



**FILED**

06/28/18  
04:59 PM

Exhibit Number : OSA-3  
Proceeding No: : A.18-02-013  
Commissioner : Rechtschaffen  
Admin. Law Judge : Bemesderfer



**THE OFFICE OF THE SAFETY ADVOCATE  
CALIFORNIA PUBLIC UTILITIES COMMISSION**

**Response of Wild Goose Storage, LLC and Lodi Gas  
Storage, L.L.C. to Third Data Request of the Office of  
Safety Advocate (DR 3, April 27, 2018)**

Joint Application of Wild Goose Storage, LLC (U-911-G) and Lodi Gas Storage, L.L.C. (U-912-G) for an Order Pursuant to Sections 829 and 853 of the Public Utilities Code to Exempt from Commission Authorization the Encumbrance of the Assets of Wild Goose Storage, LLC and Lodi Gas Storage, L.L.C. and the Issuance of a Corporate Guarantee to Secure the Financing of certain Affiliates of the Utilities or in the Alternative for Authorization for the Same Relief under Sections 830 and 851.

San Francisco, California  
June 28, 2018

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Joint Application of Wild Goose Storage, LLC (U-911-G) and Lodi Gas Storage, L.L.C. (U-912-G) for an Order Pursuant to Sections 829 and 853 of the Public Utilities Code to Exempt from Commission Authorization the Encumbrance of the Assets of Wild Goose Storage, LLC and Lodi Gas Storage, L.L.C. and the Issuance of a Corporate Guarantee to Secure the Financing of certain Affiliates of the Utilities or in the Alternative for Authorization for the Same Relief under Sections 830 and 851.

Application 18-02-013  
(Filed February 16, 2018)

**RESPONSE OF WILD GOOSE STORAGE, LLC AND  
LODI GAS STORAGE, L.L.C. TO THIRD DATA REQUEST OF THE  
OFFICE OF SAFETY ADVOCATE**

GOODIN, MACBRIDE,  
SQUERI & DAY, LLP  
Michael B. Day  
Jeanne B. Armstrong  
Megan Somogyi  
505 Sansome Street, Suite 900  
San Francisco, CA 94111  
Telephone: (415) 392-7900  
Facsimile: (415) 398-4321  
E-mail: [mday@goodinmacbride.com](mailto:mday@goodinmacbride.com)

Attorneys for Wild Goose Storage, LLC  
and Lodi Gas Storage, L.L.C.

June 12, 2018

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Joint Application of Wild Goose Storage, LLC (U-911-G) and Lodi Gas Storage, L.L.C. (U-912-G) for an Order Pursuant to Sections 829 and 853 of the Public Utilities Code to Exempt from Commission Authorization the Encumbrance of the Assets of Wild Goose Storage, LLC and Lodi Gas Storage, L.L.C. and the Issuance of a Corporate Guarantee to Secure the Financing of certain Affiliates of the Utilities or in the Alternative for Authorization for the Same Relief under Sections 830 and 851.

Application 18-02-013  
(Filed February 16, 2018)

**RESPONSE OF WILD GOOSE STORAGE, LLC AND  
LODI GAS STORAGE, L.L.C. TO THIRD DATA REQUEST  
OF THE OFFICE OF SAFETY ADVOCATE**

Wild Goose Storage, LLC (“Wild Goose”) and Lodi Gas Storage, L.L.C. (“Lodi”) (collectively the “Joint Applicants”) reply to Data Request OSA-A1802013-03 of the Office of Safety Advocates (“OSA”) served on May 29, 2018. The responses are provided immediately following the OSA data requests.

1. Rockpoint indicated in a response to OSA’s data request that the company has implemented a safety management system (SMS) based on DNV’s Practical Loss Control Leadership system. Please provide a response to the following questions:
  - a. Provide a copy of the SMS used at Wild Goose and Lodi.

**Response to a:** This system and training is copyrighted and therefore cannot be reproduced. For ease of convenience, we have provided an outline of each of the sections covered by the system and training at the end of this document.

- b. If not included above, please also provide:
      - i. A description of the elements of Rockpoint’s SMS, identify the goal of each element, and explain how each element is applied.
      - ii. A copy of the framework for Rockpoint’s SMS.
    - c. To the extent it applies, please explain how Rockpoint’s SMS corresponds to the American Petroleum Institute’s 1173 Standard for SMS.

- d. Provide a history of audits conducted for the SMS at the Wild Goose and Lodi Gas facilities (auditing party, date, results/recommendations).

**Response to b, c and d:** We note that in a previous informal data request we provided a response to the OSA, which inquired as to our implementation of API RP 1173, by stating that although API RP 1173 is a recommended practice, API RP 1173 requirements are not mandatory, nor are they the full extent of what a pipeline safety program should necessarily encompass. API RP 1173 was first released in 2015, however, Rockpoint and its predecessor entities have been operating these storage facilities (in the case of Wild Goose) since the late 1990s so they needed to have a SMS in place long before the first release of API RP 1173. Each individual company needs to determine the necessary elements of their safety program based on the facilities at issue and to what extent API RP 1173 will be used and if other practices or standards should also be adopted. *"In all cases, operators are intended to have the flexibility to apply this RP as appropriate to their specific circumstances"* – API RP 1173.

Notwithstanding the foregoing, in an effort to be responsive to the OSA's current data request, please see the table attached which lists the essential elements for any SMS as per API RP 1173, the general goal and application for each element in API 1173, the corresponding DNV Practical Loss Control Leadership section, an explanation of the corresponding compliance / implementation of SMS elements, and if they were subject to a recent related audit.

- e. Provide a copy of the most recent SMS audit reports for the Wild Goose and Lodi Gas facilities.

**Response to e:** The SMS has not been the subject of a single audit. However, many of its elements have been subject to internal or external audits as outlined in the table below.

2. Please provide a copy of Rockpoint's most recent 10-K.

**Response to 2:** As Rockpoint, nor any of its subsidiaries is a public company. Accordingly it does not produce a Form 10-K.

<b>API 1173 - Essential Pipeline Safety Management System Elements</b>	<b>Goal and Application</b>	<b>Applicable DNV Practical Loss Control Leadership Section(s)</b>	<b>Wild Goose &amp; Lodi Corresponding Compliance / Implementation of SMS Elements</b>
<b>API 1173 Section 5 - Leadership and Management Commitment</b>	<ul style="list-style-type: none"> <li>The pipeline operator shall establish and maintain a PSMS and build a shared understanding of safety culture. The pipeline operator shall articulate expectations, including publishing a commitment to safety, safety responsibilities of personnel at all levels, policies, goals and objectives.</li> </ul>	<ul style="list-style-type: none"> <li>4, 10, 12, 15</li> </ul>	<ul style="list-style-type: none"> <li>Management HSE commitment and principles are detailed in the Rockpoint Gas Storage Health, Safety &amp; Environmental Policy, the latest version dated March 2018. The policy is posted at every facility managed by Rockpoint, including LGS and WGS. The policy, as well as the minimum Health and Safety Roles and responsibilities for Contractors, Subcontractors, Consultants, Inspectors, Workers and Visitors are detailed in the Rockpoint Gas Storage – Health and Safety Handbook, U.S. Operations, version 3 – May 2017, which is distributed to all workers at LGS and WGS.</li> <li>Acknowledgement and adherence to the policies promoted by LGS and WGS is required of contractors registered with the</li> </ul>

API 1173 - Essential Pipeline Safety Management System Elements	Goal and Application	Applicable DNV Practical Loss Control Leadership Section(s)	Wild Goose & Lodi Corresponding Compliance / Implementation of SMS Elements
			<p>contractor management service used by LGS and WGS.</p> <ul style="list-style-type: none"> <li>Management's commitment to safety is also published in the LGS and WGS Safety Plans, submitted to the CPUC-SED annually in accordance with section 123.2(k) of General Order 112-F. The most recent review by CPUC-SED resulted in both the LGS and WGS Safety Plans being deemed satisfactory.</li> </ul>
API 1173 Section 6 - Stakeholder Engagement	<ul style="list-style-type: none"> <li>The pipeline operator shall maintain a process and a plan for communication and engagement with internal and external stakeholders regarding risk identification and management, safety performance, and, as appropriate, other management system elements.</li> </ul>	<ul style="list-style-type: none"> <li>5, 6, 10, 20</li> </ul>	<ul style="list-style-type: none"> <li>LGS and WGS maintain a program for communication and engagement with external stakeholders (Public Awareness and Damage Prevention Program) as required per PHMSA rule 49 CFR Part 192.917, which refers to API 1162. LGS and WGS were last audited by the CPUC-SED in Apr-2017 and Sep-2015, respectively, for compliance with this requirement and the level of compliance was</li> </ul>

<b>API 1173 - Essential Pipeline Safety Management System Elements</b>	<b>Goal and Application</b>	<b>Applicable DNV Practical Loss Control Leadership Section(s)</b>	<b>Wild Goose &amp; Lodi Corresponding Compliance / Implementation of SMS Elements</b>
			<p>deemed satisfactory.</p> <ul style="list-style-type: none"> <li>• Communication and engagement with internal stakeholders regarding safety performance is achieved by the incident and near miss reporting system and the associated safety metrics reports distributed to internal stakeholders.</li> <li>• The Emergency Response Plan is also subject of an ongoing communication and engagement process with internal and external stakeholders by way of regular orientations and tabletop exercises.</li> </ul>
<b>API 1173 Section 7 - Risk Management</b>	<ul style="list-style-type: none"> <li>• The pipeline operator shall maintain (a) procedure(s) for the performance of risk management. The operator shall analyze risk considering the threat occurrence likelihood and</li> </ul>	<ul style="list-style-type: none"> <li>• 2, 3</li> </ul>	<ul style="list-style-type: none"> <li>• LGS and WGS are required to perform risk management for pipelines as per PHMSA rule 49 CFR Part 192.917, which refers to ASME/ANSI B31.8s-2004, Section 5. LGS and WGS were last audited by the CPUC-SED in Jun-2017 and</li> </ul>



<b>API 1173 - Essential Pipeline Safety Management System Elements</b>	<b>Goal and Application</b>	<b>Applicable DNV Practical Loss Control Leadership Section(s)</b>	<b>Wild Goose &amp; Lodi Corresponding Compliance / Implementation of SMS Elements</b>
	<p>consequence. The operator shall evaluate pipeline safety risk and make decisions on how to manage it through preventive controls, monitoring, and mitigation measures.</p>		<p>Nov-2017, respectively, for compliance to this requirement and the level of compliance was deemed satisfactory.</p> <ul style="list-style-type: none"> <li>LGS and WGS are also required to perform risk management for the wells and reservoirs as per section 1724.9(g) of the California Department of Conservation Emergency Regulations made effective on February 5, 2016, which refers to API 1171. The risk management plans were submitted to the California Department of Conservation – Division of Oil &amp; Gas for their review.</li> </ul>
<b>API 1173 Section 8 - Operational Controls</b>	<ul style="list-style-type: none"> <li>The pipeline operator shall maintain procedures for the safe operation of each facility consistent with the pipeline operator's safety policies and objectives.</li> </ul>	<ul style="list-style-type: none"> <li>12, 14, 17, 18, 19, 20</li> </ul>	<ul style="list-style-type: none"> <li>Operations and Maintenance manuals are maintained at LGS and WGS in compliance with 49 CFR 192.605, which contains operating, maintenance, and inspection procedures for gas pipelines and facilities (last audited by CPUC-SED in Sept-2016)</li> </ul>

API 1173 - Essential Pipeline Safety Management System Elements	Goal and Application	Applicable DNV Practical Loss Control Leadership Section(s)	Wild Goose & Lodi Corresponding Compliance / Implementation of SMS Elements
			<p>at LGS and Dec-2017 at WGS). Operational control of the pipeline system and identification and response to abnormal operating conditions are detailed in the Control Room Management Plan which complies to PHMSA 49 CFR 192.631. In addition, an employee Health and Safety Handbook is distributed to every employee to outline safety expectations for all workers and visitors.</p> <ul style="list-style-type: none"> <li>LGS and WGS also employ a management of change (MOC) process in accordance with PHMSA rule 49 CFR Part 192.911(k), which refers to ASME/ANSI B318S, Section 11.</li> </ul>
API 1173 Section 9 - Incident Investigation, Evaluation, and Lessons Learned	<ul style="list-style-type: none"> <li>The pipeline operator shall maintain a procedure for investigating incidents and near misses that led, or</li> </ul>	<ul style="list-style-type: none"> <li>5, 6, 14, 20</li> </ul>	<ul style="list-style-type: none"> <li>LGS and WGS have implemented DNV's Systematic Cause Analysis Technique (SCAT) for investigating incidents and near misses that led, or</li> </ul>

<b>API 1173 - Essential Pipeline Safety Management System Elements</b>	<b>Goal and Application</b>	<b>Applicable DNV Practical Loss Control Leadership Section(s)</b>	<b>Wild Goose &amp; Lodi Corresponding Compliance / Implementation of SMS Elements</b>
	<p>could have led, to a loss of life or serious injury.</p>		<p>could have led, to a loss of life or serious injury, damage to the environment or material loss.</p> <ul style="list-style-type: none"> <li>• Depending on the risk level of an incident, the investigation report needs to be reviewed and signed off by various levels of management. All incident investigation reports are kept on record and distributed to internal stakeholders. Safety Performance statistics are shared with internal stakeholders through a monthly Health, Safety and Environmental Scorecard.</li> <li>• Near miss reporting is highly encouraged by management regardless if the incident could have led to a loss of life or serious injury. Communication and record keeping for near misses is the same as for incident investigation and</li> </ul>

API 1173 - Essential Pipeline Safety Management System Elements	Goal and Application	Applicable DNV Practical Loss Control Leadership Section(s)	Wild Goose & Lodi Corresponding Compliance / Implementation of SMS Elements
API 1173 Section 10 - Safety Assurance	<ul style="list-style-type: none"> <li>The pipeline operator shall demonstrate the proper application of its PSMS and progress toward effective risk management and improved pipeline safety performance.</li> </ul>	<ul style="list-style-type: none"> <li>2, 7, 8, 9</li> </ul>	<p>reporting.</p> <ul style="list-style-type: none"> <li>In addition to the numerous external audits mentioned in this document and previous responses to OSA requests, Rockpoint and the facilities under its management are the subject of internal audits and inspections. The corporate audit service of Brookfield has recently audited Rockpoint to assess the design and operating effectiveness of controls used by Rockpoint to mitigate physical risks associated with gas storage and potential leaks. The results of this audit was that the key controls were evaluated as adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives of the audited activities are likely to be achieved.</li> </ul>
API 1173 Section 11 - Management Review and	<ul style="list-style-type: none"> <li>The pipeline operator's PSMS and safety</li> </ul>	<ul style="list-style-type: none"> <li>2, 7, 9, 10</li> </ul>	<ul style="list-style-type: none"> <li>Critical policies, plans and procedures are reviewed annually and</li> </ul>

<b>API 1173 - Essential Pipeline Safety Management System Elements</b>	<b>Goal and Application</b>	<b>Applicable DNV Practical Loss Control Leadership Section(s)</b>	<b>Wild Goose &amp; Lodi Corresponding Compliance / Implementation of SMS Elements</b>
<b>Continuous Improvement</b>	<p>performance shall be reviewed at least annually by top management to evaluate whether the performance goals and objectives have been met.</p>		<p>signed off by top management.</p> <ul style="list-style-type: none"> <li>An annual report of Environment, Health &amp; Safety performance is generated by the Manager of EH&amp;S and issued to top management for their review and feedback.</li> </ul>
<b>API 1173 Section 12 - Emergency Preparedness and Response</b>	<ul style="list-style-type: none"> <li>The pipeline operator shall maintain procedures for responding effectively to a pipeline incident. Emergency preparedness and response plans shall be in place and ready for immediate implementation. The plans shall be accessible and communicated to all personnel and contractors.</li> </ul>	<ul style="list-style-type: none"> <li>20</li> </ul>	<ul style="list-style-type: none"> <li>LGS and WGS maintain Emergency Response Plans designed to meet the requirements of PHMSA for natural gas pipeline operations as outlined in 49 CFR 192.615, 49 CFR 191, and the requirements of the CPUC as outlined in Public Utilities Code Division 1, Part 1, Chapter 4.5, Article 2. LGS and WGS were last audited by the CPUC-SED in Apr-2016 and Mar-2016, respectively, for compliance to this requirement and the level of compliance was deemed satisfactory.</li> <li>The plans are communicated to all relevant internal and</li> </ul>

API 1173 - Essential Pipeline Safety Management System Elements	Goal and Application	Applicable DNV Practical Loss Control Leadership Section(s)	Wild Goose & Lodi Corresponding Compliance / Implementation of SMS Elements
			external stakeholders and orientations and exercises are held regularly to ensure familiarity and readiness for implementation.
API 1173 Section 13 - Competence, Awareness, and Training	<ul style="list-style-type: none"> <li>The pipeline operator shall ensure that personnel whose responsibilities fall within the scope of the PSMS have an appropriate level of competence in terms of education, training, knowledge, and experience.</li> </ul>	<ul style="list-style-type: none"> <li>4, 8, 12</li> </ul>	<ul style="list-style-type: none"> <li>LGS and WGS are required to ensure that personnel are properly trained and qualified as per Subpart N in PHMSA rule 49 CFR Part 192. As per the rule, LGS and WGS have developed an Operator Qualification (OQ) program, follow their written OQ plan, have established a covered task list, and defined the training and qualification requirements for personnel performing covered tasks.</li> <li>LGS and WGS were last audited by the CPUC-SED in Apr-2017 and Dec-2017, respectively, for compliance to this requirement and the level of compliance was deemed satisfactory.</li> </ul>
API 1173 Section 14	<ul style="list-style-type: none"> <li>The pipeline operator</li> </ul>	<ul style="list-style-type: none"> <li>8, 5, 7</li> </ul>	<ul style="list-style-type: none"> <li>LGS and WGS are</li> </ul>

<b>API 1173 - Essential Pipeline Safety Management System Elements</b>	<b>Goal and Application</b>	<b>Applicable DNV Practical Loss Control Leadership Section(s)</b>	<b>Wild Goose &amp; Lodi Corresponding Compliance / Implementation of SMS Elements</b>
<b>- Documentation and Record Keeping</b>	shall maintain a procedure for the identification, distribution, and control of documents required by its PSMS.		required to maintain documentation as per 49 CFR 192.491(c), 49 CFR 192.709, and the requirements section 145 of General Order 112-F.

3278/019/X200188.v1