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August 7, 2016

Mr. Kenneth Bruno
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

Dear Mr. Bruno:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a G.O. 112-E Operation and Maintenance Inspection of Southern California Gas Company's (SCG or SoCalGas) Cathodic Protection (CP) Facilities in the Northwest Region North Valley Area Inspection Unit (Valencia, Bradford, and Lancaster) on April 13-17, 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 in the Valencia, Bradford, and Lancaster districts.

SED staff identified three probable violations of G.O. 112-E, Reference Title 49 Code of Federal Regulations (CFR), Part 192. SED made one recommendation during the course of this inspection. The probable violations and recommendations are noted in the attached "Summary of Inspection Findings."

Attached is SoCalGas' written response, corrective actions, and associated dates.

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

Sincerely,

W. Jeff Koskie

Cc: Ha Nguyen

Attachments

Summary of Inspection Findings
2015 SCG Northwest Region North Valley Inspection Unit (Valencia, Bradford, and Lancaster)
April 13-17, 2015

I. SED Identified Probable Violations

1. Title 49 CFR, Part 192 §192.353 Customer meters and regulators: Location.

- (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.*
- (b) Each service regulator installed within a building must be located as near as practical to the point of service line entrance.*
- (c) Each meter installed within a building must be located in a ventilated place and not less than 3 feet (914 millimeters) from any source of ignition or any source of heat which might damage the meter.*
- (d) Where feasible, the upstream regulator in a series must be located outside the building, unless it is located in a separate metering or regulating building.*

A. SCG Standard 185.0008 Meter Guard - Installation, Section 2, Procedure, 2.1, General, 2.1.1 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 of SCG Cathodic Protection (CP) facilities, SED staff observed that SCG customer meters, regulators, and aboveground facilities at 2801 San Fernando Rd and 1301 E. Ave I, space number 77 Via Estrada and Bonita (Friendly village MHP) were exposed to vehicular traffic and SCG did not provide adequate protection barriers on each side of this exposed aboveground facilities.

SCG failed to identify and protect the customer meters, regulators, and aboveground facilities at the aforementioned locations from vehicular traffic damage. Therefore, SCG is in violation of G.O. 112-E, Reference Title 49 CFR Part 192, Section 192.353(a).

Response to Item 1A:

Meter guards were installed at 2801 San Fernando Blvd in Burbank on Order # 540000036390 on April 15, 2015. On April 16, 2015, posts were installed at 1301 E. Ave I #77 in Lancaster on Order #540000036437. Pictures showing the installation of the meter guards were provided to the CPUC.

Corrective Actions:

The Abnormal Operating Condition policy regarding the guard rail requirements for the MSA was reviewed with the employee who last performed work at the meter. In addition, GS 185.0008 Meter Guard Installation Requirements were reviewed with the Gas Operation

Distribution employees at the Lancaster District Safety Meeting on August 11, 2015 to reinforce with employees how to identify and report AOCs found at the MSA.

B. SCG Gas Standard 185.0300 MSA - Installing, Rebuilding and Inspections, Section 6.1.1 states:

“Each regulator at a new business or at an existing site that might release gas in its operation must be vented to the outside atmosphere.”

During the field inspection of SCG Cathodic Protection (CP) facilities, SED staff observed that SCG service regulator at 44603 Figs was enclosed and not vented to the outside atmosphere.

SCG failed to ventilate the enclosed service regulator to the outside atmosphere. Therefore, SCG is in violation of G.O. 112-E, Reference Title 49 CFR Part 192, Section 192.353(d).

Response to Item 1B:

The regulator on the meter-set-assembly at 44603 Fig Avenue was vented outside to atmosphere.

Corrective Actions:

The Abnormal Operating Condition Reporting policy was reviewed with the meter reading employee who read the meter last at 44603 Fig Avenue. In addition, the entire Meter Reading group in Lancaster Base received a review of the Abnormal Operating Condition Policy on Friday April 24, 2015 to reinforce with employees how to identify and report AOCs found at the MSA.

2. §192.13(c) What general requirements apply to pipelines regulated under this part?

“Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part.”

SCG Gas Standard 223.0100 Pipeline Integrity, Section 7 Abnormal Operating Conditions requires corrective action when a gas meter buried in earth or paving.

During the field inspection of SCG Cathodic Protection (CP) facilities, SED staff observed that SCG customer gas meter (Meter number 5002742) at 1301 E. Ave I, Via Del Oro Space 25 (Friendly Village MHP), was in contact with the ground (atmospheric corrosion).

SCG failed to follow its Gas Standard and take corrective action at aforementioned location where the customer meter in contact with the ground (atmospheric corrosion). SED found SCG in violation of G.O. 112-E, Reference Title 49 CFR Part 192, Section 192.13(c).

Response to Item 2:

The meter at 1301 E Ave, Via Del Oro Space 25 (Friendly Village MHP) was raised and is no longer in contact with the ground. This work was completed April 16, 2015 on Order # 540000036510.

Corrective Actions:

The Abnormal Operating Condition policy was reviewed with the Customer Services Team and the Meter Reading Team to reinforce with employees how to identify and report AOCs found at the MSA.

II Concerns and Recommendations

SED observed during field inspection of CP facilities that the CP reads at the following locations were out of tolerance (low CP reads):

- A. 44603 Figs CP read was -0.337V (meter number 3690797)
- B. LAN013-F CP point B was -0.405V
- C. 25130 Avenida Randel was - 0.842V
- D. CC0464-A 21020 Lodi Place Lancaster was -0.842V and surface atmospheric corrosion
- E. C 2070N-C 227419 Cherry Creek was -0.55V

SED directs SCG to take the appropriate measures to bring the low CP reads to compliance with 49 CFR §192.463.

Response to Recommendation:

The CP Areas specified below are now above tolerance:

- A. 44603 Fig Avenue CP read was -0.775V on August 12, 2015, and was out-of-tolerance. The System Protection department will be planning to install an anode then perform another inspection to determine the voltage read at this location.
- B. LAN013-F CP point B was -0.478V on May 11, 2015, and was within tolerance.
- C. 25130 Avenida Randel was - 0.891V on July 23, 2015, and was within tolerance.
- D. CC0464-A 21020 Lodi Place Lancaster was -1.050V on June 11, 2015, and was within tolerance.
- E. C 2070N-C 227419 Cherry Creek was -1.143 on May 15, 2015, and was within tolerance.