

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 16, 2016

GI-2016-03-ANG-35-02B

Mr. Mike Lamond (anginc@goldrush.com)
Administration/CFO
Alpine Natural Gas
15 St. Andrews Road
P.O. Box 550
Valley Springs, CA 95252

SUBJECT: General Order 112 Inspection of Alpine Natural Gas

Dear Mr. Lamond:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a General Order 112¹ 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 (Summary), which contains areas of concerns and recommendations identified by SED staff, is included as an attachment to this letter.

Please provide a written response indicating the measures taken by ANG to address the areas of concerns and recommendations within 30 days from the date of this letter. SED will notify ANG if the measures taken sufficiently address the areas of concerns identified.

If you have any questions, please contact Alin Podoreanu at (916) 928-2552 or by email at alin.podoreanu@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Kenneth A. Bruno".

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

Enclosure: Summary of Inspection Findings

¹ General Order 112-F was adopted by the Commission on June 25, 2015 via Decision 15-06-044.

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.
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.