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August 20, 2018

Mr. Ken Bruno
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division
California Public Utilities Commission
320 W. Fourth Street, Suite 500
Los Angeles, CA 90013

Dear Mr. Bruno:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a General Order (G.O.) 112-F Comprehensive Operation and Maintenance Inspection of San Diego Gas and Electric Company's (SDG&E) Borrego Springs Liquefied Natural Gas Facility on April 24-26, 2018. The inspection included a review of the Inspection Unit's leak survey, cathodic protection (CP), critical valves, and LNG facility inspection records from calendar years 2015-2017 as well as field inspections of all facilities. SED's staff also reviewed the Operator Qualification records, which included field observation of randomly selected individuals performing covered tasks.

SED's staff had one recommendation and requested a written response from the utility within thirty days. Attached is SDG&E's written response.

Please contact Troy A. Bauer at (909) 376-7208 if you have any questions or need additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Troy A. Bauer', is written over a blue horizontal line.

Troy A. Bauer

CC: Matt Epuna, SED/GSRB
Kan Wai Tong, SED/GSRB
Michelle Wei, SED/GSRB
Kelly Dolcini, SED/GSRB

Summary of Inspection Findings
2018 SDG&E Borrego Springs LNG Inspection
April 24-26, 2018

SED's Concerns and Recommendations

SDG&E must comply with several different points of regulation when refilling the LNG tanks at the facility. SED noted that while SDG&E has adequate procedures in place to address these regulations, the record keeping process is only a sign off sheet that assumes the many steps were followed correctly. In contrast, the facility site inspection has a checklist showing all the points that an employee would need to review to make it a complete inspection and helps ensure that he or she does not miss anything. SED recommends that SDG&E develop a record keeping method or checklist that validates that the employee did not miss safety steps during the filling or transfer process the LNG commodity as well as being able to demonstrate to regulators that the necessary steps were followed.

REPSONSE:

SDG&E agrees with SED's recommendation for a checklist form, as noted above, and has developed checklists for LNG fill and LNG transfer activities that will serve as records. The new checklist forms were shared with the lead SED auditor in July 2018. SDG&E will begin using the new checklist forms in August 2018. These records will be maintained at the SDG&E Miramar facility and available for SED's review at future inspections.