



September 8, 2017

Ms. Kim West
Acting Director, Western Region
Pipeline and Hazardous Materials Safety Administration
12300 W. Dakota Ave., Suite 110
Lakewood, CO 80220

CPF 5-2017-0013W

Dear Ms. West:

I received your Warning Letter regarding probable violations with our corrosion control records and the capacity of relief devices. issues with the Island Energy Distribution Integrity Management Plan (DIMP). Although no response to the letter was required, it is our practice is to correct the deficiencies and notify your office of the actions taken.

- 1. §192.491 Corrosion control records**
The issue uncovered was that Island Energy was not maintaining records of inspection where no problems were found, specifically with respect to above ground steel risers associated with gas services. Island Energy conducted an inspection of all such risers in July 2017 and noted the individual inspection results on an address listing of all gas customers. This will be our practice for future triennial corrosion inspections.
- 2. §192.743 Pressure limiting and regulating stations: Capacity of relief devices**
The probable violation was that Island Energy failed to verify and document the capacity of the system emergency relief valve in 2015 and 2016. More specifically, Island Energy's capacity calculations assumed a maximum input pressure of 100 psig but the maximum pressure of the upstream supply was not verified to not exceed the assumed amount. Island Energy validated with PG&E (the upstream operator) that the MAOP of the feeder main remains at 100 PSIG. This validation confirmed calculation was correct and the capacity of the relief device.

The Island Energy O&M Manual has amended to include the following paragraph in the Pressure Relief Valve Maintenance section:

Annual Validation of PRV Capacity Sufficiency

The sufficiency of the PRV capacity was determined in a study performed by GTS. (*Relief Valve Study for Island Energy, GTS, 4/22/2014* copy in Appendix H.) The study assumes the MAOP of the

PG&E source pipeline is 100 PSIG. At intervals not exceeding fifteen (15) months, but at least once each calendar year, the current MAOP of the source pipeline will be validated to not exceed 100 PSIG. If the source MAOP remains at 100 PSIG or less, no further actions are necessary (49 CFR § 192.743b). If the source MAOP exceeds 100 PSIG, a new study shall be conducted to determine if the PRV capacity is sufficient. If it is not, a new or additional device will be installed (49 CFR § 192.743c).

No response to this letter is necessary. However, we would appreciate your office notifying us if our actions are not sufficient.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. M. Guadagni', with a small flourish at the end.

Peter M. Guadagni
General Manager
Island Energy