

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

February 26, 2018

GI-2017-12-GRS38-08

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

SUBJECT: SED's closure letter for the Gill Ranch Transmission Integrity Management Plan (TIMP) inspection.

Dear Mr. Weber:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission reviewed Gill Ranch Storage's (GRS) response letter dated February 6, 2018 for the findings identified during the GRS TIMP inspection conducted December 4-8, 2017. The inspection included a review of GRS's TIMP procedures and associated records.

A summary of the inspection findings documented by the SED, GRS's response to SED's findings, and SED's evaluation of GRS's response taken for each finding are outlined in the summary section of this report.

This letter serves as the official closure of the 2017 GRS safety inspection.

For any questions related to this matter, please contact Paul Penney at (415) 703-1817 or by email at [paul.penney@cpuc.ca.gov](mailto:paul.penney@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 District

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))  
Kenneth Bruno, SED ([Kenneth.Bruno@cpuc.ca.gov](mailto:Kenneth.Bruno@cpuc.ca.gov))  
Alan Bach, SED ([Alan.Bach@cpuc.ca.gov](mailto:Alan.Bach@cpuc.ca.gov))  
Dmitriy Lysak, SED ([Dmitriy.Lysak@cpuc.ca.gov](mailto:Dmitriy.Lysak@cpuc.ca.gov))  
Molla Mohammad Ali, SED ([MollaMohammad.Ali@cpuc.ca.gov](mailto:MollaMohammad.Ali@cpuc.ca.gov))  
Kelly Dolcini, SED ([Kelly.Dolcini@cpuc.ca.gov](mailto:Kelly.Dolcini@cpuc.ca.gov))

## SUMMARY OF INSPECTION FINDINGS

### **1. Protocol Area A: Identify HCAs**

No issues identified.

### **2. Protocol Area B: Baseline Assessment Plan**

We are past the baseline period. This section was skipped.

### **3. Protocol Area C: Identify Threats, Data Integration, Risk Assessment**

**C.02.e.** Verify that the operator's program includes measures to ensure that new information is incorporated in a timely and effective manner, as addressed in Protocol K. [§192.911(k), ASME B31.8S-2004, Section 11(b) and ASME B31.8S-2004, Section 11(d)]

#### **Issue Identified**

RECOMMENDATION: Expand on the process for how information is incorporated in a "timely and effective" manner. This is referenced in section TIMP, Section 4.2.2.

#### **GRS Response:**

Upon the SED's recommendation during the December 2017 TIMP audit, GRS has updated Section 4.2.2 of the TIMP to include a more robust explanation on how information is incorporated into the risk assessment. Section 4.2.2 now reads:

#### **4.2.2 Incorporating New Information**

As new information is acquired, GRS will incorporate any applicable data into the program in a timely and effective manner. The incorporation of new information in a timely manner assures that the new information is incorporated based on importance / priority, in accordance with this plan and ASME B31.8S. Should GRS identify the potential for a newly identified site the operator shall conduct an HCA analysis in accordance with Section 2 – Identifying HCAs. If it is determined that the identified site results in an HCA the operator shall:

- Incorporate the newly identified HCAs into the operator's baseline assessment plan within one year from the date it is identified, and
- Complete the baseline assessment of the line pipe in the newly identified high consequence area within ten (10) years from the date the area is identified.

Should GRS install new pipe (e.g. segment) in an HCA, it shall:

- Complete the baseline assessment for the newly installed pipe segment within ten (10) years from the date the pipe is installed. Note: a pressure test may be used to satisfy the requirement for a baseline assessment provided it satisfies the requirements under 49 CFR 192.

Note: if there is no new information, an annual review of TIMP (including threat analysis and risk assessment) shall be conducted in accordance with this plan. As inspections/tests and other information are gathered on the GRS 30" transmission pipeline, records are stored both on site in the GRS file room, and are also scanned and stored on an off-site

server. These records are then “rolled up” and audited for accuracy and validity by a third party. Once “rolled up” the applicable records are then incorporated into the GRS TIRA in accordance with TIRA section 4.2.7 and the Risk Assessment is updated accordingly.

**SED's Conclusion:**

GRS’s response sufficiently addresses this recommendation.

**4. Protocol Area D: DA Plan**

N/A

**5. Protocol Area E: Remediation**

No issues identified.

**6. Protocol Area F: Continual Evaluation and Assessment**

No issues identified.

**7. Protocol Area G: Confirmatory DA**

N/A

**8. Protocol Area H: Preventative and Mitigative Measures**

**H.07.a.** Verify that an adequate risk analysis-based process is used to determine if an automatic shut-off valve or remote control valve should be added. [§192.935(c)]

- i. Verify that, as a minimum, the following factors were considered: [§192.935(c)]
  1. swiftness of leak detection and pipe shutdown capabilities
  2. the type of gas being transported
  3. operating pressure
  4. the rate of potential release
  5. pipeline profile
  6. the potential for ignition
  7. location of nearest response personnel

**Issue Identified**

RECOMMENDATION: For Appendix M, the ASV or RCV form has only 17 factors, instead of 18. The formula needs to be revised.

Data Request (DR) #1: Send a copy of Appendix J filled in on 9-18-12.

**GRS Response:**

GRS has reviewed Appendix M and has updated the form to reflect 17 factors instead of 18. The formula now requires GRS personnel to divide the number by 85 instead of 90 as each factor can receive a maximum of 5 points. GRS provided DR #1 in a January 24, 2018 E-Mail. GRS believes that this document satisfies the SED’s request.

**SED's Conclusion:**

GRS’s response sufficiently addresses this recommendation.

**9. Protocol Area I: Performance Measures**

**I.01.b.** Verify the process to evaluate IM program effectiveness includes an adequate set of performance metrics to provide meaningful insight into IM program performance.

**Issue Identified**

RECOMMENDATION: Where such metrics would provide meaningful insight, SED staff recommends you add “Process/Activity”, “Operational” and “Direct Integrity” metrics. See B31.8S-2004, Table 8 for examples of leading and lagging metrics for each of the three categories identified above.

**GRS Response:**

Upon recommendation of the SED, GRS has reviewed ASME B31.8S-2004, Table 8 and has added the leading and lagging metrics into their performance metrics. The performance metrics table now captures the below metrics:

| <b>ASME B31.8S-2004 Table 8</b>  |   |
|----------------------------------|---|
| <b>Process/Activity Measures</b> |   |
| T8.1 (a)                         | Pipe Damage found per location excavated          |
| T8.1 (b)                         | Number of excavation notification requests        |
| T8.1 (c)                         | Number of Patrol detects                          |
| <b>Operational measures</b>      |   |
| T8.2 (a)                         | Number of significant IUI corrosion anomalies     |
| T8.2 (b)                         | New rectifiers installed                          |
| T8.2 (c)                         | New ground beds installed                         |
| T8.2 (d)                         | CP current demand change                          |
| T8.2 (e)                         | reduced CIS fault detects                         |
| <b>Direct Integrity measures</b> |   |
| T8.3 (a)                         | Leaks per mile in an integrity management program |
| T8.3 (b)                         | Changes in leaks per mile                         |

**SED's Conclusion:**

GRS’s response sufficiently addresses this recommendation.

**10. Protocol Area J: Record Keeping**

No issues identified

**11. Protocol Area K: Management of Change (MOC)**

No issues identified

## **12. Protocol Area L: Quality Assurance**

- 13. L.01.d.** Verify that when an operator chooses to use outside resources to conduct any process that affects the quality of the integrity management program, the operator ensures the quality of such processes and documents them within the quality program. [ASME B31.8S-2004, Section 12.2(c)]

### **Issue Identified**

DR#2: Per GRS's and the ILI Vendor procedures, please provide a copy of the pre-ILI and post-ILI inspection checks for the last ILI run conducted February 22, 2017.

### **GRS Response:**

GRS provided DR #2 in a January 24, 2018 E-Mail. GRS believes that this document satisfies the SED's request.

### **SED's Conclusion:**

GRS's response sufficiently addresses this recommendation.

## **14. Protocol Area M: Communications Plan**

No issues identified

## **15. Protocol Area N: Submittal of Program Documents**

No issues identified