



GILL RANCH STORAGE®

July 18, 2012

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Michael Robertson, Program Manager
Gas Safety and Reliability Branch
Consumer Protection and Safety Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

RE: General Order 112-E Summary of Inspection Findings for Gill Ranch Storage
(Issued June 21, 2012)

Dear Mr. Robertson:

Gill Ranch Storage, LLC (GRS) operates the Gill Ranch Storage Project (Gill Ranch). GRS is committed to a culture and operations that value public and worker safety as a first priority. GRS' Executive Management Team has directed and supervised the development of a comprehensive set of Operations, Maintenance, Emergency and Operator Qualifications Plans which were the primary subject of the Gas Safety and Reliability Branch's (GSRB) recent five-day General Order (GO) 112-E audit.

GRS' commitment to actively and aggressively pursue a safe and reliable operation is evidenced by the team we assembled to support the CPUC audit team. I was pleased to participate in the first day of review discussions. We provided the GSRB audit team with open access to all documents they needed and, with the few exceptions noted in the Summary of Inspection Findings, all materials reviewed by the GSRB audit team were described by the team as being in complete order. We continuously review our procedures and performance and apply our knowledge and experience to revise and update our Operations, Maintenance, Emergency and Operator Qualification Plans, as appropriate. We have carefully reviewed the GSRB's GO 112-E Summary of Inspection Findings and respond to the individual findings as follows:

**Probable Finding #1 –
Compliance with 49 CFR § 192.13(c) Recordkeeping Requirements**

The GRS team has created an additional insert sheet for each pressure record. This sheet provides for a signature and date by the GRS Code Compliance Engineer, identification of the company responsible for performing the pressure test, and a record of approval of the test. Each insert sheet has been signed by the original Project Engineer, Nick Potts. They are undergoing a second review by the current Project Engineer, Roger Haley, for concurrence. A copy of a completed insert with signatures from both Engineers is attached as an example. The second review will be completed, and all insert sheets signed and available for review by the GSRB audit team on July 31, 2012.

Probable Finding #2 –

Compliance with 49 CFR § 199.113 Requirement for Employee Assistance Program Training

The GRS Plant Superintendent attended the required training on detection of potential drug use symptoms using an online training tool on June 29, 2012. Evidence of his completing the required training is attached.

GRS has added a notice to its procedures to all employees and supervisors which clearly specifies that all GRS supervisors who manage personnel covered by 49 CFR Parts 192 and 199 must complete training to detect possible drug use soon after they start in their roles. A copy of the notice is attached.

Probable Finding #3 –

Compliance with 49 CFR § 199.241 Requirements for Training for Supervisors

The GRS Plant Superintendent attended the required training on the detection of potential alcohol misuse using an online training tool on June 29, 2012. Evidence of his completing the required training is attached.

GRS has added a notice to its procedures to all employees and supervisors which clearly specifies that all GRS supervisors who manage personnel covered by 49 CFR Parts 192 and 199 must complete training to detect possible alcohol abuse soon after they start in their roles. A copy of the notice is attached.

Areas of Concern and Recommendations Finding #1 –

Compliance with 49 CFR § 192.616 Requirements for a Public Awareness Message

GRS has modified its Public Awareness Message to include a clearer statement about the purpose and benefits of its pipeline operations and the consequences of unintended releases of gas. GRS has also included additional details related to GRS' routine pipeline maintenance and inspection activities. A copy of the revised document is attached.

GRS appreciates the GSRB's thorough review of the Gill Ranch facilities, and GRS' operations and safety practices. As stated above, GRS takes safety very seriously and continuously seeks to improve its practices. Our prompt response to GSRB's Summary of Inspection Findings is evidence of that commitment. GRS respectfully requests that GSRB consider GRS' overall approach to safety, which meets all of the applicable requirements of federal and state law and Commission orders, with the few exceptions noted by GSRB, and GRS' timely and comprehensive response to GSRB's findings as GSRB determines what, if any, enforcement action to take.

We look forward to working with GSRB over the years to come. Please contact me if you have any questions about this response or require additional information.

Sincerely,



David A. Weber
President and CEO

Attachments

cc: Arlon Eklund, GRS Plant Superintendent
Todd Thomas, NW Natural Gas Storage, Project Manager
Roger M. Haley, GRS, Senior Project Engineer
Nick Potts, GRS, Consultant
Charlie Stinson, GRS, Consultant
Karl J. Leger, Compliance Solutions, Inc., President



Date: 4-24-12

GRS 2010 Construction - Strength Test Acceptance

Strength Test Reference Number: **GRS ST 012**

Operators Representative Responsible for the Test: Nick Potts (Project Engineer)


Strength Test: Passed
 Failed: See Retest: _____


Strength Test Conducted by: **Snelson Companies, Inc.**

A Strength Test Review (Hydrostatic Pressure Test) has been conducted in accordance with 49 CFR 192 Subpart J.

This review included:

- ✓ ✓ • The operator's name, the name of the operator's employee responsible for making the test, and the name of any test company used.
- ✓ ✓ • Test medium used.
- ✓ ✓ • Test pressure.
- ✓ ✓ • Test duration.
- ✓ ✓ • Pressure recording charts, or other record of pressure readings (including pressure recording calibration records).
- ✓ ✓ • Elevation variations, whenever significant for the particular test.
- ✓ ✓ • Piping Specification Acceptance.
- ✓ ✓ • Line Number Verification
- ✓ ✓ • Contractor Representative.
- ✓ ✓ • Test Company Representative.

Project Engineer: 
Nick J. Potts
Consulting GRS Senior Project Engineer

Project Engineer 
Roger M. Haley P.E.
GRS Senior Project Engineer



Certificate of Completion

This is to certify that on 6/29/2012

Melville Arlon Eklund

has successfully completed the course

**A WorkSAFE Training
Drug Training**

A handwritten signature in black ink, written over a horizontal line. The signature is cursive and appears to read 'J. Eklund'. Below the line is the text 'Supervisor's Signature'.

Supervisor's Signature



Certificate of Completion

This is to certify that on 6/29/2012

Melville Arlon Eklund

has successfully completed the course

**A WorkSAFE Training
Alcohol Training**

A handwritten signature in black ink, appearing to read 'Melville Arlon Eklund', is written over a horizontal line.

Supervisor's Signature



Certificate of Completion

This is to certify that on 6/29/2012

Melville Arlon Eklund

has successfully completed the course

**A WorkSAFE Training
Supervisor Training**

A handwritten signature in black ink, appearing to read 'Melville Arlon Eklund', is written over a horizontal line.

Supervisor's Signature

DOT 14 & 49 CFR : This training was designed to fulfill the requirements of the Department of Transportation's 60/60 drug and alcohol reasonable suspicion training requirement.



Certificate of Completion

This is to certify that on 6/29/2012

Melville Arlon Eklund

has successfully completed the course

**A WorkSAFE Training
Employee Training**

A handwritten signature in black ink, appearing to read "Melville Arlon Eklund", is written over a solid horizontal line.

Supervisor's Signature

Employee Assistance and Supervisor Training

Directive

Mandatory drug and alcohol education and training on drug use (including reasonable suspicion) is required for all employees and supervisory personnel who manage employees covered by 49 CFR Parts 192 and 199 (“Covered Employee’s”).

Regulatory and Company References

- 49 CFR § 199.113 - Employee assistance program.
- 49 CFR §199.241 - Training for supervisors.
- NW Natural Drug and Alcohol Policy

Recordkeeping

In accordance with the GRS recordkeeping requirements. See GRS Operations and Maintenance Manual.

Compliance Verification

In accordance with the GRS recordkeeping requirements. See GRS Operations and Maintenance Manual.

Requirement

Prior to performing supervisory duties, all GRS Emergency Assistance Program (EAP) supervisory personnel and “Covered Employee’s” supervisors are required to receive at least 60 minutes of training in each of the following:

1. How to detect possible drug use symptoms that shall substantiate a decision to drug test the employee based on a reasonable cause. The training must include the specific, contemporaneous physical, behavioral, and performance indicators of probable drug use.
2. How to determine whether reasonable suspicion exists to require a covered employee to undergo alcohol testing [under §199.225(b)] including:
 - a. Post accident testing,
 - b. Reasonable suspicion testing,
 - c. Return-to-duty testing,
 - d. Follow-up testing, and
 - e. Retesting of covered employees with an alcohol concentration of ≥ 0.02 but less than 0.04.

About Us

Gill Ranch Storage is an underground intra-state natural gas storage facility near Fresno, Calif. It includes a pipeline that links the facility to Pacific Gas and Electric Company's (PG&E) mainline transmission system, allowing it to serve customers throughout California.

- GRS has the capacity to ultimately provide approximately 20 billion cubic feet (Bcf) of underground natural gas storage.
- The facility is located about 25 miles west of Fresno and includes an approximately 27-mile, 30-inch pipeline, which is connected to the PG&E Line 401 north of Panoche, Calif.
- The site was developed in a joint agreement by Gill Ranch Storage, LLC, a subsidiary of NW Natural and PG&E.
- The site has potential for future expansion.

Transmission Pipeline Mapping

The U.S. Department of Transportation's Office of Pipeline Safety has developed the National Pipeline Mapping System (NPMS) to provide information about gas transmission and liquid transmission operators and their pipelines. The NPMS Web site is searchable by zip code or by county and state, and can display a county map that is printable. For a list of pipeline operators with pipelines in your area and their contact information, go to www.npms.phmsa.dot.gov/. Operators of production facilities, gas/liquid gathering piping and distribution piping, are not represented by NPMS nor are they required to be.

**GILL RANCH STORAGE'S
24-hour emergency phone number:**

1-877-361-8404



GILL RANCH STORAGE



GILL RANCH STORAGE



**Natural Gas
Pipeline Safety**

How Natural Gas Gets to Customers

By looking up at electric power lines, you can see how electricity gets to your home. Natural gas is delivered to your home through a series of underground pipelines. High-strength steel pipelines are like interstate highways, moving millions of cubic feet of natural gas across the country from production areas to sales areas. Gill Ranch receives gas from and redelivers it to Pacific Gas and Electric who distributes it to customers through a network of smaller pipelines.

Why am I Receiving This Information?

Gill Ranch Storage operates underground natural gas pipelines near your home or work. You can help us maintain the safety and security of those pipelines by:

- **Reporting any suspicious activities you may observe around pipelines**
- **Recognizing signs of a pipeline leak**
- **Knowing what to do if you suspect a pipeline leak**
- **Sharing this safety information with others**

Pipeline Safety

According to the National Transportation Safety Board and the U.S. Department of Transportation, natural gas pipelines are this country's safest mode of transportation. Federal and state regulations govern the design, construction, operation and maintenance of pipelines. Gill Ranch Storage complies with these regulations and has an excellent safety record. Experienced personnel regularly inspect and maintain pipelines. Crews are available to respond to problems 24 hours a day.

Report Pipeline Contacts

If you hit or touch a natural gas pipeline while digging, contact Gill Ranch Storage immediately at **1-877-361-8404**. **If the pipeline is leaking, please call 911.**

Even if the pipeline is not leaking, a gouge, scratch or dent to the pipeline or its coating may cause a future safety problem. It is important that Gill Ranch Storage inspect and repair any damage.

Benefits of Storage

Natural gas storage is an important asset to the region. Storage balances supplies and helps insulate customers, including utilities, from volatile prices.

Si usted no habla Inglés y desea solicitar un folleto en español por favor llame al (316) 928-4752.





Call Before You Dig

Statistics indicate that damage from excavation-related activities is a leading cause of pipeline accidents. We need your help in preventing pipeline emergencies.

THE PLAN IS SIMPLE:

1. **Call 811 or the One-Call System in your area at least 48 hours before excavation is scheduled to begin.**
2. **Wait the required amount of time.**
3. **One of our trained technicians will mark the location of the pipeline at no cost to you.**
4. **Respect the line markers.**
5. **Dig with care.**

811 is a federally mandated number designated by the FCC to consolidate all local "Call Before You Dig" numbers and help save lives by minimizing damages to underground utilities.

Pipeline Markers

Yellow warning markers indicate where the pipelines are located and tell how to contact the pipeline operator. However, these warning markers show only the approximate location of the pipeline. They do not show the line's specific location or its depth.

If you do not see a marker, do not assume there are no pipelines in the area. Always "Call Before You Dig." It is a federal crime to damage, remove or destroy pipeline markers.



Pipeline Right-of-Way

Gas companies have right-of-way agreements with landowners to build, operate, test, maintain and protect pipelines. Although these agreements vary, the right-of-way for most Gill Ranch Storage pipelines extends 25 feet from each side of the pipeline.

In order for Gill Ranch Storage to respond to emergencies and perform required maintenance activities, the pipeline right-of-way must be kept clear of obstructions. Do not place buildings, swimming pools, sheds, and other structures on the pipeline right-of-way. Also, do not plant trees or shrubs on the right-of-way.

Pipeline Inspections and Maintenance Activities

Gill Ranch Storage follows an integrity management plan to ensure public safety. The pipeline has cathodic protection in place and personnel perform weekly inspections of the pipeline and Compressor Stations.

How to Recognize a Gas Pipeline Leak

Natural gas is colorless and odorless, so gas companies add a harmless odorant so leaks can be detected by smell. Indications of a gas leak include:

- **A gas or petroleum odor**
- **A hissing sound**
- **Blowing dirt, grass or leaves near a pipeline**
- **Water bubbling or blowing into the air at a pond, creek or river**
- **A patch of dead grass or vegetation in an otherwise green area**
- **Flames coming out of the ground or burning above the ground**

Possible Hazards Associated with Unintended Natural Gas Pipeline Releases

- **Potential explosion that may cause injury, death, and property damage**
- **Potential crop loss damage to farmers**
- **Release of greenhouse gases into atmosphere**

If You Suspect a Gas Leak

DO:

1. **Immediately leave the area on foot in an upwind direction.**
2. **Warn others to stay away.**
3. **From a safe place, call Gill Ranch Storage and 911, or your local fire or police department.**

DO NOT:

1. **Bring open flames, smoking materials, cell phones, flashlights, motor vehicles or other sources of ignition into the area.**
2. **Attempt to operate any pipeline valves you see.**
3. **Attempt to put out any gas fire.**

Police, Fire and Public Safety Officials

During an emergency situation involving one of our facilities, public safety is the top priority. To help ensure public safety, we recommend the following:

- **Call Gill Ranch Storage immediately (1-877-361-8404) and report the location of the incident.**
- **If gas is burning, do not extinguish the fire unless absolutely necessary to protect life.**
- **Participate in the Emergency Responder Programs sponsored by local pipeline companies and One Call organizations.**

If you have any questions, or would like additional information on pipeline safety, please visit us at www.gillranchstorage.com.

Acerca de Nosotros

La compañía Gill Ranch Storage es una instalación interestatal de almacenaje que se encuentra cerca de Fresno, California. Esta incluye una línea de tubería que conecta esta instalación al sistema principal de transmisión de la compañía Pacific Gas and Electric Company ("PG&E" por sus siglas en inglés), permitiéndoles servir a sus clientes por todo el estado de California.

- Gill Ranch Storage ("GRS" por sus siglas en inglés) tiene una capacidad que puede proveer hasta aproximadamente 20 billones de pies cúbicos de almacenaje subterráneo de gas natural.
- Esta instalación está ubicada a 25 millas al oeste de Fresno e incluye una línea de tubería de 30 pulgadas en aproximadamente 27 millas, la cual está conectada a la Línea 401 de PG&E al norte de Panoche, California.
- El lugar fue desarrollado en acuerdo mutuo con Gill Ranch Storage, LLC, una subsidiaria de la compañía NW Natural y PG&E.
- El lugar tiene potencial para futuras expansiones.

Sistema de Mapas de las Líneas de Tubería de Transmisión

La Oficina de Seguridad en las Líneas de Tuberías del Departamento de Transporte de los Estados Unidos ha desarrollado un Sistema Nacional de Mapas ("NPMS" por sus siglas en inglés) para proveer información acerca de los operadores de transmisión de gas y transmisión de líquidos y de sus líneas de tuberías. El sitio Web de NPMS puede ser explorado usando el código postal, nombre del condado o del estado, y puede mostrar un mapa del condado que se puede imprimir. Para obtener una lista de los operadores con líneas de tuberías en su área y su información de contacto, vaya a www.npms.phmsa.dot.gov/. Los operadores de instalaciones de producción, tuberías de recolección de gas/líquidos y las tuberías de distribución no están representados por el NPMS ni tampoco se requiere que lo estén.

**GILL RANCH STORAGE'S
Número de teléfono de
emergencias de 24 horas:
1-877-361-8404**



GILL RANCH STORAGE



GILL RANCH STORAGE

**Seguridad en las Líneas
de Tuberías de Gas Natural**

La Manera En Que El Gas Natural Llega a Los Clientes

Cuando usted mira hacia arriba y ve las líneas de energía eléctrica, usted se da cuenta de como la electricidad llega hasta su hogar. El gas natural es transportado hasta su hogar a través de una serie de líneas de tuberías enterradas. Las líneas de tuberías de acero fuerte son como autopistas interestatales, transportando millones de pies cúbicos de gas natural a través del país desde las áreas de producción hasta las áreas donde se vende. Gill Ranch recibe gas y lo reenvía a la compañía Pacific Gas and Electric la cual lo distribuye a sus clientes a través de una red de líneas de tuberías mas pequeñas.

¿Por Qué Estoy Recibiendo Esta Información?

Gill Ranch Storage opera líneas de tuberías subterráneas de gas natural cerca de su hogar o de su trabajo. Usted puede ayudar a conservar la fiabilidad y la seguridad de esas líneas de tuberías haciendo lo siguiente:

- **Reportando cualquier actividad sospechosa que usted observe alrededor de las líneas de tuberías**
- **Reconociendo las señales de una fuga en una línea de tubería**
- **Sabiendo lo que debe hacer si sospecha que hay una fuga en la línea de tubería**
- **Compartiendo esta información con otras personas**

Seguridad en las Líneas de Tuberías

Según las estadísticas de la Junta Nacional de Seguridad de Transporte y del Departamento de Transporte de los Estados Unidos, las líneas de tuberías son el método más seguro usado en el país para el transporte de gas natural. Regulaciones federales y estatales gobiernan el diseño, la construcción, operación y el mantenimiento de las líneas de tuberías. Gill Ranch Storage cumple con estas regulaciones y tiene un historial de seguridad excelente. Un personal con experiencia inspecciona y le da mantenimiento regularmente a las líneas de tuberías. El equipo está disponible para responder a cualquier problema las 24 horas del día.

Contactos de Reporte de las Líneas de Tuberías

Si mientras usted está cavando, usted golpea o toca una línea de tubería de gas natural, contacte inmediatamente a Gill Ranch Storage llamando al 1-877-361-8404. Si hay una fuga en la línea de tubería, por favor llame al 911.

Aunque la línea de tubería no tenga una fuga, cualquier agujero, arañazo o dobladura en la línea de tubería o en su capa puede causar un problema de seguridad en el futuro. Es muy importante que Gill Ranch Storage inspeccione y repare cualquier daño.

Los beneficios de Almacenamiento

El almacenamiento del gas natural es una ventaja importante a la región. El almacenamiento equilibra suministros y ayuda a aislar a clientes, inclusive utilidades, de precios volátiles.





Llame Antes de Cavar

Las estadísticas muestran que los daños causados por actividades relacionadas con la excavación son la causa principal de los accidentes en las líneas de tuberías. Necesitamos su ayuda para prevenir emergencias en las líneas de tuberías.

EL PLAN ES SIMPLE:

1. **Llame al 811ó al Sistema de Una-Llamada de su área por lo menos 48 horas antes de comenzar a hacer una excavación.**
2. **Espere el tiempo requerido.**
3. **Uno de nuestros técnicos entrenados marcará la ubicación de la línea de tubería sin ningún costo para usted.**
4. **Respete los marcadores.**
5. **Cave con cuidado.**

El número **811** es un número mandatorio federalmente y designado por la FCC para consolidar todas las llamadas locales que se hacen a los números de "Llame Antes de Cavar" y para ayudar a salvar vidas y minimizar daños a los servicios de utilidades bajo tierra.

Marcadores de Líneas de Tuberías

Los marcadores de advertencia amarillos indican donde están ubicadas las líneas de tuberías y como ponerse en contacto con el operador de la línea de tubería. Sin embargo, estos marcadores de advertencia solo muestran la ubicación aproximada de la línea de tubería. Estos no muestran la ubicación específica ni su profundidad.

Si usted no ve un marcador, no debe asumir que no hay ninguna línea de tuberías en su área. Siempre "Llame Antes de Cavar." Es un delito federal el dañar, quitar o destruir cualquier marcador de líneas de tuberías.



Derecho De Paso de la Línea de Tubería

Las compañías de gas tienen acuerdos de derechos de paso con los dueños de terreno para poder construir, operar, hacer pruebas, mantener y proteger sus líneas de tuberías. Aunque estos acuerdos pueden variar, el derecho de paso de casi todas las líneas de tuberías de Gill Ranch Storage se extiende a 25 pies a cada lado de la línea de tubería.

Los derechos de paso de las líneas de tuberías se deben mantener libres de obstrucciones para que Gill Ranch Storage pueda responder a emergencias y pueda realizar las actividades de mantenimiento requeridas. No coloque ningún edificio, alberca, cobertizo ni ninguna otra estructura en el derecho de paso de la línea de tubería. Además, no plante ningún árbol ni arbusto en el derecho de paso.

Inspecciones de la Línea de Tubería y Actividades de Mantenimiento

El Almacenamiento de la Hacienda de la branquia sigue un plan de gestión de integridad para asegurar la seguridad pública. El línea de tubería tiene la protección catódica en el lugar y el personal realiza inspecciones semanales de Estaciones de la línea de tubería y Compresor.

Como Reconocer una Fuga en una Línea de Tubería

El gas natural gas no tiene color ni olor, por lo tanto las compañías de gas le añaden un odorizante no dañino para que una fuga pueda ser detectada con el olfato. Las indicaciones de una fuga pueden incluir:

- **Un olor a gas o a petróleo**
- **Un sonido de silbido**
- **Tierra, yerba u hojas soplando en el aire cerca de la línea de tubería**
- **Agua burbujeando o soplando en el aire en un estanque, riachuelo o un río**
- **Un segmento de terreno con yerba o vegetación muerta en un área que suele ser verde**
- **Llamas saliendo de la tierra o ardiendo sobre la tierra**

Los Peligros Posibles se Asociaron Con Liberaciones Involuntarias de Línea de Tubería de Gas Natural

- **La explosión potencial que puede causar herida, la muerte, y daño de propiedad**
- **El daño potencial de la pérdida de la cosecha a granjeros**
- **La liberación de gases invernaderos en la atmósfera**

Si Usted Sospecha una Fuga de Gas

HACER:

1. **Abandone inmediatamente el área caminando en la dirección del viento.**
2. **Avise a otros que permanezcan alejados.**
3. **Desde un lugar seguro, llame a Gill Ranch Storage y al 911, ó a su departamento local de bomberos o de la policía.**

NO HACER:

1. **No traiga llamas abiertas, artículos de fumar, teléfonos celulares, linternas, vehículos de motor ni ninguna otra fuente de encendido al área.**
2. **No intente operar ninguna válvula de la línea de tubería que usted vea.**
3. **No intente apagar ningún fuego de gas.**

Oficiales de la Policía, los Bomberos y de la Seguridad Pública

Durante una situación de emergencia que envuelve una de nuestras instalaciones, la seguridad del público es la mayor prioridad. Para ayudar a asegurar la seguridad del público, recomendamos lo siguiente:

- **Llame inmediatamente a Gill Ranch Storage al (1-877-361-8404) y reporte la ubicación del incidente.**
- **Si el gas está ardiendo, no trate de extinguir las llamas a menos que sea absolutamente necesario para proteger vidas.**
- **Participe en los Programas de Respondedores de Emergencias patrocinados por las compañías de líneas de tuberías y por las organizaciones de Una Llamada.**

Si usted tiene alguna pregunta o si desea más información acerca de la seguridad en las líneas de tuberías, por favor visítenos en www.gillranchstorage.com.