

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 3, 2019

Mr. Frankie McDermott
Chief Energy Delivery Officer
Sacramento Municipal Utility District
4401 Bradshaw Rd.
Sacramento, CA 95827

CPF 5-2019-0022M

Dear Mr. McDermott:

On July 22 through 26, 2019, representatives of the California Public Utilities Commission on behalf of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Sacramento Municipal Utility District (SMUD) procedures for the natural gas transmission system in Sacramento, California.

On the basis of the inspection, PHMSA has identified an apparent inadequacy found within SMUD's plans or procedures, as described below:

1. **§192.605 Procedural manual for operations, maintenance, and emergencies**
 - (a) . . .
 - (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.**
 - (1) ...
 - (2) **Controlling corrosion in accordance with the operations and maintenance requirements of Subpart I of this part.**

§192.465(d) requires SMUD to take prompt remedial action to correct any deficiencies indicated by the external corrosion control monitoring. SMUD's procedure is missing specific language on

the timely correcting of cathodic protection (CP) deficiencies within the 15-month inspection interval.¹

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 SMUD maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Dustin Hubbard, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2019-0022M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Dustin Hubbard
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 (#166441)

¹ SMUD is encouraged but not required to specifically include targeted or required timeframes for correcting deficiencies.