

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



December 8, 2016

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

GI2016-03-SCG49-01B

**Subject: General Order (G.O.) 112<sup>1</sup> Operation and Maintenance Inspection of Southern California Gas Company's M&R and Valves in the North Desert Transmission Region that includes the district of Needles and Victorville**

Dear Mr. Cho:

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) Measurements and regulations (M&R) and Valve Facilities in the North Desert Transmission Region Inspection Unit (Needles and Victorville) on March 7-9, 2016. The inspection included a review of the Inspection Unit's M&R and valves inspection records for calendar years 2013 through 2015 and random field inspections of pipeline facilities in the Needles and Victorville 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 noted one probable violation and made six recommendations. The probable violation and recommendations are noted in the attached "Summary of Inspection Findings".

Please provide a written response within 30 days of your receipt of this letter indicating the measures taken by SCG to address the probable violation and observations noted in the Summary of Inspection Findings.

If you have any questions, please contact Mahmoud (Steve) Intably, at (213) 576-7016.

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: Mahmoud (Steve) Intably, SED/GSRB, Matthewson Epuna, SED/GSRB, Kan Wai Tong, SED/GSRB, and Troy Bauer, Sempra Energy Utilities

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

## **Summary of Inspection Findings**

### **2016 SCG Southwest San Fernando Valley Distribution Region - Inspection Unit (Needles and Victorville) June 6-10, 2016**

#### **I. SED Identified Probable Violation**

##### **Title 49 CFR, Part 192, §192.605 Procedural manual for operations, maintenance, and emergencies**

§192.605 Procedural manual for operations, maintenance, and emergencies states in part:

*(b)(3) "Making construction records, maps, and operating history available to appropriate operating personnel"*

During the field inspection, SED staff observed that a 4-inch Ball valve located near valve number MV-12 at L-400-36.3 was not identified/ referenced on SCG's system maps/ drawing. SCG should review/verify its records to ensure that the system maps/ drawing are clear and accurate pertaining to the location and the appurtenances. Therefore, SCG is in violation of General Order 112<sup>1</sup>, Reference Title 49 CFR §192.605(b)(3).

#### **II Concerns and Recommendations**

1. SCG's Gas Standard 223.0345 Pressure Relief/Pressure Limiting Devices, Testing/Inspection, Section 13.2.1 requires SCG's employees to take steps without delay to adjust, repair, replace or install additional devices as appropriate if a relieving device or signaling device test discloses unsafe deviations.

During the field inspection, SED staff observed that SCG's employees in some instances were adjusting the set pressure and others instances were left without any further action even when the deviations in both instances were the same. SED recommends that SCG review and revise its Standard 223.0345 to address "unsafe deviation" and set pressure tolerances/drifts for the relieving devices or signaling devices. SED recommends that SCG use manufacturer's recommended tolerance for the pressure relief and pressure limiting devices.

2. During the field inspection, SED staff observed the following:

- Valve number 235-215-22-0 had minor rust (Work order # 5730945)
- Valve number 335-32.36-0 had missing grease cap (Work order # 5732098)
- Valve number 335-37.73-1 had a broken handle (Work order # 5730915) that operates the hydraulic part of the valve and the hydraulic oil tank was leaking oil (Work order # 5730853)

SED recommends that SCG take the necessary steps to correct the deficiencies that were noted during the field inspection.

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

3. SCG's Gas Standard 223.0215 Valve Inspection and Maintenance – Transmission

Purpose: *“This Gas Standard describes the policies and procedures for identifying, inspecting, and maintaining valves in the Gas Transmission organization subject to CPUC/DOT jurisdiction. This Gas Standard also describes preventative maintenance policy for other valves and valve-related equipment in the Gas Transmission organization.”*

Section 3 – Definitions:

3.1. *“CPUC/DOT Jurisdiction Valves — Valves in the Gas Transmission organization in natural gas service that might be required during an emergency. Examples of CPUC/DOT jurisdiction valves are found in paragraph 1.5 of this Gas Standard.”*

3.2. *“Other Valves — Valves of all types in the Gas Transmission organization that the local operating organization identifies as being necessary to meet its business needs.”*

SED recommends that SCG review and revise its procedure to clarify that all valves connected to the Gas Transmission pipelines are jurisdictional. However, the valves designated for operation during an emergency must comply with 49 CFR, Part 192 Section 192.745 – Valve maintenance: Transmission lines.

4. SCG's Gas Standard 223.0215 Valve Inspection and Maintenance – Transmission Section 4.8 requires SCG's employees to lubricate the valve only if necessary to ensure an easy operation. SED recommends that SCG reconcile the valve lubrication procedure/training in the Gas Standard 223.0215.
5. SCG's Gas Standard 223.0215 Valve Inspection and Maintenance – Transmission Section 4.6 requires SCG's employees to partially operate the valve manually and/or pneumatically.

During the field inspection, SED observed that SCG's employees were operating/testing valves using manual, hydraulic, or pneumatic features. SED recommends that SCG review its valve inspection and testing procedure to verify that it addresses all the operating modes that may be used to operate the valves in order to determine that they are functioning properly, in good mechanical condition, and adequate from the standpoint of reliability of operation for the service which they are used for. In addition, SED recommends that SCG use each valves manufacturer's recommendations to develop an appropriate inspection/maintenance program.

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