



March 16, 2012

CC-1713

Mr. Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration
12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

Reference: CPF 5-2012-1001M

Subject: Response to a DOT "Notice of Amendment" Concerning Inadequacies in MSCC's Procedural Manual.

Dear Mr. Hoidal:

Mr. Hubbard and Mr. Nguyen, of the DOT, conducted an onsite inspection of our pipeline facility from November 7 to November 10, 2011. A result of that inspection was a DOT "Notice Of Amendment" notifying Midway Sunset Cogeneration Company (MSCC) of two (2) inadequacies found within MSCC's procedural manual (please find attached a copy of "Notice Of Amendment" **CPF 5-2012-1001M**). MSCC's following plan is numbered in concert with the "Notice of Amendment":

1. The Midway Sunset Cogeneration Company O&M manual did not contain procedures for dealing with Abnormal Operating Conditions. Currently, MSCC treats Abnormal Operating Conditions as an Emergency Condition. The MSCC O&M manual did not include specific procedures on how Abnormal Operating Conditions should be handled, as required by § 192.605(c).

Response: MSCC has included the following section in its Plant Procedure, MW-VII-003, MSCC/MOAJVE Gas Pipeline Emergency Response Procedure.

4.9 Abnormal Operating Procedures.

- 4.9.1 MSCC will investigate all reports of emergencies and Abnormal Operating Conditions (AOC's) in relation to the natural gas pipeline and will follow Plant Procedure, MW-VII-003, MSCC/MOJAVE Gas Pipeline Emergency Response Procedure until it is determined that the AOC is not an emergency. Once the investigation reveals no emergency conditions exists, MSCC's procedure for responding to, investigating, and correcting the cause of unintended closure of valves or shut downs, increase or decrease in pressure or flow rate outside of normal operating limits, loss of communications, the operation of any safety device, malfunction of a component, deviation from normal operations or personal error is to inform the Control Room of the event, log the event in the Control Room Logbook, notify Supervision and initiate a Work Order in the Maintenance Management System for corrective and tracking purposes.
 - 4.9.2 MSCC also checks for variations from normal operation after abnormal operations ended at sufficient critical locations.
 - 4.9.3 MSCC will notify the Control Room and appropriate management when notice of abnormal operation is received.
 - 4.9.4 MSCC will periodically review the response of operating personnel to determine the effectiveness of the procedures and take corrective action where deficiencies are found.
2. Pursuant to § 192.613(a), MSCC is required to have procedures to determine and take appropriate action in regard to changes in corrosion conditions. However, the MSCC continuing surveillance program did not include a procedure that covered the actions to be taken if active corrosion is discovered.

Response: MSCC has included, in Sections 104 and 105 of the O&M Manual, the following steps to reduce the MAOP.

Reducing MAOP.

Should a segment of the natural gas pipeline be suspected or determined to be in an unsatisfactory condition, MSCC will immediately launch a thorough investigation using a qualified engineering firm to examine the section or sections of pipeline that are suspected of being unsatisfactory and if conditions warrant, immediately reduce the operating pressure to a pre-established pressure rating. Should results of the completed, comprehensive engineering review indicate 192.613(a) is warranted, MSCC will officially reduce the MAOP to the pressure indicated by the engineering review. Should MSCC not be satisfied with the initial review, MSCC will employ a second qualified engineering firm to perform an additional review to validate the results of the first engineering study. The procedures used by the qualified engineering firm to reduce the MAOP, shut down the line, or any other actions that require a segment of the pipeline to be taken out of service will be done in accordance with 192.619(a) and (b).

Based on the engineering review, using applicable API 1104 standards, MSCC will determine whether the affected segments will be repaired or replaced to original design criteria, or if it will be repaired to allow continued operation at the new MAOP. MSCC will correct the condition that caused the unsatisfactory condition regardless of any other corrective actions taken.

MSCC has revised the procedural manual and Plant Procedure. Copies of the revisions are available to the DOT on request. MSCC embraces the importance of public safety and, therefore, wishes not only to meet the letter of the law but the overriding intent.

MSCC commends Mr. Hubbard and Mr. Nguyen's professional demeanor during the inspection. It proved an excellent opportunity for MSCC's employees to interact with and learn from knowledgeable, professional, DOT representatives.

If you have any questions or comments, please email me at; management@midwaysunset.com or call me at (661) 768-3000 ext. 3018.

Sincerely,



Greg Jans
Plant Manager

Attachment

cc: File CC-1713 CEC DOT Form 1 D. Faiella G. Jans
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