

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 22, 2016

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

GI-2015-06-SCG56-02A

Subject: General Order (G.O.) 112¹ Operation and Maintenance Inspection of Southern California Gas Company's Cathodic Protection Facilities in the South Coast Distribution Area

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) Cathodic Protection (CP) systems in the South Coast Distribution Area (Inspection Unit) on June 15-19, 2015. The inspection included a review of the Inspection Unit's cathodic protection records for calendar years 2013 and 2014 and random field inspections of pipeline facilities in the Crenshaw and Santa Monica districts. Also, SED staff 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. 112¹, Reference Title 49 Code of Federal Regulations (CFR), Part 192, which is 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 Michelle Wei, at (213) 620-2780 or by email: miw@cpuc.ca.gov.

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: Michelle Wei, SED/GSRB
Jeff Koskie, Sempra
Kan Wai Tong, SED/GSRB

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

**Summary of Inspection Findings
2014 SCG South Coast Distribution Inspection
June 15-19, 2015**

SED Identified Probable Violation

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 monitoring.”

During the field inspection, SED discovered that the Inspection Unit did not follow up on four separately protected service lines in the Crenshaw district as required by 192.465(d). The Inspection Unit found these four service lines were out of tolerance during their 2014 inspections. When SED took reads at these points during the course of their field inspections, they were still out of tolerance. See the following table for the details of the locations.

Service ID	Address	City	Date Inspected	Repair Order Created	Repair Completed
571942	3947 W 110th St.	Inglewood	12/8/2014	12/8/2014	2/17/2016
1129388	10024 S Van Ness Ave.	Los Angeles	8/28/2014	11/21/2014	2/18/2016
2394782	8903 S 6th Ave.	Inglewood	10/29/2014	11/21/2014	2/12/2016
2396074	10826 S Freeman Ave.	Inglewood	11/22/2014	11/22/2014	2/9/2016

SCG stated that during 2014-2015, it was in the process of transitioning from its legacy planning system to the new Construction Planning and Design (CPD) system currently in use. SCG experienced planning delays as the employees learned to use the new system while still completing older projects that had been initiated through the legacy system. Currently, SCG is able to use the CPD system to track and manage any work created by the field and complete the orders. However, SCG did not take timely action to correct these deficiencies. Therefore, SCG is in violation of G.O. 112¹, Reference Title 49 CFR, Part 192, Section 192.465(d).