

JUN 16 2010

Mr. Patrick H. West
City Manager
City of Long Beach, California
13th floor, City Hall
333 W. Ocean Boulevard
Long Beach, CA 90802

Re: CPF No. 5-2005-0029

Dear Mr. West:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and finds that the City of Long Beach has completed the actions specified in the Notice to comply with the pipeline safety regulations. It further finds that the City has addressed the inadequacies in its procedures that were cited in the Notice of Amendment. This case is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Chris Hoidal, Director, Western Region, PHMSA

Mr. Christopher J. Garner, Director, Gas & Oil Department
City of Long Beach, 2400 East Spring Street, Long Beach, CA 90806

CERTIFIED MAIL – RETURN RECEIPT REQUESTED [7005 1160 0001 0043 9542]

**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,)	CPF No. 5-2005-0029
A municipal corporation,)	
)	
Respondent.)	
_____)	

FINAL ORDER

On January 26 and April 19, 2004, pursuant to 49 U.S.C. § 60117, a representative 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 Long Beach Gas & Oil, a department of the City of Long Beach, California (LBGO or Respondent), in Long Beach, California. Established in 1924, LBGO operates approximately 1,800 miles of natural gas pipelines, that provide service to about 500,000 customers in the cities of Long Beach and Signal Hill.¹

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated December 28, 2005, a Notice of Probable Violation, Proposed Compliance Order, and Notice of Amendment (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had violated 49 C.F.R. §§ 192.465(d) and 192.467(a), and proposed ordering Respondent to take certain measures to correct the alleged violations. The Notice also proposed, in accordance with 49 C.F.R. § 190.237, that Respondent amend its procedures for operations, maintenance and emergencies.

LBGO responded to the Notice by letter dated January 19, 2006 (Response).² Respondent did not contest the allegations of violation but provided information concerning the corrective actions it had taken and submitted copies of its revised procedures. Respondent did not request a hearing and therefore has waived its right to one.

¹ <http://www.longbeach.gov/lbgo/default.asp> (last accessed Apr. 16, 2010).

² In its Response, LBGO noted that it was no longer doing business under its former name, Long Beach Energy, as indicated on the Notice.

FINDINGS OF VIOLATION

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

Item 1a: The Notice alleged that Respondent violated 49 C.F.R. § 192.465(d), which states:

§ 192.465 External corrosion control: Monitoring.

(a)

(d) Each operator shall take prompt remedial action to correct any deficiencies indicated by the monitoring.

The Notice alleged that LBGO violated 49 C.F.R. § 192.465(d) by failing to take prompt remedial action to correct deficiencies indicated by its corrosion control monitoring. In particular, the Notice stated that approximately 30 percent of the pipe-to-soil readings taken in LBGO's 2003 cathodic protection surveys were low in comparison to the readings taken in 2001 and 2002. The Notice further stated that while Respondent had begun implementing a cathodic protection recovery plan in October 2003, no remedial work had been completed in most of the affected residential areas and business districts. LBGO 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. § 192.465(d) by failing to take prompt remedial action to correct deficiencies indicated by its corrosion-control monitoring.

Item 1b: The Notice alleged that Respondent violated 49 C.F.R. § 192.467(a), which states:

§ 192.467 External corrosion control: Electrical isolation.

(a) Each buried or submerged pipeline must be electrically isolated from other underground metallic structures, unless the pipeline and the other structures are electrically interconnected and cathodically protected as a single unit.

The Notice alleged that LBGO violated 49 C.F.R. § 192.467(a) by failing to ensure that each buried pipeline was electrically isolated from other underground metallic structures. In particular, the Notice alleged that LBGO had identified a number of areas where proper electrical isolation was not being maintained, including in pipe casings, meter sets, bridges, valves, and bulkheads. The Notice also alleged that while Respondent had taken action in some of those areas, several other locations remained under investigation or required further remediation. LBGO did not contest this allegation of violation, but stated that adequate electrical isolation would be provided in all of the required areas by December 31, 2009. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.467(a) by failing to ensure that each buried pipeline was electrically isolated from other underground metallic structures.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Items 1a and 1b for violations of 49 C.F.R. §§ 192.465(d) and 192.467(a), respectively. 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. The Director has indicated that Respondent has taken the following actions specified in the proposed compliance order:

Between June 27, 2006, and January 10, 2010, LBGO submitted semi-annual reports to the Director describing the steps it had taken to remediate the deficiencies in its corrosion control and cathodic protection programs. PHMSA staff also performed two field inspections, in 2007 and 2008, to verify the information provided by LBGO in those reports.

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

AMENDMENT OF PROCEDURES

The Notice alleged certain inadequacies in Respondent's Operating and Maintenance Manual and proposed requiring the amendment of LBGO's procedures to comply with the requirements in 49 C.F.R. §§ 192.614(c)(6), 192.619(a), 192.627, 192.629(a)-(b), 192.231, 192.463(a), and 192.721(b)(1)-(2).

In its Response, LBGO submitted copies of its amended procedures, which the Director has reviewed. Accordingly, based on the results of this review, I find that Respondent's original procedures as described in the Notice were inadequate to ensure safe operation of its pipeline system, but that Respondent has corrected the identified inadequacies. Therefore, no need exists to issue an Order Directing Amendment.

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

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued