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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 General Order 112 inspection of Southern California Gas Company's (SoCalGas) Southeast Region-Desert Valley area (Blythe, El Centro, Palm Desert, and Yucca Valley) on November 2-6, 2015.¹ The inspection included a review of the Region's records for the period of January 1, 2013 through December 31, 2014, as well as a representative field sample of the Region's facilities. SED staff also reviewed the Region's operator qualification records, which included field observation of randomly selected individuals performing covered tasks.

SED staff noted three probable violations and made two recommendations. It is described in the "Summary of Inspection Findings", which is enclosed with this letter. Please see attached SCG's response to those findings.

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

Sincerely,

W. Jeff Koskie

Attachments

¹ General Order 112-F was adopted by the Commission on June 25, 2015 via Decision 156-06-044.

SUMMARY OF INSPECTION FINDINGS

I. Probable Violations

A. Internal Audit Findings

Prior to the start of the inspection, SoCalGas provided internal audit results for Past Due Inspection Orders and Inspection Orders Completed Late. There were no late or past due orders reported.

B. SED Findings

1. Title 49 CFR §192.459 states:

“Whenever an operator has knowledge that any portion of a buried pipeline is exposed, the exposed portion must be examined for evidence of external corrosion if the pipe is bare, or if the coating is deteriorated.”

During the inspection, SED requested pipe condition examination records for instances when leak repairs were made on larger diameter buried steel pipe (4” and 6”). SoCalGas provided pipe condition documentation for only two out of twelve repairs made during the inspection period. It cannot be determined if all of the exposed portions for the remaining ten repairs were examined for evidence of external corrosion as required.

SoCalGas is in violation of CFR §192.459.

Response

SoCalGas Gas Standard 186.02 / *Cathodic Protection – Inspection of Exposed Pipe* section 4.1.1 **External Pipeline Surface Inspection** states the following;

4.1.1.1 During routine construction, repair, maintenance or anytime the Company has knowledge of any exposed portion of buried gas distribution or transmission pipeline, that portion of pipeline shall be examined for evidence of external corrosion.

4.1.1.2 Inspect buried piping for coating condition and external corrosion whenever the Company has knowledge that any portion is exposed. Pipe condition codes are defined in **Appendix A**.

For all twelve repairs, the pipelines were examined for evidence of external corrosion as required. For ten of the twelve repairs, the examinations were not wholly recorded in SoCalGas’ system due to the introduction of new technology in the field. SoCalGas has complied with CFR §192.459, and is taking steps to provide further training and upgrades to its technology to remedy SED’s concerns.

For Leak Repair Orders these conditions are captured by the field technicians electronically completing the work via the Mobile Data Terminal (MDT). The technicians complete the

forms associated with the leak repair via an electronic form in the Click Mobile platform. When pipe condition codes are required, the technicians are required to capture the information on the 'Excavation' tab within the Click Mobile order and that information is stored in the SAP data base when the Click Mobile order is completed.

SoCalGas investigated the aforementioned 10 instances where the pipe condition codes were not displayed in SAP. Part of this investigation included verifying the data did not get displaced during the Click Mobile to SAP interface. Analysis determined the system interface was sound and that the technicians who performed this work had completed the work orders without addressing the 'Excavation' tab.

Corrective Action

SoCalGas recognizes that a technology change needs to be implemented to prevent technicians from closing out the work order without addressing the 'Excavation' tab in Click Mobile. SoCalGas Enterprise System Solutions (ESS) has created a System Investigation Request (SIR) which outlines and defines the requirements and system changes needed to make addressing the 'Excavation' tab required prior to the technician completing the work order. This change requires system updates within Click Mobile and SAP. These changes need to take place during regularly scheduled system upgrades and it is expected this change will be completed within Q4 2016.

SoCalGas conducted a training session with the employees who had completed the aforementioned 10 leak repair orders. The training session included reviewing GS 186.02 Section 4.1.1. It also reinforced the need for employees to address the Excavation tab when applicable on leak repair orders.

In addition, SoCalGas will issue a notification bulletin to all existing Gas Operations Field Managers/Supervisors which contains instructions and material to conduct retraining of ALL Gas Operations field personnel of the requirements for inspection of pipe condition codes per GS 186.02 as well as the requirements for addressing and populating the Click Mobile Excavation tab. Additional training is scheduled to be completed by July 31, 2016.

The SoCalGas Compliance Assurance Team has developed an Exception Report that will identify Leak Repair Orders where the pipe conditions codes are absent and the repair types would indicate the information should be present. The report will be generated beginning July 1, 2016 and will be generated automatically based on a pre-defined parameters and sent to region operations where an investigation and updates to the SAP record will be made where applicable.

2. Title 49 CFR §192.491(c) states in part:

“Each operator shall keep 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.”

SED found that the SoCalGas Procedures for atmospheric corrosion inspection of meter sets and associated riser piping do not specify that records of all inspections must be kept. SoCalGas Procedure 186.02, section 4.2.3, only requires records if the inspector finds corrosion.

SoCalGas said that they are planning to revise the meter set inspection procedures to include comprehensive record keeping in the near future.

However, during the audit, SoCalGas did not provide records of atmospheric corrosion inspection for all above-ground piping.

SoCalGas is in violation of CFR §192.491(c).

Response

SoCalGas currently requires employees who visit the MSA to be trained and qualified to identify and report abnormal operating conditions; including but not limited to atmospheric corrosion. SCG does not currently have reports that document that an MSA was specifically inspected for atmospheric corrosion. However, SCG does have exception reporting which can identify those locations where abnormal operating conditions were reported.

Corrective Action

In January 2016, SoCalGas implemented a new MSA inspection organization. The new inspection organization's primary purpose is to conduct the mandated atmospheric corrosion inspections that were previously performed by meter readers in conjunction with obtaining meter reads at customer facilities each month. Whereas the meter reading handheld data collection system enabled reporting on an exception basis only (i.e., documentation of abnormal conditions found, including atmospheric corrosion), the data collection system developed for the new MSA inspection organization requires affirmative reporting for all inspections (i.e., that an inspection was completed and the nature of any abnormal conditions found, including atmospheric corrosion). Because not all meters have been advanced yet, SoCalGas is still in a state of transitioning from inspections performed by meter readers (exception reporting) and inspections performed by the new inspection organization as meter reading is phased out.

3. Title 49 CFR §192.465(d) states in part:
“Each operator shall take prompt remedial action to correct any deficiencies indicated by the external corrosion control monitoring.”

SED found that one CP Area, designated 29P REC 1A in the Twenty Nine Palms district, had been down from 10/05/2012 to 04/18/2014, longer than 15 months before correction.

Additionally, the May 19, 1989, Federal Pipeline and Hazardous Materials Safety Administration's (PHMSA) Inspection Guideline and Interpretation #PI-89-006 for 192.465(d) states that, as a rule of thumb, PHMSA interprets "prompt" as having the "correction completed by the time of the next scheduled monitoring". CP Areas are monitored annually, not to exceed 15 months.

SoCal Gas is in violation of CFR §192.465(d)

Response

SoCalGas recognizes that this particular Cathodic Protection was "down" approx. 16 months and exceeded the 15-month rule-of-thumb timeframe. However, the same #PI-89-006 PHMSA interpretation states;

Enforcement should be sought only when the investigator is convinced corrective action was unreasonable delayed. Investigator must state why he determined the delay to be unreasonable.

SoCalGas provided the SED with the Maintenance Sheet for 29P REC 1A (Attachment A) which demonstrates that SoCalGas took prompt remedial action and actively worked the area in an effort to remediate the condition.

Corrective Action

SoCalGas actively reviewed and changed Gas Standard 186.0135 - Operation and Maintenance of Cathodic Protection Facilities in October 2015 for escalation and notification for out-of-tolerance situations. This is the current process being used to identify and track these types of "long term" down areas and ensure that the area is being actively worked to eliminate these types of instances.

2,4,3 Escalation and notification for out-of-tolerance situations:*

2.4.3.1 The operating region/organization cathodic protection supervisor is responsible for reviewing the out of tolerance CP down area list on a monthly basis

2.4.3.1.1 The supervisor is responsible for reviewing, agreeing with, and/or identifying further action(s) if any area remains out of tolerance for longer than **9 months (274 days)**.

2.4.3.2 The operating region/organization manager responsible for cathodic protection compliance shall be notified if any area remains out of tolerance for longer than **12 months (365 days)**. The manager is responsible for reviewing and evaluating the (supervisor's) identified action(s).

2.4.3.3 Once an area has been down over 1 year,** a quarterly update shall go to the supervisor, manager and director for review and comment. This update is required until the issue is corrected, and the supervisor, manager, and director are notified.

2.4.3.4 The operating region/organization cathodic protection supervisor is responsible for notifying the manager and director when an escalated area has been remediated.

II. Areas of Concern/ Observations/ Recommendations

A. LOW PIPE-TO-SOIL READINGS

During the field visit, SED observed the following readings that were less negative than the lower limits established by SoCalGas according to Part 192 criteria:

Annual Read Points

Area	Point	Location	Audit Read 2015	Lower Limit	SoCal 2014
PV 111	A0000	72310 BARBARA DR, MSA RF	-0.333 V	-0.569 V	-0.574 V
TNP 27	C0000	71644 JUANITA DR - MSA/RB	-0.424 V	-0.451 V	-0.467 V
ELC REC1430	J0000	ADAMS AV W/O IMPERIAL AV	-0.490 V	-0.550 V	-0.577V
IMP 10	A0000	ETS @ SE CORNER "J" & 12TH	-0.499 V	-0.850 V	-0.853 V
NIL 3	B0000	304 NOFFSINGER MSA YLM	-0.659 V	-0.850 V	-0.857 V
BLY 10	C0000	393 N SOLANO AV,5'S/N LOT LN	-0.713 V	-0.850 V	-0.899 V
YUCA REC1	L0000	56041 BUENA VSTA DR, MS ZBL	-0.732 V	-0.850 V	-0.685 V
INTF032	A0000	ETS:"B" ST,241'E/8TH ST.	-0.748 V	-0.850 V	-0.779 V
*PSP REC1	N0000	2696 CAMINO REAL, MSA RM	-0.760 V	-0.850 V	-0.461 V
BLY 17	A0000	211 6TH STREET (MSA BHLF1)	-0.781 V	-0.850 V	-0.876 V
BLY 45	A0000	TAP AT LINE 2000	-0.807 V	-0.850 V	-0.890 V
BRA 21	D0000	ETS:611 REINA CT,SMC, 188'W/IMPERIAL AV	-0.812 V	-0.850 V	-0.874 V
YUC 21	D0000	7736 JOSHUA LANE MSA RF	-0.831 V	-0.850 V	-0.853 V

10%-er Read Points

Area	Location	Audit Read	Lower Limit	SoCal Last Read
GD.INL.ELC.SH.00460144	1048 BARNARD, BLYTHE	-0.815 V	-0.850 V	-0.950 V
GD.INL.ELC.SH.01008741	381 WILLOW, BLYTHE	-0.428 V	-0.850 V	-0.930 V
GD.INL.PMD.SH.00826621	43525 WARNER . PALM DESERT	-0.304 V	-0.850 V	-0.910 V
GD.INL.PMD.SH.00457232	38665 CHARLESWORTH. CATHEDRAL C	-0.632 V	-0.850 V	-0.940 V

Please provide SED an update on action(s) taken by SoCal to bring the pipe-to-soil readings at these locations back into compliance.

Response

SoCalGas has provided an update to the above referenced locations in the tables below.

Table 1

Area	Point	Location	Audit Read 2015 (V)	Lower Limit (V)	SoCal 2014 (V)	Date Read Up	Up Read (V)	Remediation
PV 111	A0000	72310 BARBARA DR, MSA RF	-0.333	-0.569	-0.574	12/16/15	-0.755	Current deficient. Anodes installed on order 54/44570.
TNP 27	C0000	71644 JUANITA DR - MSA/RB	-0.424	-0.451	-0.467	04/26/16	-0.463	Current deficient. Anodes installed on orders 54/79519, 54/79584, 54/79602, 54/79647.
ELC REC1 430	J0000	ADAMS AV W/O IMPERIAL AV	-0.490	-0.550	-0.577	12/15/15	-0.833	Area was down due to a damaged electrical panel. Electrician made repairs to panel. Power restored on 12/9/15.
IMP 10	A0000	ETS @ SE CORNER "J" & 12TH	-0.499	-0.850	-0.853	05/18/16	-1.032	Current deficient. Anodes installed on orders 54/68157, 54/68371, 54/71407.
NIL 3	B0000	304 NOFFSINGER MSA YLM	-0.659	-0.850	-0.857	06/01/16	-1.223	Current deficient. Anodes installed on order 54/71651.
BLY 10	C0000	393 N SOLANO AV, 5'S/N LOT LN	-0.713	-0.850	-0.899	04/19/16	-0.905	Current deficient. Anodes installed on order 54/70487.
YUCA REC1	L0000	56041 BUENA VISTA DR, MSA ZBL	-0.732	-0.850	-0.685			Above ground short found and cleared. Area still down and being actively troubleshot.
INTF0 32	A0000	ETS:"B" ST, 241'E/8TH ST.	-0.748	-0.850 -0.502	-0.779	N/A	N/A	Area was not out-of-tolerance. After reviewing the package it was found that the Lower Tolerance for Point A should have been -0.502 V (per the 100mV worksheet).
*PSP REC1	N0000	2696 CAMINO REAL, MSA RM	-0.760	-0.850	-0.461	12/16/15	-0.998	2 above ground shorts found and cleared.
BLY 17	A0000	211 6TH STREET (MSA BHLF1)	-0.781	-0.850	-0.876	11/13/15	N/A	Entire area (225') replaced with plastic (2040002134).

BLY 45	A0000	TAP AT LINE 2000	-0.807	-0.850	-0.890	05/05/16	-0.934	Current deficient. Anodes installed on orders 54/70494, 54/79549.
BRA 21	D0000	ETS:611 REINA CT,SMC, 188'W/IMPE RIAL AV	-0.812	-0.850	-0.874	05/18/16	-1.080	Current deficient. Anodes installed on orders 54/71647, 54/71649.
YUC 21	D0000	7736 JOSHUA LANE MSA RF	-0.831	-0.850	-0.853	11/20/15	-0.917	Current deficient. Anodes installed on orders 54/35010, 54/35075, 54/45194, 54/59955, 54/59953.

Table 2

Area	Location	Audit Read (V)	Lower Limit (V)	SoCal Last Read (V)	Date Read Up	Up Read (V)	Remediation
GD.INL.ELC.S H.00460144	1048 BARNARD, BLYTHE	-0.815	-0.850	-0.950	02/02/16	-1.578	1 lb anode installed.
GD.INL.ELC.S H.01008741	381 WILLOW, BLYTHE	-0.428	-0.850	-0.930	02/02/16	-1.311	1 lb anode installed.
GD.INL.PMD.S H.00826621	43525 WARNER . PALM DESERT	-0.304	-0.850	-0.910	01/12/16	-1.124	1 lb anode installed.
GD.INL.PMD.S H.00457232	38665 CHARLESW ORTH. CATHEDRAL C	-0.632	-0.850	-0.940	01/12/16	-1.077	CP10 was found in tolerance on re- read.

B. Span Condition

During the audit, SED observed that Span 08 had a number of large rocks on top of the pipeline. SoCalGas span inspection reports have stated that heavy rocks covering the pipeline, and the steep hillside location, make it difficult for inspectors to examine the span for atmospheric corrosion and leak surveys. Span 08 is part of a distribution main that includes a section of exposed 2" steel pipe.

Routine inspections of the pipeline have not found any corrosion or leaks. SoCalGas performed an Engineering Review of this span, dated 10/21/14, which recommends the pipeline should be abandoned and replaced with a new distribution pipeline along a safer route. That project requires approval from the landowners. The Engineering Review did not indicate that an immediate threat exists.

As of April 2016, SoCal informed SED that the rocks had been removed and the exposed span was repainted. Landowner approval for a new pipeline route was still pending.

SED notes that the steep hillside location was identified in the SoCal Engineering Review as a safety concern for inspectors. Please notify SED when Span 08 has been replaced, or an estimated date of the span replacement.

Response

SoCalGas is continuing to pursue the land right-of-way purchase from the property owner in order to move the main location. The current status is the location needs to be surveyed and appraised. SoCalGas Company Surveyor has been notified to survey the project location. Once he has completed the survey, a request will be made to the Appraiser to appraise the property.

Attachment A



Adobe Acrobat
Document