

**MAR 3 2010**

Ms. Jennifer Sparacino  
City Manager  
City of Santa Clara  
Silicon Valley Power  
1500 Warburton Avenue  
Santa Clara, CA 95050

**Re: CPF No. 5-2008-1001**

Dear Ms. Sparacino:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and finds that Silicon Valley Power has completed the actions specified in the Notice to comply with the pipeline safety regulations. Therefore, this case is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

Enclosure

cc: Mr. Chris Hoidal, Director, Western Region, PHMSA

**CERTIFIED MAIL – RETURN RECEIPT REQUESTED [7009 1410 0000 2472 9932]**

**U.S. DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, D.C. 20590**

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**In the Matter of** )

**Silicon Valley Power,** )

**Respondent.** )

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**CPF No. 5-2008-1001**

**FINAL ORDER**

On August 13 to 16, 2007, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Silicon Valley Power (Respondent) in Santa Clara, California. Silicon Valley Power, the municipal electric utility for the City of Santa Clara, is the operator of the Donald Von Raesfeld Power Plant and an associated 2.5-mile-long natural gas transmission line.<sup>1</sup>

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated January 3, 2008, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had violated 49 C.F.R. § 192.933(a) and proposed ordering Respondent to take certain measures to correct the alleged violation. The Notice also proposed finding that Respondent had committed certain other probable violations of 49 C.F.R. Part 192 and warning Respondent to take appropriate corrective action to address them or be subject to future enforcement action.

Silicon Valley Power responded to the Notice by letter dated January 31, 2008 (Response). Respondent did not contest the allegations of violation and stated that it would comply with all of the terms in the proposed compliance order. Respondent did not request a hearing and therefore has waived its right to one.

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<sup>1</sup> <http://www.siliconvalleypower.com/about/pico/> (accessed on Feb. 12, 2010).

## **FINDING OF VIOLATION**

In its Response, Silicon Valley Power did not contest the allegation in the Notice that it violated 49 C.F.R. Part 192, as follows:

**Item 3B:** The Notice alleged that Respondent violated 49 C.F.R. § 192.933(a), which states, in relevant part:

### **§ 192.933 What actions must be taken to address integrity issues?**

(a) *General requirements.* An operator must take prompt action to address all anomalous conditions the operator discovers through the integrity assessment. In addressing all conditions, an operator must evaluate all anomalous conditions and remediate those that could reduce a pipeline's integrity. An operator must be able to demonstrate that the remediation of the condition will ensure the condition is unlikely to pose a threat to the integrity of the pipeline until the next reassessment of the covered segment.

The Notice alleged that Respondent violated § 192.933(a) by failing to take prompt action to address anomalous conditions discovered through its integrity assessment. Specifically, Silicon Valley Power performed an inline inspection (ILI) tool run of its natural gas transmission line and the results demonstrated a corrosion anomaly with 36% wall thickness. The estimated corrosion growth rate for that area indicated that this condition should be repaired before the next 7-year reassessment interval, but that no such repair was scheduled or completed. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.933(a) by failing to take prompt action to address all anomalous conditions the operator discovers through the integrity assessment process.

## **COMPLIANCE ORDER**

The Notice proposed a compliance order with respect to Item 3B in the Notice for a violation of 49 C.F.R. § 192.933(a). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Director has indicated that Respondent has taken the following actions specified in the proposed compliance order:

1. Respondent excavated all anomaly locations and remediated the alternating current interference that was causing the accelerated corrosion growth rate on its natural gas transmission line.

2. Respondent also performed a close interval survey and an alternating current voltage gradient survey of the entire line and remediated all areas of interference.

Accordingly, I find that compliance has been achieved with respect to this violation. Therefore, the compliance terms proposed in the Notice are not included in this Order.

### **WARNING ITEMS**

With respect to Items 1A, 2A, 3A, 4A, 4B, 4C, 5A and 6A, the Notice alleged probable violations of Part 192 but did not propose a civil penalty or compliance order for these items. Therefore, these are considered to be warning items. The warnings were for:

49 C.F.R. §§ 192.947(d), 192.905(a) (**Item 1A**) — Respondent's alleged failure to maintain a record of its method for determining each high consequence area (HCA);

49 C.F.R. § 192.907(a) (**Item 2A**) — Respondent's alleged failure to provide documentation of its completion of its HCA identification;

49 C.F.R. § 192.933(b) (**Item 3A**) — Respondent's alleged failure to evaluate and characterize anomalies within 180 days of discovery;

49 C.F.R. § 192.937(b) (**Item 4A**) — Respondent's alleged failure to include ILI tool run data in its periodic integrity evaluations for purposes of detecting and remediating corrosion;

49 C.F.R. § 192.937(b) (**Item 4B**) — Respondent's alleged failure to periodically integrate assessment results with other data in determining its periodic reassessment intervals;

49 C.F.R. § 192.937(a) (**Item 4C**) — Respondent's alleged failure to establish an appropriate reassessment interval in light of the corrosion growth rates that existed on its natural gas transmission line;

49 C.F.R. § 192.945(a) (**Item 5A**) — Respondent's alleged failure to track all threat specific metrics as prescribed in the applicable industry standard; and

49 C.F.R. §§ 192.911(l), 192.915(b) (**Item 6A**) — Respondent's alleged failure to define or implement qualification requirements for personnel evaluating integrity assessment results.

Respondent presented information in its Response showing that it had taken certain actions to address the cited items. Accordingly, having considered such information, I find, pursuant to 49 C.F.R. § 190.205, that probable violations of 49 C.F.R. §§ 192.947(d), 192.905(a), 192.907(a), 192.933(b), 192.937(a)-(b), 192.945(a), 192.911(l), and 192.915(b) (Notice Items 1A, 2A, 3A, 4A, 4B, 4C, 5A and 6A ) have occurred and Respondent is hereby advised to correct such conditions. In the event that OPS finds a violation of these provisions in a subsequent inspection, Respondent may be subject to future enforcement action.

The terms and conditions of this Final Order are effective upon receipt of service.

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Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

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Date Issued