

PUBLIC UTILITIES COMMISSION

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February 22, 2018

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

GI-2017-09-SCG67-03C

Subject: SED Closure Letter for the General Order (G.O.) 112-F Operation and Maintenance Inspection of Southern California Gas Company's Leak Survey and Patrol programs in the North Valley Distribution Region

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 (SoCalGas) Leak Survey and Patrol Records in the North Valley Distribution Region (Inspection Unit) on September 11-15, 2017. The inspection included a review of the Inspection Unit's Leak Survey, Patrol, and Odorant Intensity Test records for calendar years 2013 thru 2016 and field inspection of pipeline facilities in the Lancaster, Branford, and Valencia districts. SED's staff also reviewed Operator Qualification records, which included field observation of randomly selected individuals performing covered tasks.

A summary of the inspection findings documented by the SED, SoCalGas' response to SED's findings, and SED's evaluation of SoCalGas's response to all findings are outlined in the attached "Summary of Inspection Findings."

This letter serves as an official closure of the 2017 Operation and Maintenance Inspection of Leak Survey, Patrol, and Odorant Intensity Test of facilities in SoCalGas' North Valley Distribution Region.

If you have any questions, please contact Kan-Wai Tong at (213) 576-5700 (or by email at kwat@cpuc.ca.gov) or Desmond Lew, at (213) 576-7020 (or by email at dl4@cpuc.ca.gov).

Sincerely,

A handwritten signature in blue ink that reads "Dennis Lee".

Dennis Lee, P.E.
Program and Project Supervisor
Gas Safety and Reliability Branch
Safety and Enforcement Division

CC: Troy Bauer, Sempra
Kenneth Bruno, SED/GSRB
Matthewson Epuna, SED/GSRB
Kan-Wai Tong, SED/GSRB
Desmond Lew, SED/GSRB

**Summary of Inspection Findings
2017 SCG North Valley Distribution Inspection
September 11-15, 2017**

I. SoCalGas' Identified Violations

SED reviewed the SoCalGas self-reported violations consisting of sections of pipe which were on a five-year leak survey schedule relating to pipe under cathodic protection, but were not cathodically protected and should have been under a three-year leak survey schedule. SoCalGas provided work orders and leak survey results to show immediate attention to address the issue and take remedial action. SoCalGas is in violation of General Order 112-F, Reference Title 49 CFR, Part §192.723 (b) (2).

SOCALGAS' RESPONSE:

During the conversion of leak survey maps to the new GIS system, SoCalGas performed analysis of the GIS data, and discovered and reported on sections of pipeline that were found to be assigned an incorrect leak survey cycle. Some sections of pipe not under cathodic protection were found to be under a five-year leak survey cycle instead of a three-year cycle. These sections were leak surveyed and placed on a three-year leak survey cycle.

SOCALGAS' CORRECTIVE ACTIONS:

As mentioned by SED above, SoCalGas has already provided work orders and leak survey results to show immediate attention to address the issue and take remedial action.

SED's CONCLUSION:

SED has reviewed SCG's response and accepts the proposed corrective actions. SED acknowledges that the proposed corrective actions will address the aforementioned violation. However, SED may review the implementation of these stated corrective actions during future inspections.

II. SED's Identified Probable Violations

1. Title 49 CFR §192.605(a) states in part:

“Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities”

SoCalGas' Gas Standard 189.0005 Operation of Odorometer, Sections 3.2.6 and 3.3.2 states in part:

“3.2.6 Connect the sample line to the Odorometer. Check for and fix any gas leaks to avoid odor interference with the test....”

And

“3.3.2 Odor Intensity at 0.9% Gas in Air....”

During SED's field inspection at SoCalGas Valencia District, SED observed an odorant intensity test performed by a SoCalGas technician per SoCalGas' GAS STANDARD 189.005 at 19527 Goldstream Way, Newhall (ID 235). However, the technician did not perform the two steps stated above as per SoCalGas Gas Standard 189.005, Sections 3.2.6 and 3.3.2. When questioned, the technician acknowledged not following the procedures in the Gas Standard. Therefore, SoCalGas is in violation of General Order 112-F, Reference Title 49 CFR, Part §192.605(a).

SOCALGAS' RESPONSE:

SoCalGas acknowledges SED's recommendations. SoCalGas is making changes to various aspects of this inspection to ensure it is easy to understand and follow. One example is identifying the specific setting for the machine during the test required under 3.3.2. instead of the employee tracing the calibration chart up and over to determine what the setting should be. SoCalGas is also considering creating an instructional video to demonstrate the appropriate steps in the process. Finally, the operator requalification period is scheduled to redo the Difficulty, Importance and Frequency (DIF) analysis to determine the appropriate re-evaluation frequency which could result in a shorter time frame for re-evaluation.

SOCALGAS' CORRECTIVE ACTIONS:

This employee was disqualified from performing Operator Qualification task 18.2 and was not permitted to perform the task until requalification could be completed. On October 17th, 2017, the employee successfully completed the formal training course for Odorant Testing. He successfully satisfied the requalification requirement and has demonstrated a full understanding of his duties. He is reinstated and has resumed Odorant Testing under task 18.2.

SED's CONCLUSION:

SED has reviewed SCG's response and accepts the proposed corrective actions. SED acknowledges that the proposed corrective actions will address the aforementioned violation. However, SED may review the implementation of these stated corrective actions during future inspections.

2. Title 49 CFR §192.723 (b) (1) states in part:

“A leakage survey with leak detector equipment must be conducted in business districts...at intervals not exceeding 15 months, but at least once each calendar year.”

SoCalGas Standard 223.0100 Leakage Surveys, Section 6.4 states in part:

“6.4 If during the survey, the leak surveyor identifies land uses that could potentially trigger a business district determination that is not currently depicted upon the leak survey map; they should identify this location for further evaluation...”

During SED’s records review of two Leak Survey Maps (LA 1061 and LA 1062), SED observed that a gas main, installed on Sayre Street between De Garmo Avenue and Glenoaks Boulevard, had two different leak survey cycles. These Leak Survey Maps prior to 2014 showed the portion of the gas main southwesterly of De Haven Avenue and northeasterly of De Garmo Avenue having a three-year leak survey frequency and the portion of the gas main northeasterly of De Haven Avenue and southwesterly of Glenoaks Avenue having a one-year leak survey frequency. The Leak Survey Maps after 2014 showed the entire pipeline to be a one-year leak survey frequency.

These Leak Survey Maps indicated that both portions of the gas main were installed in the same proximity of a nearby business area and should be assigned the one-year leak survey cycle. Therefore, SoCalGas is in violation of General Order 12-F, Reference Title 49 CFR, Part §192.723 (b) (1).

SOCALGAS’ RESPONSE:

Please note that the language referenced above was not added to Gas Standard 223.0100 until early January 2014, between the dates of the two sets of leak survey maps referenced.

Prior to 2014, updating business districts was a manual process involving feedback from leak survey personnel on sites identified as being a potential commercial gathering place, a church, a school, a hospital, or a location where people have limited mobility. In 2014, SoCalGas started automatically updating its business districts based on additional datasets, which expanded some business district boundaries. These datasets currently include Company Purchased Land Base Information on Landmarks, Universal Land Use Codes, and Land Base Information; assisted living care centers and other state licensed care facilities from the State of California; and eGIS information on pipeline facilities; in addition to feedback from leak survey personnel.

As part of this automated updater process, the entire pipeline referenced above fell within the updated business district boundary, and was assigned a one-year leak survey frequency.

SOCALGAS’ CORRECTIVE ACTIONS:

As mentioned above, SoCalGas changed the way it updates its business districts in 2014 so that it is automatically updated based on additional datasets. This approach captures more potential business district areas than the previous manual process.

SED's CONCLUSION:

SED has reviewed SCG's response and accepts the proposed corrective actions. SED acknowledges that the proposed corrective actions will address the aforementioned violation. However, SED may review the implementation of these stated corrective actions during future inspections.