

PUBLIC UTILITIES COMMISSION

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August 7, 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-2017-01-SCG50-01C

Subject: SED's closure letter for General Order (G.O.) 112¹ Operation and Maintenance Inspection of Southern California Gas Company's Leak Survey and Patrol Records in the South Desert Transmission Area

Dear Mr. Cho:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a G.O. 112¹ Operation and Maintenance Inspection of Southern California Gas Company's (SCG) Leak Survey and Patrol Records in the South Desert Transmission Area (Inspection Unit) on January 30 – February 03, 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 inspections of pipeline facilities in the Beaumont and Blythe transmission 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, 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 O&M Inspection of Leak Survey, Patrol, and Odorant Intensity Test of facilities in SCG's South Desert Transmission Area.

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 Manager
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

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

**Summary of Inspection Findings
2017 SCG’s South Desert Transmission Inspection
January 30 - February 03, 2017**

I. SED Identified Probable Violations

1. Title 49 CFR Part 192, Section 192.605 Procedural manual for operations, maintenance, and emergencies

§192.605 (a) Procedural manual for operations, maintenance, and emergencies states in part:

“(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual.....”

SCG Gas Standard 184.12 Section 4.1 states:

“Company employees performing the pipeline inspections on bridges, and spans will investigate and report on the following:”

During the record review of SCG’s Bridge and Span inspections, SED’s staff noted that SCG employees did not complete some of the questions in two “Bridge & Span Inspection Checklist” forms. . The following spans had incomplete inspection checklist:

District	Line	Asset #	Year of Inspection	Items not checked on “Bridge & Span Inspection Checklist”
Beaumont	2001	85.72	2016	* Are there any special access instructions and/or tools needed?
			2016	* Is there any other condition that may affect the pipeline?
Beaumont	2001	93.14	2016	* Are there any signs of atmospheric corrosion or rust on the pipe?

The “Bridge & Span Inspection Checklist” form is completed as part of SCG’s inspection protocol to ensure the safe operation and integrity of its aboveground pipelines. Failure to check all the items mentioned in the form may prevent SCG from taking timely remedial actions and jeopardize the integrity of its pipelines. Since SCG failed to follow its procedure and fill out the checklist as required, SCG is in violation of G.O. 112-F, Reference Title 49 CFR, Part 192, Section 192.605(a).

SCG’s RESPONSE:

SoCalGas acknowledges the missing check marks as stated above. The employee(s) that completed these span inspections confirmed that there were no integrity-related conditions at the time of inspection. This is an administrative issue that will be addressed with the corrective actions below.

CORRECTIVE ACTION:

Follow-up training will be provided on the Bridge & Span Inspection Checklist to all affected employees, as well as QA training for supervision.

Completed inspection forms will also be scanned and electronically saved with the completed MAXIMO order to prevent further records retention issues.

SED’s Conclusion:

SED has reviewed SCG’s response and accepts the corrective actions it has proposed to address its inspection deficiency. SED opted not to impose a fine or penalty since SCG has taken the appropriate remedial actions. However, recurrence of the same violation in the future may result in enforcement action.

2. Title 49 CFR Part 192, Section 192.605 Procedural manual for operations, maintenance, and emergencies

§192.605 (a) Procedural manual for operations, maintenance, and emergencies states in part:

“(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual.....”

SCG Gas Standard 184.12 Section 6.2 states:

“Transmission inspections of span and aboveground pipe are scheduled, tracked, and documented using and approved, computerized maintenance management system (MAXIMO). Hardcopy records of span and aboveground pipe inspections, along with any electronic copies are retained for the life of the facility plus 5 years or 75 years, whichever is longer.”

During the record review of SCG’s Bridge and Span inspections, the Inspection Unit was unable to provide the hardcopy inspection records for the following spans (28) inspections:

District	Line	Work Order #	Asset #
Beaumont	2001	5463767	167.00
			167.15
			167.25
			168.27
			168.35
			168.41
	5000	5463722	154.49
	2000	5463749	167.97
			168.78
			168.96
			168.99
			169.27
			169.43
			169.98
			170.28
			170.37
			170.44

			170.52
			170.61
			170.72
			170.83
			171.02
			171.08
			171.28
			171.60
			171.63
			172.13
			172.20

SCG failed to follow its operation and maintenance procedure in retaining the hardcopy inspection records for the required duration. Therefore, SED found SCG in violation of G.O. 112-F, Reference Title 49 CFR, Part 192, Section 192.605(a).

SCG’s RESPONSE:

SoCalGas acknowledges that the hardcopies of the Bridge and Span inspection checklist were not produced at the time of the CPUC inspection. SoCalGas contends that these forms were completed due to the fact that the MAXIMO labor data entry and the work orders themselves were completed in the MAXIMO system. The completed inspection of these spans can be validated through the MAXIMO system.

CORRECTIVE ACTION:

Span inspection checklists will be archived electronically to prevent misplacing paperwork.

SED’s Conclusion:

SED has reviewed SCG’s response and accepts the corrective actions it has proposed to address its inspection deficiency. SED opted not to impose a fine or penalty since SCG has taken the appropriate remedial actions. However, recurrence of the same violation in the future may result in enforcement action.

II. Concerns, Observations and Recommendation

During the record review of SCG’s Bridge and Span inspections, SED’s staff noted that SCG’s employee inspected a Span (#150.88) on Line 2000 on April 25, 2014 and noted a crack or void condition in the protective coating. The employee noted a comment that the “Paint flaking (Disbonding)” in SCG’s *Bridge & Span Inspection Checklist*. The employee also notified his supervisor for the proper remedial actions. As of January 27, 2017, SCG has not taken any corrective actions, nor created any follow-up work order on this matter. SED recommends that SCG evaluate the noted condition and take appropriate remedial action.

RESPONSE:

SoCalGas has confirmed that the above mentioned span repair has been completed. This span was field audited during the CPUC inspection and confirmed to not have any integrity related conditions present.

SED’s Conclusion:

SED has reviewed SCG’s response and agrees with its explanation.