

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 31, 2016

GI-2016-03-WGS36-06

Mr. Mark Casaday, COO (Mark.Casaday@niskapartners.com)
Niska Gas Storage Radnor Office
170 Radnor Chester Road, Suite 150
Wayne, PA 19087

SUBJECT: General Order 112 Inspection of Wild Goose Storage Facilities Emergency Management Program.

Dear Mr. Casaday:

On behalf of the Safety and Enforcement Division (SED) of the California Public Utilities Commission, Maria Solis and Jason McMillan conducted a General Order 112 and CA Public Utilities Code Sections 950, 955, 956, 956.5 inspection of Wild Goose Gas Storage (WGS) from March 2 through 4, 2016.¹ The inspection included a review of Emergency Management procedures and records for calendar year 2015.

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 WGS to address the areas of concerns and recommendations within 30 days from the date of this letter. SED looks forward to the future success of the WGS personnel as they implement their Emergency Response Plan to minimize the potential hazards resulting from a gas pipeline emergency. The recommendations provided will ensure prompt and effective response and recovery to emergencies.

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

cc: Pat Baynard, WGS (Patrick.Baynard@niskapartners.com)
Kelly Baltimore, Niska Gas Storage Partners, LLC (Kelly.Baltimore@niskapartners.com)

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. Title 49, Code of Federal Regulations (CFR) §192.605 Procedural manual for operations, maintenance, and emergencies states:

“(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.”

SED reviewed the revised Corporate Emergency Response Plan, Including Site Specific Emergency Response Information for USA Operations, Wild Goose Storage, July 2016 (Emergency Response Plan) for the Wild Goose Gas Storage facilities in Butte and Colusa County’s.

The Emergency Response Plan, Section 1.2.2, Revisions and Updates includes procedures that comply with 49 CFR §192.605 (a) to prepare an emergency plan, to review and update at intervals not exceeding 15 months, but at least once each calendar year. Locations of the Emergency Response Plan within the main Wild Goose Gas Operations Office were verified during the audit.

In addition, all standard procedures, training procedures, Emergency Response Plan, and Safety Plan, need to be revised to reference the June 25, 2015 General Order 112-F instead of General Order 112-E.

2. Title 49 CFR §192.615 (a) states:

“Each operator shall establish written procedures to minimize the hazard resulting from a gas pipeline emergency. At a minimum, the procedures must provide for the following:

(a)(1) Receiving, identifying, and classifying notices of events which require immediate response by the operator.”

SED reviewed the revised Emergency Response Plan, Section 2.0, Emergency Notification, which satisfactorily demonstrates compliance with Title 49 CFR §192.615(a)(1).

“(a)(2) Establishing and maintaining adequate means of communication with appropriate fire, police, and other public officials.”

SED reviewed the revised Emergency Response Plan, Section 1.2.3, Annual Communications with Emergency Responders and the revised receiving, identifying, and

classifying notices of events procedures to notify 911. In addition, Section 1.4 of the revised Emergency Response Plan includes a description of the Emergency Command Center (EOC) and the EOC link between WGS personnel and emergency response personnel during coordination of response to an incident. All WGS employees are trained on the Incident Command System (ICS) and they receive refresher training every 3 years. SED reviewed all the employees ICS certificates of completion.

The ICS enables a coordinated response among jurisdictions and functional agencies, both public and private during an emergency. Using the ICS allows WGS to establish and maintain adequate means of communication with appropriate fire, police, and other public officials.

In addition, Appendix 1.0, Incident Command System Overview; Section 4.0, Emergency Response Role and Duty Checklists; Section 5.0, Government Involvement; and Section 7.0, Niska Facility Sample Response Strategies, of the revised Emergency Response give detailed descriptions of all the ICS functions, how ICS will be implemented during an incident, and how WGS will liaison with first responders.

Section 3.3, California Government Contacts, of the revised Emergency Response Plan includes a telephone contact list of local public agencies including first responders and the Butte and Colusa County Fire Certified Unified Program Agency (CUPA) contacts.

In addition, since the audit WGS personnel has performed outreach to the public agencies that provide 911 services if there is an emergency reported in Butte or Colusa Counties where the WGS facilities are located.

The Emergency Response Plan includes procedures that comply with 49 CFR §192.615 (a)(2).

“(a)(3) Prompt and effective response to a notice of each type of emergency, including the following:

- (i) Gas detected inside or near a building.*
- (ii) Fire located near or directly involving a pipeline facility.*
- (iii) Explosion occurring near or directly involving a pipeline facility.*
- (iv) Natural disaster.”*

SED reviewed Section 2.4, Emergency Levels and Criteria, of the revised Emergency Response Plan which includes 3 levels of incidents and criteria to classify all incidents by determining its potential to adversely affect workers, property, public and the environment.

Section 7.0, Niska Facility Sample Response Strategies, of the revised Emergency Response Plan identifies 9 different types of natural gas emergencies and provides a guideline response for each type of emergency. SED reviewed the revised language in this section to ensure that the specific references were added that refer to WGS personnel.

The Emergency Response Plan includes procedures that comply with 49 CFR §192.615 (a)(3).

“(a)(4) The availability of personnel, equipment, tools, and materials, as needed at the scene of an emergency.”

The revised Emergency Response Plan, Section 6.1.4 and 6.1.5 includes a revised inventory of WGS Safety Equipment and Emergency Materials and Equipment Resources that includes contractors and vendors available to respond to emergencies.

The Emergency Response Plan and the Niska Gas Storage Crisis Management Plan, September 2016, includes procedures that comply with 49 CFR §192.615 (a)(4).

“(a)(5) Actions directed toward protecting people first and then property.”

SED reviewed the revised Emergency Response Plan Purpose, and Sections 7.0, 8.5, 8.6 and 9.0 (Emergency Planning Zone Evacuation Procedures) and has determined that compliance with 49 CFR §192.615 (a)(5) is satisfactory.

“(a)(6) Emergency shutdown and pressure reduction in any section of the operator's pipeline system necessary to minimize hazards to life or property.”

SED reviewed the Niska Purging Code of Practices; Section 7.4, Emergency Pipeline Pressure Reduction; and the shutdown and pressure reduction procedures that were prepared April of 2016 that includes the following Task Information and Practices System's (TIPS):

- 30” Pressure Reduction (Pipeline Strike)
- Mid Valve Blow Down Procedures
- Mid Valve Pressure Alarm
- Manual Shut-in (Plant and Pipeline)
- Controlled Blow Down 30” East of Mid-Valve

SED has determined that the above documents meet the intent of 49 CFR §192.615 (a)(6).

Emergency Response Plan, Section 7.0 was reviewed and satisfactorily meet CA Public Utilities Code, Sections 956 (c)(1) & (2).

“(a)(7) Making safe any actual or potential hazard to life or property.”

SED reviewed the revised Emergency Response Plan and the Crisis Management Plan, August 2016, and has determined that both plans comply with 49 CFR §192.615 (a)(7). In addition, see (a)(5) above.

“(a)(8) Notifying appropriate fire, police, and other public officials of gas pipeline emergencies and coordinating with them both planned responses and actual responses during an emergency.”

When SED reviewed the revised Emergency Response Plan and correspondence with appropriate fire, police, and other public officials for compliance with 49 CFR §192.615 (a)(1) and (a)(2), SED also considered 49 CFR §192.615 (a)(8). In addition, compliance with 49 CFR §192.615 (a)(8) is further met by WGS holding table top and field exercises with fire, police, and other public officials which cover planned responses during an emergency annually.

Based on SED's audit of applicable records SED has determined that procedures and liaison efforts meet the intent of 49 CFR §192.615 (a)(8). SED recommends that WGS personnel conduct annual table top or field exercises with police, fire, and other public officials that include both paid and "volunteer" first responders.

"(a)(9) Safely restoring any service outage."

SED reviewed the start-up TIPS that would be implemented in order to safely restore gas service as a result of an emergency incident affecting the WGS gas pipelines and facilities. SED has determined that the procedures meet the intent of 49 CFR §192.615 (a)(9).

WGS has an Employee Assistance Program (EAP) that is a resource for employees to manage stress during and after major events or incidents. In addition, the Crisis Management Team supports employees and the incident team during major incidents.

"(a)(10) Beginning action under §192.617, if applicable, as soon after the end of the emergency as possible."

SED reviewed Niska Gas Storage Partners ULC, Incident Reporting and Investigation Guideline, February 2014, and the Crisis Management Plan, August 2016, for investigation of failures and has determined that compliance with 49 CFR §192.615 (a)(10) has been met satisfactorily. However, it is recommended that the Incident Reporting and Investigation Guideline include a procedure review and potential revision log that meet the requirements of 49 CFR §192.605 (a). The log shall include a summary of revisions, date of review, date of revised guideline if needed.

"(a)(11) Actions required to be taken by a controller during an emergency in accordance with §192.631."

SED has reviewed all the procedures that are in place and that have been published April of 2016 that detail the action required to be taken by a controller during an emergency in accordance with 49 CFR §192.631 and SED has determined that WGS is in compliance with 49 CFR §192.615 (a)(11).

"(b) Each operator shall:

(b)(1) Furnish its supervisors who are responsible for emergency action a copy of that portion of the latest edition of the emergency procedures established under paragraph (a) of this section as necessary for compliance with those procedures."

Since the audit and as a result of collaboration, WGS has revised their Operations and Maintenance (O&M) Manual, Section 5.0 to reference the revised Emergency Response Plan and the Public Awareness Plan. The revised O&M Manual will be published in October 2016. SED reviewed these documents during the audit and determined that inconsistencies existed between the three documents including the Corporate Emergency Response Plan. The revised O&M Manual will correct the inconsistencies.

SED reviewed the distribution list included in the Emergency Response Plan and SED has determined that compliance with 49 CFR §192.615 (b)(1) has been met satisfactorily.

“(b)(2) Train the appropriate operating personnel to assure that they are knowledgeable of the emergency procedures and verify that the training is effective.”

All WGS employees are trained on the Incident Command System (ICS) and they receive refresher training every 3 years. SED reviewed all the employees ICS certificates of completion in 2013. The revised Emergency Response Plan and the Crisis Management Plan outlines the required ICS training. In addition, a table top exercise is conducted annually to train WGS employees on the Emergency Management Plan. SED reviewed table top exercises that were conducted in 2013 and 2016. SED recommends developing a system to track records of annual table tops that are conducted to train WGS employees on the revised Emergency Response Plan to be provided to the SED during future audits.

WGS includes ICS 225, Incident Personnel Performance Rating form to determine an individual's performance on an incident. Due to the infrequent occurrence of incidents, SED recommends that WGS develop a similar form to verify that all emergency management training is effective. This training shall include all WGS employees responsible for any emergency response activity as described in the revised Emergency Response Plan, O&M Manual, and TIPS.

SED has determined that compliance with 49 CFR §192.615 (b)(2) has been met satisfactorily. In addition, training the WGS personnel on the ICS and preparing the Crisis Management Plan meets the requirements of General Order 112-F, Section 143.6, Compatible Emergency Response Standard.

“(b)(3) Review employee activities to determine whether the procedures were effectively followed in each emergency.”

As stated above as part of the compliance for 49 CFR §192.615 (b)(2) SED verified that employees activities are reviewed to determine whether the procedures were effectively followed in an emergency.

In addition, WGS personnel have also conducted table top emergency response exercises that included external fire, police, and other public officials. After Action Review critiques are prepared for all table top exercises to evaluate whether procedures were effectively followed and if not what the corrective actions will be.

SED has determined that compliance with 49 CFR §192.615 (b)(3) has been met satisfactorily.

“(c) Each operator shall establish and maintain liaison with appropriate fire, police, and other public officials to:

(c)(1) Learn the responsibility and resources of each government organization that may respond to a gas pipeline emergency;

(c)(2) acquaint the officials with the operator's ability in responding to a gas pipeline emergency;

(c)(3) Identify the types of gas pipeline emergencies of which the operator notifies the officials;”

SED reviewed records for all liaison activities for fire, police, and other public officials. The WGS personnel provided records for table top exercises in 2013 & 2016.

During the table top exercises the WGS personnel learn the responsibility and resources of each government organization that may respond to a gas pipeline emergency; they acquaint the officials with the operator's ability in responding to a gas pipeline emergency; and they identify the types of gas pipeline emergencies of which the operator notifies the officials.

Each year a different emergency scenario is exercised in a class room setting with first responders and public officials. In addition, regulatory requirements, public liaison activities and the Emergency Response Plan were also discussed in summary with first responders during the table top exercises. Examples of participants that have participated in the annual table top exercises were from the Cal Fire, Butte County Sheriff Department, Cal OES, Butte and Colusa County Office of Emergency Management/Services, Colusa County Public Works Department, Butte County Fire (CAL fire), City of Colusa Fire Department.

SED recommends that WGS follow-up with reserve and volunteer firefighters to encourage their participation during future table top exercises if they are not able to attend the scheduled table top exercises.

In addition, WGS has agreed to conduct actual field exercises with first responders and public officials in the future.

The table top liaison activities will also meet the CA Public Utilities Code Section 956.5 which states that owners and operators of intrastate transmission and distribution lines, at least once each calendar year, shall meet with each local fire department having fire suppression responsibilities in the area where those lines are located to discuss and review contingency plans for emergencies involving the intrastate transmission and distribution lines within the jurisdiction of the local fire department.

WGS prepared a Wild Goose Storage Public Liaison Plan (Liaison Plan), September 2016. This Liaison Plan is very comprehensive and covers all the State and Federal Code sections that involve both emergency management and public awareness liaison activities. The overlapping code sections were discussed extensively during the audit and through collaboration WGS agreed to develop the Liaison Plan. The Liaison Plan is cross pollinated

and includes all related code sections which will avoid overlapping activities and messaging that risk confusing the public, first responders, and WGS personnel.

SED has determined that compliance with 49 CFR §192.615 (c), (1), (2), & (3) has been met satisfactorily. In addition, the current liaison activities and future planned fire fighter table top and field exercises will further meet the intent of CA Public Utilities Code Section 956.5.

SED has also determined that compliance with CA Public Utilities Code, Sections 956 (c)(3)(A)(B)(C)(E) has been met satisfactorily.

“(c)(4) Plan how the operator and officials can engage in mutual assistance to minimize hazards to life or property.”

SED reviewed the Emergency Response Plan, Section 1.4.1 and 3.2 that describes Mutual Assistance.

In addition, based on collaboration during the audit WGS personnel has partnered with the Central Valley Gas Storage and they have established a verbal agreement to provide each other mutual aid assistance during incidents if needed.

SED recommends that WGS continue to explore mutual assistance opportunities with public officials and first responders to minimize hazards to life or property. Collaboration opportunities include, local and state Public Health Departments in the event WGS activates their evacuation plan. In addition, in advance of a potential prolonged evacuation, SED recommends that discussions with the Public Health Departments include the mechanics of public outreach to the surrounding community during such an event.

SED has determined that compliance with 49 CFR §192.615 (c)(4) has been met satisfactorily. In addition, SED has determined that compliance with CA Public Utilities Code, Section 956 (c)(3)(D) has been met satisfactorily.

SED reviewed the new CA Public Utilities Code, Section 955.5 with the operator during the audit and the WGS personnel agreed to revise their standard procedures to include the new requirements of as listed in the CA Public Utilities Code, Section 955.5