



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

1200 New Jersey Avenue SE
Washington DC 20590

2014 Hazardous Liquid State Program Evaluation

for

CDF/OFFICE OF STATE FIRE MARSHAL

Document Legend

PART:

- O -- Representative Date and Title Information
- A -- Progress Report and Program Documentation Review
- B -- Program Inspection Procedures
- C -- Program Performance
- D -- Compliance Activities
- E -- Accident Investigations
- F -- Damage Prevention
- G -- Field Inspections
- H -- Interstate Agent State (if applicable)
- I -- 60106 Agreement State (if applicable)



2014 Hazardous Liquid State Program Evaluation -- CY 2014
Hazardous Liquid

State Agency: California
Agency Status:
Date of Visit: 07/21/2015 - 07/24/2015
Agency Representative: Bob Gorham, Division Chief, Pipeline Safety Division
 Linda Zigler, Supervisor, Pipeline Safety Engineer
 Doug Allen, Supervisor, Pipeline Safety Engineer
 Daniel Hastert, Government Program Analysis
PHMSA Representative: Glynn Blanton, USDOT/PHMSA State Programs
 Michael Thompson, USDOT/PHMSA State Programs
Commission Chairman to whom follow up letter is to be sent:
Name/Title: Ms. Tonya L. Hoover, State Fire Marshal
Agency: California State Fire Marshal
Address: PO Box 944246
City/State/Zip: Sacramento, CA 94244-2460

INSTRUCTIONS:

Complete this evaluation in accordance with the Procedures for Evaluating State Pipeline Safety Program. The evaluation should generally reflect state program performance during CY 2014 (not the status of performance at the time of the evaluation). All items for which criteria have not been established should be answered based on the PHMSA representative's judgment. 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 space provided for general comments/regional observations. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and OBJECTIVELY reflect state program performance. Increasing emphasis is being placed on 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.

Field Inspection (PART G):

The field inspection form used will allow different areas of emphasis to be considered for each question. Question 13 is provided for scoring field observation areas. In completing PART G, the PHMSA representative should include a written summary which thoroughly documents the inspection.

Scoring Summary

PARTS	Possible Points	Points Scored
A Progress Report and Program Documentation Review	10	10
B Program Inspection Procedures	13	13
C Program Performance	43	36
D Compliance Activities	15	15
E Accident Investigations	11	11
F Damage Prevention	8	8
G Field Inspections	12	12
H Interstate Agent State (if applicable)	0	0
I 60106 Agreement State (if applicable)	0	0
TOTALS	112	105
State Rating		93.8

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

1	Accuracy of Jurisdictional Authority and Operator/Inspection Units Data - Progress Report Attachment 1 Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:

A review of Attachment 1 found the information was correct and matched attachment 7.

2	Review of Inspection Days for accuracy - Progress Report Attachment 2 Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:

Reviewed attachment 2 and checked inspections performed during CY2014. Listed below are the inspections reviewed. OQ inspections performed on the following operators were found correct: Kinder Morgan, Hillcrest Beverly Oil Corp, Conoco Phillips Pipeline Company, Exxon Mobil Oil Corp, Chevron Texas Pipeline Company, Central Resources and Plains Pipeline.

Integrity Management inspections reviewed found them correct and resulted were entered into PHMSA Data base. Listed below are the operators reviewed. Tesoro, Thums Long Beach Company and Paramount Petroleum Corp.

Reviewed standard inspection reports listed below: California Resources, Exxon Mobil, Kinder Morgan & Pacific Pipeline System.

3	Accuracy verification of Operators and Operators Inspection Units in State - Progress Report Attachment 3 Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:

Reviewed Attachment 3 and office files. Information on the name of the operators and inspection units was found be correct.

4	Were all federally reportable incident reports listed and information correct? - Progress Report Attachment 4 Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:

A review of Attachment 4 pertaining to the number of incidents reported compared to PHMSA Data Mart found the information correct. Reviewed thirteen incident reports and determined they were classified and reported correctly. No areas of concern.

5	Accuracy verification of Compliance Activities - Progress Report Attachment 5 Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:

A review of Attachment 5 found the number of carryovers reported was correct. Reviewed the number of compliance actions taken (11) and dollars assessed (\$417,750) on three operators (Exxon, Chevron & Phillips) during CY2014. No issues.

6	Were pipeline program files well-organized and accessible? - Progress Report Attachment 6 Yes = 2 No = 0 Needs Improvement = 1	2	2
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Evaluator Notes:

A review of the records listed on Attachment 6 were checked. We found records and reports were correctly maintained. No issues.

7	Was employee listing and completed training accurate and complete? - Progress Report Attachment 7 Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:

Reviewed Attachment 7 and verified via SABA the employees have completed required training. No issues.

8	Verification of Part 195,198,199 Rules and Amendments - Progress Report Attachment 8	1	1
	Yes = 1 No = 0 Needs Improvement = .5		

Evaluator Notes:

A review of Attachment 8 found information was correct. No issues.

9	List of Planned Performance - Did state describe accomplishments on Progress Report in detail - Progress Report Attachment 10	1	1
	Yes = 1 No = 0 Needs Improvement = .5		

Evaluator Notes:

Yes. Additional information on the planned and past performance of the program needs to be expanded.

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

Evaluator Notes:

No loss of points occurred in this section of the review.

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



PART B - Program Inspection Procedures

Points(MAX) Score

- 1 Standard Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities.

2 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

A review of the Pipeline Safety Division Office of State Fire Marshal 2015 Edition, Chapter 3 and found the standard inspection was listed under Time Intervals for Programmatic Inspections and Sections 3.04, 3.02 & 3.12. No issues.

- 2 IMP Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities.

1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

A review of the Pipeline Safety Division Office of State Fire Marshal 2015 Edition, Chapter 3 and found the IMP inspection was listed under Time Intervals for Programmatic Inspections and Sections 3.04, 3.02, 3.12 & 310.05. No issues.

- 3 OQ Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities.

1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

A review of the Pipeline Safety Division Office of State Fire Marshal 2015 Edition, Chapter 3 found the OQ inspection was listed under Time Intervals for Programmatic Inspections and Sections 3.04, 3.02, 3.12 & 310.04. No issues.

- 4 Damage Prevention Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities.

1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

A review of the Pipeline Safety Division Office of State Fire Marshal 2015 Edition, Chapter 3 found the Damage Prevention inspection was listed under Time Intervals for Programmatic Inspections and Sections 3.04, 3.02, 3.12 & 310.03. No issues

- 5 Any operator training conducted should be outlined and appropriately documented as needed.

1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

A review of the Pipeline Safety Division Office of State Fire Marshal 2015 Edition, Chapter 3 found the operator training was listed under Time Intervals for Programmatic Inspections and Section 3.02. No issues

- 6 Construction Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities.

1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

A review of the Pipeline Safety Division Office of State Fire Marshal 2015 Edition, Chapter 3 found the construction inspection was listed under Time Intervals for Programmatic Inspections and Sections 3.04 & 3.02. No issues



- 7 Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements? 6 6
 Yes = 6 No = 0 Needs Improvement = 1-5
- a. Length of time since last inspection (Within five year interval) Yes No Needs Improvement
 - b. Operating history of operator/unit and/or location (includes leakage, incident and compliance activities) Yes No Needs Improvement
 - c. Type of activity being undertaken by operators (i.e. construction) Yes No Needs Improvement
 - d. Locations of operators inspection units being inspected - (HCA's, Geographic area, Population Density, etc) Yes No Needs Improvement
 - 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) Yes No Needs Improvement
 - f. Are inspection units broken down appropriately? Yes No Needs Improvement

Evaluator Notes:

a-e: Pipeline Safety Division Office of State Fire Marshal 2015 Edition, Chapter 3 found the inspection plan was listed under Criteria for Establishing Inspection Priority, section 3.01.02. A review of inspection units found them to be broken down correctly. No issues.

8 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

No loss of points occurred in this section of the review.

Total points scored for this section: 13
 Total possible points for this section: 13



PART C - Program Performance

Points(MAX) Score

- 1** Was ratio of Total Inspection person-days to total person days acceptable? (Director of State Programs may modify with just cause) Chapter 4.3 5 0
 Yes = 5 No = 0
 A. Total Inspection Person Days (Attachment 2):
 311.00
 B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
 220 X 4.92 = 1081.67
 Ratio: A / B
 311.00 / 1081.67 = 0.29
 If Ratio >= 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0
 Points = 0

Evaluator Notes:

0 1 2 3 4 5 NA
 A.Total Inspection Person Days (Attachment 2)= 311
 B.Total Inspection Person Days Charged to the program(220*Number of Inspection person years(Attachment 7)=1081.66652
 Formula:- Ratio = A/B = 311/1081.66652 = 0.29
 Rule:- (If Ratio >=.38 then points = 5 else Points = 0.)
 Thus Points = 0
 Loss of 5 points occurred due to failure to meet the total inspection person day requirements for CY2014 of 354.

- 2** Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines Appendix C for requirements) Chapter 4.4 5 5
 Yes = 5 No = 0 Needs Improvement = 1-4
- a. Completion of Required OQ Training before conducting inspection as lead? Yes No Needs Improvement
 - b. Completion of Required IMP Training before conducting inspection as lead? Yes No Needs Improvement
 - c. Root Cause Training by at least one inspector/prgram manager Yes No Needs Improvement
 - d. Note any outside training completed Yes No Needs Improvement
 - e. Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector. Yes No Needs Improvement

Evaluator Notes:

A review of Progress Report, Attachment 7 and information from PHMSA Inspector Training and Qualification SABA transcript show Nhu-Dan Le, Charles MacDonald, Xuan Nguyen, Thomas Williams, Linda Zigler & Allen Doug have successfully completed OQ, IMP & Root Cause. Charles MacDonald is signed up for ECDA and Xuan Nguyen is signed up for IMP Program Course at TQ in 2015. No issues or loss of points.

- 3** Did state records and discussions with state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations? Chapter 4.1,8.1 2 2
 Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, Bob Gorham, Division Chief, Pipeline Safety has over thirty years experience in hazardous liquid pipeline safety.

- 4** 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 2 2
 Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, State Fire Marshal Tonya Hoover's letter to Zach Barrett, Director State Programs, first letter was received on October 10, 2014. One additional follow-up letter which contained a plan of action was received on January 22, 2015.

- 5** Did State hold PHMSA TQ Seminar in Past 3 Years? Chapter 8.5 2 2
 Yes = 2 No = 0

Evaluator Notes:



Yes, CA SFM TQ Seminar was last held in March 26-28, 2013 at the Hilton Anaheim, CA. Number of attendees were 245 individuals from the industry and other organizations.

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- | | | | |
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| 6 | 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 | 5 |
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Evaluator Notes:

Yes, a review of the 2014 Activity Standard Inspection report show all inspection units were reviewed in accordance with established time intervals as described in CA SFM Pipeline Safety Division Procedure Manual, 2015 Edition.

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|----------|--|---|---|
| 7 | 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
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

Yes, CA SFM inspectors use the Federal Hazardous Liquid Inspection form 3. A review of inspections found all portions of the form were completed correctly. No issues.

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| 8 | Did the state review operator procedures for determining areas of active corrosion on liquid lines in sufficient detail? (NOTE: PHMSA representative to describe state criteria for determining areas of active corrosion)
Yes = 1 No = 0 | 1 | 1 |
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Evaluator Notes:

Yes, CA SFM uses the same active corrosion criteria PHMSA has employed. CA SFM also require the operator to perform a hydrostatic test or pig run on the pipeline every five years. The operator is required to provide the results to their office. Information is reviewed and any areas of concerns are discussed with the operator personnel.

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| 9 | Did the state adequately review for compliance operator procedures for abandoning pipeline facilities and analyzing pipeline accidents to determine their causes? (NOTE: PHMSA representative to describe state criteria for determining compliance with abandoning pipeline facilities and analyzing pipeline accidents to determine their causes)
Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

Yes, a review of inspection reports found CA SFM checked all items on Federal Form 3 pertaining to abandoning pipeline facilities.

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| 10 | Is the state aware of environmentally sensitive areas traversed by or adjacent to hazardous liquid pipelines? (reference Part 195, review of NPMS)
Yes = 1 No = 0 | 1 | 1 |
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Evaluator Notes:

Yes, CA SFM maintains a GIS Mapping Data base system on the pipeline location and environmentally sensitive areas that are adjacent to all hazardous liquid lines.

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| 11 | Did the state review operator records of previous accidents and failures including reported third party damage and leak response to ensure appropriate operator response as required by 195.402(c)(5)?
Yes = 1 No = 0 | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

Yes, CA SFM receives notifications of reportable accidents by telephonic notice or email. They check the root cause of the accident against PHMSA 7000.1-1 form and any items of concern they contact the operator directly.

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| 12 | 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:

Yes, each operator is required to complete and return an annual questionnaire on their system's components. This information

is more specific than the annual PHMSA form 7000.1-1. During the standard inspection they will review incident/accident reports.

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| 13 | Did state input all applicable OQ, IMP inspection results into federal database in a timely manner? This includes replies to Operator notifications into IMDB database. Chapter 5.1
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

Yes, a review of the federal data base for OQ & IMP indicated they performed inspections and entered the reports into the OQ & IMP Federal data bases in a timely manner.

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| 14 | Has state confirmed intrastate operators have submitted information into NPMS database along with changes made after original submission?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

Yes, this is checked on the Federal Form 3 and discussed with the operator during a standard inspection.

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| 15 | Is the state verifying operators are conducting drug and alcohol tests as required by regulations? This should include verifying positive tests are responded to in accordance with program. 49 CFR 199
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

Yes, a review of files found Occidental of Elk Hills, Inc. was inspected in CY2014. In the inspection, CA SFM verified the positive test was responded in accordance to regulations.

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| 16 | 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 determined in the operators plan. 49 CFR 195 Part G
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

Yes, this is accomplished by CA SFM engineers at construction, accident and standard inspection reviews.

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| 17 | Is state verifying operator's hazardous liquid integrity management (L IMP) Programs are up to date? This should include a previous review of LIMP plan, along with monitoring progress on operator tests and remedial actions. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 195.452 Appendix C
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

Yes, CA SFM has a state law that requires the operator to perform and submit pressure test of each pipeline within 5 years of installation or when the new pipeline was constructed. Test results are submitted and reviewed by staff members along with the IMP program requirements. California Code Section 51013.5 through 51014.5 is the relative section of the law. CA SFM has a state law that requires the operator to perform and submit pressure test or smart pig results on all pipelines to the SFM at intervals not exceeding 5 years.

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| 18 | Is state verifying operators Public Awareness programs are up to date and being followed. State should also verify operators have evaluated Public Awareness programs for effectiveness as described in RP1162. 49 CFR 195.440 PAPEI Effectiveness Inspections should have been completed by December 2013
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 0 |
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Evaluator Notes:

No PAPEI Inspections were performed in CY2013 & CY2014. A loss of two points occurred.

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| 19 | 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:

Yes, CA SFM website: <http://osfm.fire.ca.gov/pipeline/pipeline.php> provides information to the operator and public about their program.

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

Yes, a review of file and Pipeline Data Mart found one Safety Related Condition report for Seneca Resources. The SRC was dated June 27, 2014 and follow-up action was taken on August 15, 2014 by CA SFM and information provided to PHMSA Western Region office.

21	Did the state participate in/respond to surveys or information requests from NAPSRS or PHMSA? Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:

Yes, CA SFM responded to a NAPSRS email on October 9, 2014.

22	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.(New Question for CY2013, no points until CY2015 evaluation conducted in CY2016.) Info Only = No Points	0	0
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Evaluator Notes:

A review PHMSA special permit web site found CA SFM has nine active permits. CA SFM needs to review the permits and determine if they are active or inactive. If a permit is not active, please advise John Gale at PHMSA in order for the permit to be removed from PHMSA's web site.

23	Did the state attend the National NAPSRS Board of Directors Meeting in CY being evaluated? (New Question for CY2014, no points first year) Info Only = No Points	0	0
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Evaluator Notes:

Yes, Bob Gorham attended the 2014 NAPSRS National Meeting in Springfield, IL.

24	Discussion on State Program Performance Metrics found on Stakeholder Communication site ? (question will be rolled up and included as part of Question C-12 on future evaluations) http://primis.phmsa.dot.gov/comm/states.htm Info Only = No Points	0	0
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Evaluator Notes:

A discussion with Bob Gorham and Doug Allen was reviewed. Yes, they are aware of the data and trends.

25	General Comments: Info Only = No Points	Info Only	Info Only
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Evaluator Notes:

C.1:Loss of five points occurred due to failure to meet the total inspection person day requirements for CY2014 of 354.

C.18:No PAPEI Inspections were performed in CY2013 & CY2014. A loss of two points occurred.

Total points scored for this section: 36
Total possible points for this section: 43



PART D - Compliance Activities

Points(MAX) Score

- 1** 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 = 4 No = 0 Needs Improvement = 1-3
- a. Procedures to notify an operator (company officer) when a noncompliance is identified Yes No Needs Improvement
- b. Procedures to routinely review progress of compliance actions to prevent delays or breakdowns Yes No Needs Improvement

Evaluator Notes:

Yes, this is described in CA SFM Pipeline Safety Division Manual Chapter 3, section 3.13 Enforcement Proceedings. "When a noncompliance is identified a written notice of the results of an inspection shall be sent to a company officer such as vice president or general manager." Additionally, the manual in section 3.14 Follow-up Procedure and CA Code of Regulations Chapter 14, Article 6, address the routine review of compliance action and notice of probable violations.

- 2** 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 = 4 No = 0 Needs Improvement = 1-3
- a. Were compliance actions sent to company officer or manager/board director if municipal/government system? Yes No Needs Improvement
- b. Were probable violations documented? Yes No Needs Improvement
- c. Were probable violations resolved? Yes No Needs Improvement
- d. Was the progress of probable violations routinely reviewed? Yes No Needs Improvement

Evaluator Notes:

Yes, a review of compliance action letters confirm letters were sent to the company officer, probable violations documented and resolved with violations routinely reviewed by program manager.

- 3** Did the state issue compliance actions for all probable violations discovered? Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, a review of CA SFM 2014 Progress Report attachment 5 found eleven compliance action were taken and three civil penalties assessed.

- 4** Did compliance actions give reasonable due process to all parties? Including "show cause" hearing if necessary. Yes = 2 No = 0

Evaluator Notes:

Yes, CA, Title 19, Chapter 14, Section 2070, Article 6, Enforcement Proceedings, provides due process to all parties pertaining to compliance action of violations found by CA SFM.

- 5** Is the program manager familiar with state process for imposing civil penalties? Were civil penalties considered for repeat violations (with severity consideration) or violations resulting in incidents/accidents? (describe any actions taken) Yes = 2 No = 0

Evaluator Notes:

Yes, Bob Gorham is familiar with assessing civil penalties and in CY2014 collected \$417,750.00 for violations cited against three operators for non-compliance.

- 6** Can the State demonstrate it is using their enforcement fining authority for pipeline safety violations? Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, a review of CA SFM CY2013 Progress Report found enforcement action was taken pertaining to non-compliance and assessing civil penalties.



7 General Comments:

Info Only = No Points

Info OnlyInfo Only

Evaluator Notes:

No loss of points occurred in this section of the review.

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



PART E - Accident Investigations

Points(MAX) Score

- 1 Does the state have written procedures to address state actions in the event of an incident/accident? 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, CA State law section 51018 requirements the CA Office of Emergency Services (OES) to be notified by the operator of any leak, rupture, or accident that occurs on their system. OES provides the information to CA SFM via cell phones or emails about the location and other relative data.

The CASFM procedures could use some more specific language on what steps are necessary if it is decided that an inspector will not be sent on site to investigate an incident. (Sample: What documentation is necessary and who/where to go to collect it)

- 2 Does state have adequate mechanism to receive and respond to operator reports of accidents, including after-hours reports? And did state keep adequate records of Incident/Accident notifications received? Chapter 6 2 2
Yes = 2 No = 0 Needs Improvement = 1

- a. Acknowledgement of MOU between NTSB and PHMSA (Appendix D) Yes No Needs Improvement
b. Acknowledgement of Federal/State Cooperation in case of incident/accident (Appendix E) Yes No Needs Improvement

Evaluator Notes:

a. Yes, CA SFM Pipeline Safety Division manual Chapter 8, PHMSA, and Section 8.04 National Transportation Safety Board describe the MOU between NTSB and PHMSA. b. Yes, this information was located in the CA SFM Pipeline Safety Division manual Chapter 4, Investigations, and Section 4.06 Investigation of Interstate Pipelines.

- 3 If onsite investigation was not made, did state obtain sufficient information from the operator and/or by other means to determine the facts to support the decision to not go on-site? Chapter 6 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, CA OES via email provides CA SFM staff about an incident or leak that has occurred. The information is reviewed by Program Manager or Supervisor and a decision is made to investigate or not go to the site. Information on not to go is documented and filed under the operator's name. Additionally, they review the incident form in making a decision to conduct an investigation or not.

- 4 Were all accidents investigated, thoroughly documented, and with conclusions and recommendations? 3 3
Yes = 3 No = 0 Needs Improvement = 1-2

- a. Observations and document review Yes No Needs Improvement
b. Contributing Factors Yes No Needs Improvement
c. Recommendations to prevent recurrences where appropriate Yes No Needs Improvement

Evaluator Notes:

Yes, we conducted a review of the incidents described in Attachment 4 of the CY2014 Progress Report. Information on observations, contributing factors and recommendations was listed.

- 5 Did the state initiate compliance action for violations found during any incident/accident investigation? 1 1
Yes = 1 No = 0

Evaluator Notes:

Yes. The CASFM found Probable Violations on their 3/17/14 inspection of Phillips 66 pipeline incident, and used their compliance actions to levee civil penalties of \$78,000.00.



- 6 Did the state assist region office by taking appropriate follow-up actions related to the operator accident reports to ensure accuracy and final report has been received by PHMSA? (validate report data from operators concerning incidents/accidents and investigate discrepancies) Chapter 6 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes.

- 7 Does state share lessons learned from incidents/accidents? (sharing information, such as: at NAPSRS Region meetings, state seminars, etc) 1 1
Yes = 1 No = 0

Evaluator Notes:

Yes, information was shared with other State Program Managers at the NAPSRS Western Region meeting in CY2014.

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

Evaluator Notes:

No loss of points occurred in this section of the review.

Total points scored for this section: 11

Total possible points for this section: 11



PART F - Damage Prevention

Points(MAX) Score

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- | | | | |
|----------|---|---|---|
| 1 | Has the state reviewed 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?
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:
Yes.

- | | | | |
|----------|---|---|---|
| 2 | Did the state inspector check to assure the pipeline operator is following its written procedures pertaining to notification of excavation, marking, positive response and the availability and use of the one call system?
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

Evaluator Notes:
Yes.

- | | | | |
|----------|--|---|---|
| 3 | Did the state encourage and promote practices for reducing damages to all underground facilities to its regulated companies? (i.e. such as promoting/adopting the CGA Best Practices encouraging adoption of the 9 Elements, etc.)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:
Yes. The CASFM has a representative that sits on the Regional CGA Councils board and attends their quarterly meetings, and works on several task groups.

- | | | | |
|----------|--|---|---|
| 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? (This can include DIRT and other data shared and reviewed by the pipeline safety program)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:
Yes.

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

Evaluator Notes:
No loss of points occurred in this section of the review.

Total points scored for this section: 8
Total possible points for this section: 8



PART G - Field Inspections

Points(MAX) Score

1 Operator, Inspector, Location, Date and PHMSA Representative Info OnlyInfo Only
 Info Only = No Points

Name of Operator Inspected:
 Exxon Mobile
 Name of State Inspector(s) Observed:
 Thomas Williams, Pipeline Safety Engineer
 Location of Inspection:
 Los Angles, CA
 Date of Inspection:
 July 23, 2015
 Name of PHMSA Representative:
 Michael Thompson, Transportation Specialist

Evaluator Notes:

This was a standard inspection. The field portion covered was the companies X70 pipeline and it is covered from the Torrance meter station to the Slawson Station. Approximately 20 miles. Facilities covered in 4 stops where valves, fire equipment, PRV's, field OQ of Corrosion Tech, emergency shut down system, control room equipment and CP reads.

2 Was the operator or operator's representative notified and/or given the opportunity to be present during inspection? 1 1
 Yes = 1 No = 0

Evaluator Notes:

Yes, the operator was notified prior to conducting the inspection.

3 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, PHMSA form #3

4 Did the inspector thoroughly document results of the inspection? 2 2
 Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes. the inspector kept good notes and took pictures to document physical assets.

5 Did the inspector check to see if the operator had necessary equipment during inspection to conduct tasks viewed? (Maps, valve keys, half cells, etc) 1 1
 Yes = 1 No = 0

Evaluator Notes:

Yes.

6 Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) 2 2
 Yes = 2 No = 0 Needs Improvement = 1

- a. Procedures
- b. Records
- c. Field Activities
- d. Other (please comment)

Evaluator Notes:

Yes.



7 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:

Thomas Williams has over thirty years of experience in pipelines and governmental affairs. Has attending all mandatory training for liquid standard inspector requirements.

8 Did the inspector conduct an exit interview? (If inspection is not totally complete the interview should be based on areas covered during time of field evaluation) 1 1
 Yes = 1 No = 0

Evaluator Notes:

Yes.

9 During the exit interview, did the inspector identify probable violations found during the inspections? (if applicable) 1 1
 Yes = 1 No = 0

Evaluator Notes:

Yes.

10 General Comments: 1) What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) 2) Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) 3) Other Info Only Info Only
 Info Only = No Points

- a. Abandonment
- b. Abnormal Operations
- c. Break-Out Tanks
- d. Compressor or Pump Stations
- e. Change in Class Location
- f. Casings
- g. Cathodic Protection
- h. Cast-iron Replacement
- i. Damage Prevention
- j. Deactivation
- k. Emergency Procedures
- l. Inspection of Right-of-Way
- m. Line Markers
- n. Liaison with Public Officials
- o. Leak Surveys
- p. MOP
- q. MAOP
- r. Moving Pipe
- s. New Construction
- t. Navigable Waterway Crossings
- u. Odorization
- v. Overpressure Safety Devices
- w. Plastic Pipe Installation
- x. Public Education
- y. Purging
- z. Prevention of Accidental Ignition
- A. Repairs
- B. Signs
- C. Tapping



- D. Valve Maintenance
- E. Vault Maintenance
- F. Welding
- G. OQ - Operator Qualification
- H. Compliance Follow-up
- I. Atmospheric Corrosion
- J. Other

Evaluator Notes:

Total points scored for this section: 12
Total possible points for this section: 12



PART H - Interstate Agent State (if applicable)

Points(MAX) Score

1 Did the state use the current federal inspection form(s)? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:
NA

2 Are results documented demonstrating inspection units were reviewed in accordance with "PHMSA directed inspection plan"? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:
NA

3 Did the state submit documentation of the inspections within 60 days as stated in its latest Interstate Agent Agreement form? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:
NA

4 Were probable violations identified by state referred to PHMSA for compliance? (NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.) 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:
NA

5 Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:
NA

6 Did the state give written notice to PHMSA within 60 days of all probable violations found? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:
NA

7 Did the state initially submit documentation to support compliance action by PHMSA on probable violations? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:
NA

8 General Comments: Info OnlyInfo Only
Info Only = No Points

Evaluator Notes:
NA

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



PART I - 60106 Agreement State (if applicable)

Points(MAX) Score

1 Did the state use the current federal inspection form(s)? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:
NA

2 Are results documented demonstrating inspection units were reviewed in accordance with state inspection plan? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:
NA

3 Were any probable violations identified by state referred to PHMSA for compliance? 1 NA
(NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.)
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:
NA

4 Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:
NA

5 Did the state give written notice to PHMSA within 60 days of all probable violations found? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:
NA

6 Did the state initially submit adequate documentation to support compliance action by PHMSA on probable violations? 1 NA
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:
NA

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

Evaluator Notes:
NA

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

