

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

2016 Hazardous Liquid State Program Evaluation

for

CAL FIRE - OFFICE OF THE 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)



2016 Hazardous Liquid State Program Evaluation -- CY 2016
Hazardous Liquid

State Agency: California

Agency Status:

Date of Visit: 09/18/2017 - 09/21/2017

Agency Representative:

PHMSA Representative: David Lykken, C. David Appelbaum,

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

Name/Title: Dennis Mathisen, State Fire Marshal

Agency: California State Fire Marshal

Address: P.O Box 944246

City/State/Zip: Sacramento, CA 94244-2460

Rating:

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

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 2016 (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
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)

10 8.5
13 13
43 31.5
15 15
11 11
8 8
12 12
0 0
0 0

TOTALS

112 99

State Rating

88.4

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

- | | | 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 |

Evaluator Notes:
No issues noted.

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

Evaluator Notes:
No issues. Information appears accurate per review of program's activity reports.

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

Evaluator Notes:
No significant issues. A few discrepancies noted with the operator listings when comparing PDM vs. PR. Program working with Blaine to resolve conflicts and to get operator unit OPID's created and loaded into WMS.

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

Evaluator Notes:
No issues. PR entries match information in PDM.

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

Evaluator Notes:
No issues noted.

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

Evaluator Notes:
Repeat from last year. Needed improvement in organization so operator inspection records can be easily obtained and verification of past inspections. Migration to new pipeline database in CY2017 should resolve issues.

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|---|--|---|-----|
| 7 | Was employee listing and completed training accurate and complete? - Progress Report Attachment 7
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 0.5 |
|---|--|---|-----|

Evaluator Notes:
Needs improvement. Staff person listed as a Supervisor in Attachment 7 conducted inspection duties for which inspection person days are included in Attachment 2. Time spent as a Supervisor and Inspector/Investigator was not apportioned accordingly in Attachment 7. Error will be corrected in a supplemental submittal.

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

Evaluator Notes:
The safety program has automatic adoption by reference. Adoption dates in Progress Report are dated prior to federal rule effective dates in most cases. Errors will be corrected in a supplemental submission.

- 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:

6 vacant engineer/inspector positions filled in 2016. Hope to fill remaining supervisory (2) and inspector (9) positions soon. A five-year inspection work plan has been developed to ensure all operator, operator units, and inspection types are completed within the time intervals established. Inspection plan in 2017 focused on headquarter type program plan reviews such as PA, OQ, IM, D&A, and CRM. Improvements made to inspection and enforcement databases which will help improve program file organization and access. State has adopted and implemented all 9 elements contained in the PIPES Act. A state board of stakeholders to hear and resolve violations of the state one-call law has been created.

10 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

A.6 Repeat from last year. Needed improvement in organization so operator inspection records can be easily obtained and verification of past inspections. Migration to new pipeline database in CY2017 should resolve issues.

A.7 Needs improvement. A person listed as a Supervisor in Attachment 7 conducted inspection duties for which inspection person days are included in Attachment 2, time spent as a Supervisor and Inspector/Investigator was not apportioned accordingly in Attachment 7. Error will be corrected in a supplemental submittal.

A.8 For PM letter. The safety program has automatic adoption by reference since 1988. Adoption dates in most cases in Progress Report are dated (1988) which is prior to federal rule amendment effective dates going back to CY 2000. Errors will be corrected in a supplemental submission.

Total points scored for this section: 8.5
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:

Inspection Planning Sec VII

Inspection and Post Inspection Activities Sec VIII

- | | | | |
|---|---|---|---|
| 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:

Inspection Planning Sec VII

Inspection and Post Inspection Activities Sec VIII

- | | | | |
|---|--|---|---|
| 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:

Inspection Planning Sec VII

Inspection and Post Inspection Activities Sec VIII

- | | | | |
|---|---|---|---|
| 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:

Inspection Planning Sec VII

Inspection and Post Inspection Activities Sec VIII

- | | | | |
|---|--|---|---|
| 5 | Any operator training conducted should be outlined and appropriately documented as needed. | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Section VIII (N)

- | | | | |
|---|--|---|---|
| 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:

Section VIII (D)

- | | | | |
|---|---|---|---|
| 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 <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Operating history of operator/unit and/or location (includes leakage, incident and compliance activities) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Type of activity being undertaken by operators (i.e. construction) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Locations of operators inspection units being inspected - (HCA's, Geographic area, Population Density, etc) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| 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 <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| f. | Are inspection units broken down appropriately? | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

- a. Section VII(c)
- b. Section VII(B)(D)
- c. & d. Section VII(c)
- e. Section VII (B)(C)

8 General Comments:

Info Only = No Points

Info OnlyInfo Only

Evaluator Notes:

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):
327.76

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 7.25 = 1595.00

Ratio: A / B
327.76 / 1595.00 = 0.21

If Ratio >= 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0
Points = 0

Evaluator Notes:

No. Repeat from prior year. Projected to meet or exceed ratio in CY2017.

- 2 Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines Appendix C for requirements) Chapter 4.4 5 4
Yes = 5 No = 0 Needs Improvement = 1-4

- | | | | | |
|----|--|--------------------------------------|--------------------------|--|
| a. | Completion of Required OQ Training before conducting inspection as lead? | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Completion of Required IMP Training before conducting inspection as lead | Yes <input type="radio"/> | No <input type="radio"/> | Needs Improvement <input checked="" type="radio"/> |
| c. | Root Cause Training by at least one inspector/prgram manager | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Note any outside training completed | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| e. | Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector. | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

- b. Needed Improvement. Inspector conducting liquid IMP inspections has not completed the PL-02294 course.
c. 7 Supv/Inspectors have completed root cause course.

- 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. Although new to the position Chief Ho does have a background in hazardous liquid pipeline safety, hazardous material management and enforcement principles and methodologies. Chief Ho currently chairs the CASFM Pipeline Safety Advisory Committee responsible in part for informing local agencies and pipeline operators of changes in applicable laws and regulations affecting the operations of pipelines and reviewing proposed hazardous liquid pipeline safety regulations.

- 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. No issues noted. Items addressed in response letter including the hiring of additional inspectors, increase in inspection field days, development of annual and five inspection work plans, improvements to organization and accessibility of inspection files) were realized in CY2017.

- 5 Did State conduct or participate in pipeline safety training session or seminar in Past 3 Years? Chapter 8.5 1 1
Yes = 1 No = 0

Evaluator Notes:

Yes. May 17-18, 2016. Long Beach, CA. Agenda reviewed.

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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 | 3 |
|---|--|---|---|

Evaluator Notes:

Needed improvement. Repeat from prior year. The following companies Aera Energy, Buckeye Aviation, LLC, California Resources, Chevron LA, Crimson Pipeline L.P. have not had written plan reviews conducted for OQ, D&A, and IMP. A tracker has been developed to ensure that all operator types, units, and inspection types are completed within established timeframes.

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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. No issues noted. Program migrating to IA for conducting most types of inspections.

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|---|--|---|---|
| 8 | 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. Field reporting database utilized. Part of overall review of operator records for inspection planning purposes.

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| 9 | 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. Part of standard inspection pre-planning process. As noted in prior program evaluation, operators required to submit an "annual questionnaire" which provides more detailed information than required in the federal annual report.

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| 10 | Did state input all applicable OQ, LIMP 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 |
|----|--|---|---|

Evaluator Notes:

Yes. No issues noted.

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|----|--|---|---|
| 11 | 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:

Part of standard inspection checklist. Also operator required submissions to State GIS.

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|----|---|---|---|
| 12 | 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 | 1 |
|----|---|---|---|

Evaluator Notes:

Needing improvement. Repeat from prior year. No D&A inspection conducted in CY2016.

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|----|---|---|---|
| 13 | 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 | 1 |
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Evaluator Notes:

Needing improvement. No written plan reviews have been conducted for Aera Energy, Buckeye Aviation, California Resources, Chevron LA, and Crimson Pipeline.

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|-----------|--|---|---|
| 14 | 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). (Are the State's largest operators programs being contacted or reviewed annually?). 49 CFR 195.452 Appendix C
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 1 |
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Evaluator Notes:

Needs improvement. No IM written plan reviews have been conducted for Aera Energy, Buckeye Aviation, California Resources, Chevron LA, and Crimson Pipeline.

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| 15 | 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. PAPEI Effectiveness Inspections should have been completed by December 2013. PAPEI Effectiveness Inspections should be conducted every four years by operators. 49 CFR 195.440
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|

Evaluator Notes:

Yes. Five plan reviews and effectiveness inspections were completed in 2016.

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| 16 | 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).
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

Yes. Pipeline information available on SFM web site. Three public workshops conducted in 2016. Regular meeting conducted during rulemaking process. Sent correspondence to operators in reference to concerns with out of service pipelines and the proper abandonment of these lines.

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|-----------|---|---|---|
| 17 | 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. No issues noted. Three SRC's reported in 2016 have been closed.

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| 18 | 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. No issues.

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| 19 | 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.
Needs Improvement = .5 No = 0 Yes = 1 | 1 | .5 |
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Evaluator Notes:

Repeat for needing improvement. Different operator from prior evaluation. From 10/2009 THUMS-Long Beach Company approval for Smart Pipe Installation. Monitoring of stipulated conditions not being met. Will be addressing needed process for tracking purposes.

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| 20 | Did the state attend the National NAPSRS Board of Directors Meeting in CY being evaluated?
Needs Improvement = .5 No = 0 Yes = 1 | 1 | 1 |
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Evaluator Notes:

Yes. Held in Indianapolis, IN.

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|-----------|---|--------------------------------------|--|
| 21 | Discussion on State Program Performance Metrics found on Stakeholder Communication site ? http://primis.phmsa.dot.gov/comm/states.htm
Needs Improvement = 1 No = 0 Yes = 2 | 2 | 2 |
| a. | Discussion of Potential Accelerated Actions (AA's) based on any negative trends | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b. | NTSB P-11-20 Meaningful Metrics | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

Reviewed and discussed measures. Pipeline damages primarily related to gas distribution systems however, the newly created California Underground Facilities Safe Excavation Board falls under, and is to be assisted by the staff of the CAL FIRE - Office of the State Fire Marshal. Inspection day numbers have been trending downward every year since 2010 due to a chronic shortage of inspection staff. With staff vacancies being filled, inspection days will increase in CY2017. Training will continue to be an area of emphasis in 2017/18 with the addition of new staff.

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- | | | | |
|-----------|--|-----------|-----------|
| 22 | Discussion with State on accuracy of inspection day information submitted into State Inspection Day Calculation Tool. (No points)
Info Only = No Points | Info Only | Info Only |
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Evaluator Notes:

850 inspection person-days required in CY 2017. Projected to achieve days at current staffing levels.

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| 23 | Did the State verify Operators took appropriate action regarding Pipeline Flow Reversals, Product Changes and Conversions to Service? See ADP-2014-04 (No Points)
Info Only = No Points | Info Only | Info Only |
|-----------|--|-----------|-----------|

Evaluator Notes:

Notice to individual pipeline operators regarding Out of Service Pipeline Reclassifications designating certain lines as Active or Abandoned.

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|-----------|--|-----------|-----------|
| 24 | General Comments:
Info Only = No Points | Info Only | Info Only |
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Evaluator Notes:

C.1 -5 pts. Repeat from prior year. Projected to meet or exceed ratio in CY2017.

C.2b. -1 pt. Needed Improvement. Inspector conducting liquid IMP inspections as Lead has not completed the PL-02294 course.

C.6. -2 pts. Repeat for needing improvement. The following companies Aera Energy, Buckeye Aviation, LLC, California Resources, Chevron LA, Crimson Pipeline L.P. have not had written plan reviews conducted for OQ, D&A, and IMP. A tracker has been developed to ensure that all operator types, units, and inspection types are completed within established timeframes.

C.12 -1pt Repeat for needing improvement. No D&A inspections conducted in CY2016.

C.13 -1 pt. Needing improvement. No OQ written plan reviews have been conducted for Aera Energy, Buckeye Aviation, California Resources, Chevron LA, and Crimson Pipeline.

C.14 -1pt. Repeat for needing improvement. No IM written plan reviews have been conducted for Aera Energy, Buckeye Aviation, California Resources, Chevron LA, and Crimson Pipeline.

C.19 -.5 pts. Repeat for needing improvement. Different operator from prior evaluation. From 10/2009 THUMS-Long Beach Company approval for Smart Pipe Installation. Monitoring of stipulated conditions not being met. Will be addressing needed process for tracking purposes.

Total points scored for this section: 31.5
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 4 4
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 ☐
- c. Procedures regarding closing outstanding probable violations Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

The program manager has made revisions to their procedures manual which provides more comprehensive information for these, and many other, processes.

- 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 4 4
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. Document probable violations Yes ☒ No ☐ Needs Improvement ☐
- c. Resolve probable violations Yes ☒ No ☐ Needs Improvement ☐
- d. Routinely review progress of probable violations Yes ☒ No ☐ Needs Improvement ☐
- e. Were applicable civil penalties outlined in correspondence with operator(s) Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

All compliance actions reviewed appeared to be done timely and pursuant to their procedures.

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

Evaluator Notes:

Inspection reports reviewed all appeared to have appropriate disposition.

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

Evaluator Notes:

No concerns found

- 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) 2 2
Yes = 2 No = 0

Evaluator Notes:

No issues - PM appears to be competent with judicial processes.

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

Evaluator Notes:

Agency uses its fining authority to promote compliance and enhance safety. Civil penalties assessed in CY2016 in the amount of \$165,425.00.

7 General Comments:

Info Only = No Points

Evaluator Notes:

Info OnlyInfo Only

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:

Chapter X of the revised procedures outlines procedures for accident investigations.

- 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:

Operator notifies CA Office of Emergency Services about any accident. OEA provides CASFM via cell phone email. No issues.

- 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:

CASFM conducted one investigation without a physical response. No issues found.

- 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:

It appears all accidents were sufficiently investigated, factors considered and dispositions were appropriate.

- 5 Did the state initiate compliance action for violations found during any incident/accident investigation? 1 1

Yes = 1 No = 0

Evaluator Notes:

No issues. There is currently one compliance action in process.

- 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:

No issues

- 7 Does state share lessons learned from incidents/accidents? (sharing information, such as: at NAPSR Region meetings, state seminars, etc) 1 1

Yes = 1 No = 0

Evaluator Notes:

Program shares their "state-of-the-state" during regional NAPSIR meetings - no issues.

8 General Comments:

Info Only = No Points

Info OnlyInfo Only

Evaluator Notes:

Total points scored for this section: 11
Total possible points for this section: 11



PART F - Damage Prevention

Points(MAX) Score

- | | | | |
|---|---|---|---|
| 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 |
|---|---|---|---|

Evaluator Notes:

State addresses in inspection form 3 during their standard compliance and operations inspections.

- | | | | |
|---|---|---|---|
| 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:

This is satisfied as part of their damage prevention program procedures review.

- | | | | |
|---|--|---|---|
| 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:

CASFM participates in regional CGA meetings and other venues. Additionally, California has recently established damage prevention enforcement authority and the CASFM is an active participant and stakeholder in that process.

- | | | | |
|---|--|---|---|
| 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:

There are a limited number of HL excavation damages, and therefore, CASFM has no issues at this time assessing trends. Recommendation was made to collaborate with the CPUC and assess their damage trends to natural gas assets. This will help them better understand excavation threats, behaviors and challenges in the same general areas where HL assets exist.

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

Evaluator Notes:

Add to PM letter - Recommendation was made to collaborate with the CPUC and assess their damage trends to natural gas assets. This will help them better understand excavation threats, behaviors and challenges in the same general areas where HL assets exist.

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 Only Info Only
Info Only = No Points

Name of Operator Inspected:

Shell Pipeline Company

Name of State Inspector(s) Observed:

Hossein Monfared

Location of Inspection:

Carson, Torrence, Van Nuys, El Sagundo, Los Angeles, Culver City

Date of Inspection:

9/20-21/2017

Name of PHMSA Representative:

David Lykken, David Appelbaum

Evaluator Notes:

A standard inspection of Shell pipeline units 470B and 470C (Van Nuys and LAX pipelines).

- 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. Company was notified prior to visit and company officials were present each day.

- 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:

Inspector utilized the mobile IA for conducting inspection. 372 planned observation and record questions selected from all groups with the exception of the Screening group. Inspector referred to mobile checklist during facility site visits.

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

Evaluator Notes:

Yes. Inspector took thorough notes and pictures during facility site visits.

- 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, where applicable. Checked pressure gauge calibration, CP equipment, and pipeline locating devices.

- 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 | <input checked="" type="checkbox"/> |
| b. Records | <input type="checkbox"/> |
| c. Field Activities | <input checked="" type="checkbox"/> |
| d. Other (please comment) | <input type="checkbox"/> |

Evaluator Notes:

During site visits had copies of written procedures for conducting thermal relief device checks, mainline valve operations, locating pipeline facilities. Had technicians explain steps for performing tasks during observations.

- | | | | |
|---|---|---|---|
| 7 | Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Evaluator will document reasons if unacceptable)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

Yes. Inspector has many years of experience as a pipeline inspector with PHMSA and the CASFM.

- | | | | |
|---|---|---|---|
| 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)
Yes = 1 No = 0 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

Yes. An exit interview was conducted. Several concerns were identified and communicated to the operator regarding pipeline markers, low CP potentials and technical problems with interrupter. Operator had already performed a CIS at the identified site and investigating further. Tree encroachment concerns at two sites. Will be addressing further during the IMP inspection scheduled for next week (Sept 25).

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

Evaluator Notes:

Concerns relayed to operator during exit. Potential NOPV's to be determined.

- | | | | |
|----|--|-----------|-----------|
| 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 = No Points | Info Only | Info Only |
|----|--|-----------|-----------|

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

- | | | |
|----|-----------------------------|-------------------------------------|
| B. | Signs | <input checked="" type="checkbox"/> |
| C. | Tapping | <input type="checkbox"/> |
| D. | Valve Maintenance | <input checked="" type="checkbox"/> |
| E. | Vault Maintenance | <input checked="" type="checkbox"/> |
| F. | Welding | <input type="checkbox"/> |
| G. | OQ - Operator Qualification | <input checked="" type="checkbox"/> |
| H. | Compliance Follow-up | <input type="checkbox"/> |
| I. | Atmospheric Corrosion | <input checked="" type="checkbox"/> |
| J. | Other | <input type="checkbox"/> |

Evaluator Notes:

Discussed inspector general awareness during facility site checks. Be sure to observe overall condition of facility and surround areas. During thermal relief check at terminal the state evaluator(s) observed flammable materials (wood) being used as a pipeline support. Operator stated it was a temporary condition. A missing section was in shop for hydrostatic testing. Also identified possible tree encroachments at two locations.

Discussed ways to improve efficiencies during inspections when engaging the pipeline operator. Suggested that some inspection tasks could be performed as part of the inspector's pre-inspection planning. Tasks such as inspection of pipeline rights-of-way, exposed spans, pipeline markers, etc. can be inspected in areas where the facility is accessible or viewed in public areas only. Such inspection pre-planning allows the inspector in part to gain additional field inspection days and eliminates wasteful time that could otherwise be spent visiting other critical pipeline facilities when engaging the operator.

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)?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:
Not an interstate agent

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

Evaluator Notes:
Not an interstate agent

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

Evaluator Notes:
Not an interstate agent

- | | | | |
|----------|---|---|----|
| 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.)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:
Not an interstate agent

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

Evaluator Notes:
Not an interstate agent

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

Evaluator Notes:
Not an interstate agent

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

Evaluator Notes:
Not an interstate agent

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

Evaluator Notes:

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)?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

Not a 60106 agreement state

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

Evaluator Notes:

Not a 60106 agreement state

- | | | | |
|----------|--|---|----|
| 3 | Were any 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.)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

Not a 60106 agreement state

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

Evaluator Notes:

Not a 60106 agreement state

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

Evaluator Notes:

Not a 60106 agreement state

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

Evaluator Notes:

Not a 60106 agreement state

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

Evaluator Notes:

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