

## NOTICE OF AMENDMENT

**VIA ELECTRONIC MAIL TO: JXQV@pge.com**

January 28, 2022

Ms. Janisse Quinones  
SVP, Gas Engineering  
Pacific Gas & Electric  
6121 Bollinger Canyon Rd  
San Ramon, CA 94583

**CPF 1-2022-002-NOA**

Dear Ms. Quinones:

From November 17, 2020 through November 21, 2020, an inspector from the California Geologic Energy Management Division (CalGEM), acting as an agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Pacific Gas & Electric Company's (PGE) procedures for McDonald Island, Pleasant Creek, and Los Medanos underground natural gas storage (UNGS) facilities located in San Joaquin, Yolo, and Contra Costa counties, California, respectively.

On the basis of the inspection, PHMSA has identified apparent inadequacies found within PGE's procedures, as described below:

**1. § 192.12 Underground natural gas storage facilities.**

**(a) ...**

**(c) *Procedural manuals.* Each operator of a UNGSF must prepare and follow for each facility one or more manuals of written procedures for conducting operations, maintenance, and emergency preparedness and response activities under paragraphs (a) and (b) of this section. Each operator must keep records necessary to administer such procedures and review and update these manuals at intervals not exceeding 15 months, but at least once each calendar year. Each operator must keep the appropriate parts of these manuals accessible at locations where UNGSF work is being performed. Each operator**

**must have written procedures in place before commencing operations or beginning an activity not yet implemented.**

PGE's written procedures for conducting operations, maintenance, and emergency preparedness and response activities were inadequate to ensure safe operation of a pipeline facility. Specifically, PGE's Underground Storage Risk and Integrity Management Plan (USRIMP) did not include a process for using portable concrete pedestals for well signage in lieu of permanent signage in accordance with API RP 1171, Section 10.4.1, *Minimum Signage Information*.<sup>1</sup>

During the inspection, CalGEM reviewed PGE's USRIMP, appendix AF and found that PGE did not include a process for using portable concrete pedestals for well signage in lieu of permanent well signage. PGE's McDonald Island has limited space at the well sites. Thus, portable concrete pedestals for well signage are used so they can be temporarily moved while performing well work. The use of portable well signs may result in a well being misidentified without a process to address the handling of the portable well signs.

Therefore, PGE's written procedures required by § 192.12(c) were inadequate. PGE must revise its procedures to address using portable well signage in lieu of permanent signage in accordance with Section 10.4.1.

## **2. § 192.12 Underground natural gas storage facilities.**

**(a) ...**

**(c) *Procedural manuals.* Each operator of a UNGSF must prepare and follow for each facility one or more manuals of written procedures for conducting operations, maintenance, and emergency preparedness and response activities under paragraphs (a) and (b) of this section. Each operator must keep records necessary to administer such procedures and review and update these manuals at intervals not exceeding 15 months, but at least once each calendar year. Each operator must keep the appropriate parts of these manuals accessible at locations where UNGSF work is being performed. Each operator must have written procedures in place before commencing operations or beginning an activity not yet implemented.**

PGE's written procedures for conducting operations, maintenance, and emergency preparedness and response activities were inadequate to ensure safe operation of a pipeline facility. Specifically, PGE's USRIMP did not include procedures for interacting and communicating with a control room during normal, abnormal, and emergency conditions in accordance with API RP 1171, Sections 11.7.1 and 11.7.2.<sup>2</sup>

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<sup>1</sup> API RP 1171, Section 10.4.1, Minimum Signage Information  
Permanent weatherproof signage shall be installed at each well site for identification purposes....

<sup>2</sup> API RP 1171, Section 11.7.1, General  
Storage personnel shall be responsible for preparing and communicating guidelines for maintaining reservoir and well functional integrity.

API RP 1171, Section 11.7.2, Scope of Procedures

During the inspection, CalGEM reviewed PGE's USRIMP. CalGEM found that PGE did not have guidelines for interaction and communication with a control room to maintain reservoir and well functional integrity during normal, abnormal, and emergency conditions.

Therefore, PGE's written procedures required by § 192.12(c) were inadequate. PGE must revise its procedures to include guidelines for interacting and communicating with a control room to maintain reservoir and well functional integrity during normal, abnormal, and emergency conditions in accordance with Sections 11.7.1 and 11.7.2.

**3. § 192.12 Underground natural gas storage facilities.**

(a) ...

(d) *Integrity management program--*

(1) ...

**(4) *Integrity management procedures and recordkeeping.* Each UNGSF operator must establish and follow written procedures to carry out its integrity management program under API RP 1171 (incorporated by reference, see § 192.7), section 8 ("Risk Management for Gas Storage Operations"), and this paragraph (d). The operator must also maintain, for the useful life of the UNGSF, records that demonstrate compliance with the requirements of this paragraph (d). This includes records developed and used in support of any identification, calculation, amendment, modification, justification, deviation, and determination made, and any action taken to implement and evaluate any integrity management program element.**

PGE's written procedures for carrying out its integrity management program were inadequate to ensure safe operation of a pipeline facility. Specifically, PGE's USRIMP did not include detailed information about the data used to determine susceptibility to threat and hazard-related events in accordance with API RP 1171, Section 8.3.2.<sup>3</sup>

During the inspection, CalGEM reviewed PGE's USRIMP. PGE did not list detailed information about the data used to determine susceptibility to threat and hazard-related events or refer to where the specific data is contained.

Therefore, PGE's written procedures required by § 192.12(d)(4) were inadequate. PGE must revise its procedures to include detailed information about the data used to determine susceptibility to threat and hazard-related events in accordance with Section 8.3.2.

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The operator should establish procedures for interaction and communication with a control room, including authority for initiating flow, operating, and shutting in natural gas storage facilities as required in order to maintain reservoir and well integrity during normal, abnormal, and emergency conditions.

<sup>3</sup> API RP 1171, Section 8.3.2, Data Sources

The operator shall use available information such as performance data collected through the field history, operations and maintenance (O&M) activities, geotechnical data such as well logs, engineering data, and completion reports to determine susceptibility to threat and hazard-related events and to assess threat and hazard interaction.

4. § 192.12 Underground natural gas storage facilities.

(a) ...

(d) *Integrity management program--*

(1) ...

**(4) *Integrity management procedures and recordkeeping.* Each UNGSF operator must establish and follow written procedures to carry out its integrity management program under API RP 1171 (incorporated by reference, see § 192.7), section 8 ("Risk Management for Gas Storage Operations"), and this paragraph (d). The operator must also maintain, for the useful life of the UNGSF, records that demonstrate compliance with the requirements of this paragraph (d). This includes records developed and used in support of any identification, calculation, amendment, modification, justification, deviation, and determination made, and any action taken to implement and evaluate any integrity management program element.**

PGE's written procedures for carrying out its integrity management program were inadequate to ensure safe operation of a pipeline facility. Specifically, PGE's USRIMP did not include wildfires or the single access point to the McDonald Island UNGS facility as threats or hazard in accordance with API RP 1171, Section 8.4.2.<sup>4</sup>

During the inspection, CalGEM reviewed PGE's USRIMP. PGE did not include threats and hazards from wildfires or the single access point to the McDonald Island UNGS facility in its integrity management program.

Therefore, PGE's written procedures required by § 192.12(d)(4) were inadequate. PGE must revise its procedures to include the threats and hazards specified in the previous paragraph in accordance with Section 8.4.2.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. Enclosed as part of this Notice is a document entitled Response Options for Pipeline Operators in Enforcement 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).

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<sup>4</sup> API RP 1171, Section 8.4.2, Methodology

The operator shall evaluate the potential threats and hazards impacting storage wells and reservoirs....

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §190.211. 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 an Order Directing Amendment. If 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. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 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.

It is requested (not mandated) that Pacific Gas & Electric Company maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Robert Burrough, Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration, 840 Bear Tavern Road, Suite 300, West Trenton, NJ 08628. In correspondence concerning this matter, please refer to **CPF 1-2022-002-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible. Smaller files may be emailed to [robert.burrough@dot.gov](mailto:robert.burrough@dot.gov). Larger files should be sent on USB flash drive accompanied by the original paper copy to the Eastern Region Office.

Sincerely,

Robert Burrough  
Director, Eastern Region  
Pipeline and Hazardous Materials Safety Administration

Enclosure: Response Options for Pipeline Operators in Enforcement Proceedings