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February 23, 2016

Mr. Kenneth Bruno
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division
California Public Utilities Commission
320 W. Fourth Street, Suite 500
Los Angeles, CA 90013

Dear Mr. Bruno:

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) Cathodic Protection (CP) Facilities in the San Gabriel Valley Distribution Area (Inspection Unit) on April 20-24, 2015. The inspection included a review of the Inspection Unit's cathodic protection and odorant records for calendar years 2013 and 2014 and random field inspections of pipeline facilities in the Alhambra, Industry, Pasadena, and Azusa districts. SED staff also reviewed the Inspection Unit's Operator Qualification records, which included field observation of randomly selected individuals performing covered tasks.

SED staff identified one probable violation of G.O. 112,¹ Reference Title 49 Code of Federal Regulations (CFR), Part 192 during the course of this inspection. It is described in the "Summary of Inspection Findings" enclosed with this letter.

Please feel free to contact me at (213) 305-8660 if you have any questions or need additional information.

Sincerely,

W. Jeff Koskie

Cc: Michelle Wei, SED/GSRB
Kan Wai Tong, SED/GSRB

Attachments

Summary of Inspection Findings
2014 SCG San Gabriel Valley Distribution Inspection
April 20-24, 2015

SED Identified Probable Violation

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

“Each pipeline that is under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months... However, if tests at those intervals are impractical for separately protected short sections of mains or transmission lines, not in excess of 100 feet (30 meters), or separately protected service lines, these pipelines may be surveyed on a sampling basis. At least 10 percent of these protected structures, distributed over the entire system must be surveyed each calendar year, with a different 10 percent checked each subsequent year, so that the entire system is tested in each 10-year period.”

SED discovered that the Inspection Unit did not inspect four separately protected service lines in the Azusa district every 10 years as required by 192.465(a). See table for further information.

| Service ID | Address | City | Date isolated or last inspected | Date inspected | Cycles missed |
|-------------------|-----------------|-------------|--|-----------------------|----------------------|
| 1018684 | 2243 Garey | Pomona | 1977 | 7/31/2014 | 3 |
| 1454863 | 1325 Huntington | Duarte | 1989 | 2/2/2014 | 2 |
| 2072080 | 642 Baseline | San Dimas | 1973 | 11/25/2013 | 3 |
| 2072139 | 1076 Kiowa | San Dimas | 3/12/2004 | 3/4/2015 | 1 |

SED identified these during record review. SCG added the first three to the CP10 inspection items for 2013 and 2014 after they ran a report designed to find unidentified CP10s. SCG inspected them shortly after discovery. The final inspection was missed due to an employee mis-identifying a riser as plastic on July 10, 2014, which would have been within the inspection window. SCG re-inspected it on March 4, 2015 and it read within tolerance. However, since SCG did not inspect these assets within the required time frame, SED found SCG in violation of Title 49 CFR Part 192, Section 192.465(a).

SCG Response

During continuous monitoring of service history record review, SCG recognized that the services identified had missed scheduled inspections cycles. At that time, SCG inspected the identified services and placed them on a scheduled inspection cycle or took action to remove the service from the CP10 program.

- **2243 Garey Ave. Pomona** - Service identified on report sent out by the CMS Team on July 13, 2014. SCG initiated and generated work order and obtained CP read on July 31, 2014.
- **1325 Huntington, Duarte** - Service identified on report sent out by the CMS Team on 2/26/14. SCG initiated and generated a work order and obtained CP read on April 11, 2014 (-0.210). SCG removed 10' of steel that made this a CP10 (54/6426) on May 19, 2014. Service is no longer a CP10 service.

- **642 Baseline, San Dimas** - Service identified on a report November 3, 2013. SCG initiated and generated a work order and obtained CP read on November 25, 2013.
- **1076 Kiowa, San Dimas** – In 2014, SCG field employee noted on the inspection order that the service was plastic. Employee selected “found service replaced” on CP10 work order. However, the employee failed to identify “riser type.” This discrepancy was identified by System Protection Clerical personnel, and attempts to obtain riser information were not successful until 2015, placing the inspection past the 2014 due date. SCG verified that the riser was steel, and service had not been replaced. SCG obtained CP10 read on March 4, 2015.

Corrective Action

SCG will continue to generate CP10 service reports and investigate any possible anomalies in the data. The company will continuously review procedures and policies for service history data processing to identify potential process and/or system improvements. In addition, an ongoing effort is underway to review and correct historical data, as needed.

Refresher training for field employees performing CP10 inspections is conducted annually to reinforce policy, procedure, and field work order actions.