

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 18, 2016

GI2015-07-SCG41-01A-01B-01C

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

Subject: General Order (G.O.) 112-E Operation and Maintenance Inspection of Southern California Gas Company's Playa Del Rey Storage Facility

Dear Mr. Cho:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a G.O. 112-F Operation and Maintenance Inspection of Southern California Gas Company's (SCG) Playa Del Rey Storage Facility (PDR) on July 13-17, 2015. The inspection included a review of the operation and maintenance records and procedures pursuant to G.O. 112-F, Reference Title 49, Code of Federal Regulations (49 CFR), Parts 191 and 192 for the years 2013 and 2014 and random field inspections of pipeline facilities at Playa Del Rey Storage Facility. SED staff also reviewed the Operator Qualification records, which included field observation of randomly selected individuals performing covered tasks. Violations of G.O. 112-F and recommendations identified during the inspections are itemized in the "Summary of Inspection Findings" (Summary).

SED staff found one violation and made ten recommendations during the inspection. The recommendations are noted in the attached "Summary of Inspection Findings".

Please provide a written response within 30 days of receipt of this letter indicating any updates or corrective actions taken by SCG.

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, Dennis Lee, SED/GSRB, Kan Wai Tong, SED/GSRB
Jeff Koskie, Sempra Energy Utilities

Summary of Inspection Findings
2015 SCG Playa Del Rey Storage Facility July 13-17, 2015

I. SED Identified Probable Violations

§192.615 Emergency Plans states in part

- a) Each operator shall establish written procedures to minimize the hazard resulting from a gas pipeline emergency. At a minimum, the procedures must provide for the following:
- (4) The availability of personnel, equipment, tools, and materials, as needed at the scene of an emergency.....

During the field inspection of PDR facility, SED observed that the firefighting equipment (fire hydrants) were not inspected and tested on regular bases. SED directs SCG to inspect and test all firefighting equipment to ensure that they are in good working condition.

II Concerns and Recommendations

1. SCG Gas Standard 223.0065, Pipeline Patrol and Unstable Earth Inspections, Section 4.3.9 addresses corrosion on exposed span. The procedure did not reference CFR part 192. 481, Atmospheric corrosion control monitoring regulation that requires operator to inspect pipeline or portion of pipeline that is exposed to the atmosphere. SED directs SCG to incorporate the Part 192.481 in its SCG Gas Standard 223.0065. Furthermore, SED direct SCG to change the language in its procedure from “exposed span” to “pipeline or portion of pipeline exposed to the atmosphere”.
2. SCG inspection form for atmospheric corrosion did not include lines 9007 and 9009. SED directs SCG to include these two lines as part of the pipeline exposed to the atmosphere program and put them on a three years inspection cycle. Furthermore, SED directs SCG to promptly correct any deficiencies found during the inspection.
3. SED reviewed SCG gas chromatographic inspection report and noted that SCG did not follow its procedure to print a report and post a copy at the meter site (in job operations item 140 “print report & post a copy at meter site”). SED directs SCG to review the job operations in “Daniels’ Mark iii ultrasonic meter & chromatographic inspection” (SOX) GNN36758 to address applicable items.
4. SCG Gas standard 223.0345 Pressure Relief/Limiting Devices, Testing/Inspection, Section 13.2 did not reference local station guidelines regarding testing/inspecting of pressure relief/limiting devices. Playa Del Rey guidelines/standard 490 should reflect tank farm gas relief valve inspection procedure. SED directs SCG to review PDR490 guideline/standard and be integrated as part of the O&M plan and reviewed according to regulation’s guidelines; Procedure should be clear and straightforward.

5. SED reviewed SCG OQ training module for the RV, inspection records, and noted that SCG employees failed to enter the correct information on SCG Tank Gas Relief Valve Inspections and the Relief Valve Card forms. SED directs SCG to review the OQ training module for the RV and instructs its employees to enter the correct information for the lock-up tests on the Tank Gas Relief Valve Inspections and the Relief Valve Card forms. Furthermore, SED directs SCG to ensure its supervisors are reviewing the completion of work order information and verifying that the correct information for the lock-up tests is entered. This, as part of the PDR QA and OC procedures.
6. During the field inspection of PDR facility, SED noted a bridal valve was not capped. SED directs SCG to install a plug on the bridal valve at vessel 9 blow down and to ensure the valve is in good working condition.
7. During the field inspection of PDR facility, SED observed some pipe supports were missing micarta (electrical current insulator material inserted between the pipe and the support to prevent electric current flow from the carrier pipe to the pipe-support). SED directs SCG to inspect pipe supports at PDR for evidence of improper insulation between the support and the pipe and to take action to install micarta where it's needed.
8. During the field inspection of the PDR, SED observed that control tubing valve was disconnected, fuel valve was not capped. SED directs SCG to inspect control tubing valves and correct any deficiencies discovered.
9. During review of SCG employee cover task exam, SED noted that an employee was retested within a short period of time and the questions were the same. SED directs SCG to review the cover task tests and to ensure that the employee taking the test more than once in a short period of time do not have the same questions.
10. SED directs SCG to verify that the firefighting equipment is compatible with local fire department equipment. Furthermore, SED direct SCG to follow NFPA 291-Recommended Practice for Fire Flow Testing and Marking of Hydrants when inspecting and testing the fire hydrants.