

## NOTICE OF AMENDMENT

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 18, 2017

Mr. Peter Guadagni  
General Manager  
Island Energy  
440 Walnut Ave  
Vallejo, CA 94592

**CPF 5-2017-0012M**

Dear Mr. Guadagni:

On January 24 through 27, 2017, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected the Island Energy procedures for gas distribution system in Vallejo, California.

On the basis of the inspection, PHMSA has identified several apparent inadequacies found within the Island Energy plans or procedures, as described below:

1. **§192.605 Procedural manual for operations, maintenance, and emergencies**
  - (b) **Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.**
    - (2) **Controlling corrosion in accordance with the operations and maintenance requirements of Subpart I of this part.**

The Island Energy Operations and Maintenance manual does not contain a process for inspection and documentation of Atmospheric Corrosion for the causeway pipe hangers or pipe under the causeway at the waterline and splash zone.

2. **§192.613 Continuing Surveillance.**  
(a) Each operator shall have a procedure for continuing surveillance of its facilities to determine and take appropriate action concerning changes in class location, failures, leakage history, corrosion, substantial changes in cathodic protection requirements, and other unusual operating and maintenance conditions.

Island Energy does not have procedures for continuing surveillance of the main installed on the Mare Island Causeway or under the Napa River ship channel.

3. **§192.615 Emergency plans.**  
(a) Each operator shall establish written procedures to minimize the hazard resulting from a gas pipeline emergency. At a minimum, the procedures must provide for the following:  
(1) Receiving, identifying, and classifying notices of events which require immediate response by the operator.  
(2) Establishing and maintaining adequate means of communication with appropriate fire, police, and other public officials.  
(3) Prompt and effective response to a notice of each type of emergency, including the following:  
(i) Gas detected inside or near a building.  
(ii) Fire located near or directly involving a pipeline facility.  
(iii) Explosion occurring near or directly involving a pipeline facility.  
(iv) Natural disaster.  
(4) The availability of personnel, equipment, tools, and materials, as needed at the scene of an emergency.  
(5) Actions directed toward protecting people first and then property.  
(6) Emergency shutdown and pressure reduction in any section of the operator's pipeline system necessary to minimize hazards to life or property.  
(7) Making safe any actual or potential hazard to life or property.  
(8) Notifying appropriate fire, police, and other public officials of gas pipeline emergencies and coordinating with them both planned responses and actual responses during an emergency.  
(9) Safely restoring any service outage.  
(10) Beginning action under §192.617, if applicable, as soon after the end of the emergency as possible.  
(11) Actions required to be taken by a controller during an emergency in accordance with § 192.631.  
(b) Each operator shall:  
(1) Furnish its supervisors who are responsible for emergency action a copy of that portion of the latest edition of the emergency procedures established under paragraph (a) of this section as necessary for compliance with those procedures.  
(2) Train the appropriate operating personnel to assure that they are knowledgeable of the emergency procedures and verify that the training is effective.  
(3) Review employee activities to determine whether the procedures were effectively followed in each emergency.  
(c) Each operator shall establish and maintain liaison with appropriate fire, police, and other public officials to:  
(1) Learn the responsibility and resources of each government organization that

- may respond to a gas pipeline emergency;
- (2) Acquaint the officials with the operator's ability in responding to a gas pipeline emergency;**
- (3) Identify the types of gas pipeline emergencies of which the operator notifies the officials; and,**
- (4) Plan how the operator and officials can engage in mutual assistance to minimize hazards to life or property.**

The Island Energy Emergency Plan does not address or contain procedures for addressing emergencies arising from a leak or failure on the main installed on the Mare Island Causeway or under the Napa River ship channel. The Island Energy Emergency Plan fails to identify the U.S. Coast Guard, U.S. Army Corp of Engineers or any other local, state or federal agencies responsible for river traffic transiting the Napa River under the Mare Island Causeway.

**4. §192.616 Public Awareness**

- (b) The operator's program must follow the general program recommendations of API RP 1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.**
- (c) The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.**
- (d) The operator's program must specifically include provisions to educate the public, appropriate government organizations, and persons engaged in excavation related activities on:**
  - (1) Use of a one-call notification system prior to excavation and other damage prevention activities;**
  - (2) Possible hazards associated with unintended releases from a gas pipeline facility;**
  - (3) Physical indications that such a release may have occurred;**
  - (4) Steps that should be taken for public safety in the event of a gas pipeline release; and**
  - (5) Procedures for reporting such an event.**
- (e) The program must include activities to advise affected municipalities, school districts, businesses, and residents of pipeline facility locations.**

The Island Energy Public Awareness program fails to identify several important stakeholders. Specifically, dredging and shipping companies active on the Napa River; the U.S. Coast Guard, U.S. Army Corp of Engineers or any other local, state or federal agencies responsible for safety on the Napa River. Further, it is unclear if residents, businesses, property owners and public officials on the Vallejo side of the Napa River are identified as stakeholders.

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 Compliance 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).

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 60 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 Island Energy maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Kim West, Acting Director, Western Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2017-0012M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Kim West  
Acting Director, Western Region  
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*

cc: PHP-60 Compliance Registry  
PHP-500 J. Dunphy (#148456)