



Lodi Gas Storage, L.L.C.

May 19, 2017

Mr. Kenneth Bruno
Program Manager
California Public Utilities Commission
Safety and Enforcement Division
Gas Safety and Reliability Branch
505 Van Ness Avenue
San Francisco, CA 94102-3298

Certified Mail Receipt No. 70151730000110698618

RE: General Order 112 Gas Inspection of Lodi Gas Storage, L.L.C.

Dear Mr. Bruno:

Lodi Gas Storage, L.L.C. (LGS) submits this written response to the Safety and Enforcement Division (SED) of the California Public Utilities Commission (Commission). On behalf of the SED, Joel Tran, James Zhang, and Dmitriy Lysak conducted a General Order 112 inspection of LGS on April 3 – 7, 2017. The inspection findings identified by SED were provided to LGS on April 20, 2017. LGS addresses the inspection findings as noted by SED in the Summary of Inspection Findings in the following enclosed documents:

- Attachment #1 – LGS Responses to Summary of Inspection Findings
- Attachment #2 – Revised Leak Survey Procedure (Section 5.02 from LGS Operations & Maintenance Manual)

If you have any questions, or require more information, please contact me at gclark@lodistorage.com or at (209) 368-9277 x21.

Sincerely,

Gregory N. Clark
Compliance Manager

Enclosures

cc: File #S3.03
K. Bruno, A. Cauguiran, D. Lysak, J. Tran, J. Zhang (via e-mail)
A. Anderson, S. Dupéré, M. Fournier, E. Kuykendall, R. Russell (via e-mail)

Attachment #1



Lodi Gas Storage, L.L.C.

ATTACHMENT #1 – LGS RESPONSES TO SUMMARY OF INSPECTION FINDINGS

I. Probable Violations

1. General Order 112-F Section 143.1 states:

“A gas leakage survey of transmission pipelines, using leak detecting equipment must be conducted at least twice each year and at intervals not exceeding 7 ½ months.”

During SED’s review of LGS’ procedures, SED noted that Leakage Survey Procedure 5.02 stated:

“Leakage surveys of a transmission line, including Type B gathering lines, must be conducted at intervals not exceeding 15 months, but at least once each calendar year...”

Although records indicate LGS is currently conducting quarterly leak surveys, LGS’ procedures are not in compliance with GO 112-F.

LGS Response:

Lodi Gas Storage, L.L.C. (LGS) conducts a formal review of its Operations & Maintenance (O&M) Manual once each calendar year in accordance with 49 CFR 192.605(a). These reviews typically occur during the 4th quarter and include updates to the manual due to regulatory changes, work procedure reviews, employee feedback, etc. Since the requirement in GO 112-F to conduct leakage surveys on transmission pipelines at least twice each year became effective on January 1, 2017, it is likely that this procedural revision would have been captured in the LGS O&M Manual review for 2017. Nonetheless, LGS appreciates SED noting this deficiency during the inspection and has included a redlined excerpt from updated Procedure 5.02 (see Attachment #2). Please note that although the LGS procedure mirrors the regulatory verbiage in GO 112-F and 49 CFR 192.706, in practice LGS conducts quarterly leak surveys which exceeds these regulatory standards.

II. Areas of Concern

1. During SED’s review of LGS’ Drug & Alcohol Program, SED noted that LGS’ Drug & Alcohol Program referenced Research and Special Programs Administration (RSPA) as the regulating government agency. RSPA was abolished on November 30, 2004. The appropriate agency is the Pipeline Hazardous Materials Safety Administration (PHMSA).

During the inspection, LGS provided an updated Drug & Alcohol program, revised on April 3, 2017. This new plan correctly references PHMSA.

LGS Response:

The Lodi Gas Storage, L.L.C. (LGS) Drug & Alcohol Program correctly references PHMSA.

Attachment #2



Lodi Gas Storage, L.L.C.

GAS LEAKAGE SURVEYS

1. REFERENCE

49 CFR, Sections 192.9, 192.703, 192.706, and 192.709, ASME Guide Gas Transmission Systems (Appendix G-11, Gas Leakage Control Guidelines)

2. PURPOSE

To establish the requirements and frequency for conducting gas leakage surveys on Company pipeline facilities.

3. RESPONSIBILITY FOR IMPLEMENTATION

The (142) Operations Manager is responsible for arrangement and conducting gas leak detection surveys as required by this procedure.

4. FREQUENCY OF PERIODIC SURVEYS

Leakage surveys of a transmission line, including Type B gathering lines, using leak detection equipment must be conducted ~~at intervals not exceeding 15 months, but at least once each calendar year~~ at least twice each year and at intervals not exceeding 7 ½ months for:

- All Class 3 and 4 locations, in principal business districts, or in other comparable areas where wall-to-wall paving or other conditions prevent gas from venting to atmosphere.
- All other Class 3 locations
- All transmission lines in Class 1 and 2 locations.
- All above ground station piping

However, in the case of a transmission line which transports gas in conformity with §192.625 without an odor or odorant, leakage surveys using leak detection equipment must be conducted—

- ~~In Class 3 locations, at intervals not exceeding 7-1/2 months, but at least twice each calendar year;—~~
- In Class 4 locations, at intervals not exceeding 4 ½ months, but at least four times each calendar year.