



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

1200 New Jersey Avenue SE
Washington DC 20590

2012 Hazardous Liquid State Program Evaluation

for

CDF/OFFICE OF STATE FIRE MARSHAL

Document Legend

PART:

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



2012 Hazardous Liquid State Program Evaluation -- CY 2012
Hazardous Liquid

State Agency: California

Agency Status:

Date of Visit: 07/22/2013 - 07/26/2013

Agency Representative: Bob Gorham, Chief, Pipeline Safety Division
Linda Zigler, Supervising Pipeline Safety Engineer
Tommy Flores, Pipeline Safety Engineer
Xuan Nguyen, Pipeline Safety Engineer

PHMSA Representative: Glynn Blanton, USDOT/PHMSA State Programs

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

Name/Title: Ms. Tonya L. Hoover, State Fire Marshal

Agency: California State Fire Marshal

Address: PO Box 944246

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

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 2012 (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 9
15 15
43 38
15 15
8 8
8 7
11 11
3 3
0 0

TOTALS

113 106

State Rating

93.8

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

- | | | | |
|----------|---|---|-----|
| 1 | Accuracy of Jurisdictional Authority and Operator/Inspection Units Data - Progress Report Attachment 1 (A1a)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 0.5 |
|----------|---|---|-----|

Evaluator Notes:

A review of Attachment 1 found information on the number of gathering lines in non-rural areas is 16 but Attachment 3, List of Operators, the number is 17. A review of office files found OXY USA, Inc. was left off Attachment 1. The correct number of gathering lines in non-rural areas is 17. This item may need to be corrected in FedSTAR.

Improvement is needed in recording information correctly. A loss of 0.5 points occurred due to incorrect number of gathering lines in non-rural areas being listed on Attachment 1.

- | | | | |
|----------|--|---|---|
| 2 | Review of Inspection Days for accuracy - Progress Report Attachment 2 (A1b)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

A review of Attachment 2 found the information was correct but noted 50% less integrity management, 60% less incident investigations and 45% less follow-up inspections performed in 2012. No issues in this section.

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|----------|--|---|---|
| 3 | Accuracy verification of Operators and Operators Inspection Units in State - Progress Report Attachment 3 (A1c)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

A review of Attachment 3 and office files found the information correct. No issues.

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|----------|--|---|---|
| 4 | Were all federally reportable incident reports listed and information correct? - Progress Report Attachment 4 (A1d)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

A review of Attachment 4 found potential questions pertaining to the number of incidents reported compared to PHMSA Data Mart. Checked the five incidents reported and determined they were reported correctly. No areas of concern.

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|----------|--|---|-----|
| 5 | Accuracy verification of Compliance Activities - Progress Report Attachment 5 (A1e)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 0.5 |
|----------|--|---|-----|

Evaluator Notes:

A review of Attachment 5 found the number of carryovers was correct. Reviewed the number of compliance actions cited, corrected and civil penalties assessed and collected. Found the number of violations found was incorrectly stated. The number listed was 56 but the correct number is 57. Improvement is needed; therefore a loss of 0.5 points occurred.

- | | | | |
|----------|---|---|---|
| 6 | Were pipeline program files well-organized and accessible? - Progress Report Attachment 6 (A1f, A4)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

Evaluator Notes:

A review of Attachment 6 found the list of records maintained by agency and reports required to be submitted by the operator to the agency were correctly provided. No issues.

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|----------|--|---|---|
| 7 | Was employee listing and completed training accurate and complete? - Progress Report Attachment 7 (A1g)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

A review of Attachment 7 found the information was correct. No issues.

- 8** Verification of Part 195,198,199 Rules and Amendments - Progress Report Attachment 8 (A1h) 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

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

- 9** List of Planned Performance - Did state describe accomplishments on Progress Report in detail - Progress Report Attachment 10 (H1-3) 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

A review of Attachment 10 found good information was provided on the planned and past performance. Suggest explaining how the agency has reviewed the Damage Prevention Assistance Program (DPAP) with more information other than a answer, Yes. Consider listing each element in the DPAP and explaining how the agency has addressed the elements. No issues.

10 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

A loss of 0.5 points occurred in this section. See question A.1.

A loss of 0.5 points occurred in this section. See question A.5.

Total points scored for this section: 9
Total possible points for this section: 10



PART B - Program Inspection Procedures

Points(MAX) Score

- | | | | |
|----------|--------------------------------------|---|---|
| 1 | Standard Inspections (B1a) | 2 | 2 |
| | Yes = 2 No = 0 Needs Improvement = 1 | | |

Evaluator Notes:

A review of Pipeline Safety Division Procedure Manual 2013 Edition, Chapter 3 Inspections, and page 3-2 found a description of this type of inspection was provided. No areas of concern.

- | | | | |
|----------|---------------------------------------|---|---|
| 2 | IMP Inspections (B1b) | 1 | 1 |
| | Yes = 1 No = 0 Needs Improvement = .5 | | |

Evaluator Notes:

A review of Pipeline Safety Division Procedure Manual 2013 Edition, Chapter 3 Inspections, and page 3-2 found a description of this type of inspection was provided. No areas of concern.

- | | | | |
|----------|---------------------------------------|---|---|
| 3 | OQ Inspections (B1c) | 1 | 1 |
| | Yes = 1 No = 0 Needs Improvement = .5 | | |

Evaluator Notes:

A review of Pipeline Safety Division Procedure Manual 2013 Edition, Chapter 3 Inspections, and page 3-2 found a description of this type of inspection was provided. No areas of concern.

- | | | | |
|----------|---------------------------------------|---|---|
| 4 | Damage Prevention Inspections (B1d) | 1 | 1 |
| | Yes = 1 No = 0 Needs Improvement = .5 | | |

Evaluator Notes:

A review of Pipeline Safety Division Procedure Manual 2013 Edition, Chapter 3 Inspections, and page 3-2 found a description of this type of inspection was provided. No areas of concern.

- | | | | |
|----------|---------------------------------------|---|---|
| 5 | On-Site Operator Training (B1e) | 1 | 1 |
| | Yes = 1 No = 0 Needs Improvement = .5 | | |

Evaluator Notes:

A review of Pipeline Safety Division Procedure Manual 2013 Edition, Chapter 3 Inspections, and page 3-2 found a description of this type of inspection was provided. No areas of concern.

- | | | | |
|----------|---------------------------------------|---|---|
| 6 | Construction Inspections (B1f) | 1 | 1 |
| | Yes = 1 No = 0 Needs Improvement = .5 | | |

Evaluator Notes:

A review of Pipeline Safety Division Procedure Manual 2013 Edition, Chapter 3 Inspections, and page 3-2 found a description of this type of inspection was provided. No areas of concern.

- | | | | |
|----------|--|---|---|
| 7 | Incident/Accident Investigations (B1g) | 2 | 2 |
| | Yes = 2 No = 0 Needs Improvement = 1 | | |

Evaluator Notes:

A review of Pipeline Safety Division Procedure Manual 2013 Edition, Chapter 3 Inspections, and page 3-2 found a description of this type of inspection was provided. No areas of concern.

- | | | | |
|----------|---|---|---|
| 8 | Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements? (B2a-d, G1,2,4) | 6 | 6 |
| | Yes = 6 No = 0 Needs Improvement = 1-5 | | |

- | | | | | |
|----|---|--------------------------------------|--------------------------|---|
| a. | Length of time since last inspection | 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 ☒ No ☐ Needs Improvement ☐

- f. Are inspection units broken down appropriately?

Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

A review of Pipeline Safety Division Procedure Manual 2013 Edition, Chapter 3 Inspections, For Standard Inspections: pages 3-9 and 3-10 they list the following relative to inspections: Length of time since last inspection, history of the inspection unit, internal and external events affecting the inspection unit, on large operators rotation of located inspected and intervals between standard inspection should not exceed 5 years. They list other types of inspections relative to the high risk and outside damages under the title, For other type of Inspection. No issues pertaining to a-e above.

Item f: A review of list of hazardous liquid pipeline operators in California found Inspection units were broken down appropriately. No issues

9 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

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

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



PART C - Program Performance

Points(MAX) Score

- 1 Was ratio of Total Inspection person-days to total person days acceptable? 5 0
Yes = 5 No = 0

A. Total Inspection Person Days (Attachment 2):
369.75

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
 $220 \times 5.42 = 1191.67$

Ratio: A / B
 $369.75 / 1191.67 = 0.31$

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

Evaluator Notes:

A.Total Inspection Person Days (Attachment 2)= 369.75

B.Total Inspection Person Days Charged to the program($220 \times$ Number of Inspection person years(Attachment 7)=1191.66652

Formula:- Ratio = A/B = $369.75/1191.66652 = 0.31$

Rule:- (If Ratio $\geq .38$ then points = 5 else Points = 0.)

Thus Points = 0

Did not meet the minimum number of inspection days, therefore a loss of 5 points occurred.

- 2 Has each inspector and program fulfilled the T Q Training Requirements? (See Guidelines for requirements) Chapter 4.4 (A8-A11, G19) 5 5
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 checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input 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"/> |

Evaluator Notes:

A review of Progress Report, Attachment 7 and information from PHMSA Inspector Training and Qualification transcript show all staff members have successfully completed OQ, IMP, Root Cause and other pipeline safety required courses within three years of starting the first course. No issues or loss of points occurred.

- 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 (A5) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, Program Manager Bob Gorham has over twenty-eight years' experience in hazardous liquid pipeline safety. No issues of concern.

- 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 (A6-7) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, the response letter from State Fire Marshal Tonya Hoover was received on November 20, 2012 to Zach Barrett, Director State Programs. No issues.

- 5 Did State hold PHMSA TQ Seminar in Past 3 Years? Chapter 8.5 (A3) 2 2
Yes = 2 No = 0

Evaluator Notes:

Yes, PHMSA TQ Seminar was held in May, 2011 at Torrence, CA location. The number of attendees was 220 individuals from the industry.

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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 (B3)
Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
|---|---|---|---|

Evaluator Notes:

Yes, a review of inspection reports and dates performed found all inspection units were reviewed in accordance with established time intervals described in their Pipeline Safety Manual. No issues. However, a review of compliance follow-up inspection reports found several inspection reports could be listed as construction or standard. Consideration may need to be taken to review with inspector staff on what is considered a Compliance Follow-up. No loss of points occurred.

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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 (B4-5)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

Yes, CA SFM inspectors use the Federal Hazardous Liquid Inspection forms for all their work. No issues.

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|---|---|---|---|
| 8 | Did the state review operator procedures for determining areas of active corrosion on liquid lines in sufficient detail? (NOTE: PHMSA representative to describe state criteria for determining areas of active corrosion) (B7)
Yes = 1 No = 0 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

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

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|---|--|---|---|
| 9 | Did the state adequately review for compliance operator procedures for abandoning pipeline facilities and analyzing pipeline accidents to determine their causes? (NOTE: PHMSA representative to describe state criteria for determining compliance with abandoning pipeline facilities and analyzing pipeline accidents to determine their causes) (B8)
Yes = 1 No = 0 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

CA SFM issued on August 1, 2009, Information Bulletin #97-001, stating the criteria for "Abandoned, Return to Service, Idle Pipelines, Integrity Management plan requirements and Out of Service segments. Additionally, they review and analyzed each pipeline accident to determine their causes each year and posted the results on a spreadsheet. No issues.

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|----|---|---|---|
| 10 | Is the state aware of environmentally sensitive areas traversed by or adjacent to hazardous liquid pipelines? (reference Part 195, review of NPMS) (B9)
Yes = 1 No = 0 | 1 | 1 |
|----|---|---|---|

Evaluator Notes:

Yes, this is addresses in GIS Mapping Data base system they maintain. The operator provides information on the pipeline location and they are posting the information showing the environmentally sensitive areas. No issues.

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|----|---|---|---|
| 11 | Did the state review operator records of previous accidents and failures including reported third party damage and leak response to ensure appropriate operator response as required by 195.402(c)(5)? (B10,E5)
Yes = 1 No = 0 | 1 | 1 |
|----|---|---|---|

Evaluator Notes:

Yes, CA SFM receives all notifications of reportable accidents. During their standard inspections, they review with the operator the accidents and the PHMSA 7000.1-1 form. They also use the federal form which includes this item on page 23. No issues.

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|----|---|---|---|
| 12 | Has the state reviewed Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues? Data Initiative (G5-8,G15)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----|---|---|---|

Evaluator Notes:

Yes, they annually review Exxon Mobile Production report to their agency. The report is PHMSA 7000.1-1. Additionally, they review other report during their inspection audits.

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|-----------|---|---|---|
| 13 | Did state input all applicable OQ, IMP inspection results into federal database in a timely manner? This includes replies to Operator notifications into IMDB database. Chapter 5.1 (G9-12)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|---|---|---|
-

Evaluator Notes:

Yes, a review of their files and federal data base for OQ & IMP indicate they performed the inspections in a timely manner and entered the reports into the OQ & IMP Federal data base. We randomly checked the following inspections: Shell Pipeline-Tracy, CA, March 6, 2012; Valero Benicia Refinery- Benicia, CA, April 5, 2012; BP Pipeline/LA Basin February 22, 2012; Kinder Morgan Energy LP-Fairfield Regional Office October 12, 2012. No issues of concern were found or noted in the review of the reports.

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|-----------|--|---|---|
| 14 | Has state confirmed intrastate operators have submitted information into NPMS database along with changes made after original submission? (G13)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|--|---|---|
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Evaluator Notes:

Yes, this is reviewed and checked annually by staff members. CA SFM requires each operator to submit an annual Pipeline Operator Questionnaire. The document requires them to confirm they have submitted this information into the NPMS database. No areas of concern.

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|-----------|--|---|---|
| 15 | Is the state verifying operators are conducting drug and alcohol tests as required by regulations? This should include verifying positive tests are responded to in accordance with program. 49 CFR 199 (I1-3)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|
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Evaluator Notes:

Yes, this is reviewed during their check of the operators PHMSA 7000.1-1. forms. Drug and alcohol testing is not a high priority in their inspection risk ranking program. No areas of concern.

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|-----------|--|---|---|
| 16 | Is state verifying operators OQ programs are up to date? This should include verification of any plan updates and that persons performing covered tasks (including contractors) are properly qualified and requalified at intervals determined in the operators plan. 49 CFR 195 Part G (I4-7)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|
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Evaluator Notes:

Yes, CA SFM staff review the OQ program during their standard audits. Additionally, during the field portion of the audit the CA SFM staff request information on the contractor and employee OQ requirements.

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|-----------|--|---|---|
| 17 | Is state verifying operator's hazardous liquid integrity management (L IMP) Programs are up to date? This should include a previous review of LIMP plan, along with monitoring progress on operator tests and remedial actions. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 195.452 Appendix C (C8-12)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|
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Evaluator Notes:

Yes, CA SFM has a state law that requires the operator to perform and submit pressure test of each pipeline within 10 years of installed or when the new pipeline was installed. Test results are submitted and reviewed by staff members along with the IMP program requirements. California Code Section 51013.5 through 51014.5 is the relative section of the law. CA SFM has a state law that requires the operator to perform and submit pressure test or smart pig results on all pipelines to the SFM at intervals not exceeding 5 years

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|----|---|---|---|
| 18 | Is state verifying operators Public Awareness programs are up to date and being followed. State should also verify operators have evaluated Public Awareness programs for effectiveness as described in RP1162. 49 CFR 195.440 (I13-16) PAPEI Effectiveness Inspections should be complete by December 2013 | 2 | 2 |
|----|---|---|---|

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

This is not a focus point for their program but they are reviewing this item during the standard inspection audit. They plan to conduct PAPEI effectiveness reviews during the current year.

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|----|--|---|---|
| 19 | Does the state have a mechanism for communicating with stakeholders - other than state pipeline safety seminar? (This should include making enforcement cases available to public). (G19-20) | 1 | 1 |
|----|--|---|---|
- Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, CA SFM website: <http://osfm.fire.ca.gov/pipeline/pipeline.php> provides information to the operator and public about their program and seminar. No issue.

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|----|---|---|---|
| 20 | Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3 (B6) | 1 | 1 |
|----|---|---|---|
- Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, a check of the Safety Related Condition Report found one report for Phillips 66 Pipeline LLC on April 19, 2012. CA SFM performed an inspection and monitored the repairs necessary to correct the wall loss on the pipeline. No issues.

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|----|--|---|---|
| 21 | Did the state participate in/respond to surveys or information requests from NAPSIR or PHMSA? (H4) | 1 | 1 |
|----|--|---|---|
- Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, all requests for information from NAPSIR and PHMSA were provided in a timely manner. No issues.

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|----|-------------------|--|--------------------|
| 22 | General Comments: | | Info OnlyInfo Only |
|----|-------------------|--|--------------------|
- Info Only = No Points

Evaluator Notes:

A loss of 5 points occurred in this section. See question C.1.

Total points scored for this section: 38
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 (B12-14, B16, B1h) 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 ☐

Evaluator Notes:

Yes, this is addressed in CA SFM Pipeline Safety Division Manual Chapter 3, section 3.12 Enforcement Proceedings. "When a noncompliance is identified a written notice of the results of an inspection shall be sent to a company officer such as vice president or general manager." Additionally, the manual in section 3.13 Follow-up Procedure, address the routine review progress of compliance action. This is address in the CA Code of Regulations Chapter 14, Article 6. No issues.

- 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 (B11,B18,B19) 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. Were probable violations documented? Yes ☒ No ☐ Needs Improvement ☐
- c. Were probable violations resolved? Yes ☒ No ☐ Needs Improvement ☐
- d. Was the progress of probable violations routinely reviewed? Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

Yes, a review of compliance action letters to the following companies confirm letters were sent to the company officer, probable violations documented and resolved with violations routinely reviewed by program manager. Chevron Pipeline Company dated February 2, 2012: Kinder Morgan October 18, 2012: Shell Pipeline Company July 5, 2012: Kinder Morgan October 12, 2012: Shell Pipeline Company September 24, 2012: Plains Products Terminal June 11, 2012.

- 3** Did the state issue compliance actions for all probable violations discovered? (B15) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, a review of CA SFM 2012 violation summary list indicates fifty-seven probable violations were issued.

- 4** Did compliance actions give reasonable due process to all parties? Including "show cause" hearing if necessary. (B17, B20) 2 2
Yes = 2 No = 0

Evaluator Notes:

Yes, CA SFM has a state regulation, Title 40, Section 2000, Article 6, and Enforcement Proceedings that provides due process to all parties pertaining to compliance action of violations 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) (B27) 2 2
Yes = 2 No = 0

Evaluator Notes:

Yes, Bob Gorham is familiar with the process of imposing a civil penalty and in CY2012 assessed a civil penalty of \$20,000.00 against two operators.

- 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, a review Attachment 5 in the CY2012 Progress Report found enforcement fining is being used by CA SFM. No issues.

7 General Comments:

Info Only = No Points

Info OnlyInfo Only

Evaluator Notes:

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

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



PART E - Accident Investigations

Points(MAX) Score

- 1 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 (A2,D1-3) 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 CA Office of Emergency Services (OES) is required to be notified by the operator of any leak, rupture, or accident that occurs on their system. OES provides the information to CA SFM via cell phones or emails about the location and other relative data. CA State law section 51018 pertains to the requirement. No issues.

a. Yes, a review of CA SFM Pipeline Safety Division manual Chapter 8, PHMSA, and Section 8.04 National Transportation Safety Board found this information was described.

b. Yes, a review of CA SFM Pipeline Safety Division manual Chapter 4, Investigations, and Section 4.06 Investigation of Interstate Pipelines found this information was described.

- 2 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 (D4) 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, a review of CA SFM Hazardous Materials Spill Report booklet indicate they review the information received from the operator via telephone conversation and DOT 7000.1 form in making a decision to support not going to the site.

- 3 Were all accidents investigated, thoroughly documented, and with conclusions and recommendations? (D5) 3 3

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

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

Evaluator Notes:

Yes, a review of the five incidents described in Attachment 4 of the CY2012 Progress Report found observations, contributing factors and recommendations to prevent recurrences was addressed. Listed below are the five incident report reviewed; Phillips 66 Pipeline, Carson, CA; OXY USA Commerce, CA; SFPP Kinder Morgan, Long Beach, CA; Shell Pipeline Carson, CA; Chevron Pipe Line Company Gardena, CA. No areas of concern.

- 4 Did the state initiate compliance action for violations found during any incident/accident investigation? (D6) 1 NA

Yes = 1 No = 0

Evaluator Notes:

No violations were found during the investigation of the incidents. NA.

- 5 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 (D7) 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes information from the PHMSA Western Region office indicates follow-up action was taken when requested. No issues.

- 6 Does state share lessons learned from incidents/accidents? (sharing information, such as: 1 1
at NAPS SR Region meetings, state seminars, etc) (G15)
Yes = 1 No = 0

Evaluator Notes:

Yes, Bob Gorham provided an overview of the CA SFM program during the NAPS SR Western Region meeting. No issues.

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

Evaluator Notes:

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

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



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? (E1)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 1 |
|---|--|---|---|

Evaluator Notes:

Yes, CA SFM only reviewed this item on newly submitted construction projects. This item was not listed or discussed with the operator during their normal standard inspection. Improvement is needed in asking a question to the operator about this item. Therefore, a loss of one point occurred.

- | | | | |
|---|--|---|---|
| 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? (E2)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Yes, this is reviewed with the operator during their standard inspection audit and review of construction projects submitted to their agency. No areas of concern.

- | | | | |
|---|---|---|---|
| 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.) (E3)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

Yes, CA SFM continues to participate in the California section of the Common Ground Alliance.

- | | | | |
|---|--|---|---|
| 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) (E4,G5)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Yes, the California Public Utilities Commission collects this information.

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

Evaluator Notes:

A loss of one point occurred in question A.1.

Total points scored for this section: 7
Total possible points for this section: 8

PART G - Field Inspections

Points(MAX) Score

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

Name of Operator Inspected:

E & T Urban Gathering Company

Name of State Inspector(s) Observed:

Xuan Nguyen, Pipeline Safety Engineer & Linda Zigler, Supervisor

Location of Inspection:

Long Beach, California

Date of Inspection:

July 23, 2013

Name of PHMSA Representative:

Glynn Blanton USDOT/PHMSA State Programs

Evaluator Notes:

This was a standard inspection being performed on a gathering line system located at 5491 Spinnaker Bay Drive, Long Beach, CA 90803. A federal standard inspection form was used to review the items with the operator and his consultant representative who is listed below.

Dave Dalmann, Business Manager (Manager responsible for the day to day operations of the facility.

Bob Tyner, Jobs Developer with Westec Company. (Consultant)

- 2 Was the operator or operator's representative notified and/or given the opportunity to be present during inspection? (F2) 1 1
Yes = 1 No = 0

Evaluator Notes:

Yes, Dave Dalmann was notified by CA SFM on Monday, July 20, 2013 about the scheduled standard inspection that would be conducted. It should be noted the last inspection performed on this gathering line location was in 2008. No issues.

- 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) (F3) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, Xuan Nguyen used the federal standard inspection form to review each item with the operator representatives. No issues.

- 4 Did the inspector thoroughly document results of the inspection? (F4) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

This observer noted some areas of concern were expressed by the operator in understanding the questions being asked by the engineer. We suggest in the future the questions be more direct explained to the operator along with citing the pipeline safety regulation. No areas of concern.

- 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) (F5) 1 1
Yes = 1 No = 0

Evaluator Notes:

Yes, a plant review was conducted prior to and immediately after the records review in the operator's office. No areas of concern were found.

- 6 Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) (F7) 2 2
Yes = 2 No = 0 Needs Improvement = 1
- a. Procedures ☒
- b. Records ☒

- c. Field Activities ☒
- d. Other (please comment) ☐

Evaluator Notes:

Yes, the records and procedures review found minor areas of concern. The operator and consultant were quick to state; these items will be added or corrected. No issues.

- 7 Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Evaluator will document reasons if unacceptable) (F8) 2 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, Xuan Nguyen has completed all the required TQ courses and has over three years of experience in pipeline safety work. No issues.

- 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) (F9) 1 1

Yes = 1 No = 0

Evaluator Notes:

Yes, at the end of the day the inspector reviewed the areas of concern and where improvement may be needed by the operator in making corrections.

- 9 During the exit interview, did the inspector identify probable violations found during the inspections? (if applicable) (F10) 1 NA

Yes = 1 No = 0

Evaluator Notes:

We were unable to observe this item due to our limited time in conducting the state program evaluation with the State Program Manager.

- 10 General Comments: What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) Other

Info Only = No Points

- | | |
|----------------------------------|-------------------------------------|
| 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 type="checkbox"/> |
| e. Change in Class Location | <input type="checkbox"/> |
| f. Casings | <input type="checkbox"/> |
| g. Cathodic Protection | <input type="checkbox"/> |
| h. Cast-iron Replacement | <input type="checkbox"/> |
| i. Damage Prevention | <input type="checkbox"/> |
| j. Deactivation | <input type="checkbox"/> |
| k. Emergency Procedures | <input checked="" type="checkbox"/> |
| l. Inspection of Right-of-Way | <input type="checkbox"/> |
| m. Line Markers | <input type="checkbox"/> |
| n. Liaison with Public Officials | <input type="checkbox"/> |
| o. Leak Surveys | <input type="checkbox"/> |
| p. MOP | <input type="checkbox"/> |
| q. MAOP | <input type="checkbox"/> |
| r. Moving Pipe | <input type="checkbox"/> |
| s. New Construction | <input type="checkbox"/> |
| t. Navigable Waterway Crossings | <input type="checkbox"/> |
| u. Odorization | <input type="checkbox"/> |
| v. Overpressure Safety Devices | <input 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 type="checkbox"/> |
| E. | Vault Maintenance | <input type="checkbox"/> |
| F. | Welding | <input type="checkbox"/> |
| G. | OQ - Operator Qualification | <input type="checkbox"/> |
| H. | Compliance Follow-up | <input type="checkbox"/> |
| I. | Atmospheric Corrosion | <input type="checkbox"/> |
| J. | Other | <input type="checkbox"/> |

Evaluator Notes:

This was a standard inspection and review of records. The inspection was to continue the next days. No issues.

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



PART H - Interstate Agent State (if applicable)**Points(MAX) Score**

- | | | | |
|----------|---|---|---|
| 1 | Did the state use the current federal inspection form(s)? (C1)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

Yes, all inspection reports checked indicate the Federal forms were used. No issues.

- | | | | |
|----------|--|---|---|
| 2 | Are results documented demonstrating inspection units were reviewed in accordance with "PHMSA directed inspection plan"? (C2)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

Yes, a review of the annual inspection plan letter from Chris Hoidal, PHMSA Western Region Director, dated February 7, 2012 found CA SFM followed the requirements of the plan and provided feedback to PHMSA Western Region office personnel. The majority of the work consisted of the Kinder Morgan, Sacramento to Donner Pass inspection. No issues.

- | | | | |
|----------|---|---|---|
| 3 | Did the state submit documentation of the inspections within 60 days as stated in its latest Interstate Agent Agreement form? (C3)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

Yes, a review of inspection reports and files indicate the Kinder Morgan Sacramento to Donner Pass (Unit 33705) inspection was conducted on September 17-20, 2012 and October 1-2, 2012. The report was submitted to PHMSA Western Region on November 1, 2012. No issues.

- | | | | |
|----------|--|---|----|
| 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.) (C4)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

No violations were identified by CA SFM to PHMSA on the Kinder Morgan inspections. NA.

- | | | | |
|----------|--|---|----|
| 5 | Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? (C5)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NA.

- | | | | |
|----------|---|---|----|
| 6 | Did the state give written notice to PHMSA within 60 days of all probable violations found? (C6)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

NA.

- | | | | |
|----------|--|---|----|
| 7 | Did the state initially submit documentation to support compliance action by PHMSA on probable violations? (C7)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NA.

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

Evaluator Notes:

NA.

Total points scored for this section: 3
Total possible points for this section: 3



PART I - 60106 Agreement State (if applicable)**Points(MAX) Score**

- | | | | |
|----------|--|---|----|
| 1 | Did the state use the current federal inspection form(s)? (B21)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:
NA.

- | | | | |
|----------|--|---|----|
| 2 | Are results documented demonstrating inspection units were reviewed in accordance with state inspection plan? (B22)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:
NA.

- | | | | |
|----------|---|---|----|
| 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.) (B23)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:
NA.

- | | | | |
|----------|---|---|----|
| 4 | Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? (B24)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:
NA.

- | | | | |
|----------|--|---|----|
| 5 | Did the state give written notice to PHMSA within 60 days of all probable violations found? (B25)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:
NA.

- | | | | |
|----------|--|---|----|
| 6 | Did the state initially submit adequate documentation to support compliance action by PHMSA on probable violations? (B26)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:
NA.

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

Evaluator Notes:
NA.

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