

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



November 22, 2022

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

Michael Lamond, CFO/Administrator
Alpine Natural Gas
P.O. Box 550
Valley Springs, CA 95252

Subject: Closure Letter for General Order 112-F Compliance Inspection of Alpine Natural Gas' Damage Prevention Program and PIPES Act of 2020, Section 114 Compliance inspection of Alpine Natural Gas' Operations and Maintenance plans

Dear Mr. Lamond:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission reviewed Alpine Natural Gas' response letter, dated October 12, 2022, that addressed nine (9) areas of concern noted by SED during the **General Order 112-F Compliance Inspection of Alpine Natural Gas' Damage Prevention Program (DPP) and PIPES Act of 2020, Section 114 Compliance inspection of Alpine Natural Gas' Operations and Maintenance plans**. The inspections were conducted on April 25, 26, 28, and 29, 2022, for records covering the period from December 2019 (last inspection) through April 2022.

Attached is a summary of all SED's inspection findings, ANG's responses to SED's findings, and SED's evaluation of ANG's responses to the findings.

This letter serves as an official closure of the 2022 ANG Damage Prevention program and Section 114 inspections.

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 black ink, appearing to read "Matthewson Epuna".

Matthewson Epuna
Program & Project Supervisor
Gas Safety and Reliability Branch
Safety and Enforcement Division

CC: Sann Naing, SED/GSRB
Kan Wai Tong, SED/GSRB
Claudia Almengor, SED/GSRB
Terence Eng. 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.

ANG's Response:

"Revisions to Damage Prevention Plan (614-A) and Public Awareness Plan (616) to improve clarity in how Alpine updates its excavator listing and communicates with known third party excavators."

SED's Conclusion:

SED has reviewed ANG's response and the information provided and accepts ANG's remedial actions that it has articulated and implemented. However, SED may review ANG's corrective actions during future inspections.

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.

ANG's Response:

"Revisions to Methane Leakage Abatement Plan (1371), Integrity Management Plan (1005) and Leak Investigation -Odor or Gas Leak (605-B11) to improve clarity in how Alpine operations detect emissions and by what method. Fugitive emissions have been indicated in form B-2 Reporting document. Improved identification of fugitive emissions will be achieved via use of the revised B-2 reports. Gas Leak Report (Appendix B-2) Binder provided this incident documentation, and it is sub-divided by type of emission."

SED's Conclusion:

SED has reviewed ANG's response and information provided and accepts ANG's remedial actions that it has articulated and implemented. However, SED may review ANG's corrective actions during future inspections.

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.

ANG's Response:

"Revisions to Methane Leakage Abatement Plan (1371), Integrity Management Plan (1005) Leak Investigation to improve clarity in how Alpine operations include identification of fugitive emissions and the use of the following revised reports to document such efforts. Gas Leak Report (Appendix B-2) binder and Monthly Emissions Log (Appendix AC) which was developed to improve quantifying leak emissions by logging operations events by type where emissions occurred. This data is reviewed annually by ANG Administrator to improve leak abatement by revising operation procedures as appropriate."

SED’s Conclusion:

SED has reviewed ANG’s response and information provided and accepts ANG’s remedial actions that it has articulated and implemented. However, SED may review ANG’s corrective actions during future inspections.

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.

ANG’s Response:

"Revisions to Methane Leakage Abatement Plan (1371), Integrity Management Plan (1005) Leak Investigation to improve clarity in how Alpine procedures include identification of fugitive emissions. These emissions have been documented as MSA "non-leaks" Gas Leak Report (Appendix B-2) Binder where these incidents have its own section. In addition, the number of these events are quantified in Integrity Management Appendix R-7 "Threat Assessment". This is an annual summary, so a Monthly Emissions Log (Appendix AC) was developed to improve ongoing efforts to reduce emissions."

SED’s Conclusion:

SED has reviewed ANG’s response and information provided and accepts ANG’s remedial actions that it has articulated and implemented. However, SED may review ANG’s corrective actions during future inspections.

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.

ANG’s Response:

"Revisions to Regulator Station Operation, Maintenance, and Inspection (739), Regulator Station Inspection Records (739-A, 739-B and 739-C) System Patrolling (721) Identify problem areas by visually inspecting actual or potential leaks."

SED’s Conclusion:

SED has reviewed ANG’s response and information provided and accepts ANG’s remedial actions that it has articulated and implemented. However, SED may review ANG’s corrective actions during future inspections.

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.

ANG's Response:

"LAUF was always calculated and reviewed for trends by the ANG Administrator. Integrity Management Plan (1005) Threat Assessment (Appendix R-7) was revised to Include tracking of both past year LAUF and Leak Emissions rates for the current reporting year, we added to the form, the previous year rates to readily assess emission trends."

SED's Conclusion:

SED has reviewed ANG's response and information provided and accepts ANG's remedial actions that it has articulated and implemented. However, SED may review ANG's corrective actions during future inspections.

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.

ANG's Response:

"All factors of possible leaks are considered. While presently no design, construction or location factors have been identified as problem areas. The Integrity Management Plan is one way Alpine assess its facilities for leak prone or systemic problematic areas. Revisions to Methane Leakage Abatement Plan (1371), Monthly Emissions Log (Appendix AC), Leak Investigation - Odor or gas leak (605-B11), Gas Leak Repot (Appendix B-2), Incident/Accident Investigation review (615-1), System Patrolling (721), Threat Assessment (Appendix R-7) have been revised to assist Alpine in its continued efforts to maintain a safe reliable gas distribution system and minimize leak emissions."

SED's Conclusion:

SED has reviewed ANG's response and information provided and accepts ANG's remedial actions that it has articulated and implemented. However, SED may review ANG's corrective actions during future inspections.