

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

June 4, 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: General Order 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 conducted a G.O. 112-F Comprehensive Operation and Maintenance Inspection of Southern California Gas Company's (SCG) Mountain Pass Distribution Area (Inspection Unit) on April 8 through April 19, 2019 for calendar years 2016 thru 2018. 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 San Bernardino, Rimforest, and Beaumont 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 five concerns and these are described in the attached "Post-Inspection Written Preliminary 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 "Post-Inspection Written Preliminary Findings".

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 that reads "Dennis Lee".

Dennis Lee, P.E.
Program & Project Supervisor
Gas Safety and Reliability Branch
Safety and Enforcement Division

cc: Gordon Kuo, SED (Gk2@cpuc.ca.gov)
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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)

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| Issue Summary | <ol style="list-style-type: none">1. 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).
2. During the field inspection of valve #41-163-7 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). |
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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.

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.

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.

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 the 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.

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/led 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.