

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



September 26, 2022

Mr. Mathieu Fournier
VP Storage of Eng/Ops (mathieu.fournier@rockpointgs.com)
Lodi Gas Storage, LLC.
P.O. Box 230
Acampo, CA 95220

GI-2022-06-LGS-37-08

SUBJECT: General Order (GO) 112-F Gas Inspection of Lodi Gas Storage Transmission Integrity Management Program (TIMP) and Section 114 Inspection

Dear Mr. Fournier:

On behalf of the Safety and Enforcement Division (SED) of the California Public Utilities Commission (CPUC), Paul Penney and Kai Cheung conducted a General Order 112-F inspection of Lodi Gas Storage's (LGS) Transmission Integrity Management Program (TIMP) from June 6 to 8, 2022. SED also conducted a PIPES Act 2020, Section 114 inspection.

SED staff identified one probable violation of GO 112-F and Part 192, and two (2) recommendations. Please provide a written response within 30 days of receipt of this letter indicating any updates or corrective actions taken by LGS to address the one probable violation and two recommendations.

If you have any questions, please contact Paul Penney at (415) 703-1817 or by email at paul.penney@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Terence Eng".

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

Enclosure: Post-Inspection Written Preliminary Findings

cc: Greg Clark, LGS (greg.clark@rockpointgs.com)
Andy Anderson, LGS (andy.anderson@rockpointgs.com)
Dennis Lee, SED (dennis.lee@cpuc.ca.gov)
Kai Cheung, SED (kai.cheung@cpuc.ca.gov)

Post-Inspection Written Preliminary Findings

Dates of Inspection: 6/6/2022→6/8/2022

Operator: LODI GAS STORAGE (LGS)

Operator ID: 31697 (primary)

Inspection Systems: Lodi Transmission Pipeline

Assets (Unit IDs) with results in this report: Transmission Lines between the underground storage & the Compressor Station and between the Compressor Station and the PG&E Intertie

System Type: GT

Inspection Name: (2022) Lodi Gas Storage TIMP Audit

Lead Inspector: Paul Penney

Operator Representative: Greg Clark, et. all

Integrity Management : High Consequence Areas (IM.HC)

Question Title, ID IM High Consequence Areas - HCA Identification, IM.HC.HCAID.R

Question 2. Do records demonstrate that the identification of pipeline segments in high consequence areas was completed in accordance with process requirements?

References 192.947(d) (192.905(a), 192.907(a), 192.911(a))

Assets Covered Trans Line between storage & PG&E (TLstorage)

Issue Summary Title 49 Code of Federal Regulations (49 CFR) 192.911(a) states in part:

"...The initial program framework and subsequent program must, at minimum, contain the following elements. (When indicated, refer to ASME/ANSI B31.8S (incorporated by reference, see §192.7) for more detailed information on the listed element.)

(a) An identification of all high consequence areas, in accordance with §192.905..." [Underline Added]

Title 49 Code of Federal Regulations (49 CFR) 192.905(a) references 192.903, which defines a High Consequence Area (HCA) as:

*...
High consequence area means an area established by one of the methods described in paragraphs (1) or (2) as follows:*

(1) An area defined as -

(i) A Class 3 location under § 192.5; or

(ii) A Class 4 location under § 192.5; or

(iii) Any area in a Class 1 or Class 2 location where the potential impact radius is greater than 660 feet (200 meters), and the area within a potential impact circle contains 20 or more buildings intended for human occupancy; or

(iv) Any area in a Class 1 or Class 2 location where the potential impact circle contains an identified site.

...

LGS's high consequence area (HCA) survey records showed three HCAs. One of those HCAs was identified in 2021 even though it should have been identified at the beginning of the program in 2004; the definition of HCA has not changed. LGS is, therefore, in violation of 49 CFR 192.911(a), and by extension 49 CFR 192.905(a) which references the definition of an HCA in Class 1 or 2 locations using Method (1) for not identifying all HCAs at the beginning of 2004.

Integrity Management : Continual Evaluation and Assessment (IM.CA)

Question Title, ID Waiver from Reassessment Interval in Limited Situations, IM.CA.REASSESSWAIVER.P

Question 9. Does the process include requirements for reassessment interval waivers (special permit per 190.341)?

References 192.943(a) (192.943(b))

Assets Covered Trans Line between storage & PG&E (TLstorage)

Issue Summary

Recommendation: A reference to 49 CFR 190.341 should be added to Element 6, Section 6.8

Integrity Management : Moderate Consequence Areas (IM.MC)

Question Title, ID MCA Identification, IM.MC.MCAIDENTIF.P

Question 2. What is the methodology being used for identifying MCAs?

References 192.624(a)(2) (192.710(a)(2),)

Assets Covered Trans Line between storage & PG&E (TLstorage)

Issue Summary The procedure for identifying Moderate Consequence Areas (MCAs) is currently in the O&M Procedure

Recommendation: SED recommends putting the methodology for identifying MCAs in the same section of the TIMP plan as for HCAs. SED staff similarly recommends that LGS put all sections related to MCAs (currently in the O&M Plan) in the TIMP Plan.