



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

1200 New Jersey Avenue SE
Washington DC 20590

JUN 22 2018

Mr. Patrick H. West
City Manager
City of Long Beach
333 West Ocean Boulevard
Long Beach, CA 90802

Re: CPF No. 5-2017-0019

Dear Mr. West:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and finds that the City of Long Beach's Gas & Oil Department has completed the actions specified in the Notice to comply with the pipeline safety regulations. Therefore, this case is now closed. Service of the Final Order by certified mail is effective upon the date of mailing, as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosure

cc: Ms. Kim West, Director, Western Region, Office of Pipeline Safety, PHMSA
Mr. Robert Dowell, Director, City of Long Beach Oil and Gas Department

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of)

City of Long Beach, California,)
a municipal corporation,)

Respondent.)
_____)

CPF No. 5-2017-0019

FINAL ORDER

On September 14-18, 2015 and March 13-22, 2017, pursuant to 49 U.S.C. § 60117, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of City of Long Beach's Gas & Oil Department (LBGO or Respondent) in Long Beach, California. LBGO is the natural gas utility of the City of Long Beach that provides gas distribution service to approximately 500,000 residents and businesses in the cities of Long Beach and Signal Hill through more than 1,800 miles of pipelines.¹

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated September 22, 2017, a Notice of Probable Violation and Proposed Compliance Order (Notice), which also included a warning pursuant to 49 C.F.R. § 190.205. In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that LBGO had violated 49 C.F.R. § 192.1005, and proposed ordering Respondent to take certain measures to correct the alleged violation. The warning items required no further action, but warned the operator to correct the probable violations or face possible future enforcement action.

Respondent responded to the Notice by letter dated October 18, 2017 (Response). The LBGO did not contest the allegation of violation but agreed to complete the proposed compliance actions. Respondent did not request a hearing and therefore has waived its right to one.

FINDING OF VIOLATION

In its Response, LBGO did not contest the allegation in the Notice that it violated 49 C.F.R. Part 192, as follows:

¹ See <http://www.longbeach.gov/lbgo/> (last accessed January 12, 2018).

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 192.1005, which states:

§ 192.1005 What must a gas distribution operator (other than a master meter or small LPG operator) do to implement this subpart?

No later than August 2, 2011 a gas distribution operator must develop and implement an integrity management program that includes a written integrity management plan as specified in § 192.1007.

The Notice alleged that Respondent violated 49 C.F.R. § 192.1005 by failing to fully implement its integrity management program that includes a written integrity management plan, as specified in § 192.1007. Specifically, the Notice alleged that LBGO failed to implement Section 8 of its own Distribution Integrity Management Plan (DIMP) that covered the required elements of § 192.1007(e) and (f). According to the Notice, Section 8 required LBGO to measure performance, monitor results, and evaluate the effectiveness of its DIMP. LBGO was allegedly unable to produce records demonstrating that DIMP data was used to measure performance, monitor results or evaluate the effectiveness of its IM program. The Notice further alleged that Section 8 required periodic evaluation and improvement pursuant to § 192.1007(f), but LBGO could not demonstrate completion of this re-evaluation in accordance within the mandatory five-year cycle.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.1005 by failing to fully implement its integrity management program in accordance with § 192.1007.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 1 in the Notice for violation of 49 C.F.R. § 192.1005. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. In an April 12, 2018 Revised Region Recommendation, the Director indicated that Respondent had taken the following actions specified in the proposed compliance order:

1. With respect to the violation of § 192.1005 (**Item 1**), Respondent provided the Region with information showing that it had implemented the requirements of §§ 192.1007 (e) and (f) in accordance with its DIMP, Section 8, including conducting its 5-year comprehensive review of the plan required.

Accordingly, I find that compliance has been achieved with respect to this violation. Therefore, the compliance terms proposed in the Notice are not included in this Order.

WARNING ITEMS

With respect to Items 2 and 3, the Notice alleged probable violations of Part 192 but did not propose a civil penalty or compliance order for these items. Therefore, these are considered to be warning items. The warnings were for:

49 C.F.R. § 192.616 **(Item 2)** — Respondent's alleged failure to follow the general program recommendations of API RP 1162, "Public Awareness Programs for Pipeline Operators," and failing to provide a justification as to why compliance was not practicable and not necessary for safety; and

49 C.F.R. § 192.479 **(Item 3)** — Respondent's alleged failure to clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere at their facilities.

If OPS finds a violation of any of these items in a subsequent inspection, Respondent may be subject to future enforcement action.

Under 49 C.F.R. § 190.243, Respondent may submit a Petition for Reconsideration of this Final Order to the Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2nd Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address, no later than 20 days after receipt of service of this Final Order by Respondent. Any petition submitted must contain a statement of the issue(s) and meet all other requirements of 49 C.F.R. § 190.243. The terms of the order, including corrective action, remain in effect unless the Associate Administrator, upon request, grants a stay.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.



Alan K. Mayberry
Associate Administrator
for Pipeline Safety

JUN 22 2018

Date Issued