

WARNING LETTER

VIA ELECTRONIC MAIL TO: Norman.Cahill@ladwp.com

May 13, 2024

Mr. Norman Cahill
Director of Power Supply Operations
Los Angeles Department of Water and Power
111 N. Hope St., Room 949
Los Angeles, CA 90012

CPF 5-2024-018-WL

Dear Mr. Cahill:

On May 9, 2022, a representative of the California Public Utilities Commission on behalf of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), virtually inspected your operations and maintenance (O&M) manuals for the Los Angeles Department of Power and Water (LADWP) Harbor Generating Station gas transmission pipeline located in Long Beach, California.

As a result of the inspection, it is alleged that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

1. 49 U.S.C. § 60108. Inspection and maintenance

(a) . . .

(2) If the Secretary or a State authority responsible for enforcing standards prescribed under this chapter decides that a plan required under paragraph (1) of this subsection is inadequate for safe operation, the Secretary or authority shall require the person to revise the plan. . . . In deciding on the adequacy of a plan, the

Secretary or authority shall consider—

(A) . . .

(D) the extent to which the plan will contribute to—

(i) public safety;

(ii) eliminating hazardous leaks and minimizing releases of natural gas from pipeline facilities; ...

The LADWP's O&M Manual does not identify processes or procedures for minimizing releases of natural gas from pipeline facilities as required by 49 U.S.C. § 60108(a)(2)(D). Specifically, LADWP's O&M Manual §6.2.4 mentions leak prone segments and states that cast iron and vintage plastic do not exist in their pipeline system. However, the O&M Manual does not discuss any programs or processes to monitor for and identify pipe segments that may be leak-prone nor provides any thresholds or criteria for determining whether a pipeline segment is leak-prone.

2. 49 U.S.C. § 60108. Inspection and maintenance

(a) . . .

(2) If the Secretary or a State authority responsible for enforcing standards prescribed under this chapter decides that a plan required under paragraph (1) of this subsection is inadequate for safe operation, the Secretary or authority shall require the person to revise the plan. . . . In deciding on the adequacy of a plan, the Secretary or authority shall consider—

(A) . . .

(E) the extent to which the plan addresses the replacement or remediation of pipelines that are known to leak based on the material (including cast iron, unprotected steel, wrought iron, and historic plastics with known issues), design, or past operating and maintenance history of the pipeline.

The LADWP's O&M Manual does not address the replacement or remediation of pipelines that are known to leak based on the material (including cast iron, unprotected steel, wrought iron, and historic plastics with known issues), design, or past operating and maintenance history of the pipeline as required by 49 U.S.C. § 60108(a)(2)(E).

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$266,015 per violation per day the violation persists, up to a maximum of \$2,660,135 for a related series of violations. For violation occurring on or after January 6, 2023 and before December 28, 2023, the maximum penalty may not exceed \$257,664 per violation per day the violation persists, up to a maximum of \$2,576,627 for a related series of violations. For violation occurring on or after March 21, 2022 and before January 6, 2023, the maximum penalty may not exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,142 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022, the maximum penalty may not exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for

a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679.

We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the items identified in this letter. Failure to do so will result in the Los Angeles Department of Water and Power being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 5-2024-018-WL**. 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).

Sincerely,

Dustin Hubbard
Director, Western Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

cc. PHP-60 Compliance Registry
PHP-500 J. Dunphy (#22-246115)
Terrence Eng, Program Manager, Gas Safety and Reliability Branch California Public
Utilities Commission