



U.S. Department  
of Transportation  
**Pipeline and Hazardous  
Materials Safety  
Administration**

1200 New Jersey Avenue SE  
Washington DC 20590

## 2019 Gas State Program Evaluation

for

CALIFORNIA PUBLIC UTILITIES COMMISSION

### Document Legend

#### PART:

- O -- Representative, Dates and Title Information
- A -- Progress Report and Program Documentation Review
- B -- Program Inspection Procedures
- C -- State Qualifications
- D -- Program Performance
- E -- Field Inspections
- F -- Damage prevention and Annual report analysis
- G -- Interstate Agent/Agreement States



# 2019 Gas State Program Evaluation -- CY 2019

Gas

**State Agency:** California

**Agency Status:**

**Date of Visit:** 08/17/2020 - 08/20/2020

**Agency Representative:** Terence Eng, Program Manager and Dennis Lee, Program and Project Supervisor

**PHMSA Representative:** David Lykken, Michael Thompson

**Commission Chairman to whom follow up letter is to be sent:**

**Name/Title:** Marybel Batjer, President

**Agency:** California Public Utilities Commission

**Address:** 505 Van Ness Avenue

**City/State/Zip:** San Francisco, CA 94102

**Rating:**

**60105(a):** Yes **60106(a):** Yes **Interstate Agent:** No

## INSTRUCTIONS:

Complete this evaluation in accordance with the Evaluator Guidance for conducting state pipeline safety program evaluations. The evaluation should generally reflect state program performance during CY 2019 (not the status of performance at the time of the evaluation). A deficiency in any one part of a multiple-part question should be scored as "Needs Improvement." Determine the answer to the question then select the appropriate point value. If a state receives less than the maximum points, include a brief explanation in the appropriate notes/comments section. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and they OBJECTIVELY reflect the state's program performance for the question being evaluated. Increasing emphasis is being placed on how the state pipeline safety programs conduct and execute their pipeline safety responsibilities (their performance). This evaluation, together with selected factors reported in the state's annual progress report attachments, provide the basis for determining the state's pipeline safety grant allocation.

## Scoring Summary

### PARTS

### Possible Points Points Scored

A	Progress Report and Program Documentation Review
B	Program Inspection Procedures
C	State Qualifications
D	Program Performance
E	Field Inspections
F	Damage prevention and Annual report analysis
G	Interstate Agent/Agreement States

0	0
15	15
10	10
50	44
15	15
4	4
0	0
<b>94</b>	<b>88</b>

### TOTALS

**State Rating** ..... **93.6**

## PART A - Progress Report and Program Documentation Review

Points(MAX) Score

1 Were the following Progress Report Items accurate?

Info Only Info Only

Info Only = No Points

- a. Stats On Operators Data - Progress Report Attachment 1
- b. State Inspection Activity Data - Progress Report Attachment 2
- c. List of Operators Data - Progress Report Attachment 3\*
- d. Incidents/Accidents Data - Progress Report Attachment 4\*
- e. Stats of Compliance Actions Data - Progress Report Attachment 5\*
- f. List of Records Kept Data - Progress Report Attachment 6 \*
- g. Staff and TQ Training Data - Progress Report Attachment 7
- h. Compliance with Federal Regulations Data - Progress Report Attachment 8
- i. Performance and Damage Prevention Question Data - Progress Report Attachment 10\*

Evaluator Notes:

a: PR scoring -4 for lack of jurisdiction. a & c: Operator/Inspection Unit totals on Attachment 1 are consistent with the Operator/Inspection Unit totals on Attachment 3. b: CY2019 Construction activity only 7.01 % (179) of minimum number of SICT field days (2551). Needed 508 in CY2020 to achieve 20%. Covid-19 issues only allowed field inspections to proceed starting in July. d:PDM shows 10 GD and 1 GT incidents reported. Matches PR under Attachment 4. h. PR scoring -2 for level of civil penalties adopted not essentially the same as PHMSA

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Total points scored for this section: 0  
Total possible points for this section: 0



## PART B - Program Inspection Procedures

Points(MAX) Score

- |   |   |   |   |
|---|---|---|---|
| 1 | Do written procedures address pre-inspection, inspection and post inspection activities for each of the following inspection types: Chapter 5.1<br>Yes = 5 No = 0 Needs Improvement = 1-4   | 5 | 5 |
|   | <ul style="list-style-type: none"><li>a. Standard Inspections, which include Drug/Alcohol, CRM and Public Awareness Effectiveness Inspections</li><li>b. TIMP and DIMP Inspections (reviewing largest operator(s) plans annually)</li><li>c. OQ Inspections</li><li>d. Damage Prevention Inspections</li><li>e. On-Site Operator Training</li><li>f. Construction Inspections (annual efforts)</li><li>g. LNG Inspections</li></ul> |   |   |

Evaluator Notes:

GSRB GO112-F and CFR Inspection Procedures Manual. Sections II(D-F), Section III(A thru P) for all inspection types. Pre-Inspection, Inspection, and Post Inspection activities addressed. Annual IMP reviews for large operators noted under Section III (M).

- |   |   |   |   |
|---|---|---|---|
| 2 | Do written procedures address inspection priorities of each operator, and if necessary each unit, based on the following elements and time frames established in its procedures? Chapter 5.1<br>Yes = 4 No = 0 Needs Improvement = 1-3  | 4 | 4 |
|   | <ul style="list-style-type: none"><li>a. Length of time since last inspection</li><li>b. Operating history of operator/unit and/or location (includes leakage, incident and compliance activities)</li><li>c. Type of activity being undertaken by operators (i.e. construction)</li><li>d. Locations of operator's inspection units being inspected - (HCA's, Geographic area, Population Centers, etc.)</li><li>e. Process to identify high-risk inspection units that includes all threats - (Excavation Damage, Corrosion, Natural Forces, Outside Forces, Material and Welds, Equipment, Operators and any Other Factors)</li><li>f. Are inspection units broken down appropriately?</li></ul> |   |   |

Evaluator Notes:

GSRB GO112-F and CGR Inspection Procedures Manual. Section II Inspection Planning. Section II(B) Inspection Priorities. Section II(C) Time Intervals. Section II (D) Scheduling Inspections. Inspection units appear to be broken down appropriately.

- |   |   |   |   |
|---|---|---|---|
| 3 | (Compliance Procedures) Does the state have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1<br>Yes = 3 No = 0 Needs Improvement = 1-2  | 3 | 3 |
|   | <ul style="list-style-type: none"><li>a. Procedures to notify an operator (company officer) when a noncompliance is identified</li><li>b. Procedures to routinely review progress of compliance actions to prevent delays or breakdowns</li><li>c. Procedures regarding closing outstanding probable violations</li></ul> |   |   |

Evaluator Notes:

Yes. Section IV (Post Inspection Documentation) and Section V (Compliance Enforcement) and Section VI (Re-inspections) for items a-c. Also GSRB "Citation Procedure" and Safety & Enforcement Division/GSRB "Complaints and Inquiries Procedure".

- |   |  |   |   |
|---|--|---|---|
| 4 | (Incident/Accident Investigations) Does the state have written procedures to address state actions in the event of an incident/accident?<br>Yes = 3 No = 0 Needs Improvement = 1-2   | 3 | 3 |
|   | <ul style="list-style-type: none"><li>a. Mechanism to receive, record, and respond to operator reports of incidents, including after-hours reports</li><li>b. If onsite investigation was not made, do procedures require on-call staff to obtain sufficient information to determine the facts to support the decision not to go on-site.</li></ul> |   |   |

Evaluator Notes:

Yes. GSRB Incident and Investigations Procedures Manual including Appendices A thru H. rev 2/2020

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**5** General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

No issues identified. No point deductions.

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Total points scored for this section: 15  
Total possible points for this section: 15



## PART C - State Qualifications

Points(MAX) Score

- |   |   |   |   |
|---|---|---|---|
| 1 | Has each inspector and program manager fulfilled training requirements? (See Guidelines Appendix C for requirements) Chapter 4.4<br>Yes = 5 No = 0 Needs Improvement = 1-4  | 5 | 5 |
|   | <ul style="list-style-type: none"><li>a. Completion of Required OQ Training before conducting inspection as lead</li><li>b. Completion of Required DIMP/IMP Training before conducting inspection as lead</li><li>c. Completion of Required LNG Training before conducting inspection as lead</li><li>d. Root Cause Training by at least one inspector/program manager</li><li>e. Note any outside training completed</li><li>f. Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector (Reference State Guidelines Section 4.3.1)</li></ul> |   |   |

Evaluator Notes:

Yes. No issues noted. a. Inspectors have completed the PL-3622 OQ training necessary for conducting OQ inspections. b. Inspection staff who have conducted IM inspections as lead have completed all necessary T&Q training. c. Lead Inspectors have completed required LNG training. d. 18 inspectors including PM have completed Root Cause training. f. Lead inspectors have met minimum qualifications for conducting Std insps. PM has completed all required courses.

- |   |  |   |   |
|---|--|---|---|
| 2 | Did state records and discussions with state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations? Chapter 4.1,8.1<br>Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
|---|--|---|---|

Evaluator Notes:

Terence Eng was named PM in 201 and has demonstrated adequate knowledge of PHMSA programs and regulations. He has been with the CPUC Pipeline Safety Program since 2010.

- |   |  |           |           |
|---|--|-----------|-----------|
| 3 | General Comments:<br>Info Only = No Points | Info Only | Info Only |
|---|--|-----------|-----------|

Evaluator Notes:

No issues noted. No point deductions.

Total points scored for this section: 10  
Total possible points for this section: 10



**PART D - Program Performance****Points(MAX) Score**

- |          |  |   |   |
|----------|--|---|---|
| <b>1</b> | Did state inspect all types of operators and inspection units in accordance with time intervals established in written procedures? Chapter 5.1<br>Yes = 5 No = 0 Needs Improvement = 1-4 <ol style="list-style-type: none"><li>a. Standard (General Code Compliance)</li><li>b. Public Awareness Effectiveness Reviews</li><li>c. Drug and Alcohol</li><li>d. Control Room Management</li><li>e. Part 193 LNG Inspections</li><li>f. Construction (did state achieve 20% of total inspection person-days?)</li><li>g. OQ (see Question 3 for additional requirements)</li><li>h. IMP/DIMP (see Question 4 for additional requirements)</li></ol> | 5 | 0 |
|----------|--|---|---|

**Evaluator Notes:**

5-point deduction. Reviewed 2019 random list of operators. 115 of 488 Mobile Home Parks (MM) & 45 of 133 LPG facilities were not inspected within the maximum timeframes established. The program has 10 safety inspector FTE's currently open but will be posting job notices within the next three weeks to fill those positions.

- |          |  |    |    |
|----------|--|----|----|
| <b>2</b> | Did inspection form(s) cover all applicable code requirements addressed on Federal Inspection form(s)? Did State complete all applicable portions of inspection forms? Chapter 5.1. Do inspection records indicate that adequate reviews of procedures, records and field activities, including notes and the appropriate level of inspection person-days for each inspection, were performed?<br>Yes = 10 No = 0 Needs Improvement = 1-9 <ol style="list-style-type: none"><li>a. Standard (General Code Compliance)</li><li>b. Public Awareness Effectiveness Reviews</li><li>c. Drug and Alcohol</li><li>d. Control Room Management</li><li>e. Part 193 LNG Inspections</li><li>f. Construction</li><li>g. OQ (see Question 3 for additional requirements)</li><li>h. IMP/DIMP (see Question 4 for additional requirements)</li></ol> | 10 | 10 |
|----------|--|----|----|

**Evaluator Notes:**

Yes. The program utilizes the IA for conducting Standard, PAPEI, OQ, TIMP, DIMP, CRM inspections. D&A (PHMSA form), Program has custom forms used for conducting LPG, MM and Construction inspections.

- |          |   |   |   |
|----------|---|---|---|
| <b>3</b> | Is state verifying operators OQ programs are up to date? This should include verification of any plan updates and that persons performing covered tasks (including contractors) are properly qualified and requalified at intervals established in the operator's plan. 49 CFR 192 Part N<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

**Evaluator Notes:**

Yes. The program has reviewed OQ plans within the timeframes established for those operators reviewed under the Random Generated Operator list for CY2019. Protocol 9 inspections are conducted during LDC annual reviews, standard, and construction inspections.

- |          |  |   |   |
|----------|--|---|---|
| <b>4</b> | Is state verifying operator's integrity management Programs (IMP and DIMP)? This should include a review of plans, along with monitoring progress. In addition, the review should take in to account program review and updates of operator's plan(s). 49 CFR 192 Subpart P<br>Yes = 2 No = 0 Needs Improvement = 1 <ol style="list-style-type: none"><li>a. Are the state's largest operator(s) plans being reviewed annually?</li><li>b. Are states verifying with operators any plastic pipe and components that have shown a record of defects/leaks and mitigating those through DIMP plan?</li></ol> | 2 | 2 |
|----------|--|---|---|

- c. Are the states verifying operators are including low pressure distribution systems in their threat analysis?

Evaluator Notes:

Per program's 2019 DIMP work plan largest operators are contacted annually for updates on DIMP plans. If significant changes have occurred the program will arrange with the operator to review the changes. Field verification inspections performed monthly or more frequently when resources permit. The goal is to conduct 50 field verification inspections annually. 2019 TIMP work plan notes the states two largest operators PG&E & Sempra will be inspected annually. Field verification inspection goals estimated at 5 days per month.

5	Did the state review the following (these items are NTSB recommendations to PHMSA that have been deemed acceptable response based on PHMSA reviewing these items during the evaluation process): Chapter 5.1 Yes = 2 No = 0 Needs Improvement = 1	2	2
	a. Operator procedures for determining if exposed cast iron pipe was examined for evidence of graphitization and if necessary remedial action was taken;		
	b. Operator procedures for surveillance of cast iron pipelines, including appropriate action resulting from tracking circumferential cracking failures, study of leakage history, or other unusual operating maintenance condition? (Note: See GPTC Appendix G-18 for guidance);		
	c. Operator emergency response procedures for leaks caused by excavation damage near buildings and determine whether the procedures adequately address the possibility of multiple leaks and underground migration of gas into nearby buildings Refer to 4/12/01 letter from PHMSA in response to NTSB recommendation P-00-20 and P-00-21;		
	d. Operator records of previous accidents and failures including reported third-party damage and leak response to ensure appropriate operator response as required by 192.617;		
	e. Directional drilling/boring procedures of each pipeline operator or its contractor to determine if they include actions to protect their facilities from the dangers posed by drilling and other trench less technologies;		
	f. Operator procedures for considering low pressure distribution systems in threat analysis?		
	g. Operator compliance with state and federal regulations for regulators located inside buildings?		

Evaluator Notes:

a & b: All known cast iron systems have been replaced in California. c: Emergency response plans typically reviewed during operator Hdqtrs procedures and plan reviews. d: Staff are assigned to review and document operator annual reports. Data is used in part to prioritize inspections/inspection activities. Question incorporated into IA Standard Inspection protocols used by the program. Pipeline mileage and material type tracked in the "CY2018 Jurisdictional Operators Annual Report Analysis & Trends" spreadsheet. e: Question incorporated into CPUC Damage Prevention inspection checklist and part of operator annual check-in meetings. f: Procedural question incorporated into IA DIMP protocol question set. g: Procedural question incorporated into IA GD Baseline P/R/O, DIMP, DIMP Implementation, MMLPGIM, and DT&C question sets.

6	Did the State verify Operators took appropriate action regarding advisory bulletins issued since the last evaluation? (Advisory Bulletins Current Year) Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:

No new Advisory Bulletins issued in 2019. Last year was considering sending out annual operator letter.

7	(Compliance Activities) Did the state follow compliance procedures (from discovery to resolution) and adequately document all probable violations, including what resolution or further course of action is needed to gain compliance? Chapter 5.1 Yes = 10 No = 0 Needs Improvement = 1-9	10	9
	a. Were compliance actions sent to company officer or manager/board member if municipal/government system?		
	b. Were probable violations documented properly?		
	c. Resolve probable violations		
	d. Routinely review progress of probable violations		



- e. Did state issue compliance actions for all probable violations discovered?
- f. Can state demonstrate fining authority for pipeline safety violations?
- g. Does Program Manager review, approve and monitor all compliance actions? (note: Program Manager or Senior Official should sign any NOPV or related enforcement action)
- h. Did state compliance actions give reasonable due process to all parties? Including "show cause" hearing, if necessary.
- i. Within 30 days, conduct a post-inspection briefing with the owner or operator outlining any concerns
- j. Within 90 days, to the extent practicable, provide the owner or operator with written preliminary findings of the inspection. (Incident investigations do not need to meet 30/90-day requirement)

**Evaluator Notes:**

1-point deduction. Inconsistent formatting on letters and Inspection reports. Violations are documented but attached inspection reports (IA Post-Inspection Written Preliminary Findings) do not consistently specify the specific code reference the operator is in violation of (CPUC inspections GI-2019-02-PGE-78-JSN, GI-2019-03-PGE-14-MA5, GI-2019-09-PGE-18-KC3). IA Result Issue Summary notes need to include specific code citation language if using this report to communicate results. Some cover letters state number of PV's and AOC's and others do not.

<b>8</b>	(Incident Investigations) Were all incidents investigated, thoroughly documented, with conclusions and recommendations? Yes = 10 No = 0 Needs Improvement = 1-9	<b>10</b>	<b>10</b>
	<ul style="list-style-type: none"> <li>a. Does state have adequate mechanism to receive and respond to operator reports of incidents, including after-hours reports?</li> <li>b. Did state keep adequate records of Incident/Accident notifications received?</li> <li>c. If onsite investigation was not made, did the state obtain sufficient information from the operator and/or by means to determine the facts to support the decision not to go on site?</li> <li>d. Were onsite observations documented?</li> <li>e. Were contributing factors documented?</li> <li>f. Were recommendations to prevent recurrences, where appropriate, documented?</li> <li>g. Did state initiate compliance action for any violations found during any incident/accident investigation?</li> <li>h. Did state assist Region Office or Accident Investigation Division (AID) by taking appropriate follow-up actions related to the operator incident reports to ensure accuracy and final report has been received by PHMSA?</li> <li>i. Does state share any lessons learned from incidents/accidents?</li> </ul>		

**Evaluator Notes:**

a. Yes. The program has mechanisms in place (designated phone number or CPUC web reporting tool) for receiving and responding to operator reports of incidents including after-hours. b: Yes. c: Review incident reports. Per the programs written procedures, the on-call engineer is to obtain available information from the operator and consult with his/her supervisor if there are any questions regarding the need to conduct a field investigation. g. Three of the twelve reported incidents involved third party damage with violations identified (Excavator or Operator)? h: Yes, the program maintains communications with PHMSA AID and Western Region office during reportable events. i: Yes, during seminars and annual NAPSIR meetings.

<b>9</b>	Did state respond to Chairman's letter on previous evaluation within 60 days and correct or address any noted deficiencies? (If necessary) Chapter 8.1 Yes = 1 No = 0 Needs Improvement = .5	<b>1</b>	<b>1</b>
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**Evaluator Notes:**

Program evaluation results letter sent on 10/29/2019. President's response received on 12/20/2019.

<b>10</b>	Did State conduct or participate in pipeline safety training session or seminar in Past 3 Years? Chapter 8.5 Info Only = No Points	<b>Info Only</b>	<b>Info Only</b>
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**Evaluator Notes:**

One in 2016. One scheduled for 4/2019 but cancelled due to Covid-19 restrictions. To be rescheduled.

- 11** Has state confirmed transmission operators have submitted information into NPMS database along with changes made after original submission? Info Only Info Only  
Info Only = No Points

Evaluator Notes:

Yes. Covered during annual operator check-in meetings.

- 12** Does the state have a mechanism for communicating with stakeholders - other than state pipeline safety seminar? (This should include making enforcement cases available to public). 1 1  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

The CPUC provides information on inspections, enforcement. Has guidance materials and information for small operators on their web site. Presentations conducted at public hearings and commission meetings. Incident investigations made available on web site via public records request.

- 13** Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3 1 1  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

33 SCRC reported in CY2019. Four carried over into CY2020 that remain open. Program providing regular status updates in WMS.

- 14** Was the State responsive to: 1 1  
Yes = 1 No = 0 Needs Improvement = .5  
a. Surveys or information requests from NAPSRS or PHMSA;  
b. Operator IM notifications; and  
c. PHMSA Work Management system tasks?

Evaluator Notes:

Program has responded to seven NAPSRS Surveys. No IM Notifications in 2019. Provided regular updates in WMS for Failure Investigations and SCRC's tasks assigned.

- 15** If the State has issued any waivers/special permits for any operator, has the state verified conditions of those waivers/special permits are being met? This should include having the operator amend procedures where appropriate. 1 1  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

There are presently no open waivers/special permits. New in CY2020 PG&E waiver in place granting six-month extension to complete Leak Surveys and Atmospheric Corrosion Inspections due to Covid-19 issues.

- 16** Were pipeline program files well-organized and accessible? Info Only Info Only  
Info Only = No Points

Evaluator Notes:

Records were readily available. No issues noted.

- 17** Discussion with State on accuracy of inspection day information submitted into State Inspection Day Calculation Tool (SICT). Has the state updated SICT data? 3 3  
Yes = 3 No = 0 Needs Improvement = 1-2

Evaluator Notes:

CY2019 Construction activity only 7.01 % (179) of minimum number of SICT field days (2551). Needed 508 in CY2020 to achieve 20%. Covid-19 issues only allowed field inspections to proceed starting in July.

- 18** Discussion on State Program Performance Metrics found on Stakeholder Communication site.\ <http://primis.phmsa.dot.gov/comm/states.htm?nocache=4805> Info Only Info Only  
Info Only = No Points

Evaluator Notes:

The CAPUC metrics appeared to be at reasonable performance levels. Excavation damages per 1000 tickets (requested) are down significantly from 2018 averaging approximately 2.0 damages in CY2019. Under the national average of 2.2 damages. Inspection days per 1000 miles of pipeline trending down since 2017 averaging approximately 10.2 days in CY2019. Inspector Qualification core training at 75%. 5 year retention percentage trending up since 2017 now at 55%. Number of total leaks eliminated/repaired averaging 360 for CY2019.

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- 19** Did the state encourage and promote operator implementation of Pipeline Safety Management Systems (PSMS), or API RP 1173? This holistic approach to improving pipeline safety includes the identification, prevention and remediation of safety hazards. Info Only Info Only  
Info Only = No Points
- a. <https://pipelinesms.org/>
  - b. Reference AGA recommendation to members May 20, 2019

Evaluator Notes:

Yes. The program has promoted operator adoption and implementation of PSMS. The state's largest LDC's PG&E, SoCalGas, SDG&E, and SW Gas have adopt, implemented, or moving towards adoption of API RP 1173.

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- 20** General Comments: Info Only Info Only  
Info Only = No Points

Evaluator Notes:

D.1 5-point deduction. Reviewed 2019 random list of operators. 115 of 488 Mobile Home Parks (MM) & 45 of 133 LPG facilities were not inspected within the maximum timeframes established. The program has 10 safety inspector FTE's currently open but will be posting job notices within the next three weeks to fill those positions.

D.7 One-Point deduction for not documenting probable violations properly. Violations documented but attached inspection reports (IA Post-Inspection Written Preliminary Findings) do not consistently specify the specific code reference the operator is in violation of (CPUC inspections GI-2019-02-PGE-78-JSN, GI-2019-03-PGE-14-MA5, GI-2019-09-PGE-18-KC3). IA Result Issue Summary notes need to include specific code citation language if using this report to communicate results.

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Total points scored for this section: 44  
Total possible points for this section: 50



- 1 Operator, Inspector, Location, Date and PHMSA Representative (enter specifics into the Info Only Info Only comments box below)

Info Only = No Points

- What type of inspection(s) did the state inspector conduct during the field portion of the state evaluation? (i.e. Standard, Construction, IMP, etc)
- When was the unit inspected last?
- Was pipeline operator or representative present during inspection?
- Effort should be made to observe newest state inspector with least experience

Evaluator Notes:

- Field evaluation (Lykken) conducted remotely via WebEx. a. HQTRS OQ Plan, Procedures, and Records review of SouthWest Gas. b. 2016. c. Yes, all participants participated through remote sessions via WebEx. d. CPUC Inspection team - Joel Tran (Lead), Andrew Kwan, Angel Garcia, James Zhang.
- Field evaluation (Thompson) 3/2-6/2020 PG&E San Ramon, CA. a. Review of welding and joing process and procedures. c. yes, the company had representatives present and participating. d. CPUC team consisted of James Zang (Lead), Dennis Lee, Jason McMillian, Alan Weherman and Randy Fienberg.
- Field Evaluation (Thompson) 6/22-26/2020 CPUC conducted remotely. a. DIMP inspection, Sempra Energy (So Cal Gas and San Diego Gas. c. Yes, everyone participated remotely. e. CPUC team - Sikandar Khatri (Lead), Dennis Lee, Gordon, Alan Weherman.
- Field Evaluation (Thompson) 8/19/2020 a. CPUC Master Meter, Pillar Ridge Mobile Home Park, Moss Beach, Ca. b. Last inspected in 2011. c. Yes

- 2 Did the inspector use an appropriate inspection form/checklist and was the form/checklist used as a guide for the inspection? (New regulations shall be incorporated) 2 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

- Yes, the IA application was used to document inspection results. Question modules selected for conducting a OQ inspection were appropriate.
- Yes, the inspection team used IA for the inspection, and the questions chosen were appropriate.
- Yes, the inspection team used IA for the inspection, and the questions chosen were appropriate.
- Yes, the CPUC has a form #MHP-11 Revised 10/2012

- 3 Did the inspector adequately review the following during the inspection 10 10

Yes = 10 No = 0 Needs Improvement = 1-9

- Procedures (were the inspector's questions of the operator adequate to determine compliance?)
- Records (did the inspector adequately review trends and ask in-depth questions?)
- Field Activities/Facilities (did inspector ensure that procedures were being followed, including ensuring that properly calibrated equipment was used and OQ's were acceptable?)
- Other (please comment)
- Was the inspection of adequate length to properly perform the inspection?

Evaluator Notes:

- a, b, c Yes, the remote inspection involved a detailed review of the operator's OQ plan, procedures, and training records. Remote sessions were conducted at the beginning and ending of each day with the bulk of the inspector's time between sessions spent reviewing operator records which were provided via email. Live session time was used to answer any inspector questions, view additional records, and demonstrate operator training applications. e. Yes. The inspection was conducted over 5 days providing sufficient time to complete the inspection.
- a,b,c, Yes, the inspectors looked very closely at the records and procedures and asked pointed questions. They also did a field visit to the PG&E training facility in Winters California. e. Yes inspection was conducted over a week.
- a,b,c, Yes, the remote inspection was of the DIMP program used by Sempra for both SDG and SCG. They covered most of the plans processes and procedures and asked questions concerning records of the programs effectiveness. e. the inspection was conducted over a two week period and was adequate.

4. a. Yes the inspector's questions were adequate to determine compliance. b. Yes, the inspector adequately reviewed records. c. Yes, the inspector observed conditions of the master meter set, the operation of valves, took CP reads and general condition of individual meter sets. e. Yes, the inspection was of adequate length.

- 4 From your observation did the inspector have adequate knowledge of the pipeline safety program and regulations? (Evaluator will document reasons if unacceptable) 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

1. Yes. J. Tran (Lead) has been with the program eight years with the rest of the team having between 1 and 5 years experience. No issues noted.
2. Yes, James has many years of experience and the rest of the team had between 3 and 15 years of experience.
3. Yes, Sandikar has many years of experience and the rest of the team had between 3 and 15 years of experience.
4. Yes, Joel Tran has adequate knowledge of the program and regulations.

- 5 Did the inspector conduct an exit interview, including identifying probable violations? (If inspection is not totally completed the interview should be based on areas covered during time of field evaluation) 1 1  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

1. Yes. An exit interview was conducted on the final day via WebEx. In addition, a written preliminary finding report was emailed to the operator's compliance official. One PV was identified.
2. The exit interview was conducted on the final day and the team held a daily review of concerns and what would be covered the following day.
3. The exit interview was conducted on the final day and the team held a daily review of concerns and what would be covered the following day.
4. Yes, the inspector reviewed his findings with the operator before leaving.

- 6 Was inspection performed in a safe, positive, and constructive manner ? Info Only Info Only  
Info Only = No Points
- a. No unsafe acts should be performed during inspection by the state inspector
  - b. What did the inspector observe in the field? (Narrative description of field observations and how inspector performed)
  - c. Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices)
  - d. Other

Evaluator Notes:

1. Inspection conducted remotely via WebEx. Team check-in calls were conducted during the week. Inspectors input their findings into IA and completed in it's entirety by weeks end. Good inspection notes to support all results.
2. Inspection covered all the operators welding procedures and processes and included a visit to their training center.
3. The inspection was conducted remotely and covered the operators DIMP program and its effectiveness.
4. a. No unsafe acts were performed during the inspection. b. The inspector observed conditions of the master meter set, the operation of valves, took CP reads and general condition of individual meter sets. c. None

- 7 General Comments: Info Only Info Only  
Info Only = No Points

Evaluator Notes:

1. No issues noted.
2. No Issues noted
3. No issues noted
4. No issues noted

Total points scored for this section: 15  
Total possible points for this section: 15

**PART F - Damage prevention and Annual report analysis****Points(MAX) Score**

- |   |  |   |   |
|---|--|---|---|
| 1 | Has the state reviewed Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues.<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

**Evaluator Notes:**

Need to discuss with Terence. The CAPUC metrics appeared to be at reasonable performance levels. Excavation damages per 1000 tickets (requested) are down significantly from 2018 averaging approximately 2.0 damages in CY2019. Under the national average of 2.2 damages. Inspection days per 1000 miles of pipeline trending down since 2017 averaging approximately 10.2 days in CY2019. Inspector Qualification core training at 75%. 5 year retention percentage trending up since 2017 now at 55%. Number of total leaks eliminated/repaired averaging 360 for CY2019.

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|---|--|---|----|
| 2 | Has the state verified that the operators analyze excavation damages for the purpose of determining root causes and minimizing the possibility of a recurrence? (? 192.617)<br>Has the state verified that the operators have appropriately identified excavators who have repeatedly violated one-call laws and damaged their facilities. Have the operators taken steps to mitigate that risks? (? 192.1007)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | NA |
|---|--|---|----|

**Evaluator Notes:**

No point question for this evaluation. The CPUC's Gas Safety and Reliability Branch (GSRB) has initiated a damage prevention inspection (DPI) program for all utility operators under its jurisdiction. At this time, GSRB has performed DPI for all jurisdictional utilities and planned to begin inspections of 60106 operators in 2020; however, the 60106 operator inspections have been delayed due to the pandemic. As part of the DPI, GSRB reviews the operator's damage prevention plan, including procedures for its dig notification/response process, mark and locate, response to correct errors noted in the field. GSRB DPI also review operator's records for its damage prevention program and discusses the operator's programs (i.e., QA/QC) to review its operations, especially reported damages occurring on its system, to identify and address areas in need of improvement (retraining, OQ disqualification, disciplinary action, etc.). During DPI GSRB has completed, GSRB discusses data reported by operators on their CFR as well as GO 112-F annual reports. Any issues or discrepancies in data are discussed with the goal of better understanding the data, identifying any shortcomings, or educating the operator on needed improvements in data reporting processes. As part of the GSRB's quarterly reporting process operators identify and track repeat offenders; however, enforcement actions to address these repeat offenders, which historically have been non-existent in California, are expected to begin to some degree in 2020 as the California Safe Dig Board (Board) authority becomes effective. As reviewed during the PHMSA review of California's one-call law enforcement, beginning in July 2020, the Board can forward enforcement recommendations against violators who violate California's one-call law and damage gas pipeline facilities.

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|---|---|---|----|
| 3 | Has the state reviewed the operator's annual report pertaining to Part D ? Excavation Damage?<br>Yes = 4 No = 0 Needs Improvement = 1-3 <ol style="list-style-type: none"><li>a. Is the information complete and accurate with root cause numbers?</li><li>b. Has the state evaluated the causes for the damages listed under "One-Call Notification Practices Not Sufficient" (Part D.1.a)?</li><li>c. Has the state evaluated the causes for the damages listed under "Locating Practices Not Sufficient" (Part D.1.b)? For each operator, does the state review the following?</li><li>d. Is the operator or its locating contractor(s) qualified and following written procedures for locating and marking facilities?</li><li>e. Is the operator appropriately requalifying locators to address performance deficiencies?</li><li>f. What is the number of damages resulting from mismarks?</li><li>g. What is the number of damages resulting from not locating within time requirements (no-shows)?</li><li>h. Is the operator appropriately addressing discovered mapping errors resulting in excavation damages?</li><li>i. Are mapping corrections timely and according to written procedures?</li><li>j. Has the state evaluated the causes for the damages listed under "Excavation Practices Not Sufficient" (Part D.1.c)?</li></ol> | 4 | NA |
|---|---|---|----|

**Evaluator Notes:**

No point question for this evaluation. The GSRB DPI discusses data reported by operators on their CFR as well as GO 112-F

quarterly and annual reports. Any issues or discrepancies in data are discussed with the goal of better understanding the data, identifying any shortcomings, or educating the operator on needed improvements in data reporting processes. GSRB DPI also verify data by evaluating various one-call tickets for compliance with one-call law requirements along with OQ confirmation of company or contract locators. Operator programs to identify their own deficiencies (i.e., late ticket responses, mismarks, etc.) are discussed and operators' investigations of damages are reviewed. P3: The DPI works to determine operators' actions to identify and address, for operator caused and non-operator caused, needed improvements (i.e., O&M Standards, OQ, training, contractor/sub-contractor issues, etc.) to reduce risk of damages to its facilities related to excavation activities. The larger gas operators regulated by GSRB now have QA/QC programs which continue to evolve and improve.

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- |          |  |   |   |
|----------|--|---|---|
| <b>4</b> | Has the agency or another organization within the state collected data and evaluated trends on the number of pipeline damages per 1,000 locate requests? | 2 | 2 |
|----------|--|---|---|
- Yes = 2 No = 0 Needs Improvement = 1
- a. What stakeholder group is causing the highest number of damages to the pipelines? Operator, contractor, locating company or public.
  - b. Has the state verified the operator is appropriately focusing damage prevention education and training to stakeholders causing the most damages?
  - c. Has the state evaluated which of the following best describes the reason for the excavation damages; i.e., operator or contractor not following written procedures, failure to maintain marks, failure to support exposed facilities, failure to use hand tools were required, failure to test-hole (pot hole), improper backfilling practices, failure to maintain clearance or insufficient excavation practices.
  - d. Has the state verified the operator is appropriately focusing damage prevention education and training to address the causes of excavation damages?

**Evaluator Notes:**

The CPUC collects damage data for its jurisdictional operators through its quarterly reports and damage data, which is voluntarily reported by operators and damaging parties, is reported to both of California's one-call centers. The centers compile, analyze and trend the data they receive and report it in an annual, California specific, report issued in the August/September time frame. The most recent report is for the year 2018. As the Board establishes its reporting requirements, it is expected that voluntary data reporting will become mandatory. It is unclear if this mandate will be for all damages or limited to gas/hazardous liquid pipeline damages only. Based on 2018 data, the largest source of damage to California subsurface facilities is due to entities performing work related to fencing, followed by landscaping, sewer and then water. Excavation without notification is the largest cause of damages and in the case of damages resulting when an excavator holds a ticket, failure to maintain clearance from the facility is the largest cause. Marking issues (i.e., failure to maintain marks, incorrect marks, proceeding excavation without marks,) are a significant source of damages. GSRB analyzes its quarterly data and utilizes the data during DPI to discuss and review details for damages resulting from factors in the operator's control (i.e., mismarking, late markings, communications between operator representatives and notification parties, operator failures to follow proper excavation practices, etc.). The review allows for confirmation for what actions the operator is taking to reduce the likelihood of repeat damages being caused by the operator. In California, education and outreach efforts related to damage prevention of subsurface facilities, are performed primarily by the state's one-call centers and operators of gas or hazardous liquid pipeline facilities. These efforts have largely focused on contractors, which have been identified as the source of majority of damages, while farming operations are the source of most transmission damages. During its DPI, GSRB reviews and confirms that the operator is performing outreach activities, to educate contractors, farmers, and the public on safe excavation practices, and have urged operators to incorporate their most recent excavation notification data within their public awareness plans. GSRB maintains liaison with the one-call centers to confirm they continue to perform their outreach activities to educate contractors on the requirements of California's one-call law. Going forward, the Board has indicated it will be implementing a statewide education/outreach effort to reduce excavation damages. It is not clear what that effort will entail and/or how the effort will utilize or expand on existing outreach activities being performed by the one-call centers. However, at this time, GSRB does not believe the Board's education program will negate the activities performed by jurisdictional operators, including the media campaigns of large operators to inform the public of safe excavation practices.

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- |          |                   |  |                     |
|----------|-------------------|--|---------------------|
| <b>5</b> | General Comments: |  | Info Only Info Only |
|----------|-------------------|--|---------------------|
- Info Only = No Points

**Evaluator Notes:**

No issues noted.

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Total points scored for this section: 4  
Total possible points for this section: 4

## PART G - Interstate Agent/Agreement States

Points(MAX) Score

- 1 Were all inspections of interstate pipelines conducted using the Inspection Assistant program for documenting inspections. Info Only Info Only  
Info Only = No Points

Evaluator Notes:

CPUC has a 60106 agreement. Yes, All inspections (except D&A) were conducted with IA.

- 2 If inspections were conducted independent of a PHMSA team inspection was notice of all identified probable violations provided to PHMSA within 60 days. Info Only Info Only  
Info Only = No Points

Evaluator Notes:

Yes. All 2019 inspection results were sent to PHMSA WR within 60-days.

- 3 If inspections were conducted independent of a PHMSA team inspection was PHMSA immediately notified of conditions which may pose an immediate safety hazard to the public or environment? Info Only Info Only  
Info Only = No Points

Evaluator Notes:

CPUC has a 60106 agreement. There were no conditions discovered that met this criteria in the 2019 inspection results.

- 4 If inspections were conducted independent of a PHMSA team inspection did the state coordinate with PHMSA if inspections not were not included in the PHMSA Inspection Work Plan? Info Only Info Only  
Info Only = No Points

Evaluator Notes:

All inspections conducted were on the inspection work plan. CPUC coordinated all inspections with Western Region.

- 5 Did the state take direction from and cooperate with PHMSA for all incident investigations conducted on interstate pipelines? Info Only Info Only  
Info Only = No Points

Evaluator Notes:

There were no incidents to investigate.

- 6 General Comments: Info Only Info Only  
Info Only = No Points

Evaluator Notes:

No issues or concerns noted by Western Region.

Total points scored for this section: 0  
Total possible points for this section: 0