

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



September 10, 2019

GI-2019-06-SCG-59

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 Closure letter for General Order 112-F Comprehensive Gas Inspection of Southern California Gas Company's Orange North 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 September 6, 2019 that addressed two (2) violations and nine (9) recommendations identified during General Order 112-F Comprehensive Operation and Maintenance Inspection of Southern California Gas Company's (SCG) Orange North Distribution Area (Inspection Unit) conducted on June 03 thru 14, 2019.

Attached is a summary of SED's inspection findings, SCG's responses to SED's findings, and SED's evaluation of SCG's responses to the findings.

This letter serves as the official closure of the 2019 Comprehensive Operation and Maintenance Inspection of Southern California Gas Company's (SCG) Orange North Distribution Area. Any matters that are being recommended for enforcement will be processed through the Commission's Citation Program or a formal proceeding.

Thank you for your cooperation in this inspection. If you have questions, please contact Durga Shrestha, at (213) 576-5763 or by e-mail at ds3@cpuc.ca.gov.

Sincerely,

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

Mahmoud (Steve) Intably
Program and Project Supervisor
Gas Safety and Reliability Branch
Safety and Enforcement Division

cc: Kan-Wai Tong, SED (Kwt@cpuc.ca.gov)
Durga Shrestha, SED (ds3@cpuc.ca.gov)
Claudia Almengor, SED (Claudia.Almengor@cpuc.ca.gov)

Post-Inspection Written Preliminary Findings

Date of Transmittal: 08/07/2019

Dates of Inspection: June 03 thru 14, 2019

Operator: SOUTHERN CALIFORNIA GAS CO (SCG)

Operator ID: 18484

Inspection Systems: SCG Orange North Distribution Area (Inspection Unit)

Assets (Unit IDs): Southeast Area – Orange North (87042)

System Type: GD

Inspection Name: SCG Orange North Distribution Area

Lead Inspector: Durga Shrestha

Operator Representative: Khoa Le, Senior Pipeline Safety and Compliance Advisor

Unsatisfactory Results

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

Question Text: Is sampling of combustible gases adequate using an instrument capable of determining the percentage of gas in air at which it becomes readily detectable?

References: 192.625(a) (192.625(c), 192.625(d), 192.625(e), 192.625(f), 192.605(a))

Assets Covered: Southeast - Orange North (87042) (59)

Issue Summary: SCG's Gas Standard 189.005 "Operation of Odorometer", section 3.1.2. requires employees to have gas sample point with a gas at pressure of 5 psig or less in order to ensure the safety of the equipment and employees. During the field inspection for odor intensity test on June 12, 2019, SED noted that an SCG's employee conducted gas odorant intensity test without checking the pressure at gas sample point. When SED staff requested for checking the outlet pressure of the regulator, it was found that the pressure at the gas sample point was 6.2 psig which was higher than the pressure permitted by the Gas Standard. As such, SCG's employee failed to follow the Gas Standard and potentially created an unsafe condition to the testing equipment and its employees. This is a repeated issue and was raised previously in the 2017's G.O. 112-F operation and maintenance inspection of SCG's leak survey program in the Orange North Distribution Area. On December 21, 2017, SCG's responded that "SoCalGas will adhere to SED's recommendation and an Information Bulletin will be issued for Gas Operations employee review". SED requested a copy of the Information Bulletin but SCG failed to provide it. Therefore, SCG is in

violation of G.O. 112-F, Reference Title 49 CFR, Part 192, §192.605(a) for failure to follow the Gas Standard “Operation of Odorometer”.

SCG’s Response:

SoCalGas will edit the language in procedure 189.005 to read as follows:

“3.1.2 Sample point with gas available at pressure, verified by gauge, of 5 psig or less. If the pressure is higher, an appropriate regulator should be used to adjust pressure to 5 psig or less before proceeding with test.”

In addition, a sticker will be placed onto each odorometer near the inlet tube connection reading “5 psi MAX.”

In reference to the bulletin, at the time the closure letter for 2017 Orange North Distribution Area was received from SED on February 22, 2018, the procedure had been updated and was published on March 1, 2018 and the notice of publication process requires the qualified and impacted employees review the procedure. An Information Bulletin is normally issued as an interim measure while the Gas Standard is formally updated. In this case, the Gas Standard update was completed and communicated to employees shortly after the SED closure letter was received, superseding the Information Bulletin.

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.

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

Question Text: Verify the individuals performing the observed covered tasks are currently qualified to perform the covered tasks.

References: 192.801(a), (192.809(a), 192.605(a))

Assets Covered: Southeast - Orange North (87042 (59))

Issue Summary: During bridge and span field inspection on June 12, 2019, SCG’s technician stated that during these inspections, if a pipeline marker is discovered missing or damaged and if the technician is able to replace or repair it during the inspection, he would mark “no” in the Bridge & Span Inspection Checklist, when asked “Are there any markers missing...?” without recording any corrective action required or having to create any kind of follow up order.

SCG’s Gas Standard 184.12 “Inspection of Pipelines on Bridges and Spans”, section 2.3. states that *“When any condition is found identified by a “yes” answer on the “Bridge and Span Inspection Checklist”, the employee performing the inspection will report the condition to his/her immediate supervisor the same day the condition is discovered.”*

According to the Gas Standard above, SCG’s technician is required to assess and record the bridges and spans at the “as-found” conditions. SED believes

that the technician should have marked it as “Yes” on the Inspection Checklist since the condition was “as-found”, and then the technician should have stated and properly recorded any corrective action needed.

This issue was raised as a concern and SCG assured SED that it would take corrective actions as appropriate during 2017 G.O. 112-F inspection of SCG’s Coastal Transmission Area and 2017 G.O. 112-F inspection of SCG’s leak survey program in the Orange North Distribution Area.

Therefore, SCG is in violation of G.O. 112-F, Reference Title 49 CFR, Part 192, §192.605(a) for failure to follow its Gas Standard “Inspection of Pipelines on Bridges and Spans”

SCG’s Response:

SoCalGas will address the reporting of conditions “as-found” that are encountered while performing Bridge and Span Inspections by revising Gas Standard 184.12 “Inspection of Pipelines on Bridges and Spans.” Section 2.3 will be revised to provide clarification that an employee who encounters an “as-found” condition is required to enter “yes” on the “Bridge and Span Inspection Checklist.” Remedial actions taken to address an “as-found” condition will also be recorded on the “Bridge and Span Inspection Checklist.” An Information Bulletin will be circulated to communicate the revisions and to reinforce the reporting requirements for “as-found” conditions that are encountered while performing Bridge and Span inspections.

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.

Concerns

1) Records: Corrosion Control (PRR.CORROSION)

Question Text: Do records adequately document actions taken to correct any identified deficiencies in corrosion control?

References: 192.491(e) (192.465(d))

Assets Covered: Southeast - Orange North (87042 (59))

Issue Summary: During the field inspections of CP facilities, SED observed that the pipe-to-soil reads at the following locations as shown in the table below were out of tolerance (low P/S reads) from its -0.850 volts criterion:

Read point	District	Read, V	SCG’s remedial actions
CP507-2B – Read point M	La Jolla	-0.417	Follow-up order #520002102606 issued

8427 Secura Way, Santa Fe Springs	Whittier	-0.660	P/S read brought up to -1.010 V on 6/12/2019
13548 Pumice St., Norwalk	Downey	-0.480	P/S read brought up to -1.630 V on 6/10/2019
241 E. Imperial, La Habra	Downey	-0.761	Order issued for crew install 1# anode
5412 Gage Ave., Bell Gardens	Downey	-0.493	Not a CP 10 point
6331 Florence Pl., Bell Gardens	Downey	-0.651	Not a CP 10 point
12750 Centralia St., Lakewood, #147	Downey	-0.308	P/S read brought up to -1.630 V on 6/10/2019
12750 Centralia St., Lakewood, #111	Downey	-0.677	P/S read brought up to -1.630 V on 6/10/2019

SED recommends SCG to take the necessary steps to address the out of tolerance CP reads.

SCG's Response:

SoCalGas addressed the out-of-tolerance areas and results for areas identified are listed below.

Read point	District	Audit Read, V	Follow-up Read	Follow-up Read Date	SoCalGas' remedial actions
CP507-2B – Read point M	La Jolla	-0.417	-0.950V	7/10/2019	Follow-up SAP order #520002102606 issued. Shorted MSA found & cleared
8427 Secura Way, Santa Fe Springs	Whittier	-0.660	-1.010V	6/12/2019	P/S read brought up to -1.010V on 6/12/2019
13548 Pumice St., Norwalk	Downey	-0.480	-1.630V	6/10/2019	P/S read brought up to -1.630V on 6/10/2019
241 E. Imperial, La Habra	Downey	-0.761	-1.570V	7/05/2019	Follow-up SAP order #100014405673 issued. Anode installed.
5412 Gage Ave., Bell Gardens	Downey	-0.493	N/A	N/A	SoCalGas verified address is not a CP 10 point. Records updated.
6331 Florence Pl., Bell Gardens	Downey	-0.651	N/A	N/A	SoCalGas verified address is not a CP 10 point. Records updated.
12750 Centralia St., Lakewood, #147	Downey	-0.308	-1.630V	6/10/2019	P/S read brought up to -1.630V on 6/10/2019
12750 Centralia St., Lakewood, #111	Downey	-0.677	-1.630V	6/10/2019	P/S read brought up to -1.630V on 6/10/2019

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) Records: Operations And Maintenance (PRR.OM)

Question Text: Do records indicate periodic review of work done by operator personnel to determine the effectiveness of the abnormal operation processes and corrective action taken where deficiencies are found?

References: 192.605(a) (192.605(c)(4))

Assets Covered: Southeast - Orange North (87042 (59))

Issue Summary: SCG's responded that *SoCalGas and SDG&E will move to address 192.605(b)(8) through the Operator Qualification (OQ) program and away from using the D8168 QA Leak Survey Audit and other Self Audit procedures to address this code section. The OQ program provides a better opportunity, while evaluating of employees performing work as part of the OQ evaluation, to also determine the effectiveness and adequacy of the process and procedures. During the evaluation, the evaluator and employee will address the effectiveness and adequacy of the processes and procedures used in normal operations and maintenance.*

The above statement addressed the effectiveness and adequacy of the processes and procedures used in **normal operations and maintenance**. However, it does not address the effectiveness of the abnormal operation processes and corrective action taken where deficiencies are found. SED recommends SCG to add language to address abnormal operation processes and corrective actions taken.

SCG's Response:

SoCalGas and SDG&E will address 192.605(b)(8) and 192.605(c)(4) through the operator qualification program. During the evaluation, the evaluator and employee will address:

- 1) the effectiveness and adequacy of the processes and procedures used in normal operations and maintenance; and
- 2) the effectiveness of the procedures controlling abnormal operation and taking corrective action where deficiencies are found (Evaluation of AOC's and Reactions).

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.