



January 21, 2016

Mr. Kenneth Bruno  
Program Manager  
Gas Safety and Reliability Branch Safety and Enforcement Division  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102-3298

Dear Mr. Bruno:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a General Order (G.O.) 112 inspection of Wild Goose Storage, LLC (WGS) on September 14-18, 2015. WGS provided a written response to the SED inspection findings on December 24, 2015. Following the submission, staff members of the SED, Mr. A. Gebremedhin and Mr. T. Eng, contacted WGS and requested that they clarify detail pertaining to Finding A.1. WGS was asked to provide these clarifications in a complete revised response.

Attached please find WGS' revised response which replaces the original reply that had been sent to the SED on December 24, 2015. Should you have any questions, or require further information, please contact Gary Theberge at 403-513-8631.

Sincerely,

Gary Theberge

Manager, Engineering & Operations  
Niska Gas Storage Partners LLC

Attachment

cc:

Alula Gebremedhin, SED ([Alula.Gebremedhin@cpuc.ca.gov](mailto:Alula.Gebremedhin@cpuc.ca.gov))

Terence Eng, SED ([Terence.Eng@cpuc.ca.gov](mailto:Terence.Eng@cpuc.ca.gov))

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Mark Casaday, Chief Operating Officer

Kelly Baltimore, EH&S Manager

Pat Baynard, Production Coordinator, Engineering & Operations

Below includes a revised written response to audit finding “A.1 Random Drug Testing” indicating the measures planned by WGS to address the probable violations and observations noted in the Summary provided in the CPUC audit letter dated November 30, 2015. This response replaces the one originally submitted by WGS on December 24, 2015.

### **A.1 Random Drug Testing**

WGS disagrees with the probable violation because the WGS audit response transmitted to CPUC on December 24, 2015 included documentation demonstrating that WGS has participated in the Pipeline Testing Consortium to accomplish random testing that complies with 49 CFR Part 199, as allowed by the PHMSA regulation. The documented results show that WGS has complied with the random drug testing percentage rate for the audited years 2012 through 2014. WGS will continue to work with PTC to ensure compliance with all DOT and PHMSA drug and alcohol testing requirements. WGS is amenable towards revising the Drug and Alcohol Plan to clarify wording related to the required minimum random testing percentage. Accordingly, the language that WGS intends to implement for pages 17 and 18 of the WGS Plan will include:

**Random Drug Testing.** The Company will conduct random tests each calendar year to ensure that the Company meets or exceeds the current minimum annual percentage random testing rate. 49 CFR Part 199.105 ( c ) ( 1 ) specifies the minimum annual percentage rate for random drug testing shall be 50 percent of covered employees, except as provided in paragraphs ( c ) ( 2 ) through ( 4 ). If the industry random drug testing positive rate is below 1 percent, PHMSA may lower the annual percentage rate for random drug testing to 25 percent of the Company’s covered employees. On an annual basis, the Company will confirm the minimum annual percentage rate set by PHMSA in the Federal Register, and verify the Company program is using the required random drug testing percentage rate set for each applicable Calendar Year. The current minimum rate for random drug testing, set by the PHMSA Administrator, is 25 percent of the Company’s covered employees. The Company may use the services of the C/TPA to manage all aspects of the Company’s random testing program. If the Company conducts random testing through a C/TPA, the number of employees to be tested may be calculated for each individual Company or may be based on the total number of covered employees covered by the C/TPA who are subject to random testing ( e.g., consortium random testing pool ) at the same minimum annual percentage rate required by Part 199.105 ( c ) ( 1 ) or any DOT drug testing rule.

### **A.2 Atmospheric Corrosion Inspection**

WGS agrees with the CPUC findings. WGS has incorporated the atmospheric corrosion inspections into the weekly inspections performed by its personnel. These expectations were communicated in a team meeting during August 2015. To fully implement this action, WGS has scheduled an operations team training session for December 16, 2015 to refresh personnel on atmospheric corrosion inspections and the required inspection documentation. Additionally, during calendar year 2016, WGS proposes to incorporate a visual observation to be conducted by the corrosion consultant engaged by WGS. Once a year, the corrosion control contractor would perform and document a visual inspection of the

aboveground facilities exposed to the atmosphere that are visited during the cathodic protection review.

### **A.3 Cathodic Protection**

WGS agrees with the recommendation to address subsection 192.463(c) in the WGS O&M Manual and is including that change in the next manual revision.

WGS has engaged a new corrosion control contractor and after receiving their recommendations, WGS will provide a response to item A.3 by January 30, 2016.

### **B.1 Internal Corrosion Control**

Although Wild Goose Storage (WGS) is confident that the natural gas transported within its pipelines does not possess corrosive qualities, WGS agrees it is good practice to take regular gas samples, and perform standard analysis. WGS proposes that the gas sampling be performed at the wellpad, and produced water sampling at the plant, when the facility is on withdrawal. WGS believes that sampling is not necessary when operating in injection mode -- for, the gas received from PG&E from their L400/L401 Delevan Station, and transported within the WGS sales and gathering lines, is PG&E transmission specification / quality. It possesses zero corrosion qualities / concerns.

It's proposed that the gas sampling be performed in relation to inventory within the gas storage reservoirs. WGS utilizes 3 reservoirs within the Kione formation for gas storage, which comprise of a combined 75 Bcf working gas volume, when full. Gas composition will change gradually in relation to inventory level within each of the reservoirs. At start of withdrawal, when the inventory is at 100%, the gas composition will be consistent with PG&E specification. When a reservoir is fully emptied, the gas composition will be closer to cushion gas quality. It's proposed that gas sampling be performed at approximate reservoir inventory levels: 75%, 50%, 25% and 0%; and to submit for testing and analysis for the constituents that would alert to corrosive gas. Note that water production normally does not occur until the 25% inventory level. The O&M manual will be updated to reflect these changes.

### **B.2 PAP Effectiveness**

WGS agrees with the CPUC observations. WGS will annually perform and document an evaluation of the Public Awareness Program to determine the effectiveness. The next evaluation will occur no later than April 30, 2016. As indicated by that annual evaluation, WGS will develop, approve, and implement action plans to increase public awareness.

Initial actions that WGS will include in the 2016 action plan include:

1. Plan and document the outreach attempted and performed with public or private entities.
2. Evaluate and optimize the mailing list for the 2016 annual mailing.
3. Determine alternate or supplementary communications methods to enhance the effectiveness of the public outreach. Schedule and conduct an orientation meeting between

WGS and the Colusa County Sheriff, Office of Emergency Services (OES). The meeting objective would be to provide information on the WGS operations, develop a liaison, review the WGS emergency response plan and strengthen relationships with this local first responder organization. Currently, this meeting is scheduled for February 4, 2016.

4. Increase the frequency of Table Top exercises with local emergency response officials to once every 3 years, with the next table top exercise to occur no later than January 1, 2019.