

PUBLIC UTILITIES COMMISSION

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October 29, 2018

GI-2018-05-SCG67

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

Subject: SED Closure Letter for the General Order (G.O.) 112-F Operation and Maintenance Inspection of Southern California Gas Company's North Valley Distribution Area

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 August 30, 2018 for the findings identified during the G.O. 112-F Operation and Maintenance (O&M) Inspection. This inspection of SCG's North Valley Distribution Area (Inspection Unit) was conducted from May 7-18, 2018.

A summary of the inspection findings documented by the SED, SCG's response to the findings, and SED's evaluation of SCG's response for each finding is outlined in SED's summary of inspection findings.

This letter serves as the official closure of the 2018 O&M Inspection of SCG's North Valley Distribution Area'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 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthewson Epuna", written over a circular stamp or seal.

Matthewson Epuna
Program & Project Supervisor, Gas Safety & Reliability Branch
Safety and Enforcement Division
California Public Utilities Commission

CC: Troy Bauer, SCG Kan Wai Tong, GSRB/SED, Kenneth Bruno, GSRB/SED, Claudia Almengor, GSRB/SED, Kelly Dolcini, GSRB/SED

Summary of Inspection Findings
2018 SCG North Valley Distribution Area
May 7-18, 2018

I. SED's Identified Probable Violations

1. Title 49 CFR Part 192 §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 noted that the Inspection Unit did not survey two separate service lines that are under “short sections” cathodic protection (CP) systems that are required to be inspected every 10 years pursuant to Part 192 Section 192.465(a). See the following table for further information.

District	Service ID	Address	City	Date last inspected	Date inspected
Branford	02323042	13525 Pinney	Pacoima	8/14/2006	5/11/18
Branford	00297065	240 Providencia	Burbank	4/9/2007	5/11/18

On May 11, 2018, SCG's CP technician tested these two service lines and indicated that the read was within tolerance. SCG's record indicated that another CP technician visited the 13525 Pinney St location and took a CP read at the wrong riser and marked it as replaced in his records. SED visited this site during the field inspections and noted that there were two risers on the same property. One of the risers was an Anodeless riser and the other was steel riser that required the cathodic protection. Also, SCG misidentified the riser at 240 Providencia St as an Anodeless riser during its 2017 routine CP inspection. The Inspection Unit failed to conduct the CP monitoring within the 10 years interval. Therefore, SCG is in violation of G.O. 112-F, Reference Title 49 CFR, Part 192, Section §192.465(a). SED also identified 2 other risers that were misidentified as Anodeless risers, but were not out of the compliance window. See the table below for more information.

District	Service ID	Address	City	Date added to CP program	Date inspected
Branford	03403207	11133 O'Melveny Ave	San Fernando	4/1/2012	5/11/18
Branford	02732138	5225 Blakeslee	North Hollywood	8/24/14	5/23/18

SCG's Response:

SoCalGas investigated the four locations identified by SED above and determined that the technicians visiting these sites had incorrectly made the selection of "Not required / service replaced" during the visit. SoCalGas sent a System Protection Technician out to each site, to verify that the services had not been replaced and to obtain the CP reads. Each of the four locations was found in tolerance. The CP records for these four locations have been corrected.

SCG's Corrective Actions:

This year, Northwest Region made a change to the way it manages CP10s (separately protected short sections of mains, not in excess of 100 feet, or separately protected service lines). Prior to 2018, Construction Technicians in the Distribution Field Operations organization conducted the CP10 reads and completed or initiated the remediation work associated with CP10s that were found to be out of tolerance. This year, that CP10 work was moved to the System Protection department, and it is now completed by System Protection Technicians or Specialists. This change allows System Protection management to more closely monitor the CP10 work and the employees completing it.

Exception reporting is one way that the System Protection department manages CP10 work. When an employee selects "Not required / service replaced" for a CP10 during the scheduled read, the CP10 will be added to an exception report. The System Protection office then reviews the report, and confirms through service history records, whether the service was replaced. If the service replacement cannot be confirmed, another employee is sent back out to obtain a CP read or gather additional information.

The System Protection management team also conducts CP10 refresher training for all employees conducting CP10 reads. This refresher includes instructions on how to recognize different riser and service types.

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 probable violation. SED recommends that no fine or penalty be imposed since the violation did not create any hazardous conditions for the public or utility employees. However, SED may review the implementation of these stated corrective actions during future inspections.

2. Title 49 CFR Part 192 §192.465(d) – External Corrosion Control: Monitoring

"Each operator shall take prompt remedial action to correct any deficiencies indicated by the monitoring."

During field inspection, SED noted that the Inspection Unit did not take prompt action to remediate a deficiency on a "CP-10" section of pipe. On September 20, 2016, SCG's CP technician took read a CP read at a gas facility on 1520 5th St, San Fernando in Valencia District (service ID # 03585020) that indicated -0.60 Volts, which is below the -0.85 Volts

criteria. SED's staff and SCG's staff visited this site and SCG took a CP read that indicated -0.486 Volts. SCG did not provide SED any evidence of remedial action since its discovery of the deficiency. Therefore, SCG is in violation of G.O. 112-F, Reference Title 49 CFR, Part 192, Section §192.465(d).

SCG's Response:

After this CP10 was found out-of-tolerance on September 20, 2016, a service replacement project was initiated on September 26, 2016; however, this replacement project was not completed promptly. When the site was visited on May 18, 2018, the CP10 was tested with a one pound anode. The test indicated that an anode replacement would bring the area into tolerance, so an anode was installed, and the CP10 was read at -1.267 Volts.

When this CP10 was initially read out-of-tolerance in September 2016, Gas Standard 186.0180, Cathodic Protection Test Orders – Monitoring Isolated Facilities, did not specify a timeframe for remediation. This has been clarified with the Gas Standard revision discussed below.

SCG's Corrective Actions:

As mentioned above, Northwest Region made a change to the way it manages CP10s this year. CP10 work was moved from Distribution Field Operations to the System Protection department. This change allows System Protection management to more closely monitor the CP10 work and the employees completing it.

One way management now monitors the CP10 work is by tracking remediation orders. If a CP10 is found out of tolerance during a scheduled read and cannot be brought into tolerance during that visit, a remediation order is initiated to address it, such as a service replacement. The progress of this work is monitored by System Protection management.

In addition, in November 2016, SoCalGas revised Gas Standard 186.0180, Cathodic Protection Test Orders – Monitoring Isolated Facilities to clarify prompt remedial action, adding the following section:

The remediation process for Isolated Facilities (Ten Percenters - 10%) shall be addressed in the same manner as if they are annual reads and the variation is expected to be corrected within 15 months from the time it is discovered in accordance with **GS 186.0135**, *Operation and Maintenance of Cathodic Protection Facilities*.

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 probable violation. SED recommends that no fine or penalty be imposed since the violation did not create any hazardous conditions for the public or utility employees. However, SED may review the implementation of these stated corrective actions during future inspections.