

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

July 27, 2018

GI-2018-05-GRS-38

Mr. David A. Weber, President and CEO (Dave.Weber@nwnatural.com)Gill Ranch Storage
220 NW 2nd Avenue
Portland, OR 97209

SUBJECT: General Order 112-F Gas Inspection of the Gill Ranch Storage (Comprehensive Standard Transmission & Operation and Maintenance Plan)

Dear Mr. Weber:

On behalf of the Safety and Enforcement Division (SED) of the California Public Utilities Commission, Molla Mohammad Ali, Dmitriy Lysak, Nathan Sarina, Alan Wehrman and Tyler Holzschuh conducted a General Order 112-F inspection of Gill Ranch Storage (GRS) from May 21-25, 2018. The inspection included a review of GRS's Comprehensive Standard Transmission Operation and Maintenance Plan and records for the period of 2015 through 2017, as well as a representative field sample of GRS's facilities. SED staff also reviewed GRS's operator qualification records, which included field observation of randomly selected 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 as noted in the inspection letter.

Within 30 days of your receipt of this letter, please provide a written response indicating the measures taken by GRS to address the violations and observations noted in the Summary.

If you have any questions, please contact Mohammad Ali at (916) 928-2109 or by email at 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 District

Enclosure: Summary of Inspection Findings

cc: Karl Leger, RegSafe (Karl.Leger@regsafe.com)
Todd Thomas, GRS (Tthomas.nwngs@nwnatural.com)
Dennis Lee, SED (Dennis.Lee@cpuc.ca.gov)

SUMMARY OF INSPECTION FINDINGS

I. Probable Violations

SED Findings

1. Title 49 CFR §192.465(a) External corrosion control: Monitoring, states in part:

“Each pipeline that is under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of §192.463.....”

Title 49 CFR §192.491(c) Corrosion control records, states in part:

“Each operator shall maintain a record of each test, survey, or inspection required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that a corrosive condition does not exist...”

During the records review, SED identified that no cathodic protection (CP) tests reading were recorded during the tests on 9/12/2016 for 3 CP test points. These were identified as stations 31775, 26403 and 10569.

SED determined that GRS violated §192.465(a) and §192.491(c) by not performing tests on these stations.

2. Title 49 CFR §192.605 (a) Procedural manual for operations, maintenance, and emergencies, partly states:

“General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response.....”

During records review, SED identified that ETS stations 90163, 31775, 15841 and 8893 could not be located (CNL) during 2017 yearly CP readings. However, no remedial actions were taken as described in Section 12.7.4 of the GRS Operation & Maintenance (O&M) Manual.

SED determined that GRS violated §192.605(a) of CFR by not taking any remedial action to locate the ETS.

II. Concerns

1. During records review of 2017 ETS readings, SED found locations with bad test leads.
 - Test location along the well lateral piping located north of Avenue 3 and outside E Plant gate
 - Test location 138022
 - Test location 8893

GRS indicated that crews were following on the repair status of the leads, and an evaluation to determine if there are sufficient ETS locations to ascertain adequacy of cathodic protection.

Please provide an update on the repair, or other remedial actions taken by GRS to address the bad test leads.

2. During field observation, SED identified the following locations that did not meet the -850 mV criterion:
 - 11A -635 mV
 - 13A -656 mV
 - 14A -663 mV

GRS was also unable to take instant-off readings to verify if 100 mV criteria were met.

SED recommends GRS to take prompt remedial action to correct the deficiencies as required by §192.465(d).

3. During SED's review of the GRS O&M Manual, SED observed that Section 11.12.13 currently includes the instruction for installation of test leads, but was missing the language requirements of §192.471 which includes ensuring that the test leads are mechanically secure, electrically conductive, minimize stress concentration on the pipe, and coated with an electrical insulating materials.

SED recommends that GRS include this requirement in the O&M Manual.