

July 6, 2016

Mr. Kenneth Bruno
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division
California Public Utilities
Commission

SUBJECT: General Order 112 Inspection of Alpine Natural Gas
GI-2016-03-ANG-35-02B

Dear Mr. Bruno,

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a General Order 112 inspection of Alpine Natural Gas (ANG) from March 21 through 24, 2016. The inspection included review of Regulator & Valves, Operation & Maintenance Plan and the Distribution Integrity Management Program. A representative sample of ANG facilities and the right-of-way were also inspected.

SED did not observe any violations. A Summary of Inspection Findings which contains areas of concerns and recommendations were identified by SED staff and were presented to Alpine. Alpine provides a written response to these two findings by indicating the measures taken by ANG to address the listed areas of concerns and recommendations.

SUMMARY OF INSPECTION FINDINGS

A. Areas of Concern and Recommendations

1. During the SED field inspection, ANG discovered that the tags for Valves #48 and #49 were switched. Therefore, Valve #48 was tagged as Valve #49 and Valve #49 was tagged as Valve #48. Please provide an update explaining if a corrective action has been implemented to address this area of concern.

Response: *Alpine corrected the labeling error on March 29, 2016
Valve 48 now has Valve label 48 correctly attached as well does
Valve 49 have valve label 49.*

2. SED reviewed ANG's Distribution Integrity Management Plan (DIMP) - Version 2.5.1 (Effective Date, July 31, 2014) and the most current update at the time of inspection – DIMP Version 2.6.1 (Effective Date, December 31, 2015). SED found that DIMP Version 2.5.1 identified and risk ranked the following threats: excavation damage, equipment malfunction and material/joint workmanship. SED found that DIMP Version 2.6.1 only identified and risk ranked excavation damage as a threat. Based on the documentation reviewed during the inspection and discussion with the operator, SED recommends that ANG continue to monitor equipment malfunction and material/joint workmanship and as such include these two threats in the most current DIMP plan revision. Please provide an update explaining if a corrective action has been implemented to address this area of concern.

Response: Alpine removed these threat rankings in 2.6.1 since there are no known threats that exist. Furthermore, it was determined current procedures would be adequate to assess these potential threats therefore additional consideration was not seen as necessary. To address this area of (SED) concern; Alpine has, revised its DIMP plan, version 2.6.3 with an effective date of 12/31/15 that now includes equipment malfunction and material/joint workmanship as potential threats in the risk ranking.

Sincerely,



Mike Lamond, Administration/CFO
Alpine Natural Gas

By E-mail:

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