

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



September 12, 2022

GI-2022-04-ANG-35-14-18

Mr. Michael Lamond  
CFO/Administrator  
Alpine Natural Gas Operating Company No. 1, LLC  
15 Saint Andrews Road, Suite 7  
Valley Springs, CA 95252

Dear Mr. Lamond:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission (CPUC) conducted a **General Order (G.O.) 112-F Comprehensive Review and Inspection of Alpine Natural Gas' (ANG) Damage Prevention Program (DPP) and the Section 114 Procedures, (the Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2020 (PIPES Act of 2020))** on April 25, 26, 28, and 29, 2022. SED staff reviewed ANG's Damage Prevention plan and related records for the period starting December 2019 (last inspection) through April 2022 and ANG's Section 114 Operation, Maintenance, and Inspection Procedures.

SED used the Pipeline and Hazardous Materials Safety Administration's (PHMSA) Inspection Assistance (IA) as a reference guide to conduct these inspections. SED staff did not identify any probable violations of G.O. 112-F, Reference Title 49 CFR, Parts 191 & 192, or Section 114 of the PIPES Act of 2020. However, SED noted one (1) area of concern within the ANG's DPP and six (6) areas of concern within the ANG's Section 114 procedures, which are described in the attached "Post-Inspection Written Preliminary Findings" report.

Please provide a written response within 30 days of your receipt of this letter indicating the measures taken by ANG to address the concerns noted in the "Post-Inspection Written Preliminary Findings".

Thank you for your cooperation in these inspections. If you have any questions, please contact Sann Naing, Senior Utilities Engineer (Specialist), at (213) 266-4723 or by email at sn1@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Terence Eng".

Terence Eng, P.E.  
Program Manager  
Gas Safety and Reliability Branch  
Safety and Enforcement Division

CC: Sann Naing, SED/GSRB  
Kan Wai Tong, SED/GSRB  
Claudia Almengor, SED/GSRB  
Matthewson Epuna, SED/GSRB

# Post-Inspection Written Preliminary Findings

**Dates of Inspection:** April 25, 26, 28, and 29, 2022

**Operator:** ALPINE NATURAL GAS (ANG)

**Operator ID:** 31515 (primary)

**Inspection Systems:** [Enter Systems Here]

**Assets (Unit IDs) with results in this report:** Alpine (87544)

**System Type:** GD

**Inspection Name:** ANG DPP and Section 114\_2022

**Lead Inspector:** Sann Naing, SUE, SED

**Operator Representative:** Michael Lamond, CFO/Administrator, Alpine Natural Gas

## Unsatisfactory Results

**No Preliminary Findings.**

## Concerns

### Public Awareness and Damage Prevention : Damage Prevention (PD.DP)

Question Title, ID Documented Damage Prevention Program - TPD, PD.DP.TPD.P

Question 4. Does the process specify how reports of Third-Party Activity and names of associated contractors or excavators are input back into the mail-outs and communications with excavators along the system?

References 192.614(c)(1)

Assets Covered Alpine (87544 (35))

Issue Summary SED reviewed ANG's Gas Leak Report (Appendix B-2), Incident/Accident Investigation Review (Form 615-1), and Customer Service Report – Work Order (Appendix B-1) for excavation damage incident that occurred on 06/09/2020 at [REDACTED], Valley Springs. The Excavator (contractor) who caused this incident was recorded as GENERAC, but ANG did not record the excavator's address, even though the form (Appendix B-2) required to record the excavator's name and address. SED reviewed ANG's current excavator mail-out list (Excavator labels \_ Excavator Notification List) and noted that GENERAC was not on the mail-out list for ANG's damage prevention notification. On 4/26/2022, ANG through an email informed SED that the excavator involved in the incident was "Short Circuit Electric", a sub-contractor of GENERAC. Short Circuit Electric was on ANG's current mail-out list. In the past two years, ANG used the USA-North's locate ticket data as its tool to create a comprehensive list of excavators. SED informed ANG that recording and reporting of accurate and complete information on Excavators/Third Parties are important regardless of whether the excavator used the one-call

systems or not. ANG's mail-out list should include ANG's own list of excavators who are identified to have performed excavation activities in its service areas. ANG's process needs to specify how reports of Third-Party Activity and the names of associated contractors or excavators should be included in the mail-outs and communications with excavators.

## Section 114 : Section 114 - Gas Distribution (114.GD)

Question Title, ID Leaks & Releases - Identification of Fugitive Emissions, 114.114.LKRLSID.P (also presented in: 114.MM)

Question 5. Do procedures provide a methodology for identifying sources of fugitive natural gas emissions in the system?

References 49 U.S.C. 60108(a)

Assets Covered Alpine (87544 (35))

Issue Summary As part of its integrity Management Plan, ANG performs a threat assessment of gas leaks as they occurred. As part of its Methane Leak Abatement plan, ANG stated that it calculates and reviews the amount of total methane emissions. However, ANG's procedures did not address how to identify sources of natural gas fugitive emissions. SED recommends that ANG to include its fugitive emission identification methods in its written procedures.

Question Title, ID Leaks & Releases - Venting, 114.114.LKRLSVENT.P (also presented in: 114.MM)

Question 6. Do procedures identify measures for minimizing natural gas release volumes associated with non-emergency venting and blowdowns from operations and maintenance?

References 49 U.S.C. 60108(a)

Assets Covered Alpine (87544 (35))

Issue Summary ANG reviews its Natural Gas Methane Leakage Abatement Plan 1371 within its OME manual regularly and evaluates all leaks and releases of natural gas from its gas distribution system. ANG's evaluation and analysis are insufficient to address the requirement of this section. ANG's procedures should identify measures for minimizing natural gas release volumes associated with non-emergency venting and blowdowns from operations and maintenance.

Question Title, ID Leaks & Releases - Leak Data Collection and Analysis, 114.114.LKRLSLKDATA.P (also presented in: 114.MM)

Question 8. Do procedures include a methodology to collect, retain and analyze detailed information from detected natural gas leaks, including those eliminated by lubrication, adjustment, tightening or otherwise below thresholds for regulatory reporting?

References 49 U.S.C. 60108(a)

Assets Covered Alpine (87544 (35))

Issue Summary ANG's procedure requires its qualified personnel to complete a gas leak report (Appendix B) every time there is an incident/accident notification. Also, ANG maintains records of gas leaks discovered during its leak surveys. ANG makes its threat assessment using its Integrity Management Plan, to tabulate its pipeline leak summary as noted in its Gas Leak Assessment summary-Appendix-7. However, based on the records reviewed, it is unclear that ANG is collecting and maintaining the records of small leaks that are remediated by lubrication, adjustment or tightening of valves and nuts. SED recommends that ANG's procedure include a process to collect and maintain records of small leaks that are remediated by lubrication, adjustment or tightening in its methane emissions analysis and prioritization.

Question Title, ID Leaks & Releases - Detecting Leaks, 114.114.LKRLSDETECTLK.P (also presented in: 114.MM)

Question 9. Do procedures include instructions for personnel to detect leaks to help further reduce emission in stations and along the right of way?

References 49 U.S.C. 60108(a)

Assets Covered Alpine (87544 (35))

Issue Summary ANG's standard procedure, Maintenance 739 - Regulator Station Operation, Maintenance and Inspection (Revised on 9/30/2020) describes three inspection protocols: Inspection A - Monthly visual and pressure recording inspection, Inspection B - Annual Pressure Test inspection, and Inspection C - Five-year operational inspection. ANG's Inspection A protocols list the inspection items, but there was no requirement for its personnel to look for signs of potential leaks. SED recommends ANG include a requirement that its personnel walk around the stations and specifically look for signs of potential gas leaks and take all measures to reduce natural gas releases from regulator station devices. ANG's procedure should state the techniques it uses to detect potential leaks.

Question Title, ID Leak Mitigation & Repair - Lost & Unaccounted for Gas, 114.114.LKMITRPRLAUF.P (also presented in: 114.MM)

Question 11. Do procedures provide for review of Lost & Unaccounted for Gas (LAUF) and do procedures specify actions to reduce the associated volume?

References 49 U.S.C. 60108(a)

Assets Covered Alpine (87544 (35))

Issue Summary ANG's Administrator/Operations Manager reviews its leak Abatement plan in conjunction with a threat assessment for integrity management and the gas safety plan. The Administrator uses the data to calculate the Lost & Unaccounted for Gas (LAUF) and reviews its trend. However, ANG's current procedures do not explicitly state its review process for LAUF and do not specify actions to reduce the associated volume. Attention to LAUF is an area for potential improvement in natural gas emissions and it can indicate progress in reducing natural gas emissions. SED recommends that ANG should modify its written procedure to include the review process for LAUF and specify actions to reduce the associated volume and minimize the emissions.

Question Title, ID Leak-Prone: Leaks & Releases, 114.LEAKPRONE.LKRLS.P (also presented in: 114.MM)

Question 17. What procedures are in place to monitor for and identify pipe segments that are leak-prone, and what criteria (e.g., frequency of leak or failure events) are specified for determining a pipeline segment is leak-prone?

References 49 U.S.C. 60108(a)

Assets Covered Alpine (87544 (35))

Issue Summary ANG's gas distribution system consists of Polyethylene Pipes (PE) and approximately 56 feet of steel pipe with Cathodic protection. Pipe leaks should not be considered only as a function of material; leaks could result from other factors such as design, construction, and location. Past operating and maintenance history should be used to identify leak-prone pipelines. SED recommends ANG to include a process in its written procedures and designate roles and responsibilities to identify systemic problem areas.