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

1200 New Jersey Avenue SE
Washington DC 20590

2022 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

2022 Gas State Program Evaluation -- CY 2022

Gas

State Agency: California
Rating:
Agency Status:
60105(a): Yes **60106(a):** Yes **Interstate Agent:** Yes
Date of Visit: 07/25/2023 - 07/27/2023
Agency Representative: Terence Eng, Program Manager, Dennis Lee Program and Project Supervisor
PHMSA Representative: Joe Subsits, Dave Lykken
Commission Chairman to whom follow up letter is to be sent:

Name/Title: Alice Bushing Reynolds, Commission President
Agency: California Public Utilities Commission
Address: 505 Van Ness Ave
City/State/Zip: San Franciso, CA 94102

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 2022 (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	0	0
B	Program Inspection Procedures	15	15
C	State Qualifications	10	10
D	Program Performance	50	48
E	Field Inspections	15	15
F	Damage prevention and Annual report analysis	10	10
G	Interstate Agent/Agreement States	0	0
TOTALS		**100**	**98**
State Rating			**98.0**

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 = 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*	Info Only	Info Only

Evaluator Notes:

a. Cal PUC reports 6 private operators with 44 units,12 municipal operators and 14 units, 1928 master meters and 1928 units, 638 LPG operators and 638 LPG units, 8 transmission and 25 units, 2 LNG and 2 units. Last year CAPUC lost one municipal system, lost 54 master meters and gained 9 propane systems. Numbers are from data base also compared with Data Mart. Four points were deducted because of partial jurisdiction of master meters, intrastate transmission, Gather and no jurisdiction for municipal operators.

b. Two Points were deducted because SICT numbers were not met. 2560 SICT days were required, and Cal PUC had 2425 days. 512 construction days were required and CAPUC had 735 days.

c. Unit numbers in attachment 3 match with attachment 1.

d. There were 7 federally reportable incidents in 2022. PDM matches the progress report. NRC reports were submitted. 3 incidents are still open.

e. 8006 violations were correctly carried over from the 2021 progress report. Violations were correctly calculated leaving 9146 open violations. Most outstanding violations are from Master Meters and propane operators.

f. Records maintained by CAPUC were readily available.

g. The progress report is consistent with T&Q blackboard . PUC has 16 category 1 inspectors, 5 category II inspectors and 9 category III inspectors.

h. Federal Amendments were adopted within two years of the effective date of the rule.

i. Accomplishments included 30% construction days, 6 federally reportable incidents were investigated, and PUC hired 4 new inspectors leaving five remaining vacancies.

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 Yes = 5 No = 0 Needs Improvement = 1-4 a. Standard Inspections, which include Drug/Alcohol, CRM and Public Awareness Effectiveness Inspections b. TIMP and DIMP Inspections (reviewing largest operator(s) plans annually) c. OQ Inspections d. Damage Prevention Inspections e. On-Site Operator Training f. Construction Inspections (annual efforts) g. LNG Inspections	5	5

Evaluator Notes:
Preplanning is addressed in GSRB GO112 -F Section III(A)(B)&(C) and P. 14-16 of Section III. Inspection procedures are addressed in Section III (D)(E)(F)(G) and pages 16 - 22 in Section III. Post inspection procedures are on page 34. Post inspection Documentation is found in Section IV. Annual check-ins are performed annually with the large operators as described in Section C of Section II of GSRB GO112-F.
a. Control room management inspections are found in GSRB GO 112-F Section III(N). Public Awareness inspections are found in Section III(O). Drug and Alcohol inspections are found in Section III (Q).12-F. Cal PUC uses IA as described in part G of Section II.
b. TIMP inspections procedures are found in GSRB GO112-F Section III(L). DIMP inspections are in Section III(M).
d.
c. OQ inspections are addressed in GSRB GO112-F Section III(I).
d. Damage Prevention inspections are addressed in GSRB GO-112_F Section III (J).
e. On-site training is addressed in GSRB GO-112 F Section III (VII).
f. Construction inspections are addressed in GSRB GO112- F Section III(H).
g. LNG inspections are found GSRB GO112-F Section III (K).

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 a. Length of time since last inspection b. 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?	4	4

Evaluator Notes:
a-f Risk based priorities and inspection frequencies are found in part B & C of Section II which is inspection planning. Also refer to GSRB G 112-F. Risk prioritization is done with a risk assessment. Risk assessment methodology is covered in Section X. Inspection planning also covered in Section II(B) and appendix L-f

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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 a. Procedures to notify an operator (company officer) when a noncompliance is identified b. Procedures to routinely review progress of compliance actions to prevent delays or breakdowns c. Procedures regarding closing outstanding probable violations	3	3

Evaluator Notes:

Risk based priorities and inspection frequencies are found in part B & C of Section II which is inspection planning. Also refer to GSRB G 112-F. Risk prioritization is done with a risk assessment. Risk assessment methodology is covered in Section X. Inspection planning also covered in Section II(B) and appendix L.
a. Section T of GSRB GO-112-F requires an exit meeting in 15 days. Section B of Post Inspection Documentation states that findings are to be submitted within 60 days.
b. Section D of the Post inspection Documentation portion of GSRB GO-112-F requires the original inspector to continue follow up of all violations until issue has been resolved.
c. Closure letters are required in Section E of the Post Inspection Documentation portion of CSRB GO-112-F. Closure and Processing of Municipal operators is performed by PHMSA Western Region since CA PUC does not have the authority to Enforce on these operators. The lead inspector is responsible for uploading files to the data base.

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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? 3 3

Yes = 3 No = 0 Needs Improvement = 1-2

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:

Investigation forms are addressed in Section III of the Gas Incident Investigation Procedures Manual. The report is auto generated from the GSRB incident data base. The investigation report includes observations, contributing factors and recommendations to prevent reoccurrence are on page 38 - 39 of the incident investigation procedures.
a. The on call procedure is found in appendix A of the Gas Incident Investigation Procedures Manual.
b. Procedures to require documentation when a no go decision is made are found on page 7 of the incident investigation procedures.

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5 General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:

There were no issues with 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 4.3 Yes = 5 No = 0 Needs Improvement = 1-4 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)	5	5

Evaluator Notes:

Core gas qualified inspectors include Wai-Yin Chan, Hengyoa Chen, Kai Cheung, Randy Fienberg, Jordon Lin, Randy Holter, Gordon Huang, Sikander Khatri, Gordon Kuo, Desmond Lew, Wilson Lule, Victor Muller, Sann Naing, Mohammad Noureddine, Paul Penny, Nicholas Peno, Anthony Phu, Jesus Reyes, Mathew Shaffer, Michelle Wei, Yi Yang, James Zhang, Terrence Eng, Mohoud Ali, Mathewson Epuna, Mohoud Intably, Dennis Lee, Jason MacMillan. Kan Wai Tong, Joel Tran and Darryl Gruen.

a. OQ inspectors are Wai-Yin Chan, Kai Cheung, Randy Holter, Sikander Khatri, Gordon Kuo, Desmond Lew, Victor Muller, Sann Naing, Paul Penny, Michelle Wei, Yi Yang, James Zhang, Terrence Eng, Mohoud Ali, Mathewson Epuna, Mohoud Intably, Dennis Lee, and Joel Tran.

b. IMP inspectors are Wai-Yin Chan, Randy Holter, Sikander Khatri, Paul Penny, Michelle Wei, and James Zhang. Inspectors that are DIMP qualified are Wai-Yin Chang, Kai Cheung, Randy Holter, Sikander Khatri, Gordon Kuo, Victor Mueller, Sann Naing, Paul Penny, Nicholis Peno, Anthony Phu, Michell Wei, Yi Yang and James Zhang.

c. Though there is no LNG in California, Wai-Yin Chan, Kai Cheung, Randy Halter, Sikander Khatri, Gordon Kuo Wilson Lule, Victor Mueller, Sann Naing, Nicholis Peno, James Zang and Michelle Wei have been LNG trained.

d. Root cause trained inspectors are Wai-Yin Chan, Kai Cheung, Randy Feinberg, Randy Holter, Gordon Huang, Sihander Khatri, Gordon Kuo, Wilson Lule, Victor Mueller, Sann Naing, Paul Penny, Anthony Phu, Michelle Wei, Yi Yang and James Zhang.

e. Outside training was conducted by the Fire research and Tecnology group.

f. Inspections were conducted by qualified inspectors.

2	Did state records and discussions with state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations? Yes = 5 No = 0 Needs Improvement = 1-4	5	5

Evaluator Notes:

Terrence Eng is Core, IMP, DIMP, failure, root cause, and OQ qualified. Terrance has been with the PUC since 2008. He started as an inspector and has required knowledge of PHMSA program and regulations.

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

Evaluator Notes:

There were no issues with 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 a. Standard (General Code Compliance) b. Public Awareness Effectiveness Reviews c. Drug and Alcohol d. Control Room Management e. Part 193 LNG Inspections f. 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)	5	3

Evaluator Notes:

a. There were 379 LPG inspections last year. 69 LPG inspections were beyond the five year interval. There were 192 master meter inspections, 104 of those inspections were beyond the 5 year interval. This will result in a two point deduction.
b. Public awareness inspections were within the 5 year interval.
c. One previous inspection frequency was exceeded for San Diego Gas and electric Drug and Alcohol. A drug and Alcohol inspection was conducted on 8/2019, the previous inspection interval was 7/2013.
d. Control Room Management inspections were within 5 year intervals.
e. LNG inspections were conducted within the three year interval.
f. CAPUC had 735 construction days, 512 days were required.
g. OQ inspections were within the 5 year interval.
h. IMP/DIMP inspections were within the 5 year interval.

		Points(MAX)	Score
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 a. Standard (General Code Compliance) b. Public Awareness Effectiveness Reviews c. Drug and Alcohol d. Control Room Management e. Part 193 LNG Inspections f. Construction g. OQ (see Question 3 for additional requirements) h. IMP/DIMP (see Question 4 for additional requirements)	10	10

Evaluator Notes:

a. IA used for standard inspections. Master Meter and propane inspection are performed using a state form. Forms were filled out completely.
b. IA is used for public awareness inspections. Forms were filled out completely.
c. IA is used for drug and alcohol inspections. Forms were filled out completely.
d. IA is used for Control Room Management inspections. Forms were filled out completely.
e. IA is used for LNG inspections. No LNG inspections were conducted last year.
f. Cal PUC uses a state form for construction inspections.
g. IA is used for Operator Qualification inspections. Forms were filled out completely.
h. IA is used for IMP/DIMP inspections. Forms were filled out completely.

		Points(MAX)	Score
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:

Protocol 9 is done for all standard inspections, mobile home parks and propane systems. Operator Qualification programmatic reviews are done every five years.

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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 Subparts O and P — 2 — 2

Yes = 2 No = 0 Needs Improvement = 1

a. Are the implementation plans of the state's large/largest operators(s) being reviewed annually to ensure they are completing full cycle of the IMP process?

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?

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

Evaluator Notes:

Programmatic IMP inspections are performed within the required 5 year intervals.

a. CAPUC meets with DIMP operators annually to go over DIMP programs. Large transmission operator are evaluated annually to review IMP programs during on site meetings to check updates.

b. Problematic pipe is identified during DIMP inspections. No known cast iron bare steel in California. PGE has 1.171 miles of bare transmission steel, 1 mile of bare distribution steel. 51 miles of wrought iron distribution. 4800 miles of Adyl-A is also being replaced. So Cal gas has 3369 miles of bare steel main and more than 8500 miles of Adyl -- A. San Diego Gas and Electric has more than 1500 miles of Adyl-A.

c) PG & E is the only operator that has a low pressure system. This question is found in IA considerations and evaluated then. Procedures require that inspectors review IA considerations.

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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

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:

Yes.

a & b: All known cast iron systems have been replaced in California.

c: Emergency response plans typically reviewed during operator Headquarters 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 the 3/15/2021 revision).

e: Question incorporated into CPUC Damage Prevention inspection checklist and part of operator annual check-in meetings. This question is in IA considerations.

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.

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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:

A 2021 Advisory bulletin on geological hazards was issued. Letter sent to operators to determine operator actions. The mailing also asked for a response in writing. These submissions are tracked.

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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:

Compliance activities were reviewed and evaluated.

a. Compliance letters were submitted to the appropriate company official.

b. Probable violations were documented properly.

c. Compliance actions that were found were appropriately resolved.

d. Though the violations reviewed were properly resolved there were concerns regarding how extended violations are tracked. There did not appear to be a reliable process for tracking these violations. The process should include a mechanism for identifying all violations which have not been resolved, Identifying when extended violations are due to be resolved and a clear understanding of who is responsible for the monitoring and evaluating extended open violations.

e. Compliance issues were issued for all violations that were identified.

f. $1,250,000 in penalties assessed to PG&E for not remediating low cathodic protection readings.

g. All compliance actions go through Terance and his supervisors.

h. Opportunity for due process is identified in Commission compliance letters.

i. Exit interviews are conducted on the last day of the inspection.

j. Preliminary findings are usually submitted on the last day of the inspection. The 90 day requirement was met.

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8 (Incident Investigations) Were all federally reportable incidents investigated, thoroughly documented, with conclusions and recommendations? 10 10

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:

There were seven federally reportable incident in 2022. This is confirmed on the progress report and PSDM. Three incidents are still being investigated.

a. 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. Phones are not used since the e-mail system was established. The e-mail documentation serves as a record. The supervising engineer takes responsibility for the incident notification. The operator also needs to fill out a 420 report which further describes incident information. The supervisor assigns staff to perform the investigation.

b. 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. Adequate records were kept.

c. investigators were on-site for all federal investigations.

d-f. The report had observations, contributing factors and recommendations.

g. There were no compliance issued in 2022. Three incidents are still under investigation.

h. PHMSA has inspectors based in California so there is not a limited need to interact with PHMSA.

i. Lesson learned are shared during the NAPSR regional meeting.

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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:

The 2021 evaluation letter went to Alice Busching Reynolds on 8/15/22. The response to the letter was on 10/20/22. The response was satisfactory. Alica is still President of the Commission.

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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:

A safety seminar conducted on 4/16/2019. The next seminar is at Fresno on August 9-11/2022.

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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:

This question is addressed in IA.

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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 PUC web page has annual reports, reportable incident's for 2020, probable violations from 2017-2019, inspection reports, pipeline company contact information, safety plans, PUC safety plan, link to NPMS, penalties issued, staff contact information, safety seminar information, regulations, siting information, PHMSA, NAPSR contact information and damage prevention information. The State seminar is another method of communication. The Commission also has a monthly newsletter.

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13 Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.7 — 1 — 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

There were 23 SRC listed in PDM. The Commission is doing an adequate job of managing these activities.

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14 Was the State responsive to: 1 1

Yes = 1 No = 0 Needs Improvement = .5

a. Surveys or information requests from NAPSR or PHMSA; and

b. PHMSA Work Management system tasks?

Evaluator Notes:

a. Terrance maintains a list of emails that he responded to. There was one IM notification regarding reassessment interval above 30% This has not been closed yet but it is being worked on.

b. There are 19 open WMS items from 2022. The Commission is progressing on closing these items.

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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:

Waivers are still open. The Commission Has a spreadsheet to track waiver requirements. The Commission was referred to the phone number to manage waivers.

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16 Were pipeline program files well-organized and accessible? Info Only Info Only

Info Only = No Points

Evaluator Notes:

An electronic data base is used. Information readily accessible. The California program is a larger program with many operators. There were essential processes which could be improved and made more reliable with the use of an improved data management system. We will recommend that the Commission consider upgrade in their electronic data management systems. Process which can be improved include tracking of extended violations and tracking of follow up inspections. See question 7.

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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? 3 3

Yes = 3 No = 0 Needs Improvement = 1-2

Evaluator Notes:

There were 2560 days SICT days required in 2022. CA PUC had 2425 days . Points were deducted in the progress report. 2023 SICT day comments were to check base miles, transmission miles and service lines for Sacramento Utility, Glendale, Orange County, Redding and LA Water and Power. These operators are transmission systems with no services. There is no place to list for transmission milage in the municipal section of SICT form.

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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 Commission was directed to the State metric page. Metrics are reviewed by the Pipeline Safety Staff.

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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:

All large LDC's are using SMS.

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20 General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:

There were numerous instances of previous inspection 5 year frequency being exceeded on numerous occasions for master meters and propane systems. There was also one instance of a previous inspection frequency being exceeded for a drug and alcohol inspection of San Diego Gas and Electric. This will result in a one point deduction. It will also be recommended that the CAPUC develop a reliable process to track follow up violations.

Total points scored for this section: 48
Total possible points for this section: 50

PART E - Field Inspections

		Points(MAX)	Score
1	Operator, Inspector, Location, Date and PHMSA Representative (enter specifics into the comments box below) Info Only = No Points a. What type of inspection(s) did the state inspector conduct during the field portion of the state evaluation? (i.e. Standard, Construction, IMP, etc) b. When was the unit inspected last? c. Was pipeline operator or representative present during inspection? d. Effort should be made to observe newest state inspector with least experience	Info Only	Info Only

Evaluator Notes:

1. D. Lykken. A standard records and field inspection of the PG&E - Sierra Division. Observed 2nd week of inspection on 4/17-21/23. The unit was last inspected in 4/2019. The pipeline operator was present for the inspection. Hengyao (Henry) Chen has been with the CPUC for 2 years. This is his first inspection as the Lead. Inspection team included Rocky Yang and Dylan Glass.
2. J. Subsits. A standard inspection and field review was conducted for North Valley by So Cal Gas. The inspection was conducted on the week of 3/7/2022. This unit was last inspected in 2018. The operator's staff was on-site during the inspection. Records and field review was observed. CAL PUC personnel conducting the inspection were Jesus Reyes who has 2 years of experience, Gordon Kuo who has 8 years of experience. Jordon Lin who has two years of experience and Kan Wai Tong who has 20 years of experience.

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

Evaluator Notes:

1. The IA was used to document inspection results. IA GD Directives Form 2 - Baseline Records, Baseline Observations, and OQ Form 15 were utilized.
2.The inspectors use IA. IA is followed during records review and is used in the field using a tablet.

3	Did the inspector adequately review the following during the inspection Yes = 10 No = 0 Needs Improvement = 1-9 a. Procedures (were the inspector's questions of the operator adequate to determine compliance?) b. Records (did the inspector adequately review trends and ask in-depth questions?) c. Field Activities/Facilities (did inspector ensure that procedures were being followed, including ensuring that properly calibrated equipment was used and OQ's were acceptable?) d. Other (please comment) e. Was the inspection of adequate length to properly perform the inspection?	10	10

Evaluator Notes:

1. CPUC staff examined records for any inconsistencies/discrepancies that warranted a follow up discussion or field investigation during the audit. Some IA questions originally marked as "N/A" were revisited, records reviewed, and the results scored appropriately. PG&E field personnel were observed performing standard maintenance activities at each location. Field personnel were asked to verbally describe tasks performed as well as describe potential AOC's. Staff also reviewed the physical condition of visible facilities at these locations. Field facilities visited included Reg stations, Emergency valves, Spans, Casings, CP Isolated facilities, and CP Rectifiers. The inspection was of adequate length to determine compliance.
2. a-e Procedures are reviewed separately but procedures were referred to during the field portion of the inspection to validate OQ requirements. Records review and field portion of the inspection were evaluated during the evaluation. Records were reviewed during the records review portion of the inspection. The field visit consisted of review of leak surveys, valve operations and inspections, right of way inspections, signs, markers, odor checks, supports, bridge crossings, spans, meter sets and patrols. The inspection was an appropriate 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. The inspection team demonstrated reasonable knowledge of regulations and program specifics consummate with each individual's time employed with the CPUC. H. Chen (2 yrs.), D. Glass (1 yr.), and R. Yang (5 yrs.).
2. The inspectors showed adequate knowledge of pipeline regulation and pipeline operations. Both inspectors asked good question and controlled the inspection.

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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. Debrief sessions were held with the operator at the end of each day's session. A final verbal exit was conducted remotely at the end of the inspection and the operator provided a copy of the IA "Post-Inspection Written Preliminary Findings" report satisfying the 30- and 90-day requirements. 4 Unsat's and 14 Concerns noted.
2. Exit interviews were conducted at the end of each day as well as a final exit interview at the end of the inspection.

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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. Yes. No unsafe acts were observed. The inspectors conducted themselves in a courteous and professional manner.
2. Inspectors conducted the inspection in a safe manner. They wore the appropriate PPE and were aware of their surroundings. Inspectors reviewed leak surveys, emergency valve operations and inspections, right of way inspections, signs, markers, odor checks, supports, bridge crossings, spans, meter sets and patrols. CA PUC will observe operator leak surveys. The focus on sites were where records showed that repairs have been made. The inspection focused heavily on records review. This appears to be an effective way to do these inspections since California tends to have many large operators.

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7 General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:

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

Evaluator Notes:
James Zhang is process owner responsible for reviewing annual reports and incident reports for accuracy and analysis. James is senior utility specialist.

		Points(MAX)	Score
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) Yes = 2 No = 0 Needs Improvement = 1	2	2

Evaluator Notes:
Cal PUC has a dig in data base that is used to help manage damage prevention activity. Data comes in in quarterly to the Commission from operators. Sann Naing is damage prevention process owner responsible to inputting quarterly reports.

		Points(MAX)	Score
3	Has the state reviewed the operator's annual report pertaining to Part D - Excavation Damage? Yes = 4 No = 0 Needs Improvement = 1-3 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.)?	4	4

Evaluator Notes:
a-j. We reviewed the National appendix D summary, The summary was sent to Terrance and the use of the data was discussed.

		Points(MAX)	Score
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? 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?	2	2

Evaluator Notes:

a-d. Quarterly reports are inputted into data base for review. Damage prevention activities are reviewed during the damage prevention inspections and PA inspections.

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5 General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:

There were no issues with 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:

Region will complete these questions at the end of the calendar year and forward to Zach Barrett for including any issues in letter to the Chair.

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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:

Region will complete these questions at the end of the calendar year and forward to Zach Barrett for including any issues in letter to the Chair.

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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:

Region will complete these questions at the end of the calendar year and forward to Zach Barrett for including any issues in letter to the Chair.

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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:

Region will complete these questions at the end of the calendar year and forward to Zach Barrett for including any issues in letter to the Chair.

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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:

Region will complete these questions at the end of the calendar year and forward to Zach Barrett for including any issues in letter to the Chair.

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6 General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:

Region will complete these questions at the end of the calendar year and forward to Zach Barrett for including any issues in letter to the Chair.

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