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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. 112-E Operation and Maintenance Inspection of Southern California Gas Company's (SCG) Cathodic Protection (CP) Facilities in the Southeast Region Mountain Pass Inspection Unit (Beaumont, Rim Forest, and San Bernardino) on June 1-5, 2015. The inspection included a review of the Inspection Unit's cathodic protection and bridge/span inspection records for calendar years 2013 and 2014 and field inspections of pipeline facilities in the Beaumont, Rim Forest, and San Bernardino 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 made three recommendations during the course of this inspection. The recommendations are noted in the attached "Summary of Inspection Findings."

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

Sincerely,

W. Jeff Koskie

Cc: Mahmoud (Steve) Intably, SED/GSRB
Matthewson Epuna, SED/GSRB
Kan Wai Tong, SED/GSRB, and Jeff Koskie

Attachments

Summary of Inspection Findings
2015 SCG Southeast Region Mountain Pass Inspection Unit (Beaumont, Rim Forest, and
San Bernardino)
June -5, 2015

I. SED Identified Probable Violations

SED did not identify any probable violations during the Southeast Region Mountain Pass inspection.

II Concerns and Recommendations

1. During field inspection of CP facilities, SED observed that the CP reads at the following locations were out of tolerance (low CP read):
 - A. WWREC1: the CP reads were down since 5/2/2015
 - B. HLD007: Read point B was -0.813V
 - C. RED075: Read points C & D were -0.84V and -0.71V respectively
 - D. YUC 14: Read point B was -0.828V
 - E. CRL040: Read point A was -0.836V
 - F. LKARR053: Read point D was -0.790V
 - G. BAN 3: -0.794V
 - H. CAB REC1: -0.839V
 - I. CP10: 1263 Maple Ave was -0.518V (no isolation between SCG and meter; dielectric union)
 - J. CP10: 937 Magnolia Ave. was low CP read (no dielectric union)
 - K. CP10: 961 Magnolia Ave. was low CP read (no dielectric union)
 - L. 451 W. 10th Street read point was low (shorted meter)

SED directs SCG to take the appropriate measures to bring the low CP reads to compliance with 49 CFR Part 192, §192.463.

SCG Response to Item #1

SCG strives to take prompt remedial action to correct any deficiencies indicated by the [external corrosion control] monitoring. In the case of the 12 locations identified above, once the out-of-tolerance condition was identified, SCG began troubleshooting the Cathodic Protection area(s). Continuous action was taken and the table below details the remediated status.

CP Area	Read Point	Date Read Down During Audit	Read	Date Read Up	Remarks
WWREC 1	F	6/4/2015	-0.737	10/21/2015	New deep well was installed July 2015 and multiple AG shorts cleared. Read point (F) read -1.167.
HLD 007	B	6/5/2015	-0.813	8/19/2015	Installed anodes (SAP WO# 54/44878) July 2015. Read point (B) read -1.014.
RED 075	C	6/5/2015	-0.84	8/26/2015	Originally read down 2/26/15. Installed anodes (SAP WO# 54/34607 & 54/34606), Read point (C) -0.917 and read point (D) - 0.874.
	D	6/5/2015	-0.71		
YUC 14	B	6/5/2015	-0.828	7/24/2015	Installed anodes (SAP WO# 54/44526) July 2015. Read point (B) -1.022.
CRL 040	A	6/3/2015	-0.836	N/A	This is a 100mv criteria area. Lower tolerance for read point A is -0.619.
LKARR053	D	6/3/2015	-0.79	10/8/2015	Installed anodes (SAP WO # 54/44592, 54/44594 & 54/44597) September 2015. Read point (D) - 0.853.
BAN 3	B	6/2/2015	-0.794	8/24/2015	Installed anodes (SAP WO# 54/45223) August 2015. Read point (B) -0.881.
CAB REC1	C	6/2/2015	-0.839	7/31/2015	. Analysis determined rectifier adjustment required to increase current amperage in deep well bed. Read point (c) -1.002
1263 Maple Ave	10%	6/2/2015	-0.518	N/A	Service replaced with plastic (SAP WO# 54/45236) on 7/6/15.
937 Magnolia Ave	10%	6/2/2015	-0.447	6/4/2015	MSA insulated and installed 1# anode,obtained read of -1.10
961 Magnolia Ave	10%	6/2/2015	-0.549	6/4/2015	MSA insulator installed. obtained read of -1.45
451 W. 10th St	10%	6/4/2015	-0.363	N/A	Service replaced with plastic (SAP WO# 54/46285) 7/14/15.

2. AB 1937, signed into law on August 25, 2014, requires gas utilities to notify schools and hospitals of the non-emergency excavation and construction of a gas pipeline

within 500 feet from a school or hospital at least 3 working days prior to start the work. SCG must incorporate the directives from the appropriate sections of AB 1937 requirements in its operation and maintenance plan and other programs.

SCG Response to Item #2

SCG complies with all parts and subparts of CFR §192.605 *Procedural manual for operations, maintenance, and emergencies*. SoCalGas maintains an Operating & Maintenance Plan which documents the written procedures for conducting operations and maintenance activities and for emergency response. This plan is reviewed and updated at intervals not exceeding 15 months, but at least once each calendar year.

With regard to AB 9137, SCG issued Information Bulletin 1432 dated December 14, 2015 to all construction and planning organizations which provided documents containing;

- AB 1937 Legislation
- AB1937 Flow Charts
- AB 1937 Notification Tracking Worksheet
- AB 1937 Notification Letter (Approved by legal, **Form 1937**, *AB 1937 Notification Letter*, is the only approved AB1937 Notification Letter that can be distributed).

In addition, SCG published Gas Standard 184.011 / **Notification of Excavation and Construction Activities – Assembly Bill Number 1937/PUC Code 955.5** on July 15, 2015. The purpose of the document is to provide guidelines and requirements for Organizations to notify schools, hospitals and/or registered licensed day care facilities of planned non-emergency excavation or construction of a gas pipeline located within 500 feet of their establishment.

3. SCG Gas Standard 184.16: Valve Inspection and Maintenance – Distribution, Section 3.3: valves necessary for the safe operation of the distribution system, includes bridge approach valves. During our field inspection, SED noted that span S112 had a bridge approach valve located above ground and accessible to the public that was not protected from tampering and/or unauthorized operation. SED directs SCG to install a locking device to prevent unauthorized person(s) from operating the valve on span S112.

SCG Response to Item #3

SCG takes pipeline safety and compliance very seriously and has installed a locking device on the valve located at S112 (pictured below). SCG sent multiple pictures of this locking device installed on the valve to the SED auditors on June 22, 2015 in order to satisfy the request made during the SED inspection.

