

**BEFORE THE  
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on the  
Commission's Own Motion to Adopt New  
Safety and Reliability Regulations for  
Natural Gas Transmission and Distribution  
Pipelines and Related Ratemaking  
Mechanisms.

R.11-02-019  
(Filed February 24, 2011)

**CENTRAL VALLEY GAS STORAGE, LLC'S (U 915 G)  
AMENDED NATURAL GAS SYSTEM OPERATOR SAFETY PLAN**

CHRISTOPHER A. SCHINDLER

Attorney for  
CENTRAL VALLEY GAS STORAGE, LLC  
500 8th St. N.W.  
Washington, D.C. 20004  
Telephone: (202) 799-4582  
Facsimile: (202) 799-5016  
E-mail: christopher.schindler@dlapiper.com

Dated: August 24, 2012

**BEFORE THE  
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on the Commission's Own Motion to Adopt New Safety and Reliability Regulations for Natural Gas Transmission and Distribution Pipelines and Related Ratemaking Mechanisms.

R.11-02-019  
(Filed February 24, 2011)

**CENTRAL VALLEY GAS STORAGE, LLC'S (U 915 G)  
AMENDED NATURAL GAS SYSTEM OPERATOR SAFETY PLAN**

Central Valley Gas Storage, LLC (Central Valley) respectfully submits its Amended Natural Gas System Operator Safety Plan (Safety Plan). On June 29, 2012, Central Valley submitted its initial Safety Plan. Pursuant to the California Public Utility Commission's (Commission or CPUC) July 20, 2012, issued Ruling, Central Valley now submits its Amended Safety Plan to address issues in that Ruling.

Central Valley requests the Commission accept and approve this Amended Natural Gas System Operator Safety Plan.

Dated this 24th of August, 2012, at Washington, D.C.

Respectfully Submitted by,  
CENTRAL VALLEY GAS STORAGE, LLC

/s/ Christopher Schindler  
Christopher A. Schindler  
500 8th St. N.W.  
Washington, D.C. 20004  
Telephone No. (202) 799-4582  
Facsimile No. (202) 799-5016  
E-mail: Christopher.schindler@dlapiper.com

Attorney for Central Valley Gas Storage, LLC



Central Valley Gas Storage LLC  
3333 Warrenville Road  
Suite 300  
Lisle, IL 60532  
Phone 630 245-6150  
Fax 630 245-7835  
Internet www.cvgasstorage.com

August 24, 2012

California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94610

Subject: Amendment to the Central Valley Gas Storage, LLC (CVGS) Integrity Management Plan

Central Valley Gas Storage, LLC (CVGS) follows an Integrity Management (IM) plan, the current version of which was included in its Safety Plan filed with the California Public Utilities Commission (CPUC) on June 29, 2012. The cover memorandum filed with CVGS' IM Plan explained that CVGS anticipated that, once its construction and commissioning had been completed, all of its facilities would be situated in a Class 1 location without an identified site, and as such, CVGS would have no covered segments as defined in 49 CFR § 192.903. Therefore, no Integrity Management Program is required of CVGS at this time. Nonetheless, CVGS will continue to follow the "Requirements If There are No HCAs" as documented in Section 1.4 of Element 1 of CVGS' IM plan (page 10 of 17).

CVGS conducted its High Consequence Area (HCA) identification survey for the year 2012 following substantial completion of its construction phase. The HCA identification survey verifies that CVGS currently has no covered segments. Because CVGS no longer has any covered segments, CVGS is submitting the following revisions to the referenced pages in its IM plan:

- Element 1, Page 1
- Element 2, Page 1
- Element 3, Page 1
- Element 5, Page 1
- Element 6, Page 2
- Element 8, Page 1
- Element 9, Page 1
- Element 10, Page 1
- Element 11, Page 1
- Element 12, Page 1
- Element 13, Page 1
- Element 14, Page 1

As noted above, CVGS has no covered segments as defined by 49 CFR § 192.903, and therefore the requirement to perform assessments of pipelines is not applicable. Accordingly, CVGS does not anticipate utilizing In Line Inspection for assessment of the condition of its pipeline segments at this time. In the event that, through its ongoing regular evaluation of its facilities per section 1.4 of Element 1 of the IM Plan, CVGS determines that it has a covered segment, CVGS will update its Integrity Management Plan to include protocols for communicating the results of In Line Inspections between any contractor conducting the inspection and CVGS System Integrity and Field Operations personnel. CVGS would file this update with the CPUC for its review and approval prior to implementing any In Line Inspection program.

If there are any questions regarding these revisions to the CVGS Integrity Management Plan or CVGS practices regarding In Line Inspection, please contact me at (630) 245-7825 or e-mail me at [jboehme@aglresources.com](mailto:jboehme@aglresources.com).

Sincerely,

A handwritten signature in cursive script that reads "John Boehme".

John Boehme  
Manager, Regulatory Affairs  
Storage and Fuels (North/West)  
AGL Resources

**CVGS**  
**Gas Integrity Management Plan**  
**Element #1: ID of Pipeline Segments Impacting HCAs**

Ref:49CFR192.901-915

Updated: July 2012

***In This Element:***

- 1.1 Objectives and Purpose
- 1.2 Scope, Applicability, and Use PHMSA FAQs
- 1.3 Definitions Applicable to ID of HCAs
- 1.4 Process for ID of HCAs
- 1.5 Annual Review of Pipeline Segments for New HCAs
- 1.6 Notification to OPS for Changing HCA ID Method
- 1.7 Review and Updates of IMP
- 1.8 Review and Implementation of Element #1
- 1.9 Source References
- 1.10 List of Required Ongoing Documentation

Flow Chart: Rule Applicability & ID of HCAs

Figure E.I.A.: Determining High Consequence Areas HCA  
Proration Calculation

Appendix 1A: PHMSA FAQs for HCA Identification

**1.1 Objectives and Purpose of ID of HCA [192.901-915]**

The objective and purpose of an IMP is to maintain the integrity of the pipeline system at levels necessary to provide safe and reliable pipeline systems. To ensure that the IMP achieves these objectives, CVGS has developed these ID of HCA procedures to assist in this effort.

**1.2 Scope, Applicability, and Use of PHMSA FAQs [192.901]**

Scope for CVGS

The following pipeline systems and segments are covered by the CVGS gas IM program:

- None- HCA identification method #1 was used and all CVGS pipeline segments are entirely within Class I locations and there are no identified sites. Therefore, the integrity management regulations do not apply at this time. CVGS will continue to conduct annual surveys for the presence of High Consequence Areas.

**CVGS**  
**Gas Integrity Management Plan**  
**Element #2: Threats, Data Integration, and Risk Analysis**

Ref: 49CFR 192.917

Updated: July 2012

**Contents of this Element:**

- 2.1 Objectives and Purpose
  - 2.2 Scope, Applicability, and Use PHMSA FAQs
  - 2.3 Definitions Applicable to Element #2
  - 2.4 Threat Identification
  - 2.5 Actions to Address Particular Threats
  - 2.6 Data Gathering
  - 2.7 Data Integration and Analysis
  - 2.8 Risk Assessment, Including Validation
  - 2.9 Plastic Transmission Pipeline
  - 2.10 Review and Implementation of Element #2
  - 2.11 Source References
  - 2.12 List of Required Ongoing Documentation
- Threat Identification and Risk Assessment Flowchart  
Appendix 2A: PHMSA FAQs for Threats/Risk Analysis, ID of  
Threats, RA & Prioritization  
PHMSA FAQs for Data Integration

**2.1 Objectives and Purpose of Threats, Data Integration, and Risk Analysis**

The objective and purpose of an IMP is to maintain the integrity of the pipeline system at levels necessary to provide safe and reliable pipeline systems. To ensure that the IMP achieves these objectives, CVGS has developed these threats, data integration, and risk analysis procedures to assist in this effort.

**2.2 Scope, Applicability, and Use of PHMSA FAQs [192.917]**

Scope for CVGS

The following pipeline systems and segments are covered by the CVGS gas IM program:

- None - HCA identification method #1 was used and all CVGS pipeline segments are entirely within Class I locations and there are no identified sites. Therefore, the integrity management regulations do not apply at this time. CVGS will continue to conduct annual surveys for the presence of High Consequence Areas.

**CVGS**  
**Gas Integrity Management Plan**  
**Element #3: Baseline Assessments**

Ref: 49CFR 192.919 & 921

Updated: July 2012

**Contents of this Element:**

- 3.1 Objectives and Purpose of Baseline Assessment
- 3.2 Scope, Applicability, and Use of PHMSA FAQs
- 3.3 Definitions Applicable to Element #3
- 3.4 Assessment Methods
- 3.5 Validation of Assessment Results
- 3.6 Prioritized Schedule
- 3.7 Use of Prior Assessments
- 3.8 Newly Identified HCAs & Newly Installed Pipe
- 3.9 Consideration of Environmental and Safety Risks
- 3.10 Changes and Updates to the BAP
- 3.11 Review and Implementation of Element
- 3.12 Source References
- 3.13 List of Required Ongoing Documentation

Baseline Assessment Flowchart  
PHMSA FAQs Assessment  
PHMSA FAQs Assessment Methods  
PHMSA FAQs Baseline Assessment Plan  
PHMSA FAQs EDCA for Cased Pipe

**3.1 Objectives and Purpose of Baseline Assessment [192.919 & 921]**

The objective and purpose of an IMP is to maintain the integrity of the pipeline system at levels necessary to provide safe and reliable pipeline systems. To ensure that the IMP achieves these objectives, CVGS has developed these baseline assessment procedures to assist in this effort.

**3.2 Scope, Applicability, and Use of PHMSA FAQs [192.919 & 921]**

Scope for CVGS

The following pipeline systems and segments are covered by the CVGS gas IM program:

- None- HCA identification method #1 was used and all CVGS pipeline segments are entirely within Class I locations and there are no identified sites. Therefore, the integrity management regulations do not apply at this time. CVGS will continue to conduct annual surveys for the presence of High Consequence Areas.

**CVGS**  
**IntegrityManagementPlan**  
**Element #5: RemediationandRepair**

Ref:49CFR192.933,935

Updated: July 2012

**ContentsofthisElement:**

- 5.1 Objectives and Purpose
- 5.2 Scope, Applicability, and Use of PHMSA FAQs
- 5.3 Definitions Applicable to Element #5
- 5.4 Program Requirements for Discovery
- 5.5 Evaluation and Remediation Scheduling
- 5.6 Classification & Remediation of Anomalies
- 5.7 Requirements When Timelines Can Not Be Met
- 5.8 Review and Implementation of Element #5
- 5.9 Source References
- 5.10 List of Required Ongoing Documentation

RemediationFlowchart  
PHMSAFAQs-Remediation

**5.1 Objective and Purposefor Remediation and Repair[192.933, 935]**

The objective and purpose of an IMP is to maintainthe integrity of the pipeline system atlevelsnecessarytoprovidesafeandreliablepipelinesystems. CVGSwill usethese remediation and repair procedures to assist CVGS in meeting these objectives.

**5.2 Scope, Applicability, and Use of PHMSA FAQs [192.919 &921]**

ScopeforCVGS

The following pipeline systems and segments are covered by the CVGS gas IM program:

- None-HCAidentificationmethod#1wasusedandall CVGS pipeline segments are entirely within Class I locations and there are no identified sites. Therefore, the integrity management regulations do not apply at this time. CVGS will continue to conduct annual surveys for the presence of High Consequence Areas.
- CVGS will usetheremediation worksheet toschedule and document repairs
- CVGS will use the BAP and risk analysis to document mitigative measures



**CVGS**  
**Gas Integrity Management Plan**  
**Element#6:Continual Evaluation&Assessments**

Ref:49CFR192.937,939,941,943

Updated: July 2012

**SCCDA** is a process used to determine if the integrity of the pipeline is affected by stress corrosion cracking.

**SMYS** means specified minimum yield strength is:

- (1) For steel pipe manufactured in accordance with a listed specification, the yield strength specified as a minimum in that specification; or
- (2) For steel pipe manufactured in accordance with an unknown or unlisted specification, the yield strength determined in accordance with §192.107(b).

### **6.3 Scope, Applicability, and Use of PHMSA FAQs [192.937, 939, 941, 943]**

#### Scope for CVGS

The following pipeline systems and segments are covered by the CVGS gas IM program:

- None - HCA identification method #1 was used and all CVGS pipeline segments are entirely within Class I locations and there are no identified sites. Therefore, the integrity management regulations do not apply at this time. CVGS will continue to conduct annual surveys for the presence of High Consequence Areas.

#### Applicability

#### **192.937 What is a continual process of evaluation and assessment to maintain a pipeline's integrity?**

After completing the baseline assessment, CVGS must perform a periodic evaluations based on data integration and risk assessment and implement a program to continually assess the integrity of its pipelines. Mandatory reassessment intervals are summarized in the regulation and shown in this procedure.

In conducting the integrity reassessment, CVGS must assess the integrity of the line pipe in the covered segment by any of the following methods as appropriate for the threat to which the covered segment is susceptible ( see §192.917), or by confirmatory direct assessment under the conditions specified in §192.931.

- (1) Internal inspection tool or tools capable of detecting corrosion, and any other threats to which the covered segment is susceptible. An operator must follow ASME/ANSI B31.8S (incorporated by reference, see §192.7), section 6.2 in selecting the appropriate internal inspection tools for the covered segment.

**CVGS**  
**Gas Integrity Management Plan**  
**Element #8: Preventive and Mitigative Measures**

Ref: 49CFR 192.935

Updated: July 2012

**Contents of this Element:**

- 8.1 Objectives and Purpose
- 8.2 Scope, Applicability, and Use of PHMSA FAQs
- 8.3 Definitions Applicable to Element #8
- 8.4 General Requirements & ID of Additional Measures
- 8.5 Enhancements to Damage Prevention
- 8.6 Automatic Shutoff Valves or Remote Control Valves
- 8.7 Pipelines Operating Below 30% SYMS
- 8.8 Plastic Transmission Pipeline
- 8.9 Outside Force Damage
- 8.10 Corrosion
- 8.11 Review and Implementation of Element #8
- 8.12 Source References
- 8.13 List of Required Ongoing Documentation

Appendix 8A: Corrosion Control Adequacy Test Flow Chart  
Appendix 8B: Process Flow Chart  
PHMSA FAQs Preventive and Mitigative Measures

**8.1 Objectives and Purpose of Preventive and Mitigative Measures [192.935]**

The objective and purpose of an IMP is to maintain the integrity of the pipeline system at levels necessary to provide safe and reliable pipeline systems. To ensure that the IMP achieves these objectives, CVGS has developed these preventative and mitigative measure procedures to assist in this effort.

**8.2 Scope, Applicability, and Use of PHMSA FAQs [192.935]**

Scope for CVGS

The following pipeline systems and segments are covered by the CVGS gas IM program:

- None - HCA identification method #1 was used and all CVGS pipeline segments are entirely within Class I locations and there are no identified sites. Therefore, the integrity management regulations do not apply at this time. CVGS will continue to conduct annual surveys for the presence of High Consequence Areas.
- CVGS will use the BAP and risk analysis to document mitigative measures.

**CVGS**  
**IntegrityManagementPlan**  
**Element #9: PerformanceMeasures**

Ref:49CFR192.945

Updated: July 2012

**ContentsofthisElement:**

- 9.1 Objective and Purpose
- 9.2 Scope, Applicability, and Use of PHMSA FAQs
- 9.3 Performance Measures Submittal to OPS
- 9.4 General Requirements & ID of Additional Measures
- 9.5 Performance Measures if Conducting ECDA
- 9.6 Characteristicsof PerformanceMeasures
- 9.7 ExceptionalPerformanceMeasures
- 9.8 Review and Implementation of Element #9
- 9.9 SourceReferences
- 9.10 List of Required Ongoing Documentation

PHMSA FAQs PerformanceMeasures

**9.1 ObjectiveandPurposeforPerformanceMeasures [192.945]**

The objective and purpose of an IMP is to maintain the integrity of the pipeline system at levels necessary to provide safe and reliable pipeline systems. To ensure that the IMP achieves these objectives, CVGS will develop performance measures to determine IMP effectiveness. Effective performance measures will guide CVGS by focusing resources to providefor effective preventative maintenance.

**9.2 Scope, Applicability, and Use of PHMSA FAQs [192.919 &921]**

ScopeforCVGS

The following pipeline systems and segments are covered by the CVGS gas IM program:

- None- HCA identificationmethod#1 was used and all CVGS pipeline segments are entirely within Class I locations and there are no identified sites. Therefore, the integrity management regulations do not apply at this time. CVGS will continue to conduct annual surveys for the presence of High Consequence Areas.
- CVGSwillusetheperformancemeasuresworksheettodocumentperformance measuresrequirements

**CVGS**  
**Integrity Management Plan**  
**Element #10: Record Keeping**

Ref: 49CFR 192.947

Updated: July 2012

**Contents of this Element:**

- 10.1 Objective and Purpose
- 10.2 Scope, Applicability, and Use of PHMSA FAQs
- 10.3 Minimum Records to be Maintained by CVGS
- 10.4 Review and Implementation of Element #10
- 10.5 Source References
- 10.6 List of Required Ongoing Documentation

PHMSA FAQs Recordkeeping

**10.1 Objectives and Purpose of Record Keeping [192.947]**

The objective and purpose of an IMP is to maintain the integrity of the pipeline system at levels necessary to provide safe and reliable pipeline systems. To ensure that the IMP achieves these objectives, CVGS has developed these record keeping procedures to assist in this effort.

**10.2 Scope, Applicability, and Use of PHMSA FAQs [192.47]**

Scope for CVGS

The following pipeline systems and segments are covered by the CVGS gas IM program:

- None- HCA identification method #1 was used and all CVGS pipeline segments are entirely within Class I locations and there are no identified sites. Therefore, the integrity management regulations do not apply at this time. CVGS will continue to conduct annual surveys for the presence of High Consequence Areas.
- CVGS will use the list of required ongoing documentation at the end of each procedure to verify recordkeeping requirements.
- All CVGS records will be maintained on the copy intranet unless noted otherwise.

**CVGS**  
**IntegrityManagementPlan**  
**Element #11: Management of Change (MOC)**

**Ref:49CFR192.909**

**Updated: July 2012**

**ContentsofthisElement:**

- 11.1 Objectives and Purpose
- 11.2 Scope, Applicability, and Use of PHMSA FAQs
- 11.3 Definitions Applicable to Element #11
- 11.4 Documentation and Notification of Change
- 11.5 Agency Notification Requirements
- 11.6 Attributes of the MOC Process
- 11.7 Review and Implementation of Element #11
- 11.8 Source References
- 11.9 List of Required Ongoing Documentation

**11.1 Objective and Purpose for Management of Change [192.909]**

The objective and purpose of an IMP is to maintain the integrity of the pipeline system at levels necessary to provide safe and reliable pipeline systems. To ensure that the IMP achieves these objectives, CVGS will use MOC process to track significant changes made to the IM program.

**11.2 Scope, Applicability, and Use of PHMSA FAQs [192.919 &921]**

ScopeforCVGS

The following pipeline systems and segments are covered by the CVGS gas IM program:

- None - HCA identification method #1 was used and all CVGS pipeline segments are entirely within Class I locations and there are no identified sites. Therefore, the integrity management regulations do not apply at this time. CVGS will continue to conduct annual surveys for the presence of High Consequence Areas.
- CVGS will use the pipeline management of change procedures to document when significant changes are made.

**CVGS**  
**Integrity Management Plan**  
**Element #12: Quality Assurance**

Ref:49CFR192.911(I)

Updated: July 2012

**ContentsofthisElement:**

- 12.1 Objectives and Purpose of QA
- 12.2 Scope, Applicability, and Use of PHMSA FAQs
- 12.3 DefinitionsApplicableto Element #12
- 12.4 General Program Requirements
- 12.5 IM Program Documentation
- 12.6 Responsibilities and Authorities
- 12.7 Program Review, Corrective Action, and Monitoring
- 12.8 Personnel Qualification and Training Requirements
- 12.9 Qualification of Personnel Reviewing Integrity Data
- 12.10 IM Program Internal Audits
- 12.11 InvokingNon-MandatoryStatementsinStandards
- 12.12 Quality AssuranceKey ResponsibilitiesChart
- 12.13 Review and Implementation of Element #12
- 12.14 Source References
- 12.15 List of Required Ongoing Documentation

**12.1 Objectives and Purpose of Quality Assurance [192.911(I)]**

The objective and purpose of an IMP is to maintain the integrity of the pipeline system at levels necessary to provide safe and reliable pipeline systems. To ensure that the IMP achieves these objectives, CVGS has developed these quality assurance procedures to assist in this effort.

**12.2 Scope, Applicability, and Use of PHMSA FAQs [192.919 & 921]**

Scope for CVGS

The following pipeline systems and segments are covered by the CVGS gas IM program:

- None-HCA identification method #1 was used and all CVGS pipeline segments are entirely within Class I locations and there are no identified sites. Therefore, the integrity management regulations do not apply at this time. CVGS will continue to conduct annual surveys for the presence of High Consequence Areas.
- CVGS will use documents described in this procedure to satisfy the requirements

**CVGS**  
**Gas Integrity Management Plan**  
**Element #13: Communication Plan**

Ref:49CFR192.911(m)

Updated: July 2012

**Contents of this Element:**

- 13.1 Objective and Purpose
- 13.2 Scope, Applicability, and Use of PHMSA FAQs
- 13.3 Internal Communication Requirements
- 13.4 External Communication Requirements
- 13.5 Addressing PHMSA and State Safety Concerns
- 13.6 Review and Implementation of Element #13
- 13.7 Source References
- 13.8 List of Required Ongoing Documentation

**13.1 Objectives and Purpose of Communications Plan [192.911(m)]**

The objective and purpose of an IMP is to maintain the integrity of the pipeline system at levels necessary to provide safe and reliable pipeline systems. To ensure that the IMP achieves these objectives, CVGS has developed these communications plan procedures to assist in this effort.

**13.2 Scope, Applicability, and Use of PHMSA FAQs [192.911(m)]**

Scope for CVGS

The following pipeline systems and segments are covered by the CVGS gas IM program:

- None- HCA identification method #1 was used and all CVGS pipeline segments are entirely within Class I locations and there are no identified sites. Therefore, the integrity management regulations do not apply at this time. CVGS will continue to conduct annual surveys for the presence of High Consequence Areas.
- CVGS will use the team charter as the main communications tool.

Summary of Requirements for Communication Plan [192.911(m)]

CVGS will have a communication plan that includes the elements of ASME/ANSI B31.8S, section 10. The communication plan will include the following procedures and communicated periodically:

**CVGS**  
**GasIntegrity ManagementPlan**  
**Element #14: Agency Notification, Inspections, & Documentation**

Ref:49CFR192.911(n)

Updated: July 2012

**ContentsofthisElement:**

- 14.1 Objectives and Purpose
- 14.2 Scope, Applicability, and Use of PHMSA FAQs
- 14.3 Agency Notification Requirements
- 14.4 Agency Inspection
- 14.5 Enforcement and Consistency in Application
- 14.6 State Requirements
- 14.7 Review and Implementation of Element #14
- 14.8 Source References
- 14.9 List of Ongoing Documentation

#### **14.1 Objectives and Purpose**

The objective and purpose of an IMP is to maintain the integrity of the pipeline system at levels necessary to provide safe and reliable pipeline systems. To ensure that the IMP achieves these objectives, CVGS has developed these agency notification and agency inspection procedures to assist in this effort.

#### **11.2 Scope, Applicability, and Use of PHMSA FAQs [192.911(n)]**

##### Scope for CVGS

The following pipeline systems and segments are covered by the CVGS gas IM program:

- None - HCA identification method #1 was used and all CVGS pipeline segments are entirely within Class I locations and there are no identified sites. Therefore, the integrity management regulations do not apply at this time. CVGS will continue to conduct annual surveys for the presence of High Consequence Areas.