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

Summary of Inspection Findings
2015 SoCalGas Northwest-San Fernando Valley Region Inspection
April 27-May 1, 2015

I. SED Identified Probable Violations

Title 49 CFR Part 192, Section 192.465(d) – External Corrosion Control: Monitoring

“Each operator shall take prompt remedial action to correct any deficiencies indicated by the [external corrosion control] monitoring.”

SED noted the following Cathodic Protection (CP) packages with deficient pipe-to-soil potential measurements for time periods exceeding SCG’s routine monitoring intervals as defined in its Standard (GS)186.0135, and as required in 49 CFR §192.465(d). Additionally, SED noted SCG’s CP packages lacking active mitigating measures underway, necessary to restore minimum voltage drop protection to an area before its next routine monitoring cycle. The deficient pipe-to-soil CP Packages without prompt remedial action are listed in Table 1 below.

Federal Pipeline and Hazardous Materials Safety Administration’s (PHMSA) Inspection Guideline and Interpretation #PI-89-006 for 192.465(d) states that, as a rule of thumb, PHMSA interprets “prompt” as having the “correction completed by the time of the next scheduled monitoring”.

SED recognizes that in some instances, factors (e.g. environmental, permitting, moratoriums and etc.) outside of SoCalGas’ control, may delay restoring deficient CP packages. However, SED considers these factors generally familiar to SCG when planning troubleshooting methods and mitigating such deficiencies.

SED assesses necessary corrective maintenance measures, as written in GS186.0135.4.6, were not initiated in a timely manner, efficiently pursued or completed promptly by SCG to restore adequate CP to these areas. Therefore, SCG is in violation of G.O. 112¹ Reference 49 CFR, Part 192 Section 192.465(d).

Table 1. Deficient CP Packages

District	Area	Date of Down Read	Date of Last Read	# of Days Deficient
Canoga Park	LA1547-C	01/28/2014	03/18/2015	437
Canoga Park	LA1201-B	03/13/2014	03/27/2015	393
Canoga Park	LA1209-A	03/25/2014	04/01/2015	381

Provide SED with a status update on the remediation of the CP packages listed in Table 1 above.

II. Concerns, Recommendations, and Observations Summary

1. During a 4/29/2015 field inspection, SED noticed an odor of natural gas at 6200 Hazeltine Ave., Van Nuys, in the Saticoy District. SoCalGas conducted a leak survey in the area on 5/4/2015 and no gas was detected. Please provide record of this survey; and record of normal leak survey of prior cycle and any special leak surveys conducted, or survey responses to customer complaints of gas odor for calendar years 2013-2014.
2. During a 4/29/2015 field inspection at Hazeltine Ave., Van Nuys, in the Saticoy District, SED observed heavy atmospheric corrosion on the aboveground MSA multi-set on the customer side of the assembly. SoCalGas recognized the concern and agreed to notify the customer, regarding their responsibility to remediate the atmospheric corrosion, within a week of the field visit. Provide record of notice to customer and any follow up documentation.
3. During a 5/1/2015 field visit to 2266 Lillyvale Ave. in Los Angeles, SED observed a stack of car tires on top of and covering the meter assembly. SED recommends that SoCalGas immediately notify the customer and follow up with a customer service notice and field verification for its records on this address. Provide SED with an update on SoCalGas' actions at this location.
4. During a 5/1/2015 field visit to CP10 station at 4621 Valley Blvd. in Los Angeles, SED observed atmospheric corrosion and potential pitting on the aboveground MSA and riser. SED recommends notification to customer and remediation of atmospheric conditions. Provide SED with an update and photo(s) of the remediation at this location.
5. During the 5/1/2015 Inspection Unit close-out meeting, the SED stated a concern regarding understanding the process, gas standards and documentation that SoCalGas uses to initiate, maintain and discontinue CP read locations (read points) conforming to 192.465, pipelines surveyed on a 10% sampling basis.