



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

1200 New Jersey Avenue SE
Washington DC 20590

2020 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



2020 Gas State Program Evaluation -- CY 2020

Gas

State Agency: California

Agency Status:

Date of Visit: 08/06/2021 - 08/06/2021

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 2020 (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	47
15	15
10	10
0	0

TOTALS

100 97

State Rating **97.0**

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

- 1 Were the following Progress Report Items accurate? (*items not scored on progress report) 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&c. PR scoring -4 for lack of jurisdiction. Operator/Inspection Unit totals on Attachment 1 are consistent with the Operator/Inspection Unit totals on Attachment 3; b. CY2020 Construction activity 16.69 % (424) of minimum number of SICT Person-Days (2540). 508 days to achieve 20%. Stay at home order (Executive Order N-33-20) only allowed for field inspections beginning July 2020 and beyond. Total actual days 2378; d. No issue; e. PR shows 8669 to be corrected & carry over. $6834 + 3552 + 14 = 10400 - 1703 = 8697$; f thru I = No issues. Rule adoption up to date.

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



PART B - Program Inspection Procedures

Points(MAX) Score

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

Evaluator Notes:

GSRB GO112-F and CFR Inspection Procedures Manual. Sections II(D-F), Section III(A thru Q) for all inspection types. Pre-Inspection and Inspection activities under Section III and Post Inspection addressed under Section IV. Appendix I & J Pre-Inspection Minimum Data Requests for GT and GD. Annual IMP reviews for large operators noted under Section III (L&M). Also GSRB Inspection Procedures for MobileHome Park and Propane Programs

- | | | | |
|---|---|---|---|
| 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
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| | <ul style="list-style-type: none">a. Length of time since last inspectionb. Operating history of operator/unit and/or location (includes leakage, incident and compliance activities)c. Type of activity being undertaken by operators (i.e. construction)d. Locations of operator's inspection units being inspected - (HCA's, Geographic area, Population Centers, etc.)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)f. Are inspection units broken down appropriately? | | |

Evaluator Notes:

GSRB GO112-F and CGR Inspection Procedures Manual. Section II Inspection Planning. Section II(B) & Appendices L & X for Inspection Priorities. Section II(C) Time Intervals. Section II (D) Scheduling Inspections and Appendix M - "PHMSA and CPUC Protocol of Muni Inspections". Inspection units broken down appropriately. Appendices D (PG&E) and E (Sempra) "Enforcement Program Field Audit Guides.

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|---|---|---|---|
| 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
Yes = 3 No = 0 Needs Improvement = 1-2 | 3 | 3 |
| | <ul style="list-style-type: none">a. Procedures to notify an operator (company officer) when a noncompliance is identifiedb. Procedures to routinely review progress of compliance actions to prevent delays or breakdownsc. Procedures regarding closing outstanding probable violations | | |

Evaluator Notes:

Yes. Section IV (Post Inspection Documentation), Section V (Compliance Enforcement), and Section VI (Re-inspections) for items a-c. GSRB "Citation Procedure" and Safety & Enforcement Division/GSRB "Complaints and Inquiries Procedure". Also "Self-Identified Potential Violation Procedure" for investigating operator self-reported violations.

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|---|--|---|---|
| 4 | (Incident/Accident Investigations) Does the state have written procedures to address state actions in the event of an incident/accident?
Yes = 3 No = 0 Needs Improvement = 1-2 | 3 | 3 |
| | <ul style="list-style-type: none">a. Mechanism to receive, record, and respond to operator reports of incidents, including after-hours reports | | |

- 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.

Evaluator Notes:

Yes. GSRB GO112-F Section III(P), and GSRB Incident and Investigations Procedures Manual including Appendices A thru H. rev 3/2021

5 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

No point deductions under Part B.

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
Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
| | a. Completion of Required OQ Training before conducting inspection as lead
b. Completion of Required DIMP/IMP Training before conducting inspection as lead
c. Completion of Required LNG Training before conducting inspection as lead
d. Root Cause Training by at least one inspector/program manager
e. Note any outside training completed
f. Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector (Reference State Guidelines Section 4.3.1) | | |

Evaluator Notes:

a thru c - Yes. All lead inspectors have completed all required T&Q training. d. 18 inspectors including PM and supervisory staff have completed Root Cause training. e. No outside training. f. Lead inspectors have met minimum qualifications for conducting Std insps. PM has completed all required courses.

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| 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
Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
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Evaluator Notes:

Yes. Terence Eng was appointed Program Manager in Dec 2019 and has been with the CPUC Pipeline Safety Program since 2008.

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| 3 | General Comments:
Info Only = No Points | Info Only | Info Only |
|---|--|-----------|-----------|

Evaluator Notes:

No point deductions under Part C.

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



PART D - Program Performance

Points(MAX) Score

- | | | | |
|---|---|---|---|
| 1 | Did state inspect all types of operators and inspection units in accordance with time intervals established in written procedures? Chapter 5.1
Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 2 |
| | <ul style="list-style-type: none">a. Standard (General Code Compliance)b. Public Awareness Effectiveness Reviewsc. Drug and Alcohold. Control Room Managemente. Part 193 LNG Inspectionsf. Construction (did state achieve 20% of total inspection person-days?)g. OQ (see Question 3 for additional requirements)h. IMP/DIMP (see Question 4 for additional requirements) | | |

Evaluator Notes:

No. Reviewed 2020 random list of operators. 135 of 486 Mobile Home Parks (MM) & 19 of 132 LPG facilities had not been inspected within the maximum timeframes established. The program has placed a priority on getting caught up on inspecting these types of systems. In 2019, program's goal was to inspect 521 MHP systems and 193 Propane systems. Actuals inspected 380 MHP systems (73% of the goal) and 60 Propane systems (31% of the goal) in 2019. In 2020, The goal was to inspect 545 MHP systems and 175 Propane systems. Actuals inspected 546 MHP systems (100% of the goal) and 182 Propane systems (104% of the goal) in 2020. In 2019, the inspections were performed by 19 engineers, and each engineer performed 23 inspections (average). In 2020, the inspections were performed by 22 inspectors, and each inspector performed 33 inspections (average). Since 2018, a total of 408 MM systems have been replaced/taken over by the local distribution company. The program has made good strides in filling vacant inspector positions and is working to fill all remaining slots.

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| 2 | 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?
Yes = 10 No = 0 Needs Improvement = 1-9 | 10 | 10 |
| | <ul style="list-style-type: none">a. Standard (General Code Compliance)b. Public Awareness Effectiveness Reviewsc. Drug and Alcohold. Control Room Managemente. Part 193 LNG Inspectionsf. Constructiong. OQ (see Question 3 for additional requirements)h. IMP/DIMP (see Question 4 for additional requirements) | | |

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, DT&C, and Damage Prevention inspections.

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| 3 | Is state verifying monitoring (Protocol 9/Form15) of operators OQ programs? 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
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Yes. 75 days devoted to OQ activities. The program has reviewed OQ plans within the timeframes established for those operators reviewed under the Random Generated Operator list for CY2020. Protocol 9 inspections are conducted during LDC annual reviews, standard, and construction inspections.

- 4 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 2 2
- Yes = 2 No = 0 Needs Improvement = 1
- Are the state's largest operator(s) plans being reviewed annually to ensure they are completing the full cycle of the DIMP/IMP process?
 - Are states verifying with operators any plastic pipe and components that have shown a record of defects/leaks and mitigating those through DIMP plan?
 - Are the states verifying operators are including low pressure distribution systems in their threat analysis?

Evaluator Notes:

Yes. 310 days devoted to IM activities. Seven TIMP/DIMP inspections conducted in CY2020. Verified that largest operators are reviewed annually. CPUC TIMP and DIMP workplans should note implicitly that an annual review will be conducted.

- 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 2 2
- Yes = 2 No = 0 Needs Improvement = 1
- Operator procedures for determining if exposed cast iron pipe was examined for evidence of graphitization and if necessary remedial action was taken;
 - 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);
 - 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;
 - 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;
 - 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;
 - Operator procedures for considering low pressure distribution systems in threat analysis?
 - Operator compliance with state and federal regulations for regulators located inside buildings?

Evaluator Notes:

Yes. 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 "Jurisdictional Operators - Annual Report Analysis & Trends" spreadsheet (reviewed 3/15/2021 revision). 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) 1 1
- Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

New in CY2020. PHMSA Advisory Notices ADB-2020-01 (Inside Meters) and ADB-2020-02 (Low Pressure Systems). SoCalGas and SDG&E are assessing the impact of the advisories on leakage and inspection data of inside meters/regulators and underset installations as part of its Distribution Integrity Management Program (DIMP). CPUC to ask for updates during DIMP inspections. Existing indoor sites to be relocated and design changes made to disallow future installs. For low pressure systems only applies to one operator. The CPUC has been following up with PG&E on its "DIMP" and "Overpressure

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| 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 | 10 | 10 |
|---|--|----|----|

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

- 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:

a: Yes, Letters sent to appropriate company officials. b thru e: No issues identified. f: Yes. Fines assessed 1.850 million. Collected \$1,555,956.00. g-h: Yes. i: Yes, j: None exceeded the 90 day requirement in CY2020.

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| 8 | (Incident Investigations) Were all federally reportable incidents investigated, thoroughly documented, with conclusions and recommendations? | 10 | 10 |
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Yes = 10 No = 0 Needs Improvement = 1-9

- a. Does state have adequate mechanism to receive and respond to operator reports of incidents, including after-hours reports?
- b. Did state keep adequate records of Incident/Accident notifications received?
- 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?
- d. Were onsite observations documented?
- e. Were contributing factors documented?
- f. Were recommendations to prevent recurrences, where appropriate, documented?
- g. Did state initiate compliance action for any violations found during any incident/accident investigation?
- 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?
- i. Does state share any lessons learned from incidents/accidents?

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/c: 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. d: Review incident reports. No issues identified. e: Yes. Three of the twelve reported incidents involved third party damage with violations identified. h/i: The program maintains communications with PHMSA AID and Western Region office during reportable events. i: Yes, during seminars and annual NAPSR meetings.

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| 9 | 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 | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

- 10** Did State conduct or participate in pipeline safety training session or seminar in Past 3 Years? Chapter 8.5 Info Only Info Only
Info Only = No Points

Evaluator Notes:

One in 2016. One cancelled due to Covid-19 to be re-scheduled in CY2021.

- 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:

LA Water & Power (GT) and Seal Beach Gas Processing Venture failed to submit or provided accurate NPMS data. PHMSA plans to take enforcement action. Reminder to inspection staff to have operators provide documentation that submittals have occurred.

- 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:

Yes. 21 SRCR's submitted in CY2020. Six remain open. PG&E (20-188261) 8/7/20; PG&E (20-189465) 8/21/20; PG&E (20-189848) 8/26/20; PG&E (20-191523) 9/16/2020; PG&E (20-194997) 11/2/20; PG&E (20-198141) 12/18/20. One carry over from 2019 remains open (PG&E 19-148068) dated 4/5/19. Last update on 3/24/21. Reminders A: First follow-up notes must be added within 10 days of activity creation/assignment CPUC 70% and 87% in 2020. When new information is received from the Operator, add additional Notes. Have assigned staff set the due dates of their Investigation tasks to match the date they expect the next update from the Operator.

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

Evaluator Notes:

Yes. The program responded to approximately 25 survey requests from NAPS and individual state surveys. One IM notification in 2020. No other WMS system tasks assigned to the program. Confirmed in the WMS.

- 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:

Two Waivers/Special Permits approved in CY2020. One closed. Other granted extension until 4/29/21. No requests from operator to extend.

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

Evaluator Notes:

Yes. Documentation for provided electronically and via email.

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

Discussed. GAC Peer review identified no concerns with CY2021 estimates (per Rex 11/18/20 email). 1964 total estimated Person-Days / 20% DT&C target is 393. down from 2540 in CY2020.

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

The CAPUC metrics appeared to be at reasonable performance levels. Excavation damages per 1000 tickets (requested) are up slightly from 2019 but still averaging approximately 2.0 damages. Inspection days per 1000 miles of pipeline down in 202 due to Covid-19 restrictions. averaging approximately 8.75 days in CY2020. MM/LPG days up from 2019. Inspector Qualification core training over 80%. 5 year retention percentage trending up since 2017 now at 61%. Number of total leaks eliminated/repaired trending upward since 2017 averaging 370 in CY2020.

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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 = No Points
a. https://pipelinesms.org/
b. Reference AGA recommendation to members May 20, 2019 | Info Only Info Only |
|-----------|--|---------------------|

Evaluator Notes:

Yes. Same as prior year. 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 = No Points | Info Only Info Only |
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Evaluator Notes:

D-1 A three point deduction for not completing all MM and LPG operators within the maximum five year interval.

Total points scored for this section: 47
Total possible points for this section: 50



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

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:

- PG&E DeAnza Division 5/17-21/2021, Standard Inspection conducted remotely during this week. Field verifications done the week of 5/24-28/2021 Operator's representatives were present during the inspection. observed CPUC Lead: Yi (Rocky) Yang, Inspectors: Nicholas Penno, Wai-Yin (Franky) Chan. Division last inspected in July 2017. Operator reps were present and engaged.
- Lykken - Field evaluation conducted remotely on 2/22-24/2021 standard inspection of SCG - San Gabriel Valley Division. SCG was represented. CPUC team Gordon Kuo (Lead) and Gordon Huang.
- Lykken - Field evaluation conducted remotely on 7/12-16/2021 PG&E TIMP inspection. PG&E represented. CPUC inspection team Paul Penny (Lead), Kai Cheung.

- 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:

- This inspection was conducted using the PHMSA IA inspection format.
- Yes. The IA was utilized to document inspection results. IA GD directives for Records, Field Inspection, and OQ Field utilized.
- Yes. The IA utilized to document inspection results. This TIMP inspection focusing on CDA ECDA, ICDA, Low Stress Reassessment, and SCCDA procedures and records covering CY's 2016 thru 2020.

- 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:

- Monitored each inspector's work thru E-mail and IA. All were thorough in their questions and review of the operator's records. I was unable to attend any in field inspection of facilities, but monitored their progress via E-mail and virtual meetings. The inspection seemed to be of adequate length for the size of the division and the number of CPUC inspectors assigned.
- a, b, c Yes, the remote records inspection involved a detailed review of the operator's procedures utilized during on-site facility checks O&M records. Remote sessions were conducted 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. e. Yes. The inspection was conducted over 10 days with additional follow-up questions via email.
- a, b, c Yes, the remote records inspection involved a detailed review of the operator's TIMP procedures and records. Remote sessions were conducted 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 inspector questions with operator SME's in attendance, view additional records, and . e. Yes. The inspection was conducted over 10 days.

- 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, each inspector observed showed adequate knowledge of the pipeline safety program and the regulations.
2. Yes. Inspection team demonstrated good knowledge of regulations and program specifics. Gordon Huang has been with the CPUC since 2018 and Gordon Kuo since 2016.
3. Yes. Inspection team demonstrated good knowledge of regulations and safety program. Paul Penny has been with the CPUC since 2000 and Kai Cheung since 2017.

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- 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, the lead held daily Teams meetings at the end of each inspection day for the records and closed the inspection with a meeting at the end of the field evaluations portion.
2. Yes. An exit interview was conducted on the final day via MS Teams. 1 UnSat and 5 AOC's identified.
3. Yes. An end of week update was conducted via MS Teams. Inspection was not yet completed as of 7/16. 2 UnSat's identified to date.

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- 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. I was unable to attend the field portion in person, however at the beginning of each day the operator held a safety briefing with everyone in attendance, either in person or virtually. Valve maintenance, cathodic protection surveys, above ground span inspections and leak surveys were chosen for field checks.
2. Yes. Records inspection conducted remotely and via email exchange. Inspection team examined electronic records for inconsistencies/discrepancies that warranted follow-up discussions.
3. Yes. Procedures and records inspection conducted remotely and via email exchange. Mr. Penny and Mr. Cheung were knowledgeable and competent, and conducted the inspection in a courteous and professional manner. No issues noted.

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

Evaluator Notes:

No point deductions for Part E.

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**

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

Evaluator Notes:

Yes. Same as last year. The program 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.

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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)
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) | 2 | 2 |
| | Yes = 2 No = 0 Needs Improvement = 1 | | |

Evaluator Notes:

Yes. The program has been conducting specialized Damaged Prevention Inspections (DPI) going on it's third year. The inspection include a review of 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. Also a review of 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.).

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

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. Yes. 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. The program verifies 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 the program now have QA/QC programs which continue to evolve and improve.

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| 4 | 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.

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|-----------------------|-------------------|-----------|-----------|
| 5 | General Comments: | Info Only | Info Only |
| Info Only = No Points | | | |

Evaluator Notes:

No point deductions for Part F

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



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:

60106 agreement. Yes, all inspections were conducted in IA, D&A excepted. D&A are not supported in IA and WR does not review the D&A inspections.

- 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:

601006 Agreement. Post inspection findings were delivered to WR in the agreed upon time frame. WR does not specifically track this metric.

- 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:

60106 Agreement. N/A, No such events have occurred.

- 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:

N/A, No such events have occurred.

- 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:

N/A. 60106 Agreement only.

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

Evaluator Notes:

Comments on questions 1 thru 4 provided by PHMSA WR office.

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