

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 4, 2010

Mr. John Roukema
Director Electric Utility
Silicon Valley Power, City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050

CPF 5-2010-0014W

Dear Mr. Roukema:

On January 19-22 and February 24-26, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your written procedures contained within your Operations and Maintenance (O&M) Procedural Manuals for the Raesfeld gas system. Our representatives also reviewed records to ensure that the O&M procedures were properly implemented. These procedures and records review were conducted at your Santa Clara, California office.

As a result of the inspection, it appears that Silicon Valley Power (SVP) has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. §192.161 Supports and Anchors

(a) Each pipeline and its associated equipment must have enough anchors or supports to:

(1) Prevent undue strain on connected equipment;

- (2) Resist longitudinal forces caused by a bend or offset in the pipe; and,
- (3) Prevent or damp out excessive vibration.

(b) Each exposed pipeline must have enough supports or anchors to protect the exposed pipe joints from the maximum end force caused by internal pressure and any additional forces caused by temperature expansion or contraction or by the weight of the pipe and its contents.

(c) Each support or anchor on an exposed pipeline must be made of durable, noncombustible material and must be designed and installed as follows:

(1) Free expansion and contraction of the pipeline between supports or anchors may not be restricted.

(2) Provision must be made for the service conditions involved.

(3) Movement of the pipeline may not cause disengagement of the support equipment.

(d) Each support on an exposed pipeline operated at a stress level of 50 percent or more of SMYS must comply with the following:

(1) A structural support may not be welded directly to the pipe.

(2) The support must be provided by a member that completely encircles the pipe.

(3) If an encircling member is welded to a pipe, the weld must be continuous and cover the entire circumference.

Silicon Valley Power (SVP) has installed a 12-inch valve next to PG&E metering station and new pressure relief at the end of its 12-inch pipeline segment. This valve and newly installed relief device are heavy and appear to be inadequately supported. Each pipeline and its associated equipment must have enough anchors or support to prevent undue strain on connected equipment, resist longitudinal forces, and prevent or damp out excessive vibration.

2. §192.605 Procedural manual for operations, maintenance, and emergencies

(a) **General.** Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least one each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

SVP removed the automatic blow-down system for the compressors and replaced it with a manual blow-down system at the compressor station. This modification did not follow the Management of Change (MOC) procedures detailed in the SVP Operations and Maintenance Manual. Specifically, the MOC procedures for evaluating and implementing the modification were not utilized by the responsible SVP personnel. Also, the communications regarding the modifications to the individuals performing the tasks were done verbally and not documented which did not follow the MOC procedures.

3. §192.605 Procedural manual for operations, maintenance, and emergencies

(c) Abnormal operation. For transmission lines, the manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded:

(4) Periodically reviewing the response of operator personnel to determine the effectiveness of the procedures controlling abnormal operation and taking corrective action where deficiencies are found.

SVP experienced three (3) abnormal operating conditions on March 10, 2008, June 29, 2009, and July 2, 2009. SVP responded in timely manner correcting the conditions. However, SVP failed to review the response by its personnel to the abnormal operating condition to determine the effectiveness of the procedures controlling abnormal operations and taking corrective action where deficiencies are found. Following each abnormal operating condition, the related O&M procedures need to be reviewed to determine that the personnel actions utilizing that procedure are effective.

4. §192.731 Compressor stations: Inspection and testing of relief devices.

(c) Each remote control shutdown device must be inspected and tested at intervals not exceeding 15 months, but at least once each calendar year, to determine that it functions properly.

SVP did not inspect the all of the compressor safety devices. All compressor data transmitters that are functioning as safety devices such as suction pressure, discharge pressure, discharge temperature, oil temperature, oil pressure, compressor vibration and motor vibration need to be inspected and tested at intervals not exceeding 15 months, but at least once each calendar year, to determine that they are functioning properly.

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 Silicon Valley 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 5-2010-0014W**. 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 H. Monfared (#128425)