

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 28, 2018

Mr. Mike Lamond, Administrator
Alpine Natural Gas
15 Saint Andrews Road, Suite 7
Valley Springs, CA 95252

GI-2018-03-ANG35

RE: SED's closure letter for the General Order (GO) 112 Gas Inspection of Alpine Natural Gas's Operation, Maintenance & Emergency Plan, Distribution Integrity Management Plan (DIMP) and Operator Qualification program (OQ).

Dear Mr. Lamond:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission reviewed the Alpine Natural Gas (ANG) response letter dated July 23, 2018 for the findings identified during the General Order 112 inspection of ANG's Operation, Maintenance, & Emergency Plan, Distribution Integrity Management Plan (DIMP), and Operator Qualification program (OQ) of ANG's distribution system, which was conducted from March 27 to March 30, 2018.

A summary of the inspection findings documented by the SED, ANG's response to our findings, and SED's evaluation of ANG's response taken for each finding are outlined for each identified violation.

This letter serves as the official closure of the 2018 GO 112 inspection of Operation, Maintenance, & Emergency Plan, Distribution Integrity Management Plan (DIMP), and Operator Qualification program (OQ) of ANG's distribution system. Any matters that are being recommended for enforcement will be processed through the Commission's Citation Program or a formal proceeding.

Thank you for your cooperation in this inspection. If you have any questions, please contact Mohammad Ali at (916) 928-2109 or by email at ma5@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Dennis Lee".

Dennis Lee, P.E.
Program and Project Supervisor
Gas Safety and Reliability Branch
Safety and Enforcement Division

Cc: Kenneth Bruno, SED
Aimee Cauguiran, SED
Kelly Dolcini, SED
Claudia Almengor, SED

Enclosure: Summary of Inspection Findings

SUMMARY OF INSPECTION FINDINGS

I. Probable Violations

A. SED Findings

Title 49 CFR §192.285 (a) states in part:

“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”

During the record review, SED identified that Matt Helm and Luke Frey lapsed their plastic joining qualifications while working on construction projects and service line installations from 8/28/2016 to 10/25/2016. Matt and Luke were re-qualified for plastic pipe joining on 10/26/2016 but were not requalified in the 2017 calendar year. SED determined that ANG violated §192.285 (c) and failed to follow their own procedure for qualifying personnel.

ANG’s Response:

Alpine has two full time Qualified Operators. 2017 was particularly challenging for Alpine since Matt Helm was off, for five months, on personal leave. The re-qualification was to be done in the spring but was not and this lapse is acknowledged and has been addressed. Alpine has implemented a measure that even another future extraordinary circumstance, as in 2017, will not prevent the completion of annual pipe joining qualification.

The resultant issue of unqualified pipe joining, by electrofusion, performed on our system has also led Alpine to the implementation of a new Leak Survey District. The Integrity Management (IM) District is fully described in OME 723 Leak Surveys. This Integrity Management District is distinct in that it consists only of the pipe joining locations on service lines or main line by “un-qualified” personnel, during the period, 8/28/2016 to 10/25/2016. The initial Annual IM District survey was completed in June 2018 and will be done each year for five consecutive years. Any leak detected during the survey will be repaired upon discovery. If, no leaks are found after five years Alpine will then determine if these locations can be moved back into the “Outside Business District” to be monitored every five years.

SED’s Conclusion:

SED recognizes that Alpine acknowledges the lapse of plastic pipe joining re-qualification of two employees identified and has implemented a new Leak Survey District which is described in OME 723 Leak Survey. SED has opted not to impose a fine or penalty at this time since the violation did not result in a hazardous condition to ANG employees and the public.

II. Areas of Concern/ Observations/ Recommendations

1. Based on §192.225(a) – Welding Procedures, which partly states that: *“Welding must be performed by a qualified welder or welding operator in accordance with welding procedures qualified under section 5, section 12, Appendix A or Appendix B of API Std. 1104W.....”*,

SED recommends ANG to include this requirement of qualifying the welding procedures as required by API Std. 1104W.

ANG's Response:

Alpine does not perform steel welding, on the two occasions where steel welding was performed, the qualification under API std. 1104 was adhered to. Alpine has revised OME 605-B1, OME Normal Ops 801 and OME Design/Construction 303 to clearly state that the procedures are followed by the welding operator (under API std. 1104), and that, Alpines Operator observes each weld and all documentation and certifications will be retained.

SED's Conclusion:

SED acknowledges that ANG has revised their procedures OME 605-B1, OME Normal OPS 801 and OME Design/Construction 303 to address the qualifying requirements of welding. SED will check for the retention and completeness of the documentation during the next inspection.

2. During records review, SED observed that the "Design/Construction" section of ANG's O&ME Manual does not indicate requirement for steel pipelines to be externally coated. Title 49 CFR §192.455(a) requires that buried or submerged pipeline installed after July 31, 1971 must have an external coating meeting the requirements of §192.461.

SED recommends that ANG include the requirement for external coating as required by §192.455(a).

ANG's Response:

OME Design/Construction 303 was revised to include the requirement for external coating as required by §192.455(a).

SED's Conclusion:

SED acknowledges that Alpine has revised OME Design/Construction 303 to include the requirement for external coating.

3. During record review SED identified that ANG's Procedural Manual for OP&E - Design/Constr. does not include language for installing a Cathodic Protection (CP) system within a year after completion. §192.455(a) (2) partly states that buried or submerged pipeline installed after July 31, 1971 must have a cathodic protection system designed to protect pipeline installed and placed in operation within 1 year after completion of construction.

SED recommends ANG to include this requirement of CP system as required by §192.445(b)(2).

ANG's Response:

OME Design/Construction 303 and OME Corrosion Control 455 were revised to include the requirement for Cathodic Protection (CP) be installed, on all buried steel pipe, within 12 months of installation as required by §192.455(a).

SED's Conclusion:

SED acknowledges that ANG has revised their policy and procedures to include the requirement of Cathodic Protection (CP) on all buried still pipe.

4. During record review SED identified that 45 feet of 6 inch main was abandoned on 9/21/2016. However, documents showing purging pipeline of gas as required by §192.727(b) were not available.

SED recommends ANG to purge the abandoned gas main and forward documents for review.

ANG's Response:

Please find Alpine's 9-21-16 field notes, form 605 describing the general pipeline repair on September 21, 2016 and a photo of the actual labeled pipe segment pulled out of service and purged on September 21, 2016.

SED's Conclusion:

SED reviewed the submitted documents by ANG confirming the purging of abandoned gas main and has no further concerns at this point.