



U.S. Department
of Transportation

Pipeline and
Hazardous Materials
Safety Administration

840 Bear Tavern Road, Suite 300
West Trenton, NJ 08628
609.771.7800

NOTICE OF AMENDMENT

OVERNIGHT EXPRESS DELIVERY

June 12, 2020

Mr. William D. Johnson
President
Pacific Gas and Electric Company
PO Box 770000 Mail Code H15B
San Francisco, CA 94105

CPF 1-2020-0006M

Dear Mr. Johnson:

From November 19 – 22, 2019, inspectors from the California Geologic Energy Management Division (CalGEM), acting as an Agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Pacific Gas & Electric Company (PG&E)'s procedures relevant to its underground natural gas storage program for the Pleasant Creek (PC) and McDonald Island (MI) intrastate underground natural gas storage (UNGS) facilities in San Joaquin and Yolo Counties, California.

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

- 1. § 192.605 Procedural manual for operations, maintenance and emergencies.**
 - (a) *General.* Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

PG&E's procedures for reporting safety related conditions were inadequate. Specifically, PG&E's procedure *TD 4413P02* only required PG&E to notify California Public Utility Commission (PUC) of safety related conditions reports (SRCRs) at UNGS facilities rather than notifying CalGEM for UNGS SRCRs. CalGEM is the state entity that has entered into an Agreement with PHMSA to perform safety inspections of intrastate UNGS facilities within the state of California.

At the time of the inspection, CalGEM discovered that PG&E's procedures did not require notification of UNGS SRCRs to be provided to CalGEM, as required by § 191.7(c)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 Enforcement 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 30 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 Pacific Gas & Electric Company maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Robert Burrough, Director, PHMSA Eastern Region, 840 Bear Tavern Road, Suite 300, West Trenton, NJ 08628. Please refer to **CPF 1-2020-0006M** on each document you submit, and whenever possible provide a signed PDF copy in electronic format. Smaller files may be emailed to robert.burrough@dot.gov. Larger files should be sent on USB flash drive accompanied by the original paper copy to the Eastern Region Office.

¹ Section 191.7(c) states:

(c) *Safety-related conditions.* An operator must submit concurrently to the applicable State agency a safety-related condition report required by § 191.23 for intrastate pipeline transportation or when the State agency acts as an agent of the Secretary with respect to interstate transmission facilities.

Additionally, if you choose to respond to this (or any other case), please ensure that any response letter pertains solely to one CPF case number.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert Burrough".

Robert Burrough
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

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

CC: Nick Stavropoulos, Executive Vice President, Gas Operations, Pacific Gas and Electric Company (via email)
Mike Bradley, Senior Manager, Gas Ops Compliance, Pacific Gas and Electric Company (via email)