

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

July 28, 2017

Mr. Chet Manchester
Divisional Manager of Generation
Silicon Valley Power
850 Duane Avenue
Santa Clara, CA 95050

CPF 5-2017-0009W

Dear Mr. Manchester:

On April 24 through 27, 2017, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Donald Von Raesfeld Power Plant Pipeline System in Santa Clara, California.

As a result of the inspection, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violation is:

1. **§191.17 Transmission systems; gathering systems; liquefied natural gas facilities; and underground natural gas storage facilities: Annual report.**
 - (a) ***Transmission or Gathering.* Each operator of a transmission or a gathering pipeline system must submit an annual report for that system on DOT Form PHMSA 7100.2.1. This report must be submitted each year, not later than March 15, for the preceding calendar year, except that for the 2010 reporting year the report must be submitted by June 15, 2011.**

Silicon Valley Power (SVP) failed to comply with §191.17(a) by not reporting the full extent of their transmission system. In addition to their reported system, SVP has a 4-inch tap line connected to the 12-inch pipeline at the fence line of the Donald Von Raesfeld power plant. There is no method of isolation between the 4-inch and 12-inch lines, only a valve above ground on the 4-inch line. This length of 4-inch line has not been incorporated into any prior annual report.

As of April 27, 2017, under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$209,002 per violation per day the violation persists up to a maximum of \$2,090,022 for a 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 item(s) 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 5-2017-0009W**. 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,

Dustin Hubbard
Acting Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 C. Carroll /H. Nguyen (#155246)