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-2015-08- SCG63-02A

Subject: General Order (G.O.) 112¹ Inspection of Southern California Gas Company's Cathodic Protection Facilities in the Inland South Distribution System

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) Facilities in the Inland South (Inspection Unit) on August 17-21, 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 Murrieta, Ramona, and Riverside 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. 112¹, Reference Title 49 Code of Federal Regulations (CFR), Part 192 during the course of this inspection. SED also made one recommendation during the course of this inspection. These are described in the "Summary of Inspection Findings", which is enclosed with this letter.

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 response.

If you have any questions, please contact Durga Shrestha, at (213) 576-5763.

Sincerely,

Kenneth Bruno Program Manager

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Gas Safety and Reliability Branch Safety and Enforcement Division

CC: Durga Shrestha, SED/GSRB Alin Podoreanu, SED/GSRB Kan Wai Tong, SED/GSRB Jeff Koskie, Sempra

Summary of Inspection Findings 2015 SCG Inland South Inspection August 17-21, 2015

I. SED Identified Probable Violations

§192.491 (c) Corrosion control records.

"Each operator shall maintain a record of each test, survey, or inspection required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that a corrosive condition does not exist. These records must be retained for at least 5 years, except that records related to §§192.465(a) and (e) and 192.475(b) must be retained for as long as the pipeline remains in service."

§192.475 (b) Internal corrosion control: General

Whenever any pipe is removed from a pipeline for any reason, the internal surface must be inspected for evidence of corrosion. If internal corrosion is found-

- (1) The adjacent pipe must be investigated to determine the extent of internal corrosion:
- (2) Replacement must be made to the extent required by the applicable paragraphs of §§192.485, 192.487, or 192,489; and,
- (3) Steps must be taken to minimize the internal corrosion

During the records review of corrosion leak repairs, SED found that a section of steel main (approximately 6 feet) was removed and replaced as a corrosion leak repair at 4011 Overland St., Riverside (WO # 1402130) on Jan 15, 2014. SED staff asked SCG to provide any records to prove the internal corrosion inspection was performed on this segment of the main. However, SCG could not produce such records. Therefore SCG is in violations of 49 CFR §192.491(c) and 49 CFR §192.475(b).

II. Concerns, Recommendations, and Observations Summary

§192.463 (a) External corrosion control: Cathodic protection.

"Each cathodic protection system required by this subpart must provide a level of cathodic protection that complies with one or more of the applicable criteria contained in <u>Appendix D</u> of this part. If none of these criteria is applicable, the cathodic protection system must provide a level of cathodic protection at least equal to that provided by compliance with one or more of these criteria."

During the field inspections of CP facilities, SED observed that the pipe-to-soil reads at the following locations as shown in the table were out of tolerance (low P/S reads) from its -0.850 volts criteria:

Area	Point	District	Read, V
ELS 45	Ι	Murrieta	-0.529

MHS 7	A	Murrieta	-0.790
SEDCO 20	С	Murrieta	-0.844
Area	Point	District	Read, V
SEDCO 21	A	Murrieta	-0.842
SUN REC4	Н	Murrieta	-0.611
HMT 105	A	Ramona	-0.518
HMT 123	A	Ramona	-0.576
HMT 159	A	Ramona	-0.727
HMT 197	A	Ramona	-0.840
HMT 197	С	Ramona	-0.830
HMT REC11	K	Ramona	-0.794
HMT REC9	G	Ramona	-0.782
RIV 135	С	Riverside	-0.772
RIV 20	A	Riverside	-0.515
RIV REC10	K	Riverside	-0.601
RIV REC12	K	Riverside	-0.773
RIV REC17	С	Riverside	-0.794
RIV REC9	E	Riverside	-0.631
SL41-04 R	R	Riverside	-0.815

Also, the following 10% test points were out of tolerance from the -0.85 volts criterion:

Address	District	Read, V
126 N. Main St, Lake Elsinore	Murrieta	-0.100
31897 Mission Trail, Lake Elsinore	Murrieta	-0.795
31948 Mission Trail, Lake Elsinore	Murrieta	-0.287
33021 Orchard St, Wildomar	Murrieta	-0.432
230 W 7 th Street, Perris	Riverside	-0.306
333 W 6 th Street, Perris	Riverside	-0.267
2143 12 th St, Riverside	Riverside	-0.754
2772 Cottage St, Riverside	Riverside	-0.140
600 Central Ave, Riverside	Riverside	-0.364
40419 Royal Cir, Hemet	Ramona	-0.440
1101 S. Santa Fe St, Hemet	Ramona	-0.630

SCG must react promptly to correct these corrosion control deficiencies.