

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 3, 2021

GI-2021-01-SDG-53-03

Mr. Rodger Schwecke,
Senior Vice President and Chief Infrastructure Officer
San Diego Gas and Electric Company
555 West 5th Street, GT21C3
Los Angeles, CA 90013

Dear Mr. Schwecke:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission reviewed Sand Diego Gas and Electric Company's (SDG&E) Gas Standards and Procedures response letter dated April 14, 2021, that addressed four (4) areas of concern identified during **General Order (G.O.) 112-F Comprehensive Review and Inspection of SDG&E's Operation and Maintenance (O&M) Procedures** conducted on January 11 through 15, 2021.

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

This letter serves as official closure of the 2021 Comprehensive Review and Inspection of SDG&E's O&M Gas Standards and Procedures. Any matters that are being considered 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 any questions, please contact Desmond Lew, Senior Utilities Engineer (Specialist), at (213) 576-7020 or by email at dl4@cpuc.ca.gov.

Sincerely,

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

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

Attachment

cc: See next page

Troy Bauer, Manager
Pipeline Safety and Compliance
San Diego Gas and Electric Company
555 West 5th Street
Los Angeles, CA 90013

Gwen Marelli, Senior Director
Safety Management Systems
San Diego Gas and Electric Company
555 West 5th Street
Los Angeles, CA 90013

Terence Eng, P.E.
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division

Kan-Wai Tong, P.E.
Senior Utilities Engineer (Supervisor)
Gas Safety and Reliability Branch
Safety and Enforcement Division

Desmond Lew, P.E.
Senior Utilities Engineer (Specialist)
Gas Safety and Reliability Branch
Safety and Enforcement Division

Claudia Almengor
Associate Governmental Program Analyst
Gas Safety and Reliability Branch
Safety and Enforcement Division

Post-Inspection Written Preliminary Findings

Dates of Inspection: January 11, through January 15, 2021

Operator: SAN DIEGO GAS & ELECTRIC CO

Operator ID: 18112 (primary)

Inspection Systems: SDG&E OME Update

Assets (Unit IDs): SDG&E's Main Office Inspection - Transmission

System Type: GT

Inspection Name: 2021 SDG&E's Procedure Transmission

Lead Inspector: Desmond Lew

Operator Representative: Alexander Hughes

Unsatisfactory Results

No Preliminary Findings.

Concerns

Assessment and Repair: Integrity Assessment Via Pressure Test (AR.PTI)

Question 3. Were test acceptance criteria and processes sufficient to assure the basis for an acceptable pressure test?

References 192.503(a) (192.503(b), 192.503(c), 192.503(d), 192.505(a), 192.505(b), 192.505(c), 192.505(d), 192.507(a), 192.507(b), 192.507(c), 192.513(a), 192.513(b), 192.513(c), 192.513(d), 192.921(a)(2))

Assets Covered SDG&E's Main Office Inspection - Transmission (88389 (53A))

Issue Summary Title 49 CFR Part 192, §192.505(d) - Strength test requirements for steel pipeline to operate at a hoop stress of 30 percent or more of SMYS states:

"For fabricated units and short sections of pipe, for which a post installation test is impractical, a preinstallation strength test must be conducted by maintaining the pressure for at least 4 hours."

SDG&E's Gas Standard (GS) G7361, Pipeline Testing Requirements, §4.2.2, states in part:

"Horizontally Directionally Drilled (HDD) pipe where a post-installed pressure test failure would be difficult to locate, repair or replace, shall be pretested for a minimum test

duration of 4 hours at the planned post-construction hold pressure if the pipe segment will be operating at 30% SMYS or greater."

SED recommends SDG&E revise this section to be consistent with the language stated in the regulation and to remove any ambiguity or misconception of the meaning that includes addressing:

- "short sections of pipe" and
- "a preinstallation strength test must be conducted"

SDG&E's Response:

A post-installation pressure test is required for all HDDs as stated in GS7361. For clarity's sake, we added the following changes to GS7361 Section 4.2.2: The term "*planned hold post-construction pressure*" has been changed to "*planned hold post-installation test pressure*;" and the statement was revised to clarify the need for a post-installation pressure test, "*Regardless of whether a pre-test is completed, a post-installation pressure test is required to be performed that meets the requirements in Table 2.*"

Section 4.2.1 addresses the pressure test requirements for "short sections of pipe" which meets the requirements of 192.505 (d).

SED's Conclusion:

SED has reviewed SDG&E'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.

Maintenance and Operations: ROW Markers, Patrols, Leakage Survey and Monitoring (MO.RW)

Question 5. Does the process adequately cover the requirements for placement of ROW markers?

References 192.707(a) (192.707(b), 192.707(c), 192.707(d))

Assets Covered SDG&E's Main Office Inspection - Transmission (88389 (53A))

Issue Summary SED reviewed SDG&E's Gas Standard (GS) G8141, Pipeline Markers for compliance in the course of this inspection. §2.3 of the GS states:

"The installation and maintenance of pipeline markers must be conducted by trained personnel familiar with the location and operation of the pipeline."

While trained personnel may be knowledgeable in installing and maintaining pipeline, unless they have been qualified, they cannot perform the covered task "maintaining line markers for buried main and transmission". SED recommends SDG&E to revise §2.3 to replace "trained personnel" with "qualified personnel" and to ensure consistency with §6 Operator Qualification Covered Tasks, Covered Task 08.02 – Title 49 CFR, Part 192, §192.707 Maintaining line markers for buried main and transmission lines.

SDG&E's Response:

In September 2020, the Gas Standard G8141 section 2.3 was updated to state as follows:

*2.3. The installation and maintenance of pipeline markers must be conducted by **qualified** and trained personnel familiar with the location and operation of the pipeline.*

SED's Conclusion:

SED has reviewed SDG&E'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.

Post-Inspection Written Preliminary Findings

Dates of Inspection: January 11, through January 15, 2021

Operator: SAN DIEGO GAS & ELECTRIC CO

Operator ID: 18112 (primary)

Inspection Systems: SDG&E OME Update

Assets (Unit IDs): SDG&E's Main Office Inspection - Distribution

System Type: GD

Inspection Name: 2021 SDG&E's Procedure Distribution

Lead Inspector: Desmond Lew

Operator Representative: Alexander Hughes

Unsatisfactory Results

No Preliminary Findings

Concerns

Assessment and Repair: Integrity Assessment Via Pressure Test (AR.PTI)

Question 1. Were test acceptance criteria and procedures/processes sufficient to assure the basis for an acceptable pressure test?

References 192.503(a) (192.503(b), 192.503(c), 192.503(d), 192.505(a), 192.505(b), 192.505(c), 192.505(d), 192.505(e), 192.507(a), 192.507(b), 192.507(c), 192.513(a), 192.513(b), 192.513(c), 192.513(d))

Assets Covered SDG&E's Main Office Inspection - Distribution (88390 (53B))

Issue Summary Title 49 CFR Part 192, §192.505(d) - Strength test requirements for steel pipeline to operate at a hoop stress of 30 percent or more of SMYS states:

"For fabricated units and short sections of pipe, for which a post installation test is impractical, a preinstallation strength test must be conducted by maintaining the pressure for at least 4 hours."

SDG&E's Gas Standard (GS) G7361, Pipeline Testing Requirements, §4.2.2, states in part:

"Horizontally Directionally Drilled (HDD) pipe where a post-installed pressure test failure would be difficult to locate, repair or replace, shall be pretested for a minimum test duration of 4 hours at the planned post-construction hold pressure if the pipe segment will be operating at 30% SMYS or greater."

SED recommends SDG&E revise this section to be consistent with the language stated in the regulation and to remove any ambiguity or misconception of the meaning that includes addressing:

- "short sections of pipe" and
- "a preinstallation strength test must be conducted"

SDG&E's Response:

A post-installation pressure test is required for all HDDs as stated in GS7361. For clarity's sake, we added the following changes to GS7361 Section 4.2.2: The term "planned hold post-construction pressure" has been changed to "planned hold post-installation test pressure;" and the statement was revised to clarify the need for a post-installation pressure test, "Regardless of whether a pre-test is completed, a post-installation pressure test is required to be performed that meets the requirements in Table 2."

Section 4.2.1 addresses the pressure test requirements for "short sections of pipe" which meets the requirements of 192.505 (d).

SED's Conclusion:

SED has reviewed SDG&E'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.

Maintenance and Operations: ROW Markers, Patrols, Leakage Survey and Monitoring (MO.RW)

Question 9. Does the process adequately cover the requirements for placement of ROW markers?

References 192.707(a) (192.707(b), 192.707(d), CGA Best Practices, v4.0, Practice 2-5, CGA Best Practices, v4.0, Practice 4-20)

Assets Covered SDG&E's Main Office Inspection - Distribution (88390 (53B))

Issue Summary SED reviewed SDG&E's Gas Standard (GS) G8141, Pipeline Markers for compliance in the course of this inspection. §2.3 of the GS states:

"The installation and maintenance of pipeline markers must be conducted by trained personnel familiar with the location and operation of the pipeline."

While trained personnel may be knowledgeable in installing and maintaining pipeline, unless they have been qualified, they cannot perform the covered task "maintaining line markers for buried main and transmission". SED recommends SDG&E to revise §2.3 to replace "trained personnel" with "qualified personnel" and to ensure consistency with §6 Operator Qualification Covered Tasks, Covered Task 08.02 – Title 49 CFR, Part 192, §192.707 Maintaining line markers for buried main and transmission lines.

SDG&E's Response:

In September 2020 the Gas Standard G8141 section 2.3 was updated to state as follows:

*2.3. The installation and maintenance of pipeline markers must be conducted by **qualified** and trained personnel familiar with the location and operation of the pipeline.*

SED's Conclusion:

SED has reviewed SDG&E'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.