

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



March 9, 2017

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

GI2016-03- SCG55-02B

Subject: General Order (G.O.) 112-F¹ Operation and Maintenance Inspection of Southern California Gas Company's M&R and Valves in the Northwest Harbor Corridor Distribution Region that includes the districts of Huntington Park, Redondo, Compton, and San Pedro

Dear Mr. Cho:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a G.O. 112-F¹ Operation and Maintenance Inspection of Southern California Gas Company's (SCG) Measurements & Regulations (M&R) and Valve Facilities in the Northwest Harbor Corridor Distribution Region, Inspection Unit (Huntington Park, Redondo, Compton, and San Pedro) on March 21-25, 2016. The inspection included a review of the Inspection Unit's M&R and Valves operation and maintenance inspection records for calendar years 2013 through 2015. 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 eight concerns / recommendations. The probable violation and recommendations are noted in the attached "Summary of Inspection Findings".

Within 30 days of your receipt of this letter, please provide a written response indicating the measures taken by SCG to address the 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

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

Summary of Inspection Findings

2016 SCG Northwest Harbor Corridor Distribution Region - Inspection Unit (Huntington Park, Redondo, Compton, and San Pedro) March 21-25, 2016

I. SED Identified Probable Violation

Title 49 Code of Federal Regulation (CFR), Part 192, §192.353 Customer meters and regulators: Location.

§192.353(a) Customer meters and regulators states in part:

(a) Each meter and service regulator, whether inside or outside a building, must be installed in a readily accessible location and be protected from corrosion and other damage, including, if installed outside a building, vehicular damage that may be anticipated. However, the upstream regulator in a series may be buried.

SCG's Standard 185.0008 Meter Guard - Installation, Section 2, Procedure, 2.1, General, 2.1.2 states:

"Meter guards are required where aboveground MSAs are within 3 feet of driveways, roadways, alleys, parking stalls, wheel bumpers, trash collection areas and areas where industrial equipment (forklifts, loaders, etc.) may operate."

During the field inspection, SED's staff observed that the gas meter number 6576367 located in the parking lot at 5110 District Blvd., in the city of Maywood was exposed to vehicular traffic.

SCG did not identify and install appropriate barriers to protect the customer meter, regulator, and aboveground facilities from vehicular traffic at the aforementioned location. Therefore, SCG is in violation of General Order 112-F¹, Reference Title 49 CFR Part 192 §192.353(a).

II Concerns and Recommendations

- 1) SCG has the following O&M activities (meter read, leak survey, etc.) and programs to address all aboveground pressurized natural gas facilities that are susceptible to third party damaged caused by vehicular traffic:
 - i. Gas Infrastructure Protection program (GIPP) to protect aboveground pipelines including pipe risers and gas meters from accidental damage by vehicular traffic or other similar causes.
 - ii. SCG's Gas Standard 185.0001 Meter Locations (placing gas meter at a safe distance from vehicle collision)
 - iii. SCG's Gas Standard 185.0008 Meter Guard-Installation requirements (install barricades to protect the gas meter from vehicle collision)

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

SED recommends that SCG evaluate its employees' performance of the aforementioned O&M activities and take the necessary steps to ensure that they are following the written procedures when conducting operations and maintenance activities.

- 2) SCG's Gas Standard 184.16 Valve inspection and maintenance –Distribution, section 3.3 list the type of the valves that are necessary for the safe operation of the distribution system including isolation area valves in closed position.

SCG's Gas Standard 184.16 Valve inspection and maintenance –Distribution, section 5, closed valves-inspection requires SCG's employees to verify that the valve is in a closed position by turning the valve clockwise toward stop to ensure the valve is fully closed.

SED recommends that SCG review and revise its Standard 184.16 to address closed valves (key valves) inspection. If SCG considers these valves as "non-key valves", then SCG should review PHMSA Interpretation #PI-79-034 and use it as a guideline for its non-key valve designation.

- 3) SCG's Gas Standard 184.0275 Inspection Schedule – Regulator Station, Power Generating Plant Regulation Equipment Requirements, Appendix A- Regulator Station Inspection Requirements, Section 4.5 requires SCG's employees to check the station for existence of Intersection Drawing (I.D.) and verify the station drawing accuracy for regulators, valves and related components.

During the field inspection, SED's staff observed that M&R station ID 0587 did not have the latest updated drawing (station I.D. drawing).

SCG inspected the stations and failed to verify the valves ID number and the latest updated station's schematic diagram or station I.D. drawing. SED recommends that SCG evaluate its employees' performance of the inspection of M&R station and take the necessary steps to ensure that they are following the written procedure when conducting operations and maintenance activities.

- 4) PHMSA Interpretation PI-92-058 requires regulator stations to be inspected and tested to comply with §192.739 using any practicable method that will demonstrate the presence or absence of the listed qualities. Set-point, lock-up, and full-stroke-operation would be part of the inspection and testing if such tests are practicable at the station concerned. If not, other tests that are practicable in meeting the requirements of §192.739 must be used. Specific procedures should be documented in the utility's operation and maintenance plan pursuant to §192.605.

SED recommends that SCG implement a pilot program to document, review, and analyze as found Set-points and as found Lock-up for the regulator stations to see if they provide valuable information that can be used in conjunction with the existing data to determine if additional action is required.

- 5) 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.

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

During the field inspection, SED's 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.

- 6) SCG's Gas Standard 223.0210 Vault Maintenance and Inspection, Section 4.5 requires SCG's employee to check the structural condition of the vault including cracks, crumbling concrete, etc. and to contact the Mechanical, Civil and Structural Design Group in Engineering Design to evaluate the structural condition of the vault and take corrective action.

During the field inspection, SED's staff observed that Reg. Station 0612 had large crushed/cracked, exposed rebar. SED recommends that SCG should take the appropriate corrective measure to repair the vault.

- 7) SCG's Gas Standard 223.0210 Vault Maintenance and Inspection, Section 4.9 requires SCG's employee to clean up the vault in a timely manner from trash, oil residue, etc.

During the field inspection, SED's staff observed that Reg. Station 0637 had trash/debris inside the vault. SED recommends that SCG should take the appropriate corrective measure to clean up the vault.

- 8) During the field inspection, SED's staff observed that valve number 6 had the valve stem in contact with the valve lid cover that may cause stress/stain of the valve stem. SED recommends that SCG should take the appropriate corrective measure to ensure that the valve lid cover clears the valve stem.

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