

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

2016 Gas State Program Evaluation

for

CALIFORNIA PUBLIC UTILITIES COMMISSION

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 -- Incident Investigations
- F -- Damage Prevention
- G -- Field Inspections
- H -- Interstate Agent State (If Applicable)
- I -- 60106 Agreement State (If Applicable)



2016 Gas State Program Evaluation -- CY 2016

Gas

State Agency: California

Agency Status:

Date of Visit: 08/21/2017 - 08/25/2017

Agency Representative: Ken Bruno Program Manager

PHMSA Representative: Michael Thompson, David Lykken

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

Name/Title: Michael Picker, President

Agency: California Public Utilities Commission

Address: 505 Van Ness Avenue

City/State/Zip: San Francisco, CA 94102

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	Incident Investigations
F	Damage Prevention
G	Field Inspections
H	Interstate Agent State (If Applicable)
I	60106 Agreement State (If Applicable)

10	10
13	12.5
49	47
15	15
11	11
8	8
12	12
0	0
0	0

TOTALS

118 115.5

State Rating

97.9

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

Evaluator Notes:

CaPUC still has only partial jurisdiction over master meter operators and gas gathering lines. No issues with accuracy.

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

Evaluator Notes:

There has been improvement in this area, but there are still places where staff needs to provide better explanation as to time applied to particular inspection categories.

- | | | | |
|---|--|---|---|
| 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 issues found.

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

Incident/Accident information listed in Attachment 4 of Progress Report complete and accurate. Reconciles with information located in Data Mart. No issues noted.

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

Evaluator Notes:

Yes, compliance activities for 2016 were reviewed and no issues were found.

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

Evaluator Notes:

Yes, the program files have improved over the past several years and are well organized and in good shape.

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

Evaluator Notes:

Yes, the training for the CaPUC inspectors showed a lot of courses being attended during 2016.

- | | | | |
|---|---|---|---|
| 8 | Verification of Part 192,193,198,199 Rules and Amendments - Progress Report Attachment 8
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

No issues found

- 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:

The CaPUC did a good job describing their plans and accomplishments.

10 General Comments:

Info Only = No Points

Info OnlyInfo Only

Evaluator Notes:

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:

The CPUC Gas Safety Reliability Branch (GSRB) inspection procedures cover this in the manual under section A.3

- | | | | |
|---|--|---|---|
| 2 | IMP and DIMP 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:

The CPUC Gas Safety Reliability Branch (GSRB) inspection procedures cover this in the manual under section A.3 pages 21-22

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

The CPUC Gas Safety Reliability Branch (GSRB) inspection procedures cover this in the manual under section A.3 pages 20 - 21

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

The CPUC Gas Safety Reliability Branch (GSRB) inspection procedures cover this in the manual under section A.3 page 21

- | | | | |
|---|--|---|-----|
| 5 | Any operator training conducted should be outlined and appropriately documented as needed. | 1 | 0.5 |
|---|--|---|-----|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

B-5, The CPUC GSRB needs to update their procedure to show what they plan to do with on-site training (deduct .5 points)

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

The CPUC Gas Safety Reliability Branch (GSRB) inspection procedures cover this in the manual under section A.3 pages 18 - 20.

- | | | | |
|---|---|---|---|
| 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 <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 areas, 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:

Review of the 2016 and other records showed no issues for the elements.

8 General Comments:

Info Only = No Points

Info OnlyInfo Only

Evaluator Notes:

B-5, The CPUC GSRB needs to update their procedure to show what they plan to do with on-site training (deduct .5 points)

Total points scored for this section: 12.5
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 5
Yes = 5 No = 0

A. Total Inspection Person Days (Attachment 2):
2021.50

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 20.14 = 4430.98

Ratio: A / B
2021.50 / 4430.98 = 0.46

If Ratio \geq 0.38 Then Points = 5, If Ratio $<$ 0.38 Then Points = 0
Points = 5

Evaluator Notes:

Yes, the CaPUC had a .385 ratio. We advised them that this was very close this year and that they needed to stay aware of the number of inspection days so they would not slip below the required .38 ratio. They also had 106 construction inspection days in 2016 which was 0.53% of their total.

- 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 DIMP*/IMP Training before conducting inspection as lead? *Effective Evaluation CY2013 Yes ☒ No ☐ Needs Improvement ☐
c. Root Cause Training by at least one inspector/program 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:

Training requirements have been met. Inspectors have taken required training in specific discipline(s) prior to leading specialized inspections or standard inspections.

- 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:

Ken Bruno, Program Manager has a good understanding of the PHMSA states program and continues to increase his knowledge of the 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, the CaPUC letter was mailed out on 10/20/2016 and their response was received on 12/1/2016.

- 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:

The CaPUC held a gas safety seminar for operators with TQ staff presenting material on September 27 - 29, 2016.

- 6 Did state inspect all types of operators and inspection units in accordance with time intervals established in written procedures? Chapter 5.1 5 4

Yes = 5 No = 0 Needs Improvement = 1-4

Evaluator Notes:

After review of the CaPUC process for scheduling inspections and looking over a large percentage of the inspections conducted in 2016 they inspecting almost all types of operators and inspection units in accordance with time intervals established in their written procedures, but are still not making the time intervals for some types of operators. They have made some changes to their processes and improvement should be seen next year.

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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 | 1 |
|---|---|---|---|

Evaluator Notes:

The CaPUC Gas safety section has all the most current inspection forms stored electronically for inspectors to use. However, some inspections were found to have used older out of date forms. (TIMP, DIMP as example) This is something that was recommended in last years evaluation. The CaPUC needs to improve this process so the most current inspection forms are being used.

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- | | | | |
|---|--|---|---|
| 8 | Did the state review operator procedures for determining if exposed cast iron pipe was examined for evidence of graphitization and if necessary remedial action was taken?
(NTSB) Chapter 5.1
Yes = 1 No = 0 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

Yes. Information contained on CPUC Safety & Enforcement Division (SED) Form OM "Operations & Maintenance of a Gas Dist and Trans Pipeline", Page 26.

* All known cast iron systems have been replaced in California.

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- | | | | |
|---|--|---|---|
| 9 | Did the state review 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) (NTSB) Chapter 5.1
Yes = 1 No = 0 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

Yes. Information contained on page 28 of the CPUC Safety & Enforcement Division (SED) Form OM "Operations & Maintenance of a Gas Dist and Trans Pipeline".

* All known cast iron systems have been replaced in California.

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- | | | | |
|----|---|---|---|
| 10 | Did the state review 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? (NTSB) Chapter 5.1
Yes = 1 No = 0 | 1 | 1 |
|----|---|---|---|

Evaluator Notes:

Yes. Information contained on CPUC Safety & Enforcement Division (SED) Page 3, Form 4, "EP - Emergency Plan Inspection Report of a Gas Dist and Trans Pipeline".

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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 192.617? Chapter 5.1
Yes = 1 No = 0 | 1 | 1 |
|----|--|---|---|

Evaluator Notes:

Yes. Information contained on CPUC Safety & Enforcement Division (SED) Page 3, Form 4, "EP - Emergency Plan Inspection Report of a Gas Dist and Trans Pipeline".

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

Evaluator Notes:

Yes, they have personnel assigned to this task and the information is reviewed by supervisors and the program manager.

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

Evaluator Notes:

Yes, they now have personnel assigned to this task.

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

Evaluator Notes:

The CaPUC has a question for this on their inspection form #3. It is listed under (49 USC 60132, ADB - 08-07)

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

Evaluator Notes:

Yes, they are completing D&A inspections as part of their inspection schedule.

- 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 192 Part N 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, they are verifying this each year while doing their O&M inspections. They also do PHMSA form 9 during standard inspections.

- 17 Is state verifying operator's gas transmission integrity management programs (IMP) are up to date? This should include a previous review of IMP 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 192 Subpart O 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, the CaPUC is working this as part of their inspection schedule.

- 18 Is state verifying operator's gas distribution integrity management Programs (DIMP)? This should include a review of DIMP plans, along with monitoring progress. 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 192 Subpart P DIMP ? First round of program inspections should have been complete by December 2014 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, they have started to formally revisit their operators.

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|-----------|--|---|---|
| 19 | 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 192.616
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|

Evaluator Notes:

Yes, Public Awareness inspections are part of the inspection schedule.

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- | | | | |
|-----------|--|---|---|
| 20 | 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, the CaPUC provides information on inspections, enforcement and has guidance materials and information for small operators on their web site.

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- | | | | |
|-----------|---|---|---|
| 21 | 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 |
|-----------|---|---|---|

Evaluator Notes:

Yes. 26 SRC's reported in CY2016. 4 carried over from CY2015. All 2015 closed out. 4 carried over from 2016 remain open. CPUC staff perform regular status updates with operators and submitted to the Western Region office as required.

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- | | | | |
|-----------|---|---|---|
| 22 | Did the State ask Operators to identify any plastic pipe and components that has shown a record of defects/leaks and what those operators are doing to mitigate the safety concerns?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

The operators in California work with and provide information to the PPDC. The CaPUC needs to add a question to their distribution system inspection form in order to expand their information on this issue. They have also added this issue to their DIMP work plan for operators.

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- | | | | |
|-----------|---|---|---|
| 23 | Did the state participate in/respond to surveys or information requests from NAPSR or PHMSA?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

Yes, the CaPUC keeps records of all responses to PHMSA or NAPSR surveys or questions.

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- | | | | |
|-----------|--|---|---|
| 24 | 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.
No = 0 Needs Improvement = .5 Yes = 1 | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

Yes, they have assigned an inspector to work this process. They have verified all waivers and have made recommendations to close all those they can with PHMSA. This process should be completed by early 2018.

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- | | | | |
|-----------|--|---|---|
| 25 | Did the state attend the National NAPSR Board of Directors Meeting in CY being evaluated?
No = 0 Needs Improvement = .5 Yes = 1 | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

Yes, the CaPUC sent two representatives in 2016.

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- | | | | |
|-----------|---|---|---|
| 26 | Discussion on State Program Performance Metrics found on Stakeholder Communication site - http://primis.phmsa.dot.gov/comm/states.htm
No = 0 Needs Improvement = 1 Yes = 2 | 2 | 2 |
|-----------|---|---|---|

- a. Discussion of Potential Accelerated Actions (AA's) based on any negative trends Yes ☒ No ☐ Needs Improvement ☐
- b. NTSB P-11-20 Meaningful Metrics Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

Damages per 100 locate tickets have dropped to their lowest level, (3.44) since starting to collect data in 2010.

Inspection days per 1000 miles of pipeline has increased over 2015 to a little more than 8 inspection days for every 1000 miles of gas pipeline.

Inspection days per MMO/LPG have dropped to one day per MMO/LPG operator in 2016 which is slightly down from 1.5 days in 2015.

Pipeline inspector qualification has improved dramatically over previous years.

Gas distribution system leaks show that the number of leaks repaired per 1000 miles has down some from 2015 and the leaks repaired has stayed the same and leaks outstanding have gone down a little from 2015.

Enforcement program evaluation score has stayed the same for 2014 and 2015.

Incident investigation score has gone up significantly.

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

Evaluator Notes:

The CaPUC SICT for 2017 = 2509, while the old Formula shows only 988 and the 2016 Progress Report shows 2022. Ken believe they can make the 2509 days and will continue to track their progress.

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

Evaluator Notes:

They sent the Advisory Bulletin to all operators with the requirement that they respond to receiving it within 30 days.

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

Evaluator Notes:

C-6 After review of the CaPUC process for scheduling inspections and looking over a large percentage of the inspections conducted in 2016 they inspecting almost all types of operators and inspection units in accordance with time intervals established in their written procedures, but are still not making the time intervals for some types of operators. They have made some changes to their processes and improvement should be seen next year. (Deduct 1 Point)

C-7 The CaPUC Gas safety section has all the most current inspection forms stored electronically for inspectors to use. However, some inspections were found to have used older out of date forms. (TIMP, DIMP as example) This is something that was recommended in last years evaluation. The CaPUC needs to improve this process so the most current inspection forms are being used. (Deduct 1 point)

Total points scored for this section: 47
Total possible points for this section: 49

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 | 4 | 4 |
| a. | Procedures to notify an operator (company officer) when a noncompliance is identified | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Procedures to routinely review progress of compliance actions to prevent delays or breakdowns | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Procedures regarding closing outstanding probable violations | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

Yes. List of companies and official's names in Appendix "A" of the CPUC GO112-F Gas Safety and Reliability Branch (GSRB) Inspection Manual. Procedures to review progress of compliance actions noted on page 24 of GSRB inspection manual.

- | | | | |
|----------|--|---|---|
| 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 | 4 | 4 |
| a. | Were compliance actions sent to company officer or manager/board member if municipal/government system? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Document probable violations | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Resolve probable violations | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Routinely review progress of probable violations | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| e. | Were applicable civil penalties outlined in correspondence with operator(s) | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

Yes, compliance correspondence sent to appropriate company officials. Good use of notes and photographs when documenting probable violations and other area's of concern. Improvement needed in timeliness of issuing inspection findings to operators after exit interview. Length of time to issue letter to operator averaging 4 months or longer. Operator compliance with agency enforcement actions typically followed up on during next inspection cycle. Not very timely since it may be up to three years before inspection staff can confirm compliance. No process in place to formally document close out operators actions taken to comply with enforcement actions.

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

Evaluator Notes:

Yes, this was verified by reviewing the inspection/enforcement records for 2016.

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

Evaluator Notes:

Yes, the information can be found in the SED - Citations procedure that was effective on 3/25/2015 and for formal proceedings in Resolution ALJ 274.

- | | | | |
|----------|---|---|---|
| 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 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

Evaluator Notes:

Yes, the program manager is familiar with the states process for imposing civil penalties, and has used them over the past several years.

- 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:

Yes, the CaPUC collected \$44,376,000.00 in civil penalties in 2016.

- 7 General Comments:

Info Only = No Points

Info OnlyInfo Only

Evaluator Notes:

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



PART E - Incident 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. The CPUC-GSRB has a manual with a revision date of Aug 2017, Previous date was Aug 2016.

- 2 Does state have adequate mechanism to receive and respond to operator reports of incidents, 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:

Yes. The program has a mechanism for receiving and responding to operator reports of incidents including after-hours.

- 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. No issues noted.

- 4 Were all incidents 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 when appropriate Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

Yes. Incident investigations thoroughly documented. Good use of photographs and other exhibits as part of final reports.

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

Yes = 1 No = 0

Evaluator Notes:

Yes. One compliance action taken out of the 23 reportable incidents for probable violations found. No PV's identified for the others.

- 6 Did the state assist region office by taking appropriate follow-up actions related to the operator incident 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. The program works closely with the PHMSA newly established Accident Investigation Division and the Western Region office.

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

Yes = 1 No = 0

Evaluator Notes:

Yes - Shares information at NASPR Western Region meeting.

8 General Comments:

Info OnlyInfo Only

Info Only = No Points

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? NTSB
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Yes. No change from last year. SED Form 14 titled Damage Prevention Inspection Report of a Gas Dist. & Trans. Pipeline.

- | | | | |
|---|---|---|---|
| 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. Typically covered during inspections and incident investigations.

- | | | | |
|---|--|---|---|
| 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. They ensure operators comply with State Statute 4216 and CGA Best Practices including the 9 Elements.

- | | | | |
|---|--|---|---|
| 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. State now collects data through DIRT and they received quarterly reports on damages.

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

Evaluator Notes:

In 2016 the State Legislature created the California Underground Facilities Safe Excavation Board under, and assisted by the staff of the Office of the State Fire Marshal. The board is responsible for coordinating education and outreach activities, developing standards, and enforcement. Authorizes the board to prescribe rules and regulations as may be necessary or proper to carry out the purposes of law provisions. The board is composed of 9 members who will serve 4-year terms, and 2 nonvoting ex officio members who may be invited by the appointed members of the board. The board will transmit the investigation results and any recommended penalty to the state or local agency with jurisdiction over the activity or business undertaken in the commission of the violation.

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:

1. Southern California Gas - North Desert 2. PG&E - Sacramento Division 3. PG&E - De Anza Division

Name of State Inspector(s) Observed:

1. Alin Podoreanu, Jason McMillan, Sann Nying, Kan Wei Tong, Ken Bruno 2. James Zhang (Lead), Mohammad Ali, Jason McMillan 3. Alula Gebremedhin (Lead), Nathan Sarina, Franky Chan

Location of Inspection:

1. Needles to Victorville, CA 2. Sacramento, CA 3. Cupertino/Mountain View/Saratoga, CA

Date of Inspection:

1. 3/20-24/2017 2. 5/15-19/2017 3. 6/27-29/2017

Name of PHMSA Representative:

1. Michael Thompson 2. David Lykken 3. David Lykken

Evaluator Notes:

1. Observed inspection of several So Call Transmission lines between Needles and Victorville.
2. Observed a Standard Inspection of PG&E's Sacramento Division including review of O&M records and field inspections of the certain gas pressure regulating stations, emergency valves, odorant testing stations, and Leak survey activities.
3. Observed a Standard Inspection of PG&E's De Anza Division including review of O&M records and field inspections of the certain gas pressure regulating stations, emergency valves, CP test stations, leak survey activities and exposed spans.

- 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:

1. Yes, the CaPUC notified the operator well in advance of the inspection.
2. Yes, the operator was notified and well represented during the inspection.
3. Yes, the operator was notified and represented.

- 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:

1. Yes, the inspectors the lead inspector utilized their Form 1C - "Standard Inspection Report of a Transmission Pipeline.
2. The inspectors utilized the IA application for conducting this inspection. The lead inspector did a good job selecting the appropriate IA directives and modules for conducting this inspection. The lead also assigned inspection tasks to the other team members who will be responsible for answering those question sets.
3. Yes, the IA application was used for this inspection. Directives selected were Baseline Records, Baseline Field Inspection, and OQ Field Inspection.

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

Evaluator Notes:

1. Yes, each inspector kept good notes, pictures of physical facilities and copies of the operator's forms/records they reviewed as part of the inspection.
2. Having been assigned an "observer" role in this IA inspection. Was able to review the inspection content over the course of the inspection. Good inspector notes.
3. Yes, the inspection was thoroughly documented. Detailed notes provided from all three inspectors in IA.

- 5 Did the inspector check to see if the operator had necessary equipment during inspection to conduct tasks viewed? (Maps,pyrometer,soap spray,CGI,etc.) 1 1
Yes = 1 No = 0

Evaluator Notes:

1. Yes, each map, form and piece of equipment used by the operator during this inspection was thoroughly check out.
2. Yes. Inspectors verified instrument calibration dates for equipment used during leak surveys, CP checks, and odorant level checks. Also reviewed leak survey maps for most current revisions.
3. Yes, inspectors inquired of each piece of equipment utilized during this inspection.

6	Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) Yes = 2 No = 0 Needs Improvement = 1	2	2
a.	Procedures	<input checked="" type="checkbox"/>	
b.	Records	<input checked="" type="checkbox"/>	
c.	Field Activities	<input checked="" type="checkbox"/>	
d.	Other (please comment)	<input type="checkbox"/>	

Evaluator Notes:

1. Yes, the inspectors conducted a records review before completing the field portion of this Gas Transmission inspection.
2. Yes. Inspectors conducted a records review at the operators facility. Field site visits selected based on the records review and a random selection of facilities.
3. Yes. Certain procedures reviewed relevant to specific areas of focus i.e. corrosion surveys (annual/isolated facilities), emergency valves, regulator station maintenance maintenance, etc.

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
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Evaluator Notes:

1. Yes, Alin did a good job asking allot of good questions and following up by reviewing the code to insure understanding.
2. Yes. The inspection team demonstrated adequate knowledge of the safety program and regulations. Asked operator field personnel lots of questions with respect to how they perform their tasks while conducting leak surveys, odorant checks, atmospheric corrosion inspections, and calibration of testing equipment.
3. Yes. Entire inspection team demonstrated good knowledge of regulations and program specifics.

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
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Evaluator Notes:

1. Yes, each day Alin conducted a review of the days activities and listed items of concern or pending requests.
2. Yes. Status briefings conducted with operator at the end of each day including any updates to the tracking log created by the operator to ensure that any outstanding items such as CPUC data requests, and other outstanding questions and issues are addressed.
3. Yes. Briefings conducted after each day. Any findings and areas of concern were discussed at that time.

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

1. Yes, each item was thoroughly discussed with the operators representatives.
2. No PV's had been identified at the time of this evaluation.
3. Yes, items identified included 1) no ventilation stack installed on pressure regulation vaults 2) Class location change not identified for pipeline segment 3) Copper service identified as not being replaced as part of company's overall replacement program 3) Low CP reads 4) pressure regulators did not lock-up during maintenance check.

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 type="checkbox"/>
d.	Compressor or Pump Stations	<input type="checkbox"/>
e.	Change in Class Location	<input checked="" 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 checked="" type="checkbox"/>
p.	MOP	<input checked="" type="checkbox"/>
q.	MAOP	<input checked="" type="checkbox"/>
r.	Moving Pipe	<input type="checkbox"/>
s.	New Construction	<input type="checkbox"/>
t.	Navigable Waterway Crossings	<input type="checkbox"/>
u.	Odorization	<input checked="" 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:

1. The inspectors covered as many different items as they could to maximize their effectiveness on this trip.
2. The inspection covered residential leak surveys including exposed crossings, pressure regulating station maintenance, valve maintenance, vault maintenance, atmospheric corrosion and cathodic protection levels.
3. Inspection team split up during the facility location visits to ensure an adequate sampling. Inspectors were observant identifying a lack of a vent stack on a regulator station vault, exposed HP valve not locked in position on a exposed span.

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:
N/A. Not a 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:
N/A. Not a 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:
N/A. Not a 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:
N/A. Not a 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:
N/A. Not a 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:
N/A. Not a 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:
N/A. Not a 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:

N/A. Is not a 60106 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:

N/A. Is not a 60106 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:

N/A. Is not a 60106 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:

N/A. Is not a 60106 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:

N/A. Is not a 60106 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:

N/A. Is not a 60106 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