



December 20, 2023

Subject: Pipeline and Hazardous Materials Safety Administration (PHMSA) letter, dated October 18, 2023, regarding **CPF 1-2023-055-NOA**

Dear Mr. Thomas Burrough,

Central Valley Gas Storage, LLC (CVGS) received a letter from Mr. Burrough at PHMSA, dated October 18, 2023, regarding procedures from a California Geologic Energy Management Division (CalGEM) inspection at CVGS from February 28, 2022, to March 4, 2022.

The key area of concern raised in the letter is provided below, address the area outlined below,

During the inspection, PHMSA reviewed CVGS' RMP Section 2.1.1 Eddy-current/Magnetic Flux Leakage and Table 6 Annular Vent Pressure Thresholds procedures governing certain and found that they lacked responsive procedures under Section 6.6.1. Specifically, those procedures lacked timeframes and relevant descriptions of the integrity evaluation outcomes that might trigger such evaluation and responsive actions when compromised mechanical integrity is identified in a well. (PHMSA letter, p.2)

Attached in response to the PHMSA 192 and API 1171 NOA deficiencies dated 5/18/23 is the latest version of the Central Valley Gas Storage (CVGS) Risk Mitigation Plan that has been revised since the February/March 2022 PHMSA audit.

As you are likely aware, Caliche Development Partners, LLC recently purchased the CVGS facility from Southern Company in late 2023. As part of its storage risk management plan and continuous improvement obligations, Caliche CVGS intends to conduct further analysis of Section 2.1.1 Well Integrity Demonstration, Verification & Monitoring (API 1171 Section 9.3) during the first quarter of 2024. Additional revisions to the risk management plan could result from this review. We understand this responds to the PHMSA letter; please let us know if you have further questions.

Thank you,

Amy Johnson for Central Valley Gas Storage, LLC

_____/s/____

Name: Amy Johnson

Title: Director of Regulatory

Executed: December 20, 2023