

PUBLIC UTILITIES COMMISSION505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

August 10, 2018

Jimmie Cho, Senior Vice President
Customer Service & Distribution Operations
Southern California Gas Company
555 West 5th Street, GT21C3
Los Angeles, CA 90013**GI-2018-06-SCG-63****Subject: 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 thru 15, 2018 for the 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.

SED's staff identified two probable violations of G.O. 112-F, Reference Title 49 Code of Federal Regulations (CFR), Part 192, and noted two concerns and these 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 concerns noted in the "Summary of Inspection Findings".

If you have any questions, please contact Desmond Lew, at (213) 576-7020, or by email: desmond.lew@cpuc.ca.gov

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: Matthewson Epuna, SED/GSRB; Kan-Wai Tong, SED/GSRB; Desmond Lew, SED/GSRB; Kelly Dolcini, SED/GSRB

Troy Bauer, Sempra

Summary of Inspection Findings
2018 SCG's 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's 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's 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's system map showed these two valves with the same identification (tag) number and was provided to SCG's 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).

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’s 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).

II. Concerns, Observations and Recommendation

1. SCG’s 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’s 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’s 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.

2. SCG’s 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.