

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



April 22, 2015

GI-2015-02-GRS38-01A, 05, 06, &amp; 15

Mr. David A. Weber, President and CEO ([Dave.Weber@nwnatural.com](mailto:Dave.Weber@nwnatural.com))  
Gill Ranch Storage  
220 NW 2<sup>nd</sup> Avenue  
Portland, OR 97209

SUBJECT: Gill Ranch Storage General Order 112-E Inspection

Dear Mr. Weber:

On behalf of the Safety and Enforcement Division (SED) of the California Public Utilities Commission, Alin Podoreanu and Shuai Zhang conducted a General Order 112-E inspection of Gill Ranch Storage (GRS) from February 23 through 27, 2015. The inspection included a review of corrosion control, public awareness, operator qualification, and drug and alcohol records for the period of 2012 through 2014. A representative sample of GRS facilities, the compressor station, and the right of way were also inspected.

A Summary of Inspection Findings (Summary), which contains probable violations and 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 GRS to address the probable violations and areas of concerns and recommendations within 30 days from the date of this letter. SED will notify GRS of the enforcement actions it plans to take in regard to each of the violations found during the audit, pursuant to Commission Resolution ALJ-274, after it has an opportunity to review GRS's response to the findings included in the Summary.

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

Sincerely,

Kenneth Bruno  
Program Manager  
Gas Safety and Reliability Branch  
Safety and Enforcement Division

Handwritten signature of Kenneth Bruno in black ink, with the date "4/22/15" written below it.

Enclosure: Summary of Inspection Findings

cc: Karl Leger, RegSafe ([Karl.Leger@regsafe.com](mailto:Karl.Leger@regsafe.com))  
Todd Thomas, GRS ([Tthomas.nwngs@nwnatural.com](mailto:Tthomas.nwngs@nwnatural.com))  
Dennis Lee, SED ([Dennis.Lee@cpuc.ca.gov](mailto:Dennis.Lee@cpuc.ca.gov))  
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## SUMMARY OF INSPECTION FINDINGS

### A. Probable Violations

1. Title 49 CFR §199.105 (c)(6) states in part:

*"The operator shall randomly select a sufficient number of covered employees<sup>1</sup> for testing during each calendar year to equal an annual rate not less than the minimum annual percentage rate for random drug testing determined by the Administrator..."*

GRS is in violation of Title 49 CFR §199.105 (c)(6) for failing to ensure contractors performing covered functions from 2012 through 2014 were included in annual random drug testing. SED recommends GRS develop and implement a procedure to ensure covered contractors meet the minimum annual rate for random drug testing. Please provide SED with the measures taken by GRS to prevent this violation from recurring.

2. Title 49 CFR §199.119(c) states:

*"To calculate the total number of covered employees eligible for random testing throughout the year, as an operator, you must add the total number of covered employees eligible for testing during each random testing period for the year and divide that total by the number of random testing periods. Covered employees, and only covered employees, are to be in an employer's random testing pool, and all covered employees must be in the random pool (emphasis added). If you are an employer conducting random testing more often than once per month (e.g., you select daily, weekly, bi-weekly), you do not need to compute this total number of covered employees rate more than on a once per month basis."*

SED reviewed North West Natural's Anti-Drug Plan<sup>2</sup> and found one Administrative Assistant included in the covered employee random testing pool in 2012, 2013, Q1 through Q3 2014 and Q1 2015. North West Natural's Anti-Drug Plan does not list the Administrative Assistant position as a covered employee. Upon review of the specific job duties, GRS decided to remove the Administrative Assistant from the covered employee random testing pool, as she did not appear to be in a covered position.

GRS is in violation of Title 49 CFR §199.119(c) for including a non-covered employee in an employer's random testing pool. Please provide SED with the measures taken by GRS to prevent this violation from recurring.

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<sup>1</sup> Covered employee, employee, or individual to be tested means a person who performs a covered function, including persons employed by operators, contractors engaged by operators, and persons employed by such contractors, as defined in §199.3.

<sup>2</sup> GRS is an affiliate of North West Natural and has adopted NW Natural's Anti-Drug Plan and Alcohol Misuse Prevention Plan.

## **B. Areas of Concern and Recommendations**

1. GRS Task 0001 "Measure Structure to Electrolyte Potential", Step 2 recommends that Half-Cell calibration be performed by connecting the reference cell and the half-cell by touching the two heads together. SED witnessed the use of Tinker and Razor Model B6 Portable Cu/CuSO<sub>4</sub> reference electrodes and recommends GRS follow the manufacturer's product instructions, which state that water should be used as an electrolyte when verifying field electrodes against reference electrodes.
2. The 2012 through 2014 GRS cathodic protection surveys note a number of test stations where pipe-to-soil readings could not be recorded because test stations could not be located or had broken leads. GRS must perform an evaluation to determine if its pipeline has sufficient test stations to determine the adequacy of cathodic protection per Title 49 § 192.469. If GRS determines it does not have sufficient test stations, GRS must take appropriate remedial measures.