

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 28, 2012

Ms. Valerie Fong
Utilities Director
City of Palo Alto
250 Hamilton Avenue
Palo Alto, CA 94301

CPF 5-2012-0006M

Dear Ms. Fong:

On February 14-17, 2011, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, conducted an inspection of the City of Palo Alto's Operator Qualification (OQ) Program at your offices in Palo Alto, California.

As a result of the inspection, it appears that you have committed probable violations, as noted below, of pipeline safety regulations, Title 49, Code of Federal Regulations, Part 192. The probable violations are as follows:

1. §192.805 Qualification program

Each Operator shall have and follow a written qualification program. The program shall include provisions to:

(a) Identify covered tasks;

The City of Palo Alto Operator Qualification Plan does not include commonly expected “covered tasks.” Specifically “excavation” is not included as a covered task. The Plan needs to be expanded to include “excavation” as a covered task.

2. §192.805 Qualification program

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(b) Ensure through evaluation that individuals performing covered tasks are qualified;

The City of Palo Alto Operator Qualification Plan references using written examination, oral examination, and work performance methods to evaluate its personnel for operator qualification. However, the Plan is not specific on how these various qualification methods will be used, and throughout the Plan it simply states “performance based methods” will be used in the qualification process. There is no information regarding the written or oral exam process including prerequisites, training material, who administers the exam, or passing requirements. The whole operator qualification process in the Operator Qualification Plan needs to be expanded by adding specific processes identifying details that clarify the steps personnel need to follow to become qualified.

3. §192.805 Qualification program

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(g) Identify those covered tasks and the intervals at which evaluation of the individual’s qualifications is needed;

Covered task requalification intervals are not consistent in the City’s Qualification Plan. The Plan requires a 5 year frequency for requalification; however, the Covered Task List in Part IV requires a requalification frequency of annual, 24, or 36 months. The City’s Operator Qualification Plan needs to state whether annual, 24, or 36 months requalification intervals will be used for each covered task.

4. §192.805 Qualification program

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(h) After December 16, 2004, provide training, as appropriate, to ensure that individuals performing covered tasks have the necessary knowledge and skills to perform the tasks in a manner that ensures the safe operation of pipeline facilities, and;

The City of Palo Alto Operator Qualification Plan has no training provisions for initial and/or requalification of individuals performing covered tasks. Training is addressed by reference in several places in the Plan, but there are no specific methods or procedures for training provided.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. 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). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 60 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

In correspondence concerning this matter, please refer to **CPF 5-2012-0006M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*

cc: PHP-60 Compliance Registry
PHP-500 H. Monfared (# 133576)