

June 1, 2018

Mr. Dan Newton  
Public Works Director  
City of Susanville  
720 South Street  
Susanville, CA 96130

**Re: CPF No. 5-2016-0005M**

Dear Mr. Newton:

Enclosed please find the Order Directing Amendment issued in the above-referenced case. It makes findings of inadequate procedures and requires that the City of Susanville amend certain of its operating and maintenance procedures. When the amendment of procedures is completed, as determined by the Director, Western Region, this enforcement action will be closed. Service of the Final Order by certified mail is effective upon the date of mailing as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry  
Associate Administrator  
for Pipeline Safety

Enclosure

cc: Director, Western Region, Office of Pipeline Safety, PHMSA

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

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<b>In the Matter of</b>	)	
	)	
<b>City of Susanville,</b>	)	<b>CPF No. 5-2016-0005M</b>
	)	
<b>Respondent.</b>	)	
	)	

**ORDER DIRECTING AMENDMENT**

On December 15-17, 2015, pursuant to 49 U.S.C. § 60117, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), inspected the procedures for operations and maintenance for the City of Susanville’s (Susanville or Respondent) gas system in Susanville, California. Susanville operates a 6-inch diameter pipeline approximately 10 miles in length along with the city’s gas distribution system.<sup>1</sup>

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated June 7, 2016, a Notice of Amendment (Notice). In accordance with 49 C.F.R. § 190.206, the Notice alleged certain inadequacies in Respondent’s Operating and Maintenance Manual and proposed requiring Susanville to amend its procedures to comply with the provisions of 49 C.F.R. Part 192.

Susanville responded to both this Notice and a Notice of Probable Violation and Proposed Compliance Order issued in companion case CPF 5-2016-0004 by letter dated July 12, 2016, as supplemented by letter dated December 29, 2016 (Response). Susanville contested the allegations on legal grounds and requested a hearing. A hearing was subsequently held on January 11, 2017 in Lakewood, Colorado, with an attorney from the Office of Chief Counsel, PHMSA, presiding. After the hearing, Respondent provided a post-hearing submission for the record, by letter dated February 21, 2017 (Closing).

**FINDINGS OF INADEQUACY**

In its Response and at the hearing, Susanville contested the Notice, contending that the pipeline is not a transmission line, but rather is a distribution main line. The terms Distribution line and Transmission line are defined in 49 C.F.R. § 192.3 as follows:

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<sup>1</sup> Pipeline Safety Violation Report (Violation Report), (May 15, 2015) (on file with PHMSA), at 1.

*Distribution line* means a pipeline other than a gathering or transmission line.

*Transmission line* means a pipeline, other than a gathering line, that: (1) Transports gas from a gathering line or storage facility to a distribution center, storage facility, or large volume customer that is not down-stream from a distribution center; (2) operates at a hoop stress of 20 percent or more of SMYS; or (3) transports gas within a storage field.

Note: A large volume customer may receive similar volumes of gas as a distribution center, and includes factories, power plants, and institutional users of gas.

A pipeline meets the regulatory definition of a transmission line if it meets any one of the three prongs set forth in the definition. OPS contended that the pipeline was a transmission line because it met two of the three prongs. OPS stated that the pipeline met the first prong in that it transported gas to a large volume customer that is not down-stream from a distribution center and met the second prong in that it operates at a hoop stress of 20 percent or more of specified minimum yield strength (SMYS). Susanville disagreed with OPS and argued that neither of the two prongs OPS pointed to were met.

In the companion case, I found that Susanville committed four violations of 49 C.F.R. Part 192. For reasons more fully discussed in that order, I found that Respondent's pipeline is a transmission line because it serves two large volume customers that are not downstream from a distribution center and operates at a hoop stress above 20 percent SMYS for purposes of classification. In its Response and at the hearing, Susanville acknowledged that if the pipeline is determined to be a transmission line, the facts as alleged establish the inadequacy of its operations and maintenance procedures as alleged in this proceeding.

### **AMENDMENT OF PROCEDURES**

Accordingly, I find that Susanville's procedures are inadequate to ensure safe operation of its pipeline system. Pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206, Susanville is ordered to make the following revisions to its procedures. Respondent must:

1. Amend its procedures to explicitly require exposed pipe to be examined for evidence of corrosion or coating deterioration including documenting any findings and required remedial action in accordance with § 192.459.
2. Amend its procedures for the allowance and dimensions of miter joints to conform with the requirements of § 192.233.
3. Submit the amended procedures to the Director within 180 days following receipt of this Order.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

Failure to comply with this Order may result in administrative assessment of civil penalties not to exceed \$200,000, as adjusted for inflation (49 C.F.R. § 190.223), for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

Under 49 C.F.R. § 190.243, Respondent may submit a Petition for Reconsideration of this Order to the Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2<sup>nd</sup> Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address, no later than 20 days after receipt of this Order by Respondent. Any petition submitted must contain a statement of the issue(s) and meet all other requirements of 49 C.F.R. § 190.243. The terms of the order remain in effect unless the Associate Administrator, upon request, grants a stay. The terms and conditions of this Order are effective upon service in accordance with 49 C.F.R. § 190.5.

June 1, 2018

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Alan K. Mayberry  
Associate Administrator  
for Pipeline Safety

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Date Issued