

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 15, 2018

Jimmie Cho, Senior Vice President
Customer Service & Distribution Operations
Southern California Gas Company
555 West 5th Street, GT21C3
Los Angeles, CA 90013

GI-2018-01-SCG-50

**Subject: General Order (G.O.) 112-F Comprehensive Operation and Maintenance
Inspection of Southern California Gas Company's South Desert Transmission 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) South Desert Transmission Area (Inspection Unit) on January 29 – February 09, 2017 for calendar years 2015 thru 2017. 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 Beaumont and Blythe Transmission 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 192, and noted two 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

Summary of Inspection Findings
2018 SCG's South Desert Transmission Inspection
January 29 – February 09, 2018

I. SED Identified Probable Violations

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

“(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.”

Title 49 CFR, Part 192, Section 192.739 Pipeline limiting and regulating stations: Inspection and Testing.

§192.739 Pipeline limiting and regulating stations: Inspection and Testing states:

“(a) Each pressure limiting station, relief device (except rupture discs), and pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is–

- (1) In good mechanical condition;*
- (2) Adequate from the standpoint of capacity and reliability of operation for the service in which it is employed;*
- (3) Except as provided in paragraph (b) of this section, set to control or relieve at the correct pressure consistent with the pressure limits of §192.201(a); and*
- (4) Properly installed and protected from dirt, liquids, or other conditions that might prevent proper operation.”*

SCG Gas Standard 184.0275 Section 4.6 states, in part:

“Each pressure limiting station, relief device (except rupture discs), signaling device and pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is: ...”

During the record review of SCG's 2016-2017 Pressure Limiting Station Inspections, SED's staff noted that the pressure limiting station (ID PLS 5000-72.51-0) was not inspected in 2017. Therefore, SCG is in probable violation of G.O. 112-F, Reference Title 49 CFR, Part 192, Sections 192.605(a) and 192.739(a).

II. Concerns, Observations and Recommendation

1. §192.461 External corrosion control: Protective coating.

§192.461 (c) External corrosion control: Protective coating states:

“Each external protective coating must be inspected just prior to lowering the pipe into the ditch and backfilling, and any damage detrimental to effective corrosion control must be repaired.”

NACE SP 0490-2007 Holiday Detection of Fusion-Bonded Epoxy External Pipeline Coatings Section 1.3 states, in part:

“Use of a holiday shall be under the direction of a qualified coating inspector, such as NACE-certified coating inspector.”

SCG Gas Standard 186.0103, Section 4.9.1 states, in part:

“...All surface coatings shall be inspected by the Company representative before application of a second coat for the purposes of repair or DFT build-up.”

SCG Gas Standard 186.0103 also refers “NACE SP 0490-2007 Holiday Detection of Fusion-Bonded Epoxy External Pipeline Coatings”. Even though SCG’s Gas Standard requires pipeline coatings need to be inspected, none of SCG’s procedures describe how a coating inspector is trained and qualified to perform his/her duties. As such, SED recommends that SCG develop a qualification program for its coating inspectors.

2. During the field inspection of Leakage Survey of L-1027 by SCG’s employee, SED’s staff noted that one of the leak survey route at Temecula Creek by Pechanga Parkway in Temecula, had a lot of tall bushes and with limited pipeline line markers. As such, the employee conducting the leakage survey may be unable to follow the direct pipeline route. SED recommends that SCG install sufficient line markers.