



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

1200 New Jersey Avenue SE
Washington DC 20590

2013 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)

2013 Hazardous Liquid State Program Evaluation -- CY 2013
Hazardous Liquid

State Agency: California

Agency Status:

Date of Visit: 07/14/2014 - 07/18/2014

Agency Representative: Bob Gorham, Chief, Pipeline Safety Division
Linda Zigler, Supervising Pipeline Safety Engineer
Doug Allen, 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 Marshall

Agency: California State Fire Marshall

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 2013 (not the status of performance at the time of the evaluation). All items for which criteria have not been established should be answered based on the PHMSA representative's judgment. A deficiency in any one part of a multiple part question should be scored as needs improvement. Determine the answer to the question then select the appropriate point value. If a state receives less than the maximum points, include a brief explanation in the space provided for general comments/regional observations. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and OBJECTIVELY reflect state program performance. Increasing emphasis is being placed on performance. This evaluation together with selected factors reported in the state's annual progress report attachments provide the basis for determining the state's pipeline safety grant allocation.

Field Inspection (PART G):

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

Scoring Summary

PARTS		Possible Points	Points Scored
A	Progress Report and Program Documentation Review	10	8.5
B	Program Inspection Procedures	15	15
C	Program Performance	43	35
D	Compliance Activities	15	15
E	Accident Investigations	9	9
F	Damage Prevention	8	8
G	Field Inspections	12	12
H	Interstate Agent State (if applicable)	0	0
I	60106 Agreement State (if applicable)	0	0
TOTALS		112	102.5
State Rating			91.5

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

Evaluator Notes:

We reviewed Attachment 1 and found information on the number of gathering line inspection units (19) did not match the totals (16) in Attachment 3, List of Operators. Additionally, the number of intrastate trunklines on Attachment 1 did not match the totals on Attachment 3. A review of office files could not determine the errors. We advised them to locate the error and provide an amendment to Carrie Winslow to be posted in FedSTAR. A loss of one point occurred due to information in Attachment 1 was not correct and the same error occurred in last year's progress report.

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

Evaluator Notes:

Reviewed Attachment 2 to the office files and found the information was correct. We checked the following inspection reports and dates performed:
Pennzoil SOPUS, Standard Inspection performed on 5-8-13
Kinder Morgan, Damage Prevention performed on 12-31-13
Paramount, Construction Inspection performed on 08-09-13
Kinder Morgan, IMP Inspection performed on 12-18-13
Plains Product Terminal, Follow-up inspection 03-18-13
No areas of concern were found or noted.

- | | | | |
|----------|---|---|-----|
| 3 | Accuracy verification of Operators and Operators Inspection Units in State - Progress
Report Attachment 3 (A1c)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 0.5 |
|----------|---|---|-----|

Evaluator Notes:

A review of Attachment 3 and office files found the name of the operators and inspection units have been established correctly. However, the number of inspection units for gathering line was incorrect in relationship to their files. Therefore, a loss of half a point resulted in not maintaining accurate information.

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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 pertaining to the number of incidents reported compared to PHMSA Data Mart found the information correct. Reviewed the six incident reports and determined they were classified and reported correctly on attachment 4. 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 | 1 |
|----------|--|---|---|

Evaluator Notes:

A review of Attachment 5 found the number of carryovers reported was correct. Reviewed the number of compliance actions taken (8) and verified what steps were taken in determining a civil penalty. No issues.

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|----------|--|---|---|
| 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 a list of records maintained by agency. We checked each record and report and found information was correct. No issues.

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

A review of Attachment 7 and verification via SABA found the employees have completed required training. No issues.

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

A review of Attachment 8 found all 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) Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:

A review of Attachment 10 found the information was accurate. However, more detailed descriptions about their objectives should be included in the Planned Annual and Long term goals list.

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

A.1 A loss of one point occurred due to information in Attachment 1 was not correct and the same error occurred in last year's progress report.

A.3. A loss of half a point occurred due to the number of inspection units for gathering lines was incorrect in relationship to program files and attachment 3.

Total points scored for this section: 8.5
Total possible points for this section: 10

PART B - Program Inspection Procedures

Points(MAX) Score

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

We reviewed the Pipeline Safety Division Office of State Fire Marshal 2014 Edition, Chapter 3 and found the standard inspection was listed under Types of Inspection Activities, page 3-2. No issues.

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

Evaluator Notes:

We reviewed the Pipeline Safety Division Office of State Fire Marshal 2014 Edition, Chapter 3 and found the IMP inspection was listed under Types of Inspection Activities, page 3-2. No issues.

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

Evaluator Notes:

We reviewed the Pipeline Safety Division Office of State Fire Marshal 2014 Edition, Chapter 3 and found the OQ inspection was listed under Types of Inspection Activities, page 3-2. No issues.

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

We reviewed the Pipeline Safety Division Office of State Fire Marshal 2014 Edition, Chapter 3 and found the damage prevention inspection was listed under Types of Inspection Activities, page 3-2. No issues.

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

Evaluator Notes:

We reviewed the Pipeline Safety Division Office of State Fire Marshal 2014 Edition, Chapter 3 and found the operator training was listed under Types of Inspection Activities, page 3-2. No issues.

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

Evaluator Notes:

We reviewed the Pipeline Safety Division Office of State Fire Marshal 2014 Edition, Chapter 3 and found the construction inspection was listed under Types of Inspection Activities, page 3-2. No issues.

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

Evaluator Notes:

We reviewed the Pipeline Safety Division Office of State Fire Marshal 2014 Edition, Chapter 3 and found incidents/accidents investigation was listed under Types of Inspection Activities, page 3-2. No issues.

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|----------|---|---|---|
| 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)
Yes = 6 No = 0 Needs Improvement = 1-5 | 6 | 6 |
|----------|---|---|---|

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

We reviewed the Pipeline Safety Division Office of State Fire Marshal 2014 Edition, Chapter 3 found the inspection plan was listed under Criteria for Establishing Inspection Priority, page 3-9. Reviewed the inspection plan with program manager about the priorities and schedule plan. No issues.

9 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

No loss of points occurred in Section B. CA SFM is generally complying with the requirements of this section.

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):
274.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
 $220 \times 5.13 = 1127.50$

Ratio: A / B
 $274.00 / 1127.50 = 0.24$

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) = 274

B. Total Inspection Person Days Charged to the program (220*Number of Inspection person years(Attachment 7) = 1127.5

Formula:- Ratio = A/B = $274/1127.5 = 0.24$

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

Thus Points = 0

Loss of 5 points occurred due to failure to meet the total inspection person day requirement.

- 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 SABA transcript show all staff members have successfully completed OQ, IMP, Root Cause and other pipeline safety required courses. No issues or loss of points.

- 3** Did state records and discussions with state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations? Chapter 4.1,8.1 (A5) **2** **2**
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, Program Manager Bob Gorham has over twenty-nine 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, State Fire Marshal Tonya Hoover's letter to Zach Barrett, Director State Programs, was received on October 15, 2013. In Ms. Hoover's letter she addressed the areas of concerns mentioned in the letter. 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 March 26-28, 2013 at the Hilton Anaheim, CA location. The number of attendees was 245 individuals from the industry and other organizations. Pre-registration fee was free to the industry representatives.

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
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Evaluator Notes:

Yes, a review of the 2013 Activity Standard Inspection report reflect all inspection units were reviewed in accordance with established time intervals of five years as described in the Pipeline Safety Manual. No issues.

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
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Evaluator Notes:

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

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
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Evaluator Notes:

Yes, CA SFM continues to use 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.

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
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Evaluator Notes:

Yes, CA SFM checks this item on Federal Form 3. They did issue an Information Bulletin #97-001, stating the criteria for "Abandoned, Return to Service, Idle Pipelines, Integrity Management plan requirements and Out of Service segments". This notice is under review to change the classification of service. They do review and analyze each pipeline accident to determine their causes each year and post the results on a spreadsheet. No issues.

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
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Evaluator Notes:

Yes, CA SFM has a GIS Mapping Data base system they maintain. The operator provides information on the pipeline location and environmentally sensitive areas. This data is posted on their system maps. No issues.

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
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Evaluator Notes:

Yes, CA SFM receives all notifications of reportable accidents and checks the root cause of the accident against PHMSA 7000.1-1 form during their standard inspection audits. No issues.

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
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Evaluator Notes:

Yes, CA SFM reviews the annual PHMSA form 7000.1-1 during their standard inspection audits. No areas of concern.

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

Evaluator Notes:

Yes, a review of office files and federal data base for OQ & IMP indicated they performed inspections in a timely manner and entered the reports into the OQ & IMP Federal data bases. No issues of concerns were found or noted in the review of the reports.

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

Evaluator Notes:

Yes, this is checked on the Federal Form 3 when a standard inspection audit is performed. We reviewed inspection reports and found this was checked. No issues.

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

Evaluator Notes:

Yes, CA SFM reviews the operators PHMSA 7000.1-1. form. However, drug and alcohol testing is not a high priority in their inspection risk ranking program or inspection program. Improvement is needed in scheduling drug and alcohol inspection reviews in the future. A loss of one point occurred.

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

Evaluator Notes:

Yes, CA SFM checks the operator's OQ program during construction, accident and standard inspection reviews.

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

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 installation or when the new pipeline was constructed. Test results are submitted and reviewed by staff members along with the IMP program requirements. California Code Section 51013.5 through 51014.5 is the relative section of the law. CA SFM has a state law that requires the operator to perform and submit pressure test or smart pig results on all pipelines to the SFM at intervals not exceeding 5 years. No areas of concern.

- 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) 2 0
PAPEI Effectiveness Inspections should be complete by December 2013

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

No PAPEI Inspections have been performed due to lack of personnel. A loss of two points occurred.

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

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

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

Evaluator Notes:

Yes, a check of the Safety Related Condition Report found reports for Phillips 66 Pipeline LLC and Exxon Mobile Oil Company. CA SFM is monitoring the necessary repairs being performed by the companies and informing PHMSA Western Region office of their findings. No issues.

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

Evaluator Notes:

Yes, CA SFM has participated and continues to provide data request and surveys to NAPSRS and PHMSA in a timely manner.

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| 22 | If the State has issued any waivers/special permits for any operator, has the state verified conditions of those waivers/special permits are being met? This should include having the operator amend procedures where appropriate.
Info Only = No Points | Info Only | Info Only |
|-----------|--|-----------|-----------|

Evaluator Notes:

A review of the five special permits issued by CA SFM determined all products have been tested and completed. Two waivers issued by CA SFM to Santa Fe and UnoCal are still active and they will monitor status of each during 2014 inspection audits.

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| 23 | General Comments:
Info Only = No Points | Info Only | Info Only |
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Evaluator Notes:

Loss of points occurred in questions C.1. C.15 & C.18.

Total points scored for this section: 35
Total possible points for this section: 43

PART D - Compliance Activities**Points(MAX) Score**

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|----------|---|---|---|
| 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)
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"/> |

Evaluator Notes:

Yes, this is described 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 and CA Code of Regulations Chapter 14, Article 6, address the routine review of compliance action and notice of probable violations. No issues.

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|----------|--|---|---|
| 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)
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| a. | Were compliance actions sent to company officer or manager/board director if municipal/government system? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Were probable violations documented? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Were probable violations resolved? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Was the progress of probable violations routinely reviewed? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

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. Valero Benicia Refinery dated 01-16-13; Wickland Pipelines LLC dated 02-15-13; Pennzoil/SOPU dated 08-01-13; Exxon Mobil dated 08-12-13; Linn dated 08-15-13; and Crimson Pipeline LP dated 12-11-13

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

Evaluator Notes:

Yes, a review of CA SFM 2013 Progress Report attachment 5 and violation summary list indicated forty-two probable violations were issued. We reviewed the violations and found several violations were cited in section 195.402. No issues.

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

Evaluator Notes:

Yes, CA state regulation, Title 19, Chapter 14, Section 2070, Article 6, Enforcement Proceedings, provides due process to all parties pertaining to compliance action of violations found. No issues.

- | | | | |
|----------|---|----------|----------|
| 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)
Yes = 2 No = 0 | 2 | 2 |
|----------|---|----------|----------|

Evaluator Notes:

Yes, Program Manager is familiar with assessing civil penalties and in CY2012 collected \$43,000 for violations cited against operators for non-compliance. No issues.

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

Evaluator Notes:

Yes, a review of CA SFM CY2012 Progress Report found enforcement fining was used. No issues.

7 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

No loss of points occurred in this section of the review. CA SFM is generally complying with this section.

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

- a. Yes, CA SFM Pipeline Safety Division manual Chapter 8, PHMSA, and Section 8.04 National Transportation Safety Board describe the MOU between NTSB and PHMSA.
- b. Yes, this information was located in the CA SFM Pipeline Safety Division manual Chapter 4, Investigations, and Section 4.06 Investigation of Interstate Pipelines. No issues.

- 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, CA OES via email provides CA SFM staff about an incident or leak that has occurred. The information is reviewed by Bob Gorham or Linda Zigler and a decision is made to investigate or not go to the site. They do review the DOT 7000.1 form in making a decision to conduct an investigation. No issues.

- 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, we conducted a review of the six incidents described in Attachment 4 of the CY2013 Progress Report. We found BP West Coast Products incident was not investigated due to the source of the leak was a dead leg to a tank. Information was provided to CA SFM but they determined the reportable amount did not meet their criteria to investigate. Reviewed the five remaining incident reports and found observations, contributing factors and recommendations to prevent recurrences were addressed. Listed below are the incident reports reviewed; Tesoro Logistics Operations LLC 08-05-13, Crimson Pipeline LP 09-08-13, Crimson Pipeline LP 10-06-13, Mobil Exxon Mobil Oil Corporation-Terminals 10-14-13 & Exxon Mobil Oil Corp 10-14-13. No issues.

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

Yes = 1 No = 0

Evaluator Notes:

Yes, action is being taken to assess a civil penalty against Crimson Pipeline Company in the amount of \$50,000 for failure to comply with Section 195.11(b) (11). This violation was found during the investigation of the failure that occurred on 10-06-13.

- 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, 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 Region meetings, state seminars, etc) (G15)

Yes = 1 No = 0

Evaluator Notes:

Yes, information is being shared with other State Program Managers at the NAPS Region meeting in the "State of the State Report". No issues.

- 7** General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

No loss of points occurred in this section of the review. CA SFM is generally complying with the requirement of this section.

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

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 | 2 |
|---|--|---|---|

Evaluator Notes:

Yes, CA SFM added this item after the last state program evaluation to their Standard Inspection Review. A check of this item found it listed on page 16 of 26 under the heading Damage Prevention Program Procedures. No issues.

- | | | | |
|---|--|---|---|
| 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. They discuss with the operator their written procedures and other action to prevent damage from occurring on their facilities. 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 participates in the California Common Ground Alliance. They are active in reviewing proposed legislative changes to their state law.

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

The California Public Utilities Commission collects data on the number of damages per 1,000 locate request for natural gas operators. This information is provided from DIRT. CA SFM does not collect any data on damages to hazardous liquid pipelines.

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

Evaluator Notes:

No loss of points occurred in this section of the review. CA SFM has generally complied with the requirements of this section.

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

PART G - Field Inspections

Points(MAX) Score

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

Name of Operator Inspected:

Valero Benicia Refinery

Name of State Inspector(s) Observed:

Doug Allen, Pipeline Safety Engineer & Linda Zigler, Supervising Pipeline Safety Engineer

Location of Inspection:

Benicia, California

Date of Inspection:

July 14, 2014

Name of PHMSA Representative:

Glynn Blanton, USDOT/PHMSA State Programs

Evaluator Notes:

This was a follow up inspection/investigation to review records associated with the release and repair of the 20" segment off the 36" crude pipeline at the Valero Benicia Refinery. The release occurred on June 25, 2014. The inspection consisted of the review of various documents pertaining to shut down of system and repairs made. Listed below are the names of the Valero Benicia Refinery individuals at the meeting and inspection.

Chris Howe, Director

Greg Mitchell, Operations Complex Manager

James Trevion, Manager Programs & Development

Adam Tremont, OQ Supervisor for Transfield Services

Michale Ramos, Senior Environmental Specialist

- | | | | |
|----------|---|---|---|
| 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, Doug Allen contacted Adam Tremont, Transfield Services, who is a contractor for Valero Refinery in Benicia. Mr. Tremont was contacted on July 2, 2014 pertaining to the follow-up inspection/investigation to be conducted.

- | | | | |
|----------|--|---|---|
| 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, inspector used a list of questions he developed pertaining to what steps the operator followed during the accident and testing of the line when it was placed out of service. Excellent notes were taken during the interview.

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

Evaluator Notes:

Yes. A thoroughly documented review was observed by this writer. In this regard, answers to questions were recorded by the inspector and follow-up questions were asked to the operator to obtain clarification of the events. 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, protective clothing and other required safety devices and equipment were on site during the field inspection.

- | | | | |
|----------|---|---|---|
| 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 | <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:

A review of the newly installed 24" pipeline at the facility was checked and reviewed. Inspector found the encircled repair pipe was under sized. The pup was 5 3/4 inches in length and does not meet the required 1 1/2 times the size of the pipeline. A potential violation will be issued or area of concern described in the letter to the company officer.

- | | | | |
|---|--|---|---|
| 7 | Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Evaluator will document reasons if unacceptable) (F8)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Yes, Doug Allen has completed all required training at TQ and has over ten years in pipeline safety. He has been with the CA SFM for thirteen years. He has experience in pipeline mapping and inspection of liquid facilities and pipelines. 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)
Yes = 1 No = 0 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

Yes, Doug Allen conducted an exit interview with Velero Refinery personnel immediately after the review of company procedures and documents pertaining to the accident. Mr. Allen requested test results of the pipe by an outside source be provided. No areas of concern.

- | | | | |
|---|---|---|---|
| 9 | During the exit interview, did the inspector identify probable violations found during the inspections? (if applicable) (F10)
Yes = 1 No = 0 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

Yes, one potential violation or area of concern was identified. The item was the short pup on the 24 inch pipeline.

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

Evaluator Notes:

I observed the inspector checking the following records prior to performing a field review of the newly installed pipe: Welding records/map of location of incident, NDT records, pressure test records, OQ records, welder certifications, internal corrosion monitoring program, and Integrity Management Program.

I observed inspector performing an exit interview and requesting additional information from the operator's representatives. Excellent notes were taken on response from operator and follow-up answers to questions. The inspection was professionally performed.

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)? (C1)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

NA

- | | | | |
|----------|--|---|----|
| 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 | NA |
|----------|--|---|----|

Evaluator Notes:

NA

- | | | | |
|----------|---|---|----|
| 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 | NA |
|----------|---|---|----|

Evaluator Notes:

NA

- | | | | |
|----------|--|---|----|
| 4 | Were probable violations identified by state referred to PHMSA for compliance? (NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.) (C4)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NA

- | | | | |
|----------|--|---|----|
| 5 | Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? (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: 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)? (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