

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 3, 2019

Mr. Ed Shikada
Assistant City Manager
City of Palo Alto
250 Hamilton Avenue
Palo Alto, CA 94301

CPF 5-2019-0023M

Dear Mr. Shikada:

On August 13 through 16, 2018, a representative of the California Public Utilities Commission (CPUC) on behalf of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected The City of Palo Alto's (CPA) natural gas distribution system procedures for Operations & Maintenance, Emergency Response and Public Awareness.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within CPA'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) . . .
 - (4) **Gathering of data needed for reporting incidents under Part 191 of this chapter in a timely and effective manner.**

The CPA Operations manual does not contain written procedures to report incidents to the National Response Center pursuant to §191.5. It also does not include the 30-day time limit for incident reporting, nor is there a process to submit supplemental reports pursuant to §191.9. Additionally, it does not contain procedures to report the events listed in §191.22(c).

2. §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.

(8) Periodically reviewing the work done by operator personnel to determine the effectiveness and adequacy of the procedures used in normal operation and maintenance and modifying the procedure when deficiencies are found.

CPA's Operations Manual does not have procedures to periodically conduct reviews required by §192.605(b)(8).

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) ...

(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.

(5) Actions directed toward protecting people first and then property.

(7) Making safe any actual or potential hazard to life or property.

The CPA Emergency Operations Manual does not adequately address §192.615(a)(3), (5), or (7). In 2018 the City of Palo Alto inactivated their previous Emergency Plan (December 2014). Contained within the previous Emergency Plan are Sections 1.4 Action to be Taken and 1.6 Example List of Emergency Levels where items from Part 192.615(a)(3)(i-iii) were listed. The City of Palo Alto's current Emergency Operations Plan did not incorporate Sections 1.4 and 1.6 from their inactivated Emergency Plan and CPA should consider revising and reincorporating these sections. Further, Section 1.7 had statements regarding the protection of people first then property, while the current Emergency Operations Plan does not state this explicitly.

4. **§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) **Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and Subpart M of this part.**

The CPA's procedures for purging a pipeline do not adequately address all purging situations within the CPA distribution system. Specifically, the procedures do not address how to purge pipe sizes less than 2 inches in diameter, greater than 12 inches in diameter and lengths of pipe less than 600 feet long. Further, the CPA Operations & Maintenance Manual valve inspection procedure does not state what to do if a valve, the use of which may be necessary for the safe operation of a distribution system, is found inoperable and cannot be promptly repaired.

5. **§192.285 Plastic pipe: Qualifying persons to make joints.**

(a) **No person may make a plastic pipe joint unless that person has been qualified under the applicable joining procedure by:**

(1) **Appropriate training or experience in the use of the procedure; and**

(2) **Making a specimen joint from pipe sections joined according to the procedure that passes the inspection and test set forth in paragraph (b) of this section.**

(b) **The specimen joint must be:**

(1) **Visually examined during and after assembly or joining and found to have the same appearance as a joint or photographs of a joint that is acceptable under the procedure; and**

(2) **In the case of a heat fusion, solvent cement, or adhesive joint;**

(i) **Tested under any one of the test methods listed under §192.283(a), or for PE heat fusion joints (except for electrofusion joints) visually inspected and tested in accordance with ASTM F2620-12 (incorporated by reference, see § 192.7) applicable to the type of joint and material being tested;**

(ii) **Examined by ultrasonic inspection and found not to contain flaws that would cause failure; or**

(iii) **Cut into at least three longitudinal straps, each of which is:**

(A) **Visually examined and found not to contain voids or discontinuities on the cut surfaces of the joint area; and**

(B) **Deformed by bending, torque, or impact, and if failure occurs, it must not initiate in the joint area.**

(c) **A person must be re-qualified under an applicable procedure once each calendar year at intervals not exceeding 15 months, or after any production joint is found unacceptable by testing under §192.513.**

(d) **Each operator shall establish a method to determine that each person making joints in plastic pipelines in the operator's system is qualified in accordance with this section.**

The CPA Operations & Maintenance manual plastic pipe fusion procedure in Section 4.8 does not meet the current requirements of §192.285. The O&M manual under Section 4.8 Plastic Fusion Procedure has provisions from older version of Code for §192.285(c). CPA must review Section 4.8 and §192.285, then update the Section 4.8 accordingly.

6. §192.616 Public Awareness

(a) ...

(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.

(i) The operator's program documentation and evaluation results must be available for periodic review by appropriate regulatory agencies.

CPA's procedures using bottom-line results to measure the effectiveness of the public awareness program lack sufficient detail to meet the requirements of API RP1162, Section 8 "Program Evaluation." The public awareness plan requires tracking whether the implementation of the public awareness program is impacting bottom line results, but do not provide procedures specifying how that is achieved. Additionally, procedures to measure the effectiveness of the public awareness program for the excavator, public official, and emergency official stakeholder groups are absent. The City of Palo Alto has informal processes in place to meet these requirements, but these processes should be formalized and included in the written public awareness program pursuant to API 1162 Section 8.

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 The City of Palo Alto 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 5-2019-0023M** 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

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

cc: PHP-60 Compliance Registry
PHP-500 J. Dunphy (#161862)