

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



August 24, 2017

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

**GI-2017-01-SCG60-02ABC**

**Subject: SED's closure letter for General Order (G.O.) 112<sup>1</sup> Comprehensive Operation and Maintenance Inspection of Southern California Gas Company's Orange County Coast Distribution Region**

Dear Mr. Cho:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a G.O. 112<sup>1</sup> Comprehensive Operation and Maintenance Inspection of Southern California Gas Company's (SCG) Orange County Coast Distribution Area (Inspection Unit) on March 13 - 17, 2017 for calendar years 2013 thru 2016. SED used the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety's "Inspection Assistant Form" as a reference guide to conduct the inspection. SED conducted field inspections of pipeline facilities in the Aliso Viejo, Santa Ana and Garden Grove Distribution districts within the Inspection Unit. SED's staff also reviewed the Operator Qualification program, which included field observation of randomly selected individuals performing covered tasks.

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

This letter serves as the official closure of the 2017 Comprehensive Operation and Maintenance Inspection of SCG's Orange County Coast Distribution Region (Inspection Unit).

Thank you for your cooperation in this inspection. If you have questions, please contact Durga Shrestha, at (213) 576-5763 or by e-mail at ds3@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: Durga Shrestha, SED/GSRB, Kan Wai Tong, SED/GSRB, Matt Epuna, SED/GSRB, Troy Bauer, Sempra, Kenneth Bruno, SED/GSRB, and Kelly Dolcini, SED/GSRB

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

**Summary of Inspection Findings**  
**2017 SCG's Orange County Coast Distribution Inspection**  
**March 13 - 17, 2017**

**I. SED Identified Probable Violations**

**Title 49 CFR Part 191, Section 191.12 Distribution Systems: Mechanical Fitting Failure Reports**

§191.12 Distribution Systems: Mechanical Fitting Failure Reports states:

*“Each mechanical fitting failure, as required by § 192.1009, must be submitted on a Mechanical Fitting Failure Report Form PHMSA F-7100.1-2. An operator must submit a mechanical fitting failure report for each mechanical fitting failure that occurs within a calendar year not later than March 15 of the following year (for example, all mechanical failure reports for calendar year 2011 must be submitted no later than March 15, 2012). Alternatively, an operator may elect to submit its reports throughout the year. In addition, an operator must also report this information to the State pipeline safety authority if a State has obtained regulatory authority over the operator's pipeline.”*

During the record review of SCG's 2013-2016 MMF Report, SED's staff noted that the following Mechanical Fitting failures shown in the table were reported late:

Failure Date	Report Date	State of Failure	Operators unique MF#	Fitting Involved	Type of Fitting	Leak Location	Fitting Material	First pipe Nom. Size	DOT report #	Batch update	Actions
1/27/2012	8/27/2013	CA	520000281656	Bolted	Coupling	Main-to-Main	Steel	8" or larger	201201271848417982 - 17651	82720131644264400	ViewCreate supplement
1/10/2012	8/27/2013	CA	520000271384	Adapter	Adapter	Service-to-Service	Steel	1/2"	201201101848417981 - 17650	82720131644264400	ViewCreate supplement
10/28/2012	8/27/2013	CA	520000437781	Transition Fitting	Transition Fitting	Service-to-Service	Combination Plastic and Steel	1/2"	201210281848417985 - 17654	82720131644264400	ViewCreate supplement
10/28/2012	8/27/2013	CA	520000438971	Transition Fitting	Transition Fitting	Service-to-Service	Combination Plastic and Steel	1/2"	201210281848417986 - 17655	82720131644264400	ViewCreate supplement
8/30/2012	8/27/2013	CA	520000401353	Nut Follower	Coupling	Service-to-Service	Steel	3/4"	201208301848417984 - 17653	82720131644264400	ViewCreate supplement
12/4/2012	8/27/2013	CA	520000464366	Transition Fitting	Transition Fitting	Service-to-Service	Combination Plastic and Steel	1/2"	201212041848417988 - 17657	82720131644264400	ViewCreate supplement
11/2/2012	8/27/2013	CA	520000442578	Transition Fitting	Transition Fitting	Service-to-Service	Combination Plastic and Steel	3/4"	201211021848417987 - 17656	82720131644264400	ViewCreate supplement
4/19/2012	8/27/2013	CA	520000338283	Transition Fitting	Transition Fitting	Main-to-Service	Combination Plastic and Steel	3/4"	201204191848417983 - 17652	82720131644264400	ViewCreate supplement

Therefore, SCG is in violation of G.O. 112-F, Reference Title 49 CFR, Part 191, Section 191.12.

**SCG's RESPONSE:**

SoCalGas originally filed Mechanical Fitting Failure Report Forms on March 11<sup>th</sup>, 2013 prior to the March 15<sup>th</sup> deadline. Given the recent implementation of this reporting process (2012), SoCalGas continued to conduct additional reviews of the Leak Repair records and identified an additional

eight Leak Repair records related to a mechanical fitting failure. Subsequently, once the cause was updated, SoCalGas appropriately filed a supplemental report on August 25<sup>th</sup>, 2013 with eight additional Mechanical Fitting Failure Report Forms. In addition, during this period, SoCalGas published an extensive Gas Standard on June 2013 to provide additional guidance and incorporate lessons learned to support the integrity of future PHMSA reporting.

#### **CORRECTIVE ACTION:**

The information on the leak repair order in SoCalGas' work management system used for reporting was improved and updated to reflect the correct repair information to indicate mechanical fitting failure. As mentioned, as part of continual improvement in June of 2013, a new SoCalGas Gas Standard 184.0231, Mechanical Fitting Leak Reporting, was published to provide guidance for reporting mechanical fitting failures.

#### **SED's Conclusion:**

SED has reviewed SCG's response and accepts the corrective actions implemented by SCG to address the record keeping deficiency. SED opted not to impose a fine or penalty since SCG has taken the appropriate corrective actions. However, recurrence of the same violation in the future may result in enforcement action.

## **II. Concerns, Observations and Recommendation**

### **1. §192.463 (a) External corrosion control: Cathodic protection.**

*"Each cathodic protection system required by this subpart must provide a level of cathodic protection that complies with one or more of the applicable criteria contained in [Appendix D](#) of this part. If none of these criteria is applicable, the cathodic protection system must provide a level of cathodic protection at least equal to that provided by compliance with one or more of these criteria."*

During the field inspections of CP facilities, SED observed that the pipe-to-soil reads at the following locations as shown in the table were out of tolerance (low P/S reads) from its -0.850 volts criteria:

Area	Point	District	Read, V
00427-1B	D	Santa Ana	-0.695

Also, the following 10% test points were out of tolerance from the -0.85 volts criterion:

Address	District	Read, V
La Vista Inn Motel, Ave Mendocino/El Camino Real	Mission Viejo	-0.782
25331 Barents, Laguna Hills, CA	Mission Viejo	-0.847
10661 Los Alamitos Blvd, Los Alamitos, CA	Garden Grove	-0.559
570 Old Ranch Road, Seal Beach	Garden Grove	-0.585

SED requests SCG react promptly to correct these corrosion control deficiencies.

#### **SCG's RESPONSE:**

SoCalGas agrees with CPUC SED observations and recommendations related to the CP read points/CP10's which were identified to be out-of-tolerance during the inspection. Thus, SoCalGas took prompt remedial action to correct the deficiencies and the CP read points/CP10's were brought back within tolerance as identified below;

**CP Area 00427-1B (Santa Ana District)** – A short was cleared at 2032 Komat Dr., in the city of Costa Mesa and the area was read up on 5/1/2017 under order # 52-1575858.

**La Vista Inn Motel, Mendocino Ave/El Camino Real (Aliso Viejo District)** – This location is read point "K" within CP package SL 01553-2A. Short was cleared and up read of -1.014 was obtained on 3/29/17.

**25331 Barents, Laguna Hills (Aliso Viejo District)** – A 1# anode was installed and an up read of -1.566 was taken on 6/7/17.

**10661 Los Alamitos Blvd, Los Alamitos (Garden Grove District)** – A 1# anode was installed and an up read of -1.420 was taken on 4/6/17.

**570 Old Ranch Road, Seal Beach (Garden Grove District)** – 1# anode was installed on same day as field audit (3/17/17) and an up read of -1.270 was obtained and documented.

**SED's Conclusion:**

SED reviewed SCG's response and accepted the remedial actions implemented. However, SED may conduct a field verification of the noted concerns during a future inspection.

2. During the field inspection of SCG's Valves on March 15, 2017, SED's staff noted that a valve (42CNV-0069) was inoperable. SED recommends that SCG take a prompt remedial action.

**SCG's RESPONSE:**

SoCalGas agrees with CPUC SED observations and recommendations related to the observed field inspection of valve 42CNV-0069. Thus, SoCalGas followed the procedures identified in Gas Standard 184.16 section 4.8 – Inoperable Valves. SoCalGas followed up on 3/20/17 on SAP Order 52/1559595 and lubed and flushed the valve. The valve was deemed to be operating satisfactorily and it was placed on a quarterly valve inspection cycle. The valve was once again inspected on 6/9/17 and was deemed satisfactory. The valve remains on a quarterly inspection cycle and next inspection is scheduled between 9/1/17 – 9/28/17.

**SED's Conclusion:**

SED reviewed SCG's response and accepted the remedial actions implemented. However, SED may conduct a field verification of the noted concerns during a future inspection.

3. During the field inspection of SCG's Bridges and Spans on March 14, 2017, SED's staff noted that the wraps on pipeline Spans (#S026) and (#S027) located in Laguna Beach had deteriorated. On March 17, 2017, SED's staff also noted coating damages on SCG's Bridge and Span #B054. SED recommends that SCG take appropriate remedial action.

**SCG's RESPONSE:**

SoCalGas agrees with CPUC SED observations and recommendations related to the observed field inspection of the bridge and span inspections identified above. Thus, SoCalGas took remedial action to remedy the conditions.

**The Abnormal Operating Condition (AOC) for S026** was repaired on Tuesday, April 11, 2017 on SAP Order# 52/1566252. The Span was re-wrapped.

**The AOC for S027** was repaired on Tuesday, April 11, 2017 on SAP Order# 52/1564533. This order was for vegetation touching the main, specifically a large tree that had grown next to the span. The tree has been cut down, and the span painted.

**SED's Conclusion:**

SED reviewed SCG's response and accepted the remedial actions implemented. However, SED may conduct a field verification of the noted concerns during a future inspection.

4. On March 16, 2017, SED's staff observed several gas risers had atmospheric corrosions during field inspection of leak survey area OC 08742X. The serial numbers of the MSAs with atmospheric corrosion risers are 4836514, 4835419, 5078529, and 12593711. SED recommends that SCG take a prompt remedial action.

**SCG's RESPONSE:**

SoCalGas agrees with the recommendation and the identified locations were remediated as follows;

Mtr # 4836514 corrective action completed on 5/24/17 on CSO #1932846753

Mtr # 4835419 corrective action completed on 5/24/17 on CSO #1188203197

Mtr # 5078529 corrective action completed on 5/24/17 on MTU# 0107218353

Mtr # 12593711 corrective action completed on 5/24/17 on CSO #0279601993

**SED's Conclusion:**

SED reviewed SCG's response and accepted the remedial actions implemented. However, SED may conduct a field verification of the noted concerns during a future inspection.

5. On March 16, 2017, SED's staff noted that Span (#B138) at Huntington Beach was encased but no Line Marker installed in the vicinity. SED recommends that SCG install a Line Marker.

**SCG's RESPONSE:**

SoCalGas agreed and replaced the marker under SAP Order #52/1556598 on 3/24/2017.

**SED's Conclusion:**

SED reviewed SCG's response and accepted the remedial actions implemented. However, SED may conduct a field verification of the noted concerns during a future inspection.

6. On March 16, 2017, SED's staff noted that Span (#B011) in Santa Ana had a missing support and appeared to have a noticeable deflection. Please assess the strains imposed on the Span.

**SCG's RESPONSE:**

SAP Notification # 204053512 has been created to install supports on B011. Gas Engineering is currently in the process of creating design drawings to submit to the city to obtain the permit. SoCalGas expects this work to be completed in Q3 2017.

**SED's Conclusion:**

SED reviewed SCG's response. Please notify SED on completion of remedial implemented. SED may conduct a record/field verification of the noted concerns during a future inspection.

7. **SCG Gas Standard 107.0287 Section 4.3.4.2 Zeroing PURGE mode** states in part,

“4.3.4.2.1.1 Check the Sample line/probe for cracks or splits

4.3.4.2.1.2 Block the end of the sample line/probe ensuring the SAMPLE. Fault flag appears, (See Figure8).”

SCG’s Gas Standard indicated that its employees must check the condition of its sample probe before using it. During the regulator station inspection at Ritz Carlton Dr./ Coast Hwy on March 16, 2017, SED’s staff noted that an SCG’s employee used a GMI Gasurveyor (CGI) instrument to check for gas leak. However, the employee did not follow the Gas Standard and failed to check for damages and functionalities of the CGI. SED recommends that SCG evaluate and verify that its employees follow its procedure/standard.

**SCG’s RESPONSE:**

SoCalGas agrees that during the field inspection it was observed that the employee failed to block the end of the sample line/probe utilizing the “glove” method; which at the time of this inspection was identified as a “Note” only and not required in the Gas Standard. The employee was counseled on following procedures for ensuring the probe of the GMI is free of defects and on the importance of ensuring proper functionality of the GMI prior to each use.

Since the time of this inspection, SoCalGas has recognized that the “glove” method needed to be removed as a “note” only and added into the Gas Standard as a required method for testing the probe and thus triggering the fault flag. Gas Standard 107.0287 / GMI Gasurveyor – Combustible Gas Indicator was revised and published on 3/28/17. Section 4.4.1 of the Gas Standard now includes direct instructions for the operator to utilize a non-powdered latex glove around the probe to cause a sample fault reading; thus demonstrating there are no dilution air leaks in the system.

**SED’s Conclusion:**

SED reviewed SCG’s response and accepted the corrective actions implemented.

8. On March 16, 2017, SED’s staff noted that a riser and the meter set assembly (MSA) at 11752 Beach Blvd, Stanton, had a missing support. SED recommends SCG install a support.

**SCG’s RESPONSE:**

SoCalGas agreed with CPUC SED observation and Customer Services Field installed a meter stand under the MSA on 3/23/17 on CSO #394347873.

**SED’s Conclusion:**

SED reviewed SCG’s response and accepted the remedial actions implemented. However, SED may conduct a field verification of the noted concerns during a future inspection.