

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 10, 2015

Jimmie Cho, Senior Vice President
Gas Operations and System Integrity
Southern California Gas Company
555 West 5th Street, GT21C3
Los Angeles, CA 90013

GI-2015-02-SCG51-01A

Subject: General Order (G.O.) 112-E Operation and Maintenance Inspection of Southern California Gas Company's Cathodic Protection Facilities in the Basin Transmission Area

Dear Mr. Cho:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a G.O. 112-E Operation and Maintenance Inspection of Southern California Gas Company's (SCG) Cathodic Protection (CP) Facilities in the Basin Transmission Area (Inspection Unit) on February 2-6, 2015. The inspection included a review of the Inspection Unit's cathodic protection and odorant records for calendar years 2013 and 2014 and random field inspections of pipeline facilities in the Brea, Olympic, and Saticoy transmission districts. SED staff also reviewed the Inspection Unit's Operator Qualification records, which included field observation of randomly selected individuals performing covered tasks.

SED staff identified one probable violation of G.O. 112-E, Reference Title 49 Code of Federal Regulations (CFR), Part 192 during the course of this inspection. SED also made one recommendation during the course of this inspection. Both are described in the "Summary of Inspection Findings", which is enclosed with this letter.

Please provide a written response within 30 days of receipt of this letter indicating any updates or corrective actions taken by SCG. Pursuant to Commission Resolution ALJ-274, SED staff has the authority to issue citations for each violation discussed during the inspection. SED will notify SCG of the enforcement action it plans to take after it reviews SCG's inspection response.

If you have any questions, please contact Michelle Wei, at (213) 620-2780.

Sincerely,

Kenneth Bruno
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division

Kenneth Bruno
4/10/15

CC: Michelle Wei, SED/GSRB
Jeff Koskie, Sempra
Kan Wai Tong, SED/GSRB

**Summary of Inspection Findings
2014 SCG Basin Transmission Inspection
February 2-6, 2015**

I. SED Identified Probable Violations

Title 49 CFR Part 192, Section 192.465(d) – External Corrosion Control: Monitoring

"Each operator shall take prompt remedial action to correct any deficiencies as indicated by the monitoring."

SED discovered that the Inspection Unit did not create a follow up work order to address a high casing read outside tolerances on Work Order #5147205 (point 1016-8.150-C) dated March 8, 2013. Further investigation found that this read was likely a mis-read, as the routine read a year later on February 19, 2014 indicated within tolerances. Since SCG did not promptly address the high casing read, SED found SCG in violation of Title 49 CFR Part 192, Section 192.465(d). However, SED acknowledges that the new QA/QC process instituted by SCG in 2014 would have caught this error and will likely prevent similar errors in the future.

II. Concerns and Recommendations Summary

During review of Odor Intensity Test Reports, SED found several test reports where instrument numbers (CT #) were recorded incorrectly on the odorant records. Some numbers were transposed or reversed (e.g. for CT 74452, the numbers were recorded as 54472 or 74472) while others were completely wrong (e.g. no instrument records were found for CT 46137). SED recommends that SCG emphasize the importance of accurate records with its field crews and their supervisors, so that the correct instrument numbers can be tracked and referenced for calibration and maintenance history.