

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 29, 2017

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

GI-2017-03-SCG60-02ABC

Subject: General Order (G.O.) 112¹ Operation and Maintenance Comprehensive Inspection of Southern California Gas Company's Orange County Coast Distribution Area

Dear Mr. Cho:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a G.O. 112^F 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.

SED's staff identified one probable violation of G.O. 112-F, Reference Title 49 Code of Federal Regulations (CFR), Part 191, and noted several areas of concern which are described 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 to address the probable violations and the concern noted in the "Summary of Inspection Findings".

If you have any questions, please contact Durga Shrestha, at (213) 576-5763.

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: Durga Shrestha, SED/GSRB, Kan Wai Tong, SED/GSRB, Kelly Dolcini, SED/GSRB
: Troy Bauer, Sempra

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

Summary of Inspection Findings
2017 SCG's South Desert Transmission 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 below 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.

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 locations as shown in the following 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.

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.
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.
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.
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.
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.
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.

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.