

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 1, 2024

Mr. Darrell Hall
Vice President of Operations
Caliche Development Partners II, LLC
919 Milam St. Suite 2425
Houston, TX 77002

GI-2023-12-CVS-39-01ABC

SUBJECT: General Order (GO) 112-F Gas Inspection of Central Valley Gas Storage

Dear Mr. Hall,

On behalf of the Safety and Enforcement Division (SED) of the California Public Utilities Commission (CPUC), Anthony Phu and Yi (Rocky) Yang conducted a General Order 112-F inspection of Central Valley Gas Storage (CVGS) from Dec 18th to Dec 21st, 2023. The inspection included a review of CVGS's records for the period of 2018 through 2022, as well as a representative field sample of the CVGS's facilities. SED staff also reviewed the CVGS's operator qualification records, which included field observation of individuals performing covered tasks.

SED staff identified one (1) probable violation of G.O. 112-F, Reference Title 49 CFR, Part 192, and noted six (6) areas of concern which are described in the attached "Post-Inspection Written Preliminary Findings" reports. The Summary reflects only those records and pipeline facilities that SED inspected.

Within 30 days of your receipt of this letter, please provide a written response indicating the measures taken by CVGS to address the violations and concerns noted in the Summary.

If you have any questions, please contact Yi (Rocky) Yang at (415) 940-8639 or by email at yi.yang@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:

Dennis Chappell, CVGS Plant Manager
Matthewson Epuna, SED
Claudia Almengor, SED

Post-Inspection Written Preliminary Findings

Dates of Inspection: 12/18/2023 – 12/21/2023

Operator: CENTRAL VALLEY GAS STORAGE, LLC

Operator ID: 32603 (primary)

Inspection Systems: Central Valley Gas Storage Transmission

Assets (Unit IDs) with results in this report: Central Valley Gas Storage (86918)

System Type: GT

Inspection Name: 2023 Central Valley Gas Storage Standard Transmission

Lead Inspector: Yi Yang

Operator Representative: Dennis Chappell

Unsatisfactory Results

1. Facilities and Storage : Compressor Station System Protection (FS.CSSYSPROT)

Maintenance and Operations : Gas Pipeline Overpressure Protection (MO.GMOPP)

Question Title, ID Compressor Station Design/Construction - Pressure Relief, FS.CSSYSPROT.CMPRELIEF.R

Question 19. Do records document with adequate detail that all inspection and testing of compressor station pressure relief devices with the exception of rupture disks have occurred at the required interval?

References 192.709(b) (192.709(c), 192.731(a), 192.731(b), 192.731(c))

Assets Covered Central Valley Gas Storage (86918 (39))

Question Title, ID Pressure Limiting and Regulating Stations Capacity of Relief Devices, MO.GMOPP.PRESSREGCAP.R

Question 4. Do records indicate testing or review of the capacity of each pressure relief device at each pressure limiting station and pressure regulating station as required?

References 192.709(c) (192.743(a), 192.743(b), 192.743(c))

Assets Covered Central Valley Gas Storage (86918 (39))

Issue Summary SED reviewed the Pressure Safety Valve (PSV) relief valve inspection records for 2018-2022. The capacity review records for all relief valves in 2022 were missing.

49 CFR Part 192, Section 192.731(a) States:

"Except for rupture discs, each pressure relieving device in a compressor station must be inspected and tested in accordance with 192.739 and 192.743, must be operated periodically to determine that it opens at the correct set pressure".

Furthermore, Part 192 Section 192.743 states:

- (a) *Pressure relief devices at pressure limiting stations and pressure regulating stations must have sufficient capacity to protect the facilities to which they are connected. Except as provided in § 192.739(b), the capacity must be consistent with the pressure limits of § 192.201(a). This capacity must be determined at intervals not exceeding 15 months, but at least once each calendar year, by testing the devices in place or by review and calculations.*

CVGS failed to provide 2022 capacity review records for all relief valves. Therefore, CVGS committed probable violations of G.O. 112-F, Reference Title 49 CFR, Part 192, Section 192. 731(a) and 192.743(a).

Concerns

1. Facilities and Storage: Compressor Station System Protection (FS.CSSYSPROT)

Question Title, ID Compressor Station - Gas Detection and Alarm System, FS.CSSYSPROT.CMPGASDETOM.R

Question 25. Do records document that all compressor station gas detection and alarm systems are being maintained and tested as required?

References 192.709(c) (192.736(c), 192.736(b))

Assets Covered Central Valley Gas Storage (86918 (39))

Issue Summary CVGS's gas detection device inspection record's cover page states "Gas detection inspection interval: At least 4 times each calendar year, not to exceed 4.5 months".

However, CVGS's O&M Procedure 10.03 Section 5.2 states "Maintain each gas detection and alarm system as recommended by manufacture(s) of the equipment, at intervals not to exceed one year".

The gas detection device IR4000S and IR400 made by General Monitors does not have manufacturer recommended maintenance frequency.

There is a conflict between CVGS's O&M procedure and the gas detection device inspection record's cover page regarding the inspection frequency of gas detection devices. CVGS should establish a consistent inspection frequency for its gas detection device and maintain the required documentation.

2. Maintenance and Operations: Gas Pipeline Abnormal Operations (MO.GOABNORMAL)

Question Title, ID Abnormal Operations, MO.GOABNORMAL.ABNORMAL.R

Question 2. Did personnel respond to indications of abnormal operations as required by the process?

References 192.605(a) (192.605(c)(1))

Assets Covered Central Valley Gas Storage (86918 (39))

Issue Summary One of CVGS's Gas detector devices malfunctioned on 6/27/2020. The CVGS's Abnormal Operation Report stated the preventive actions planned/taken: "Need to research for more information". CVGS did not provide information on specific actions it took to address the issue. SED is concerned that the malfunctioning devices may not be repaired timely.

3. Maintenance and Operations : Gas Pipeline Abnormal Operations (MO.GOABNORMAL)

Question Title, ID Abnormal Operations Review, MO.GOABNORMAL.ABNORMALREVIEW.R

Question 6. 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 Central Valley Gas Storage (86918 (39))

Issue Summary One of CVGS's Gas detector devices malfunctioned on 6/27/2020. The Review of Personnel Response and Determination of Effectiveness of the Procedure box was not checked for the AOC event.

CVGS should complete the Abnormal Operations Report properly to determine the effectiveness of the abnormal operation processes and corrective action taken.

4. Time-Dependent Threats: External Corrosion - CP Monitoring (TD.CPMONITOR)

Question Title, ID Rectifiers or other Impressed Current Sources, TD.CPMONITOR.CURRENTTEST.O

Question 8. Are impressed current sources properly maintained and are they functioning properly?

References 192.465(b)

Assets Covered Central Valley Gas Storage (86918 (39))

Issue Summary The rectifier at the compressor station was rated 40V/20A. SED field inspection observed that CVGS had it running at 41V, 9A.

CVGS should operate the rectifier within the manufacturer's ratings to prevent an abnormal operating condition.

5. Time-Dependent Threats: External Corrosion - CP Monitoring (TD.CPMONITOR)

Question Title, ID Interference Currents, TD.CPMONITOR.INTFRCURRENT.O

Question 22. Are areas of potential stray current identified, and if found, the detrimental effects of stray currents minimized?

References 192.473(a)

Assets Covered Central Valley Gas Storage (86918 (39))

Issue Summary SED requested CVGS's staff to perform a rectifier "instant on and off" read on one of its pipelines at the 401 Metering station. SED noted that the CVGS's pipeline was electrically connected to PG&E's pipeline. CVGS should continue to monitor for current interference on its pipeline.

6. Time-Dependent Threats : External Corrosion - Coatings (TD.COAT)

Question Title, ID New Buried Pipe Coating Application, TD.COAT.NEWPIPEINSTALL.R

Question 5. Do records document that acceptable external protective coating materials have been used and the application and inspection was done in accordance with the written procedures?

References 192.491(c) (192.461(c), 192.461(d), 192.461(e), 192.483(a), 192.9(f)(1), 192.452, 192.453, 192.491)

Assets Covered Central Valley Gas Storage (86918 (39))

Issue Summary SED reviewed pipeline installation records for a Tee at the storage well pad's header that was installed in August 2021. CVGS' coating procedure for the installed pipe required 14-16 mil of standard coating material.

However, CVGS's Pipeline Inspection and Repair Report of Partially Exposed Pipe record was not filled out completely. CVGS did not document the coating used for the project matched the CVGS's coating standards requirement. CVGS should fill out its inspection reports completely and document all required parameters.