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Terence Eng, P.E.
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division
California Public Utilities Commission
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VIA ELECTRONIC MAIL

RE: Transmission Integrity Management Program (TIMP) and Section 114 Inspection of Lodi Gas Storage

Dear Mr. Eng:

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, Paul Penney and Kai Cheung conducted a General Order 112-F inspection of LGS's Transmission Integrity Management Program (TIMP) and PIPES Act of 2020 Section 114 procedures from June 6, 2022 through June 8, 2022. The inspection findings identified by SED were provided to LGS on September 26, 2022. LGS addresses the inspection findings as noted by SED in the "Post-Inspection Written Preliminary Findings" in the following enclosed documents:

- **Attachment #1** – LGS Responses to "Post-Inspection Written Preliminary Findings"
- **Attachment #2** – Excerpt from LGS TIMP highlighting revisions to address reassessment interval waivers

If you have any questions, or require more information, please contact me at greg.clark@rockpointgs.com or at (209) 368-9277.

Sincerely,



Gregory N. Clark
Senior Compliance Manager

Enclosures

cc: File #S3.03
K. Cheung (kai.cheung@cpuc.ca.gov)
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A. Anderson, M. Fournier, K. Peterson (via e-mail)

Attachment #1



LGS Responses to “Post-Inspection Written Preliminary Findings”



Post-Inspection Written Preliminary Findings

Probable Violation

1. Integrity Management : High Consequence Areas (IM.HC)

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))

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.



LGS Response:

Lodi Gas Storage identified a high consequence area (HCA) on a 30” diameter pipeline segment in 2021 as a result of utilizing an external expert resource to comply with new regulatory requirements from the Gas Mega Rule. This newly identified HCA is an area in a Class 2 location where the potential impact radius is greater than 660 feet (e.g., 790 feet), and the area within the potential impact circle contains 20 or more buildings intended for human occupancy.

This newly identified HCA on the 30” diameter pipeline segment was formally identified and incorporated into the LGS TIMP in 2021. However, please be advised that Lodi Gas Storage has been conducting pipeline integrity in-line inspections (ILIs) of the 30” diameter pipeline segment on a 5-year recurring frequency with the first ILI occurring in 2007.

Recommendations

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

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

References 192.943(a) (192.943(b))

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

LGS Response:

Lodi Gas Storage has updated its Transmission Integrity Management Program (TIMP) to include the recommended reference. Please see Attachment #2.

2. Integrity Management : Moderate Consequence Areas (IM.MC)

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

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

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.

LGS Response:

Lodi Gas Storage shall consider SED’s recommendation regarding procedures for moderate consequence areas.

Attachment #2



**Excerpt from LGS TIMP highlighting revisions to address
reassessment interval waivers**

Lodi Gas Storage

Gas Integrity Management Plan

Element #6: Continual Evaluation & Assessments

Ref: 49 CFR 192.937, 939, 941, 943

Updated: Oct 2022

6.7 Deviation From Re-Assessment Requirements

When LGS elects to deviate from certain requirements listed in §192.913(c), LGS will use a performance based approach that satisfies the requirements for exceptional performance as follows:

- 1) A comprehensive process for risk analysis;
- 2) All risk factor data used to support the program;
- 3) A comprehensive data integration process;
- 4) A procedure for applying lessons learned from assessment of covered pipeline segments to pipeline segments not covered by this subpart;
- 5) A procedure for evaluating every incident, including its cause, within LGS's sector of the pipeline industry for implications both to LGS's pipeline system and to the operator's integrity management program;
- 6) A performance matrix that demonstrates the program has been effective in ensuring the integrity of the covered segments by controlling the identified threats to the covered segments;
- 7) Semi-annual performance measures beyond those required in §192.943 that are part of LGS's performance plan.
- 8) An analysis that supports the desired integrity reassessment interval and the remediation methods to be used for all covered segments.

LGS will remediate anomalies identified in the more recent assessment per the requirements of §192.933. LGS will also incorporate the results and lessons learned from the more recent assessment into LGS's data integration and risk assessment.

6.8 Waiver from Re-assessment Intervals [192.943]

LGS will apply for a waiver, should it become necessary, from the required reassessment interval (**special permit per 49 CFR 190.341**). The waiver request will demonstrate that the waiver is justified as specified in the rule. Such a waiver request will only be made in the following limited situations: [\[Element #6: Record #2\]](#)

- 1) Lack of internal inspection tools.
- 2) Cannot maintain local product supply.
- 3) Application must be made at least 180 days before the end of the required reassessment interval. (Exception: If local product supply issues make the 180 day submittal impractical, LGS must apply for the waiver as soon as the need for waiver becomes known).