

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



June 5, 2018

GI-2017-12-SCG64-02ABC

Jimmie Cho, Senior Vice President  
Southern California Gas Company  
Gas Operations and System Integrity  
555 W 5<sup>th</sup> Street, GT21C3  
Los Angeles, CA 90013

**Subject: SED Closure Letter for the General Order (G.O.) 112-F Comprehensive  
Operation and Maintenance Inspection of Southern California Gas Company's Inland East  
Distribution Region**

Dear Mr. Cho:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission reviewed Southern California Gas Company's (SCG) response letter dated March 1, 2018 that addressed the two probable violations and two recommendations identified during the G.O. 112-F Comprehensive Operation and Maintenance (O&M) Inspection. This inspection of SCG's Inland East Distribution Region (Inspection Unit) was conducted from December 11-15, 2017.

Attached is a summary of SED's inspection findings, SCG's response to SED's findings, and SED's evaluation of SCG's response to the identified probable violations and recommendations.

This letter serves as the official closure of the 2017 O&M Comprehensive Inspection of SCG's Inland East Distribution Region's facilities and any matters that are being recommended for enforcement will be processed through the Commission's Citation Program.

Thank you for your cooperation in this inspection. Please contact Michelle Wei at (213) 620-2780 or by e-mail at [miw@cpuc.ca.gov](mailto:miw@cpuc.ca.gov) if you have any questions.

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, SCG, Kan Wai Tong, GSRB/SED, Kenneth Bruno, GSRB/SED, Matt Epuna, GSRB/SED, Kelly Dolcini, GSRB/SED

**Summary of Inspection Findings**  
**2017 SCG Inland East Distribution Region**  
**December 11-15, 2017**

**I. SED's Identified Probable Violations**

**1. Title 49 CFR Part 192 §192.13(a) – What general requirements apply to pipelines regulated under this part?**

*“(c) 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 187.0175 – Inspection and Testing of Welds on Company Steel Piping §4.4.2**

*“All welds performed on pipeline operating above 60 psi shall be visually inspected by a qualified Company representative or contract welding inspector, as per Section 9 of API 1104.”*

During the review of the Project Weld Inspection Report of construction project, 12” High Pressure Gas Relocation La Cadena Drive, Colton, CA (work order # 81704), SED found that the Inspection Unit failed to follow its own procedure by not visually inspecting the following 28 welds in 2013:

Weld Numbers 103, 27, 12, 94, 89, 88, 84, 99, 98, 95, 96, 97, 26, 25, 1, 2, 3, 4, 5, 15, 6, 7, 8, 9, 10, 11, 28, and 13.

Therefore, SCG was in violation of G.O. 112-F, Reference Title 49 CFR, Part 192, Section §192.13(c) for its failure to follow SCG Gas Standard 187.0175 Section 4.4.2.

**SCG's Response:**

SoCalGas agrees with the SED's assessment, South East (SE) Region High Pressure Construction Contract Administrator failed to accurately document the acceptance of each weld inspected. SoCalGas' investigation of this incident included a thorough review of the construction package and an interview of the Contract Administrator (inspector). It was determined assumptions were not validated; and even though the inspector did not document the weld locations on Form 3917 as having been visually inspected, the welds identified by the SED were visually inspected and meet the requirements of Gas Standard 187.0175 Inspection and Testing of Welds on Company Steel Piping.

**SCG's Corrective Actions:**

South East (SE) Region High Pressure Construction Manager conducted an “all hands” meeting for the Contract Administrators (inspectors). During this meeting, they conducted a review of Gas Standard 187.0175 – Inspection and Testing of Welds on Company Steel Piping as well as reviewing Form 3917 – Project Weld Inspection Report. It was conveyed in the meeting that verbatim compliance with written instructions is required. No inspector shall

proceed in the face of uncertainty, they shall have a questioning attitude and seek guidance from the owner of the written instructions when needed. The SE Region High Pressure Construction Manager will share this finding with his peer in North West (NW) Region. SoCalGas will also have a company bulletin issued to inform all qualified personnel of the requirement to document all weld inspection types conducted on a weld on Form 3917.

In addition, Gas Engineering, Nondestructive Examination Group will conduct random and independent reviews of Welding Form 3917 at each job location during the NDE Oversight Audits visits. The review will verify that all welds listed on the Form 3917 has been visually inspected and so documented.

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

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

## **2. Title 49 CFR Part 192, Section 192.465(a) – External Corrosion Control: Monitoring**

*“Each pipeline that is under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months... However, if tests at those intervals are impractical for separately protected short sections of mains or transmission lines, not in excess of 100 feet (30 meters), or separately protected service lines, these pipelines may be surveyed on a sampling basis. At least 10 percent of these protected structures, distributed over the entire system must be surveyed each calendar year, with a different 10 percent checked each subsequent year, so that the entire system is tested in each 10-year period.”*

During record review, SED discovered that the Inspection Unit did not survey four service lines which are under separate cathodic protection (CP) systems every 10 years as required by 192.465(a). See the following table for further information.

<b>Service ID</b>	<b>Address</b>	<b>City</b>	<b>Date last inspected</b>	<b>Date inspected</b>
00427526	725 La Crosse	Glendora	4/11/2005	12/20/17
02433177	549 Glenwood	Glendora	3/23/2005	12/20/17
01185588	1244 E St	Corona	8/25/2005	12/20/17
03883722	1499 Pomona Rd	Corona	8/23/2005	12/20/17

In 2005, an SCG CP technician tested these four service lines and found them within tolerance. In 2015, another CP technician labeled these service lines as replaced by plastic. When SED requested the service history, the Inspection Unit found that these service lines had not been replaced and immediately sent a technician to the locations to test the service lines. All of the lines were also tested within tolerance on December 20, 2017. However, because the Inspection Unit did not survey these assets within the required time frame, SED found SCG in violation of G.O. 112-F, Reference Title 49 CFR, Part 192, Section §192.465(a). SED also strongly recommends that the Inspection Unit review all of its CP10

inspections performed in 2015 to ensure the same circumstance did not occur elsewhere during the same time frame.

**SCG's Response:**

Service ID	Address	City	Date last inspected	Date visited in 2015	Date verified and CP10 read obtained
00427526	725 La Crosse	Glendora	4/11/2005	7/8/15	12/20/17 / -1.35v
02433177	549 Glenwood	Glendora	3/23/2005	9/29/15	12/20/17 / -1.31v
01185588	1244 E St	Corona	8/25/2005	6/16/15	12/20/17 / -1.21v
03883722	1499 Pomona Rd	Corona	8/23/2005	5/22/15	12/20/17 / -1.33v

SoCalGas conducted an investigation into the four locations referenced by the CPUC SED. It was determined that SoCalGas had conducted a visit to each of the four sites in 2015 and the technicians had incorrectly made the selection for “Not required/service replaced.” For CP10s where this selection is made, the CP10 location will show up on an Exception Report where the System Protection office confirms, through service history records, whether the service was replaced. If the service cannot be confirmed as replaced, another technician is sent back out to obtain a CP read or gather additional information. SoCalGas worked with Information Technology (IT) and confirmed that due to a system error, these CP10s did not receive the proper validation code and show up as an exception and therefore did not receive a follow-up investigation. As indicated in the NOPV above, once identified during the SED inspection, a CP technician was sent to each site to validate service had not been replaced and to obtain a CP10 read.

**SCG's Corrective Actions:**

The CP group worked with IT to determine why the 4 locations identified did not show on an exception report. IT has confirmed that there was a system issue that occurred in 2015 for orders with zero reads where the technicians selected “Not required/Service replaced” that resulted in the exception code not being created. The issue was corrected in early 2016. SE Region System Protection is continuing to work with IT to create a transaction code in System Application and Products (SAP) in an effort to determine if any other locations should have shown as an exception. The results of the transaction code data will be analyzed by SoCalGas Gas Distribution System Protection offices and any additional locations will be researched. Any locations identified as potential compliance issues will be documented and submitted to the CPUC SED via the monthly compliance exception reporting.

There were 3 employees involved with the 4 locations; two of them are now retired and the third is currently an Energy Technician Distribution in Gas Operations. This employee is no longer performing this task and the employee's Operator Qualification for this element has been revoked. SE Region will conduct CP10 refresher training which includes recognizing riser and service types. The SE Region Team Lead will also share this incident with his NW Region peer.

**SED's Conclusion:**

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

## **II. SED's Concerns and Recommendations**

1. During the review of the Project Weld Inspection Report of construction project, 12" High Pressure Gas Relocation LA Cadena Drive, Colton, CA (work order # 81704), SED found that the Inspection Unit failed to follow its own Welding Procedure Specification WPS-API-SMAW6A. WPS-API-SMAW6A requires two welders to butt weld on pipes with diameters greater than or equal to 12.75". However, according to the Project Weld Inspection Report dated 2013 for work order # 81704, 64 butt welds were performed with only one welder on a 12.75" pipe. The Inspection Unit informed SED that this was a typo and that the welding procedure should say that one or two welders are permitted. SED is aware of SCG Gas Standard 187.0055 which states in Section 4.10.1 that "One welder may be used for 12" butt welds or branch connections with no evident strains." However, SED is concerned that the welding procedures were not followed as written.

### **SCG's Response:**

SoCalGas agrees with SED recommendation and as indicated to CPUC SED during the inspection. SoCalGas will update the welding procedure to reflect consistent verbiage in the Gas Standard.

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

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

2. During field inspections, SED noted that an SCG employee failed to perform a leak test with a glove on his combustible gas indicator (CGI) before using it to test a valve casing during a valve inspection. Upon SED request, the employee performed the test and the CGI did not pass it. The Inspection Unit brought another CGI in order to perform the test and no leaks were found. However, it is important for an employee to check the functionality of the CGI to ensure that it can properly detect a gas leak before or after the valve inspection. Therefore, SED recommends that the Inspection Unit ensure that its employees only use functional equipment during an inspection.

### **SCG's Response:**

SoCalGas agrees with the SED recommendation. The incident was shared with SE Region Gas Operations management employees for them to convey to field employees the importance of ensuring all of their equipment is in proper working order. The employee observed during the SED inspection had been testing his equipment during previous

inspections and he failed to do so during this stop. He was counseled by local supervision and indicated he is aware of the procedure and that he got nervous and a little rushed during this particular stop with the SED.

**SED's Conclusion:**

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