

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: ED.SHIKADA@CITYOFPALOALTO.ORG

October 27, 2023

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

CPF 5-2023-051-NOA

Dear Mr. Shikada:

On August 15 through 19, 2022, representatives 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 (U.S.C.), inspected the City of Palo Alto Utilities (CPA) natural gas distribution system's damage prevention procedures and records.

On the basis of this inspection, PHMSA has identified the apparent inadequacy found within the CPA's 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) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and subpart M of this part.

CPA's procedures were inadequate to ensure the safe operation of a pipeline facility. Specifically, CPA's Operations and Maintenance (O&M) manual does not contain procedures for the maintenance and calibration of equipment used in joining plastic pipe¹.

Therefore, CPA must amend its procedures to include detailed instructions for the maintenance and calibration of all equipment used in the joining of plastic pipe.

2. § 192.616 Public awareness.

(a) ...

(c) The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.

CPA's procedures were inadequate to ensure the safe operation of a pipeline facility. Specifically, the CPA Public Awareness Program fails to consider or define use of relevant factors listed in API RP 1162 Section 6.2 IBR². CPA must amend its Public Awareness Program to consider and define use of relevant factors listed in API RP 1162 Section 6.2.

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

¹ § 192.756 Joining plastic pipe by heat fusion; equipment maintenance and calibration.

² § 192.7(b)(5) API Recommended Practice 1162, "Public Awareness Programs for Pipeline Operators," 1st edition, December 2003, (API RP 1162), IBR approved for § 192.616(a), (b), and (c).

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 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 5-2023-051-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible. Please copy the CPUC Program Manager on all correspondence.

Sincerely,

Dustin Hubbard
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

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

cc. PHP-60 Compliance Registry
PHP-500 J. Dunphy (#22-246104)
Terrence Eng, Program Manager, Gas Safety and Reliability Branch California Public
Utilities Commission