

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

July 11, 2019

GI-2019-04-SCG-62

Mr. Rodger Schwecke, Senior Vice President
Gas Transmission, Storage & Engineering
Southern California Gas Company
555 West 5th Street, GT21C3
Los Angeles, CA 90013

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

Dear Mr. Schwecke:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission reviewed Southern California Gas Company's (SCG) response letter dated July 3rd, 2019 that addressed two (2) violations and five (5) concerns identified during General Order 112-F inspection of SCG's Operations and Maintenance in the San Bernardino, Rimforest, and Beaumont distribution districts, and Operator Qualification program on April 8 through 19, 2019.

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 "Post-Inspection Written Preliminary Findings".

This letter serves as the official closure of the 2019 Comprehensive O&M Inspection of SCG's Mountain Pass Distribution and any matters that are being recommended for enforcement will be processed through the Commission's Citation Program or a formal proceeding.

If you have any questions, please contact Gordon Kuo, at (213) 618-5263, or by email: GK2@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mahmoud Intably".

Mahmoud Intably, P.E.
Program & Project Supervisor
Gas Safety and Reliability Branch
Safety and Enforcement Division

cc: Gordon Kuo, SED (Gk2@cpuc.ca.gov)
Dennis Lee, SED (Mai@cpuc.ca.gov)
Kan-Wai Tong, SED (kwt@cpuc.ca.gov)
Claudia Almengor, SED (Claudia.Almengor@cpuc.ca.gov)

Post-Inspection Written Preliminary Findings

Date of Transmittal: 04/19/2019

Dates of Inspection: 4/8/19-4/19/19

Operator: SOUTHERN CALIFORNIA GAS COMPANY

Operator ID: 18484

Inspection Systems: Mountain Pass Distribution Area

Assets (Unit IDs): Southeast Region Mountain Pass Distribution Area (87045)

System Type: GD

Inspection Name: 2019 SCG Southeast Region Mountain Pass Distribution

Lead Inspector: Gordon Kuo

Operator Representative: Khoa Le, Pipeline Safety and Compliance Advisor

Unsatisfactory Results

1. Records: Operations And Maintenance (PRR.OM)

Question Text: Are construction records, maps and operating history available to appropriate operating personnel?

References 192.605(a) (192.605(b)(3))

Assets Covered Southeast - Mountain Pass (SE: Mountain Pass)

1.1 Issue Summary:

During the field inspection of valve #41-095 at Ramsey St / Woodland Ave, Banning, SED found that the valve was a steel gate valve. According to SCG's records on SCG's employee Mobile Data Terminal (MDT), it showed a 2-inch plastic gate valve with 7 turns to fully close the valve and the employee used the information on the MDT to perform the inspection. Subsequently, SCG's crew contacted Gas Engineering Department and confirmed that the valve is a 2-inch steel gate valve. SED found that SCG failed to update the valve information on its MDT and make it available to its crew during inspection. Therefore, SCG is in violation of G.O. 112-F, Reference Title 49 CFR Part 192, §192.605(a) and §192.605(b) (3).

SCG's Response:

SoCalGas confirmed that valve #41-095 was incorrectly identified in the SAP Asset Maintenance and Inspection system. As a result, the incorrect valve type was sent over to the MDT via CLICK mobile.

Corrective Action:

Immediately upon discovery of this discrepancy, SAP was corrected to change the valve attributes to reflect it is a steel gate valve. An SAP screen shot of valve attributes reflecting correct information is provided in the Appendix.

SoCalGas recognizes the need to continuously develop tools and reports to help identify discrepancies within SAP. One effort recently completed was adding a link in the Enterprise Geographical Information System (EGIS) to all the valves that are listed in SAP. The effort added the valve's SAP equipment number to the pipeline attributes. SoCalGas will explore utilizing this tool identify discrepancies between the EGIS pipe type versus the valve material type listed in SAP.

SED's Conclusion:

SED has reviewed SCG's response and accepts the corrective actions that it has articulated and implemented. SED chose not to impose any fine on this violation. However, SED may review the records of the corrective action during future inspections.

1.2 Issue Summary:

During the field inspection of valve #41-167-3 at N. Hathaway St / Morongo Road, Banning, SED found that the MDT did not specify the number of turns needed to exercise the valve, resulting in a postponement of the valve inspection. SED found that SCG failed to provide its employee with the necessary instructions to perform the inspection. Therefore, SCG is in violation of G.O. 112-F, Reference Title 49 CFR Part 192, §192.605(a) and §192.605(b) (3).

SCG's Response:

Based on the information in the system, the crew had the available information to complete the order per Gas Standard 184.16 / *Valve Inspection and Maintenance – Distribution* section 4.2.2 GEAR OPERATED. Full valve operation is not conducted during the inspection. Thus, SoCalGas contends the number of turns needed to fully operate a valve is not required to complete the inspection. In the event that a valve would need to be fully operated, the number of turns would be captured by the crew and documented. An SAP screen shot of valve attributes is provided in the Appendix.

SoCalGas records, as well as notes from the 2019 Mtn. Pass CPUC SED inspection, indicate the correct valve number located at N. Hathaway St./Morongo Rd. is #41-167-3. The valve is identified as a 4" gear operated ball valve.

SED's Conclusion:

SED has reviewed SCG's response and accepts the clarification that it has articulated. SED chose to withdraw this violation.

Concerns

1. Procedures: Pressure Limiting And Regulating Station (PRO.SUBMOVERPRESS)

Question Text Does the process include procedures for inspecting and testing each pressure limiting station, relief device, and pressure regulating station and their equipment?

References 192.605(b)(1) (192.739(a), 192.739(b))

Assets Covered Southeast - Mountain Pass (SE: Mountain Pass)

Issue Summary:

During the field inspection of SCG's Electric Pressure Monitoring system (EPM) at site ID#41291, SED found that SCG's Gas Standard 185.0466 Engineering Electronics Recorder and EPX-Installation, Inspecting and Calibration, Sections 16.12 and 16.13 did not provide adequate instructions on how to use the new instrument to perform inspection/testing on the EPM. SED recommends that SCG take the necessary steps to review/revise its Gas Standard to address SED's concern.

SCG's Response:

SoCalGas agrees with SED's recommendation to edit Gas Standard 185.0466.

Corrective Action:

SoCalGas Gas Standard 185.0466 / *Mercury Electronic Recorder and ERX – Installing, Inspecting and Calibration* has been edited to add new AM MTU language into section 15. SoCalGas still utilizes EPM's that have not been advanced to the AMI network and are currently on a land line or Verizon wireless network; therefore sections 16.2 of the Gas Standard remains unchanged. The enhanced description of MTU/DCU captures the base description and function of the wireless AM MTU Network as it applies to the EPM's. The Gas Standard is scheduled for publication on August 2019.

SED's Conclusion:

SED has reviewed SCG's response and accepts the corrective actions that it has articulated and implemented. However, SED may review the records of the corrective action during future inspections.

2. Procedures: Corrosion Control (PRO.SUBICORROSION)

Question Text Does the process require CP monitoring criteria to be used that is acceptable?

References 192.605(b)(2) (192.463(a), 192.463(c))

Assets Covered Southeast - Mountain Pass (SE: Mountain Pass)

Issue Summary:

During field inspection, SED observed that the rectifier CAB REC 1 had two CP monitoring test stations that were not in compliance with -0.850 V criteria. SED recommends that SCG take remedial actions to address SED's concern.

SCG's Response:

SoCalGas agrees that read points "E" and "D" were identified as reading out-of-tolerance on April 16, 2019.

Corrective Action:

SoCalGas began troubleshooting CAB REC 1 on April 17, 2019. During troubleshooting activity, it was determined that a new anode bed was required. SAP Notification #30146087 was initiated, and a new anode bed was installed on May 13-14, 2019. The new anodes were tied into the rectifier on May 15, 2019 and the area was allowed to polarize. On May 22, 2019 the Cathodic Protection (CP) area was read within tolerance with the following reads being recorded:

SED's Conclusion:

SED has reviewed SCG's response and accepts the corrective actions that it has articulated and implemented. However, SED may review the records of the corrective action during future inspections.

3. Pipeline Field Inspection: Pipeline Inspection (Field) (FR.FIELDPIPE)

Question Text Are meters and service regulators being located consistent with the requirements of 192.353?

References 192.351 (192.353(a), 192.353(b), 192.353(c), 192.353(d))

Assets Covered Southeast - Mountain Pass (SE: Mountain Pass)

Issue Summary:

During the field inspection, SED observed that an aboveground customer Meter Set Assembly (MSA) - Aluminum case meters was touching/in contact with dirt at test station location's CVLY7 CP point read A and at 35438 Wildwood Canyon Rd. SCG's Gas Standard 185.0001 Condition/Location of Meter Installation and Report of Inaccessible/Removed Meters, Section 3.7 requires this potentially hazard condition to be addressed and corrected. SED recommends that SCG take remedial action to address SED's concern.

SCG's Response:

Condition/Location of Meter Installation and Report of Inaccessible/Removed Meters is SoCalGas standard 140.04, which is a Meter Reading Gas Standard and is not a required Gas Standard for Gas Operations.

According to SoCalGas CP records, as well as notes from the 2019 Mtn. Pass CPUC SED inspection, the correct address for CVLY7 read point "A" is 38961 Lewis Ct. in Cherry Valley. Additionally, Gas Standard 185.0001 is titled *Meter Location* and not *Condition/Location of Meter Installation and Report of Inaccessible/Removed Meters* as referenced by SED. Additionally, Gas Standard 185.001 makes no reference to MSAs in contact with the ground.

Corrective Action:

SoCalGas acknowledges that CP employees conducting field activities that involve observing a customer above ground MSAs should understand the need to identify, report and when possible correct a potential unsatisfactory condition. SoCalGas will share this information with Gas Operations System Protection employees system wide. A SoCalGas technician immediately cleared the dirt from below the MSA during the inspection.

SED's Conclusion:

SED has reviewed SCG's response and accepts the corrective actions that it has articulated and implemented. However, SED may review the records of the corrective action during future inspections.

4. Topical Content (OQ, PA, CRM): OQ Field Inspection (MISCTOPICS.PROT9)

Question Text Verify the individuals performing covered tasks are cognizant of the AOCs that are applicable to the tasks observed.

References 192.801(a) (192.809(a))

Assets Covered Southeast - Mountain Pass (SE: Mountain Pass)

Issue Summary:

During the field inspection, SED observed SCG's employee performing a leak survey. SED made him aware of a MSA touching/in contact with dirt. In addition, he failed to take the necessary steps to address this condition as an AOC described in SCG's Gas Standard 223.0100, Leakage Surveys, Section 7, that requires a leak surveyor to issue order for corrective actions. SED recommends that SCG take the necessary steps to ensure its employees adhere to its Gas Standards when performing O&M activities.

SCG's Response:

SoCalGas disagrees with SED's interpretation that the employee failed to follow GS 223.0100 / *Leakage Surveys* Section 7- Records. There is no reference to a requirement to issue a follow-up order within this section of the Gas Standard. Section 7 of the identified Gas Standard references the records to be documented as it relates to leaks identified during the leak survey, completing the leak survey order in the Mobile Data Terminal (MDT), instructions for completing the paper survey map, and record retention requirements for leakage survey. The SoCalGas technician successfully completed the leakage survey via his MDT and successfully documented the leak survey on the paper map.

Furthermore, an Abnormal Operation Condition (AOC) was not at issue. Section 4.11 / *Abnormal Operating Conditions* of Gas Standard 223.0100 references that a meter that is "buried" in earth is an AOC. The meter observed during the audit was not "buried" at the time of the inspection and was only observed to be "touching" the bottom of the meter.

Corrective Action:

SoCalGas does acknowledge that the survey technician could take note of these types of conditions to prevent the meter from potentially becoming buried in the future. The individual technician, and the San Bernardino gas operations employees, were reminded of their responsibilities in recognizing and reporting AOCs while conducting leak surveys per Gas Standard 223.0100 Section 4.11. Additionally, SAP work order #5200002068733 was issued for the address of 35451 Wildwood Canyon to raise the meter. This work was completed on April 18, 2019. See picture attached in Appendix.

SED's Conclusion:

SED has reviewed SCG's response and accepts the corrective actions that it has articulated and implemented. However, SED may review the records of the corrective action during future inspections.

5. Generic Questions: Generic Questions (GENERIC.GENERIC)

Question Text: Generic question - please provide context in result notes.

References: N/A

Assets Covered: Southeast - Mountain Pass (SE: Mountain Pass)

Issue Summary:

During the field inspection, SED observed that vault #1312 had cracks on the concrete walls within a regulating station. In addition, the vault's cover/lid had a broken spring support. SCG's Gas Standard 223.0210, Vault Maintenance and Inspection, Section 4.6, requires employees to contact the Mechanical, Civil and Structural Design Group in Engineering Design to assess the integrity of the structural condition of the vault for such conditions. SED recommends that SCG take remedial actions to address SED's concerns.

SCG's Response:

SoCalGas recognized the conditions identified by SED. However, the conditions identified within the vault were considered minor cracks and did not warrant contacting the Mechanical, Civil and Structural Design Group in Engineering Design. There was no exposed rebar or presence of large crushed concrete, as provided in Section 4.6:

Corrective Action:

SoCalGas takes the safety of their employees and assets very seriously and SAP Work Order 540000329706 was initiated to replace the vault lids and repair the crack on the vault wall. On June 10, 2019 a third-party construction crew replaced the lids and patched the vault wall. Pictures of completed work can be found in the Appendix.

SED's Conclusion:

SED has reviewed SCG's response and accepts the corrective actions that it has articulated and implemented. However, SED may review the records of the corrective action during future inspections.