CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 6, 2013

Mr. Carlos R. Fandino, Jr. Director, Light & Power Department City of Vernon 4305 Santa Fe Avenue Vernon, CA 90058

> CPF 5-2012-0004S Closure Letter

Dear Mr. Fandino:

On May 30, 2012, the Pipeline and Hazardous Materials Safety Administration (PHMSA) issued the City of Vernon a Safety Order in the above-referenced case. The purpose of this Order was to address pipeline integrity risk concerns, and included requirements to take corrective actions on your pipeline. Based on our review of the documentation you provided, it has been determined that you have complied with the terms of this Order as detailed below:

1) Leak Surveys.

The City of Vernon's gas operations personnel performed leak surveys on monthly basis and reported the results on monthly report to PHMSA. No gas leaks were reported. The last survey was reported on July 3, 2013.

2) Maximum Allowable Operating Pressure Reduction.

The City of Vernon's gas transmission pipeline pressure never exceeded 520 psig per the Safety Order restrictions. The highest pressure reported was 505 psig in November 2012.

3) Removal of 3.1 miles from service.

The City of Vernon completed the removal of the 3.1 miles segment of the transmission line on February 7, 2013.

4) In Line Inspection (ILI) Results.

A successful ILI tool run by Enduro Pipeline Services, Inc. was reported on May 7, 2013 with no immediate or urgent action required. The lateral line to the power plant surveyed by Mistras on January 10, 2013, using the guide wave technology, was also reported without any issues. Reports have been submitted to the Western Region Director.

5) Monthly reports.

The City of Vernon has submitted reports on a monthly basis. The last report was dated July 30, 2013.

Accordingly, this case is now closed and no further action is contemplated with respect to the matters involved in this case. Thank you for your cooperation in this matter.

Sincerely,

Chris Hoidal Director, Western Region Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry PHP-500 P.Nguyen