

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 16, 2022

GI-2021-10-SDG-45-02ABC

Mr. Rodger Schwecke,
Senior Vice President and Chief Infrastructure Officer
San Diego Gas and Electric Company
555 West 5th Street, GT21C3
Los Angeles, CA 90013

Subject: General Order (G.O.) 112-F Compliance Inspection of San Diego Gas and Electric Company's Borrego Springs Liquid Natural Gas Facility

Dear Mr. Schwecke:

The Safety Enforcement Division (SED) of the California Public Utilities Commission conducted a G.O. 112-F inspection of San Diego Gas and Electric Company's (SDG&E) Borrego Springs Liquid Natural Gas (LNG) Facility and associated Roadrunner Springs Community gas distribution system on October 26 through 28, 2021. The inspection included a review of SCG's records from calendar years 2018 to 2020. SED staff reviewed SDG&E's written procedures and conducted a field observation pursuant to G.O. 112-F, Reference Title 49, Code of Federal Regulations (CFR), Parts 191, 192, and 193. SED used the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety's "Inspection Assistant Form" (IA) as a reference guide to conduct the inspection. Two different IA forms were created for this inspection: one for the Roadrunner Springs Community gas distribution system and one for the LNG Facility.

SED staff noted six concerns on the LNG portion of the inspection which are described in the enclosed "Summary of Inspection Findings". Please provide a written response within 30 days of receipt of this letter indicating any updates or corrective actions taken by SDG&E to address the concern.

If you have any questions, please contact Michelle Wei, at (213) 620-2780 or by email: miw@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

CC: Michelle Wei, SED/GSRB
Troy Bauer, SoCalGas
Kan Wai Tong, SED/GSRB
Claudia Almengor, SED/GSRB

Summary of Inspection Findings

Date of Transmittal: 11/30/2021

Dates of Inspection: October 26-28, 2021

Operator: SAN DIEGO GAS & ELECTRIC CO

Operator ID: 18112 (primary)

Inspection Systems: Borrego Springs LNG and Roadrunner Springs MHP

Assets (Unit IDs) with results in this report: Borrego Springs LNG (87076)

System Type: LNG

Inspection Name: 2021 Borrego Springs LNG

Lead Inspector: Michelle Wei

Operator Representative: Austin Walker

Unsatisfactory Results

No Preliminary Findings.

Concerns

Procedures : Transfer (PRO.TRANSFER)

Question 2. Does the process require the cargo transfer procedures be located at the transfer area and contain the provisions of 193.2513(c)?

References 193.2017(a) (193.2513(a), 193.2513(c))

Assets Covered Borrego Springs LNG (87076 (45))

Issue Summary Although SDG&E does store the procedures on site at the facility and does have personnel in attendance at all times during any fill or transfer, this is not stated in the procedure. Please ensure that the procedure includes all provisions of 193.2513(c).

SDG&E modified their procedure accordingly and sent SED a draft copy on December 1, 2021. No further response is required from SDG&E. SED will verify the final language of the procedure during the next inspection.

Procedures : Support System (PRO.SUPPORT)

Question 1. Does the process require that foundations and support systems be inspected for changes that could impair their support?

References 193.2017(a) (193.2605(b), 193.2609)

Assets Covered Borrego Springs LNG (87076 (45))

Issue Summary SDG&E Field Utility Specialist Group conducts annual inspections of tank foundations and this form is included in the Borrego O&M appendix section 13.5. However, this inspection is not described or required in the procedure itself. SDG&E needs to include this requirement in your procedure in order to meet the requirements of 193.2609.

SDG&E modified their procedure accordingly and sent SED a draft copy on December 1, 2021. No further response is required from SDG&E. SED will verify the final language of the procedure during the next inspection.

Procedures : Atmospheric Corrosion (PRO.ATMCORROSION)

Question 1. Does the process require that components subject to atmospheric corrosive attack are made of corrosion-resistant materials or are coated/jacketed?

References 193.2017(a) (193.2605(b): 193.2627(a), 193.2627(b))

Assets Covered Borrego Springs LNG (87076 (45))

Issue Summary SDG&E stated that "Any LNG will be stored in either of 2 tanks or carried in the piping both of which are stainless steel piping. Except for the ESD system steel piping, all current LNG and gas carrier piping and components are corrosion resistant stainless steel." However, this is not captured in the procedure. SED recommends that you add this to the facility description in Section 1 as well as noting that all above ground pipe is painted.

SDG&E modified their procedure accordingly and sent SED a draft copy on December 1, 2021. No further response is required from SDG&E. SED will verify the final language of the procedure during the next inspection.

Procedures : Internal Corrosion Control (PRO.INTCORROSION)

Question 1. Does the process require that components subject to internal corrosive attack be made of corrosion-resistant material or be otherwise protected?

References 193.2017(a) (193.2605(b), 193.2631(a), 193.2631(b))

Assets Covered Borrego Springs LNG (87076 (45))

Issue Summary SDG&E stated that "Any LNG will be stored in either of 2 tanks or carried in the piping both of which are stainless steel piping. Except for the ESD system steel piping, all current LNG and gas carrier piping and components are corrosion resistant stainless steel." However, this is not captured in the procedure. SED recommends that you add this to the facility description in Section 1.

SDG&E modified their procedure accordingly and sent SED a draft copy on December 1, 2021. No further response is required from SDG&E. SED will verify the final language of the procedure during the next inspection.

Procedures : Training: Operations and Maintenance (PRO.TRAINOM)

Question 2. Does the plan require that operations, maintenance, and supervisory personnel receive refresher training at intervals not to exceed two years?

References 193.2017(a) (193.2713(b))

Assets Covered Borrego Springs LNG (87076 (45))

Issue Summary SED reviewed records that showed annual refresher training on the Borrego O&M manual review is being conducted as required by 193.2713(b). However this requirement is not specified in the

procedure. SED recommends that SDG&E add the required refresher training interval to Section 7.

SDG&E modified their procedure accordingly and sent SED a draft copy on December 1, 2021. No further response is required from SDG&E. SED will verify the final language of the procedure during the next inspection.

Records : Operating (PRR.OPS)

Question 10. Do records show that LNG transfers were conducted in accordance with requirements?

References 193.2513(a) (193.2513(b))

Assets Covered Borrego Springs LNG (87076 (45))

Issue Summary During the 2018 inspection SED recommended that the transfer and fill forms be updated to include a summary of the necessary steps taken to help ensure that employees were verifying that each step of the process was followed. SDG&E created these new forms and submitted them for review in 2018 and SED approved them. However upon reviewing the 2018-2020 records during this inspections SED noted that SDG&E was not using the new forms. SED is concerned that SDG&E is not using the improved forms.

During the audit, SDG&E stated that the intention was to transfer these forms to a virtual format. On December 1, 2021 SDG&E provided a copy of the planned virtual forms that are similar to the new forms. SED agreed that the virtual forms, as shown would meet the intent of the original recommendation. However, SED would still like SDG&E to respond and explain its rationale for using the old forms and the timeline for switching to the virtual ones.