May 5, 2011

Ms. Christina Stora
Compliance Project Manager
California Energy Commission
1516 9th Street
Sacramento, CA 95614

RE:  Response to Data Requests Nos. 6 - 7
     Grimes Pipeline Project Amendment 97-AFC-02

Dear Ms. Stora:

On behalf of Calpine Construction Finance Company, L.P. and CPN Pipeline Company, please find attached the Grimes Pipeline Project’s Response to Commission Staff Data Requests Numbers 6 and 7.

If you have any questions, please contact me at (925) 557-2238.

Sincerely,

[Signature]

Barbara McBride
Western Regional Director, Environmental Health and Safety
DATA REQUEST

6. Please describe when and how any necessary permitting, pipeline design and construction specifications are confirmed and communicated, and with which jurisdictional regulatory agencies.

DATA RESPONSE

6. The Department of Transportation (DOT) Pipeline and Hazardous Materials Safety Administration (PHMSA) has jurisdiction over pipeline facilities and the transportation of natural gas. The applicable federal code is Title 49 Parts 190, 191, and 192. These extensive standards prescribe minimum safety requirements regarding materials, design, components, welding, general construction, corrosion control, testing, operations, and maintenance.

PHMSA enforces the rule through periodic audits (nominally once every one or two years). Design and construction specifications will be made available at these audits but are not sent in to PHMSA for review when this project is installed, per Federal regulation.

The project construction drawings, specification, and standards will comply with the PHMSA code and will be approved by the Engineer of Record. They will include all necessary permitting stipulations, mitigation measures, and conditions of compliance. These documents will form the construction bid documents and made a part of the construction contract for this job. These plans will also be reviewed and approved by the project Chief Building Officer (CBO).

Calpine will provide full time on-site inspection personnel with the primary responsibility for ensuring the installation is in strict compliance with the project drawings, standards, and specifications. Should any non-compliance issues occur, they will be immediately communicated and resolved with the Engineer of Record. The inspection reports and test records will be made available for CBO review.

The CPUC does not have regulatory oversight for the Grimes pipeline because the gas pipeline system serves only Calpine and does not sell or send gas to the public.
DATA REQUEST

7. Please describe how and at what frequency maintenance inspections will be done, and whether the new pipeline would be piggable for purposes of internal cleaning and inspection.

DATA RESPONSE

7. CPN Pipeline has in place an Operations and Maintenance Manual and an Emergency Response Manual in accordance with PHMSA regulations. The purpose of these manuals is to provide procedures and guidelines for personnel to safely operate and maintain natural gas pipelines and also to effectively respond to abnormal operating conditions and emergency situations. Key maintenance features of these manuals are described below:

CPN Pipeline will conduct leak detection surveys, cathodic protection surveys, and patrols of the pipeline route at the specified minimum interval of once a year. In addition, emergency valves and pressure relief valves will be checked once a year.

As an aide for detection of possible internal corrosion, drain valves will be installed to collect any liquids that might form in the pipeline. These valves will be checked once a month. If present in the pipeline, the liquids will be analyzed to determine if corrosive conditions exist and remedial action will be taken if warranted.

The Grimes pipeline will be registered with Underground Service Alert (USA). Anyone attempting to dig or penetrate the earth is required to call 811 for Underground Service Alert (USA) at least two working days in advance. USA will notify the pipeline operator so that appropriate action can be taken if necessary.

Pipeline markers identifying the location of the pipeline will be placed at regular intervals and at road crossings. The markers will identify a toll-free number to report emergencies and also provide the 811 number that needs to be called prior to any excavation occurring near the pipeline.

The Grimes pipeline will be integrated into the CPN Gas Control system. This is a Supervisory Control and Data Acquisition (SCADA) system that operates 24/7. It is used to monitor pipeline conditions such as flow and pressure and will notify pipeline operations in the event conditions deviate from normal operational tolerances.

The Grimes pipeline will be installed so that both maintenance pigging and inspection tools can be run through the pipeline. Pig trap valves are installed on each end of the pipeline so that portable pig traps can be easily installed when/if pigging is required. The pipeline design meets the requirements (bend radius, full port tees, barred tees, etc.) for pig passage.