



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

June 4, 2008

Mr. Javad Ghaffari
Manager, Water Gas Wastewater Utilities
City of Palo Alto
250 Hamilton
Palo Alto, CA 94301

CPF 5-2008-0013W

Dear Mr. Ghaffari:

On April 7–11, 2008, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your gas distribution system in Palo Alto, California.

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

1. **§192.723 Distribution systems: Leakage surveys.**
 - (a) **Each operator of a distribution system shall conduct periodic leakage surveys in accordance with this section.**
 - (b)(1) **A leakage survey with leak detector equipment must be conducted in business districts, including tests of the atmosphere in gas, electric, telephone, sewer, and water system manholes, at cracks in pavement and sidewalks, and at other locations providing an opportunity for finding gas leaks, at intervals not exceeding 15 months, but at least once each calendar year.**

Annual leak surveys for Palo Alto's business districts exceeded the maximum intervals contained in §192.723(b)(1) during calendar year 2007. Numerous service lines were not leak-surveyed until late January 2008. An improvement in leak survey record-keeping will reduce the time required between performance of the activity, review of survey results, and follow-up of any missed locations.

2. §192.747 Valve maintenance: Distribution systems.

(a) Each valve, the use of which may be necessary for the safe operation of a distribution system, must be checked and serviced at intervals not exceeding 15 months, but at least once each calendar year.

According to records available at the time of the inspection, annual valve inspections were performed late in 2006. For example, Key Valve #26 was serviced on 3-8-05, 12-7-06, and 5-9-07, exceeding the maximum 15-month interval specified in §192.747. Better scheduling and record-keeping procedures will help prevent the occurrence of late valve inspections.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. 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 City of Palo Alto 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 5-2008-0013W**. 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,



Chris Hoidal

Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 J. Stahoviak (#120717)