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April 28, 2017

Mr. Ken Bruno Program Manager Gas Safety and Reliability Branch Safety and Enforcement Division California Public Utilities Commission 320 W. Fourth Street, Suite 500 Los Angeles, CA 90013

Dear Mr. Bruno:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a G.O. 112 Operation and Maintenance Inspection of Southern California Gas Company's (SoCalGas) San Joaquin Valley Transmission Area (Inspection Unit) from January 23 -27, 2017. The inspection included a review of the Inspection Unit's Patrolling, Leakage Survey and Odorant records for calendar years 2013, 2014, 2015, and 2016 and field inspections of pipeline facilities in the Taft and Valencia Transmission Districts. SED staff also reviewed the Inspection Unit's Operator Qualification records, which included field observation of randomly selected individuals performing covered tasks.

SED's staff identified one probable violation and one concern during the course of this inspection. Attached is SoCalGas' response.

Please contact Troy A. Bauer at (909) 376-7208 if you have any questions or need additional information.

Sincerely,

Troy A. Bauer

CC: Ha Nguyen, SED/GSRB Matthewson Epuna, SED/GSRB Sophia Ngo-Conn, SED/GSRB

ATTACHMENTS

<u>Transmission San Joaquin Valley ~ Taft and Valencia</u> <u>January, 2017</u> <u>CPUC Audit – Response</u>

Title 49 CFR, Part 192 §192.467 External Corrosion control: Electrical Isolation.

§192.467(b) External Corrosion control Electrical Isolation states in part:

(b) "One or more insulating devices must be installed where electrical isolation of a portion of a pipeline is necessary to facilitate the application of corrosion control."

On January 26, 2017, SED's staff observed during the field inspection that SCG's above ground transmission pipeline 235-234.99 at Valencia District had the following deficiencies that were not identified. The pipe supports were not insulated from the carrier pipeline. Therefore, SCG is in violation of General Order112-F¹, Reference Title 49 CFR, Part 192, Section **§**192.467(b).

RESPONSE:

SoCalGas disagrees with SED's interpretation of the scenario. Although there was no insulator at this location, the pipe had moved such that the old insulator had been displaced and there was a clear gap between the pipe and pipe support. At no time was there any electrical short causing deficient CP corrosion control on the pipeline.

Pipe-to-soil reads were made at the time of the CPUC Audit on Line- 235 at MP 234.99. The pipe-to-soil reads were above the required levels of protection, i.e., over .85mV. Moreover, the pipeline was not resting on the support at this location; there was no contact with the pipe support at all. Nevertheless SoCalGas subsequently installed an insulator between the support and the pipeline. The pipeline was checked for corrosion at this time and there was no corrosion in the gap between the pipe and pipe support.

Concerns and Recommendations

On January 28, 2017, during field inspection of Line 800 (Taft district – Location ID 800-14.57), SED's staff observed line markers near the pipeline facility that were unreadable. SCG's record showed that SCG's personnel inspected this facility on June 06, 2016. The line markers did not become unreadable within six months after then last inspection. SED recommends that SCG evaluate its patrolling performance results and training.

RESPONSE:

SoCalGas will change the signs as required. SoCalGas has taken SED's recommendation into consideration and, in order to prevent a recurrence, local management will communicate with employees the requirement to have legible signs at all times and to replace those that show signs of fading.