

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

October 29, 2018

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



GI-2018-06-SCG-63

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

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) Inland South Distribution Region (Inspection Unit) on June 4 – 15, 2018 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 Murrieta, Ramona and Riverside Distribution 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.

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 2018 Comprehensive O&M Inspection of facilities in SCG's Inland South Distribution Region.

Thank you for your cooperation in this inspection. If you have questions, please contact Desmond Lew, at (213) 576-7020 or by e-mail at [dl4@cpuc.ca.gov](mailto:dl4@cpuc.ca.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Matthewson Epuna".

Matthewson Epuna  
Program and Project Supervisor  
Gas Safety and Reliability Branch  
Safety and Enforcement Division

CC: Troy Bauer, Sempra  
Kenneth Bruno, SED/GSRB  
Claudia Almengor, SED/GSRB  
Kan-Wai Tong, SED/GSRB  
Desmond Lew, SED/GSRB  
Kelly Dolcini, SED/GSRB

**Summary of Inspection Findings  
2018 SCG Inland South Distribution Inspection  
June 04 - 15, 2018**

**I. SED Identified Probable Violations**

**1. Title 49 CFR, Part 192, Section 192.605 Procedural manual for operations, maintenance, and emergencies, states in part:**

*“(b)(3) Making construction records, maps, and operating history available to appropriate operating personnel.”*

**And**

**Title 49 CFR, Part 192, Section 192.747 Valve maintenance: Distribution systems, states in part:**

*“(a) Each valve, the use of which may be necessary for the safe operation of a distribution system, must be checked and serviced at intervals not exceeding 15 months, but at least once a year.”*

Also, SCG Gas Standard 184.16 Valve Inspection and Maintenance – Distribution, section 1.1 requires each valve, the use of which may be necessary for the safe operation of a distribution system, must be checked and serviced at intervals not exceeding 15 months, but at least once a year.

During the field inspection of Equipment #600375407, Valve #41729-3 on Philadelphia Avenue / Universe Drive (Riverside County), SED’s staff observed two valves that had the same identification (tag) number. The first valve is located at the southwesterly corner of the intersection of Philadelphia Avenue and Universe Drive. The second valve is located on the westerly side of Universe Drive, approximately 25 feet south of Philadelphia Avenue. The second valve had metal cover with an identification number painted on it from a previous inspection. SCG staff indicated to SED’s staff that the first valve was a critical valve requiring annual valve inspections while the same inspection was not necessary for the second valve. SCG system map showed these two valves with the same identification (tag) number and was provided to SCG crew during the previous inspections. SCG made the incorrect map available to its crew and did not inspect its critical valve annually as required. Therefore, SCG is in violation of G.O. 112-F, Reference Title 49 CFR, Part 192, Sections 192.605(b)(3) and 192.747(a).

**SCG’s RESPONSE:**

SCG acknowledges that a non-critical valve on Universe Dr. was incorrectly tagged as a duplicate to critical valve #41729-3. An internal investigation was initiated to interview the employees who conducted the last two field inspections. The employee who conducted the inspection in 2016 was unavailable due to retirement from SCG. The employee who conducted the inspection in 2017 was interviewed and indicated he believes he may have inspected the non-critical valve located on Universe Dr. He indicated his belief was based on the location description on the Work Order. Based on the investigation, SCG cannot confirm that an annual inspection of valve #41729-3 was conducted per CFR, Part 192, Sections 192.605(b)(3) and 192.747(a). SCG did confirm that only one valve is identified in our Geographical Information System (GIS) as valve #41729-3, and that is the critical valve located on Philadelphia Ave. SCG notes that during the SED field audit, the SCG crew performing the field inspection went

directly to the correct valve location based on the Work Order description and there was no confusion as to which valve was the critical valve.

**SCG's CORRECTIVE ACTIONS:**

- SCG completed an inspection of critical valve #41729-3 on June 8 during SED Audit.
- SCG removed the incorrect valve numbering tag, and any identifying markings, at the non-critical valve location on Universe Dr.
- SCG placed a tag in the non-critical valve casing indicating, **Non-Critical Valve – Do Not Inspect.**
- SCG also updated the asset location description in SAP to read; *Valve is located on Philadelphia Ave. 18' N of/ S PL of Philadelphia 9' E of/W PL of Universe.*
- SCG Distribution Field Operations Managers sent instructions out to all Gas Distribution Area Managers for them to reiterate to their field employees who conduct this activity the importance of utilizing all available tools; asset location/description, GIS Mapping, local Engineering, etc. to ensure they are inspecting the correct asset. Field employees were also instructed to request any location updates they identify during an inspection, which will benefit employees conducting future inspections, on the Work Order and to also communicate the request to their direct supervisor.

**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 violation. However, SED may review the implementation of these stated corrective actions during future inspections.

**2. Title 49 CFR, Part 192, Section 192.605 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 must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.”*

Also, SCG Gas Standard 184.16 Valve Inspection and Maintenance – Distribution, section 8.2 requires “Sanded in” valves to be placed on a quarterly inspection schedule.

During the records review of Equipment #600375407, Valve #41729-3 on Philadelphia Avenue / Universe Drive (Riverside County), Work Order Number 520001287802, Inspection Report dated June 15, 2016, and Work Order Number 520001548696, Inspection Report dated May 12, 2017, indicated a “sanded in” condition. Both Inspection Reports indicate a condition which required a special effort to remove sand in order to exercise the valve. SCG did not place the valve on a quarterly inspection schedule as required by its procedure. Therefore, SCG is in violation of G.O. 112-F, Reference Title 49 CFR, Part 192, Section 192.605(a).

**SCG's RESPONSE:**

SCG reviewed the inspection orders referenced by the CPUC SED and in both instances the field technicians had noted the “sanded-in” condition in the comments section of their work order as opposed to checking the “sanded-in” condition check box. In both instances the field technicians had completed the work orders as “satisfactory.” The SCG work management system (SAP) is currently designed to place the valve on a quarterly inspection when the field technicians check the “sanded-in” condition checkbox, which was not done in both these instances.

**SCG’s CORRECTIVE ACTIONS:**

As a result of these findings, SCG field management and staff personnel reviewed the current Gas Standard 184.16 – *Valve Inspection and Maintenance – Distribution*. During the review it was noted that a revision to the verbiage was necessary in order to clarify the field technician’s responsibility in correctly identifying and documenting the “sanded-in” condition on their Work Order.

A revision to Gas Standard 184.16 was published Sept. 1, 2018. Prior to that, on August 1, 2018, an information bulletin (Info-1822 for SCG and Info-1803 for SDG&E) was sent out for all Gas Distribution field and management employees apprising them of the revised verbiage and requiring them to review the changes with all impacted employees by August 15, 2018. The Info-Bulletin also required affected personnel to acknowledge the revision via a Verification-of-Understanding (VOU).

**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 violation. However, SED may review the implementation of these stated corrective actions during future inspections.

**II. Concerns, Observations and Recommendation**

1. SCG Gas Standard 184.0275 Inspection Schedule - Regulator Stations, Power Generating Plant Regulation Equipment Requirements, section 5.2 requires regulator stations to be inspected at least once each calendar year.

During the field inspection SCG staff indicated that GD.INC.RMN.RS D8338047202, Station ID 0006, Cottonwood and Nason, Moreno Valley, was “shut in” and could not be inspected. SCG Gas Standard 184.0275 does not have a schedule for inspection of Regulator Stations which are “shut in”. Therefore, SED requests that SCG modify Gas Standard 184.0275 to include an inspection schedule for “shut in” Regulator Stations.

**SCG’s RESPONSE:**

SCG acknowledges SED’s recommendation and is currently pursuing revisions to the Gas Standard to instruct inspecting personnel and management employees on how to handle “shut-in” facilities

SCG will update SED when the verbiage has been finalized and added to the Gas Standard.

**SED’s CONCLUSION:**

SED has reviewed SCG response and may review the implementation of the proposed corrective actions during future inspections.

2. SCG Gas Standard 186.0135 Operation and Maintenance of Cathodic Protection Facilities, section 4.3 requires main segments and transmission lines to be monitored at least once each calendar year, but with intervals not exceeding 15 months.

During the records review, SED staff noted that Point “O” of Area SL41-04R could not be located on December 6, 2016. Point “O” was reinstalled on June 22, 2017. The previous reading of Point “O” was December 15, 2015. Therefore, SED requests that SCG modify Gas Standard 184.0275 to create a procedure to address how it will resolve missing CP read points within the inspection window.

**SCG’s RESPONSE:**

SCG practice is that if an existing read point cannot be located during the inspection cycle, the technicians are instructed to document a read of 0.001v for that read point on the Work Order. This identifies the CP Area as being “down” and generates a follow-up Troubleshoot Order. The technicians then work the Troubleshoot Order in an effort to identify the missing read point or establish a new read point, if necessary.

SCG will pursue an update to the procedure to reflect this practice.

**SED’s CONCLUSION:**

SED has reviewed SCG response and may review the implementation of the proposed corrective actions during future inspections.