

MAY 30 2012

Mr. Carlos R. Fandino, Jr.
Director, Light & Power Department
City of Vernon
4305 Santa Fe Avenue
Vernon, CA 90058

Re: CPF No. 5-2012-0004S

Dear Mr. Fandino:

Enclosed please find the Safety Order issued in the above-referenced case. It makes a finding that the City of Vernon's intrastate natural gas transmission pipeline has a condition or conditions that pose a pipeline integrity risk and specifies actions that must be taken by the City to ensure that the public, property, and the environment are protected from the risk. When the terms of the order have been completed, as determined by the Director, Western Region, this enforcement action will be closed. Service of the Safety 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: Mr. Mark Whitworth, City Administrator, City of Vernon
Mr. Chris Hoidal, Director, Western Region, OPS
Mr. Alan Mayberry, Deputy Associate Administrator for Field Operations, OPS

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 Vernon, California,)	CPF No. 5-2012-0004S
a municipal corporation,)	
)	
Respondent.)	
_____)	

SAFETY ORDER

Pursuant to 49 U.S.C. § 60117, the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an investigation of the safety of the City of Vernon, California’s (City or Respondent) intrastate natural gas transmission pipeline. The line runs completely within the City of Vernon in Los Angeles County, California.

As a result of the investigation, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated March 6, 2012, a Notice of Proposed Safety Order (Notice). In accordance with 49 C.F.R. § 190.239, the Notice proposed finding that conditions existed on the City’s pipeline system that posed a pipeline integrity risk to public safety, property or the environment, and proposed that Respondent take certain measures to ensure that the public, property, and the environment were protected from such risk.

The City responded to the Notice by letter dated March 21, 2012. In its letter, Respondent expressed its intent to comply with the terms of the Notice, as proposed, thereby authorizing the entry of this Safety Order. Respondent did not request a hearing, and therefore has waived its right to one.

Findings of Pipeline Integrity Risk

Respondent does not contest the proposed findings in the Notice that its intrastate natural gas transmission pipeline has a condition or conditions that pose a pipeline integrity risk. Accordingly, pursuant to 49 U.S.C. § 60117(l) and 49 C.F.R. § 190.239, I find as follows:

- The City operates an intrastate natural gas transmission pipeline entirely within the City of Vernon in Los Angeles County, California. The 7.3-mile line is 10.75 inches in diameter, with a wall thickness of 0.365 inches, and was constructed between 1997-2000 (the Pipeline). The Pipeline includes a lateral that serves the Malburg Generating Station.

This section was constructed between 2002 and 2004. The Pipeline is connected to Southern California Gas Company's (SoCal) Line 765.

- The entire Pipeline is located in a populated High Consequence Area (HCA),¹ running under major city streets and through a highly industrialized area. The Pipeline also crosses over the Los Angeles River.
- The maximum allowable operating pressure (MAOP) of the Pipeline, prior to the issuance of the Notice of Proposed Safety Order, was 650 psig but the City confirmed that the typical operating pressure is between 300-400 psig. Pressure control and over-pressure protection is provided by SoCal and is not under the direct control of the City.
- The Pipeline was last hydrotested seven years ago, on March 30, 2005. Prior to 2005, the Pipeline was idle. No other integrity assessment has occurred since that time.
- The City previously proposed using external corrosion direct assessment (ECDA) to inspect the integrity of the Pipeline. On January 31, 2012, the City informed the Director of its intent to make the line "piggable" and switch to an in-line inspection (ILI) tool to conduct an integrity assessment of the line. The City proposed to inspect the 960-foot lateral to the Malburg Generating Station with guided-wave ultrasonic technology. The City has elected to switch methods due to cost and logistical concerns. Due to the change in reassessment technologies, the March 30, 2012 reassessment deadline would not be achievable and the City of Vernon sought approval for both the assessment technology change and the extension of the assessment interval deadline.
- After further review, PHMSA issued the Notice. While the Pipeline passed a hydrotest in 2005, little else is known about any "time dependent" integrity threats such as corrosion or third-party damage that may have compromised the integrity of the Pipeline since 2005.
- The City further proposes to take 3.1 miles of the Pipeline out of service, pressurize it with nitrogen, and cathodically protect it from corrosion. The remaining length of active line will be approximately 4.2 miles.

Issuance of Safety Order

Section 60117(l) of Title 49, United States Code, provides for the issuance of a safety order, after reasonable notice and the opportunity for a hearing, requiring corrective measures, which may include physical inspection, testing, repair, or other action, as appropriate. The basis for making the determination that a pipeline facility has a condition or conditions that pose a pipeline integrity risk to public safety, property, or the environment is set forth both in the above-referenced statute and 49 C.F.R. §190.239.

¹ "High Consequence Areas" are defined in 49 C.F.R. § 192.903.

After evaluating the foregoing findings and considering the unknown integrity of the Pipeline, its location in an HCA, and the likelihood that the conditions could worsen or develop on other areas of the Pipeline and potentially impact its serviceability, PHMSA finds that Respondent's intrastate natural gas pipeline has a condition or conditions that pose a pipeline integrity risk to public safety, property, or the environment. Accordingly, PHMSA issues this Safety Order, which requires that Respondent take certain measures specified below to address the risk.

Corrective Measures

Pursuant to 49 U.S.C. § 60117(l) and 49 C.F.R. § 190.239, the City must take the following remedial requirements with respect to the Pipeline:

1. *Leak Surveys.* Conduct monthly leak surveys on the Pipeline.
2. *Maximum Allowable Operating Pressure Reduction.* Reduce the Maximum Allowable Operating Pressure (MAOP) on the Pipeline by 20 percent so that it does not exceed 520 psig. This pressure restriction will remain in effect until the City receives from the Director, written approval to increase or restore the former pressure. The Director may allow the removal or modification of the pressure restriction, upon a written request from Respondent demonstrating that increasing the pressure or returning the line to its original MAOP would be justified based on a reliable engineering analysis. This analysis must show that the proposed pressure increase would be safe, considering all known defects (either repaired or remaining), and must include all anomalies, the outcome of girth weld evaluations, and the operating parameters of the Pipeline.
3. *Expedite Removal of 3.1 miles from Service:* Complete isolation of the 3.1-mile segment of the line to be removed from service and pressurize the line with nitrogen. If the line is to be considered for return to service, it must comply with all applicable regulations in 49 C.F.R. Part 192, including maintenance of cathodic protection levels.
4. *ILI Results.* Upon completion of a successful ILI tool run, the City must submit to the Director a preliminary report outlining any anomaly indications that require immediate or urgent action. Submittals must be made promptly after the information becomes available from the vendor.
5. *Monthly Reports.* Submit monthly reports to the Director that: (1) include available data and results of the testing and evaluations required by the Safety Order; and (2) describe the progress of the repairs and other remedial actions being undertaken.
6. *Documentation.* It is requested, but not mandated, that the City maintain documentation of the safety improvement costs associated with fulfilling this Safety Order and submit the total to the Director. It is requested that these costs be reported in two categories: (1) total cost associated with preparation/revision of plans, procedures, studies and analyses; and (2) total cost associated with replacements, additions and other changes to pipeline infrastructure.

On April 6, 2012, the City submitted its first monthly status report confirming that the mandated monthly leak survey had been conducted on March 28, 2012, and that no leaks had been detected. Also, on March 28, 2012, the maximum operating pressure was measured at 455 psig, which is less than the limitation proposed in the Notice of Proposed Safety Order (80% pressure reduction). Finally, the City confirmed that it had requested City Council approval for the construction work involved with the planned ILI tool run.

On May 7, 2012, the City submitted a second monthly status report confirming that a monthly leak test had been conducted on April 30, 2012. No leaks were detected. In addition, the City stated that the maximum operating pressure for the month of April was 456 psig, which is less than the limitation proposed in the Notice of Proposed Safety Order (80% pressure reduction).

In your correspondence on this matter, please refer to **CPF No. 5-2012-0004S** and for each document you submit, please provide a copy in electronic format whenever possible.

Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. § 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. § 552(b).

The Director may grant an extension of time for compliance with any of the terms of the Safety Order, upon a written request timely submitted and demonstrating good cause for an extension.

Respondent may appeal any decision of the Director to the Associate Administrator for Pipeline Safety. Decisions of the Associate Administrator shall be final.

The actions taken pursuant to this Safety Order are in addition to and do not waive any requirements that apply to Respondent's pipeline system under 49 C.F.R. Parts 190 through 199, under any other order issued to Respondent under authority of 49 U.S.C. chapter 601, or under any other provision of Federal or state law.

After receiving and analyzing additional data in the course of this proceeding, PHMSA may identify other safety measures that the City needs to take. In that event, Respondent will be notified of any proposed additional measures and, if necessary, amendments to the Safety Order.

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

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued