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April 1, 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<sup>1</sup> Operation and Maintenance Inspection of Southern California Gas Company's (SCG) Cathodic Protection (CP) Facilities in the North Coast Distribution Area (Inspection Unit) on September 21-25, 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 Santa Maria, San Luis Obispo, and Templeton 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 two probable violations of G.O. 112<sup>1</sup>, Reference Title 49 Code of Federal Regulations (CFR), Part 192. It is described in the "Summary of Inspection Findings", which is 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

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

**Summary of Inspection Findings**  
**2014 SCG North Coast Distribution Inspection**  
**September 21-25, 2015**

**SED Identified Probable Violations**

**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.”*

During the record review, SED observed that the Inspection Unit did not inspect two separately protected service lines in the Santa Maria district every 10 years as required by 192.465(a). See the following table for the details of the locations.

| <b>Measuring Point</b> | <b>Address</b> | <b>City</b> | <b>Date isolated or last inspected</b> | <b>Date inspected</b> | <b>Cycles missed</b> |
|------------------------|----------------|-------------|--|-----------------------|----------------------|
| 13236795               | 2254 Broadway  | Santa Maria | 5/12/2003                              | 9/29/2015             | 1                    |
| 13248740               | 1812 Thornburg | Orcutt      | 1/9/2003                               | 9/25/2015             | 1                    |

SED requested a field inspection of these two service lines. SCG tested the service lines for cathodic protection (CP) and found that the CP read for #13236795 was -1.260 V and #13248740 was -1.201 V on the dates indicated on the table above. SCG missed one CP inspection cycle on these service lines. Therefore, SCG is in violation of G.O. 112<sup>1</sup>, Reference Title 49 CFR, Part 192, Section 192.465(a).

**Response**

Please note that the address in the table above should be 2245 Broadway in Santa Maria, not 2254 Broadway, as that address does not exist. For the first service line at 2245 Broadway in Santa Maria it was determined that the Service History had been incorrectly updated by a System Protection clerk to reflect that an AL Riser was installed in 2003. This in turn automatically removed the service line from the CP10 Program which is why the CP10 read was missed in 2013.

For the second service line at 1812 Thornburg in Orcutt it has been determined that the System Protection Clerk had incorrectly removed the service from the CP10 Program in 2003. The comments field in the system had not been populated by the clerk as to why this service line had been removed from the CP10 Program.

### **Corrective Action**

Service History has been updated and the service lines at 2245 Broadway in Santa Maria and 1812 Thornburg in Orcutt have been placed back on the CP10 program and are scheduled for inspection. SoCalGas takes pipeline safety and compliance seriously and has implemented enhanced tools such as the Maintenance and Inspection (M&I) system. With this implementation SoCalGas has automated many of the field and office activities related to the CP10 Program maintenance and reporting. SCG recognizes that with these system implementations there are areas of continuous improvement related to training and oversight of the program. Re-training will be conducted with the System Protection clerks in the Maintenance and Inspection System on verifying service history when service lines are to be removed from the CP10 Program.

SCG will continue to generate CP10 service reports and investigate any possible anomalies in the data and update CP10 status in service history. The company will review exception reports which will be utilized to verify information within service history and be utilized to verify the validity of a service being removed from the CP10 Program. The company will also review the exception reports for service history data processing for validation and to identify potential system improvements.

In addition, an ongoing effort is underway to review and correct historical data, as needed in the Maintenance and Inspection Systems. Refresher training for field employees performing CP10 inspections is conducted annually to reinforce policy, procedure, and field work order actions.