

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

September 25, 2016

GI-2016-06-LGS37-01B

Mr. Robert Russell, VP-Field Operations ([rrussell@lodistorage.com](mailto:rrussell@lodistorage.com))  
Lodi Gas Storage, LLC.  
P.O. Box 230  
Acampo, CA 95220

SUBJECT: 2016 General Order 112<sup>1</sup> Gas Inspection of Lodi Gas Storage, LLC.

Dear Mr. Russell:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a General Order 112<sup>1</sup> inspection of Lodi Gas Storage, LLC (LGS) from June 27 to July 1, 2016. The inspection included a review of the LGS Regulators and Valves, Operation and Maintenance Plan, Operator Qualification, and Control Room Management records for the period of 2013 through 2015, as well as a representative field sample of the LGS facilities in Lodi and Kirby Hills. SED staff also reviewed LGS's operator qualification records, which included field observation of individuals performing covered tasks.

SED's findings are noted in the Summary of Inspection Findings (Summary) which is enclosed with this letter. The Summary reflects only those particular records and pipeline facilities that SED inspected during the inspection.

Within 30 days of your receipt of this letter, please provide a written response indicating the measures taken by LGS to address the violations noted in the Summary. Pursuant to Commission Resolution ALJ-274, SED staff has the authority to issue citations for each violation found during the inspection.

If you have any questions, please contact Mohammad Ali at (916) 928-2109 or by email at [ma5@cpuc.ca.gov](mailto:ma5@cpuc.ca.gov).

Sincerely,

A handwritten signature in blue ink that reads "Kenneth A. Bruno".

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

Enclosure: Summary of Inspection Findings

cc: Greg Clark, LGS ([gclark@lodistorage.com](mailto:gclark@lodistorage.com))  
Andy Anderson, LGS ([aanderson@lodistorage.com](mailto:aanderson@lodistorage.com))  
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<sup>1</sup> General Order 112-F was adopted by the Commission on June 25, 2015 via Decision 15-06-044.

## SUMMARY OF INSPECTION FINDINGS

### I. Probable Violations

1. Title 49 Code of Federal Regulations (CFR) §192.745(a) states:

*“Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year.”*

Title 49 CFR §192.709(c) states:

*“A record of each patrol, survey, inspection, and test required by subparts L and M of this part must be retained for at least 5 years or until the next patrol, survey, inspection, or test is completed, whichever is longer.”*

SED discovered LGS failed to provide records as required by §192.709(c) of its inspection and/or operation of its emergency valves for the calendar years 2013 through 2015 to demonstrate compliance with 49 CFR §192.745(a). The details are listed in Table 1 below.

**Table 1.** List of Valves missing inspection, partial operation, Inspectors' signature and Supervisor's signature

Item#	Issues	Years of Inspection		
		2013	2014	2015
1	Valves not partially operated	SDV4521	SDV4521	SDV-W2210-2502
		MLV-59440	MLV-59440	XV-6250
		HW12 B/V	MLV-123778	
		S.I. MANUAL ISO	SDV-1301	
		SDV 2001	SDV 1101	
		SDV 1301	SDV 1103	
		SDV 1101	M3 B/V	
		SDV 1103	M3A B/V	
		M3 MAIN B/V	M4 B/V	
		M4 MAIN B/V	M4A B/V	
		M4B MAIN B/V	M4B B/V	
		M5 MAIN B/V	M5 B/V	
		M6 MAIN B/V	M6 B/V	
		M6A MAIN B/V	M6A B/V	
		SDV 1001	SDV 1001	
		SDV 1003	SDV 1003	
		D2 MAIN ISO	D-2 B/V	
		D-3 MAIN B/V	D-3 B/V	
		D-3A MAIN B/V	D-3A B/V	
		D-3B MAIN B/V	D-3B B/V	
		D-4A MAIN B/V	D-4 B/V	
			D-4A B/V	
			D-5 B/V	
	D-5A B/V			
	D5B B/V			
	XV-6250			
2	Valves not inspected		MLV-163655	XV-6250
			SDV-2001	
			XV-6250	
3	Missing signature of Inspector		M3 B/V	
			M3A B/V	
			M5 B/V	
			M6 B/V	
			M6A B/V	
			D-3 B/V	
			D-3A B/V	
			D-5 B/V	
			D-5A B/V	
	D5B B/V			
4	Missing signature of Supervisor		M3 B/V M3A B/V SDV-1003	

2. Title 49 CFR §192.805 states:

*“Each operator shall have and follow a written qualification program. The program shall include provisions to:*

*...*

*(b) Ensure through evaluation that individuals performing covered tasks are qualified;”*

On several 2014 valve inspection records, SED and LGS staff were unable to identify the inspector from the signature. Since the inspector could not be identified, his/her Operator Qualification could not be verified.