



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

1200 New Jersey Avenue SE  
Washington DC 20590

# 2012 Natural Gas State Program Evaluation

for

CALIFORNIA PUBLIC UTILITIES COMMISSION

## Document Legend

### PART:

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



2012 Natural Gas State Program Evaluation -- CY 2012  
Natural Gas

**State Agency:** California

**Agency Status:**

**Date of Visit:** 07/09/2013 - 07/18/2013

**Agency Representative:** Mike Robertson, Sunil Shori

**PHMSA Representative:** Rex Evans

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

**Name/Title:** Michael R. Peevey, President

**Agency:** California Public Utilities Commission

**Address:** 505 Van Ness Avenue

**City/State/Zip:** San Francisco, CA 94102-3298

**Rating:**

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

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**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.

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**Field Inspection (PART G):**

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

**Scoring Summary**

**PARTS**

**Possible Points    Points Scored**

A    Progress Report and Program Documentation Review  
B    Program Inspection Procedures  
C    Program Performance  
D    Compliance Activities  
E    Incident Investigations  
F    Damage Prevention  
G    Field Inspections  
H    Interstate Agent State (If Applicable)  
I    60106 Agreement State (If Applicable)

10                      9  
15                      14  
46                      43  
15                      13  
9                        7  
8                        8  
11                      5  
0                        0  
0                        0

**TOTALS**

**114                      99**

**State Rating .....**

**86.8**

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## 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)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|---|---|---|

**Evaluator Notes:**

The information listed on Attachment 1 appears to be filled out correctly based on information reviewed. Impossible to review master meter counts due to quantity.

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

**Evaluator Notes:**

Reviewed monthly spreadsheets that were totalled together for information that was reported. Based on that information numbers appear correct. Would like to see an inspector by inspector summary available in future - this information is kept at northern office in SF

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

**Evaluator Notes:**

Information appears correct - again large quantities of MM and LPG make it difficult - but remainder appear correct.

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

**Evaluator Notes:**

The information appeared correct, many incidents listed did not end up meeting federal requirement - but were initially reported to NRC. Recommend putting any non-reportable incidents in comments only.

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

**Evaluator Notes:**

Large amount of this data is master meter compliance actions. Recommend splitting totals out in comments by MM, LPG and all the rest.

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

**Evaluator Notes:**

Southern California files kept in LA, Northern California files kept in SF. Not a problem - just need to make sure database reflects status if that is what is relied upon to manage any closure of audit issues. It was difficult to analyze what field activities had taken place based on file review, many hand written notes that could not be analyzed as to what happened during inspections. Improvement needed in this area. Recommend use of more checklists to help organize inspections.

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

**Evaluator Notes:**

Employee list and training appear correct - taken from TQ files. Large number of new staff are in training process at this time. At least 8 new inspectors hired in CY2012.

- |   |   |   |   |
|---|---|---|---|
| 8 | Verification of Part 192,193,198,199 Rules and Amendments - Progress Report Attachment 8 (A1h)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

Automatic adopting of amendments, effective date published in register.

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

Evaluator Notes:

No issues

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- |           |  |           |           |
|-----------|--|-----------|-----------|
| <b>10</b> | General Comments:<br>Info Only = No Points | Info Only | Info Only |
|-----------|--|-----------|-----------|

Evaluator Notes:

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



## PART B - Program Inspection Procedures

Points(MAX) Score

- |          |  |   |   |
|----------|--|---|---|
| <b>1</b> | Standard Inspections (B1a)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

CPUC inspection procedures are covered under GO-112E Procedures Manual. This is covered under Section II scheduling inspections

- |          |   |   |   |
|----------|---|---|---|
| <b>2</b> | IMP Inspections (including DIMP) (B1b)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

This is mentioned in section II. Recommend enhancing this process in procedures to include annual expectations from operators and and review of ongoing processes

- |          |   |   |   |
|----------|---|---|---|
| <b>3</b> | OQ Inspections (B1c)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

Included in Section II procedures. Also recommend thorough review of what actions are taken on regular inspections and thorough review of status of any plan reviews for other than MM/LPG operators. Plan review time frames should be specified and notes made in procedures as to uploading inspection results.

- |          |  |   |   |
|----------|--|---|---|
| <b>4</b> | Damage Prevention Inspections (B1d)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

Section II procedures. No issues

- |          |  |   |   |
|----------|--|---|---|
| <b>5</b> | On-Site Operator Training (B1e)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

This was added to page 5 of procedures. This was item noted in last years evaluation and corrected appropriately. No issues

- |          |   |   |   |
|----------|---|---|---|
| <b>6</b> | Construction Inspections (B1f)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

This is noted in section II of procedures. Recommend enhancement of this section to make sure an adequate amount of construction activities are viewed in each area which should include all types including new service line installation

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

Evaluator Notes:

Separate procedure manual for incidents. no issues

- |          |   |   |   |
|----------|---|---|---|
| <b>8</b> | Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements? (B2a-d, G1,2,4)<br>Yes = 6 No = 0 Needs Improvement = 1-5 | 6 | 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 areas, Population Density, etc) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

e. Process to identify high-risk inspection units that includes all threats - (Excavation Damage, Corrosion, Natural Forces, Outside Forces, Material and Welds, Equipment, Operators and any Other Factors)

Yes ☒ No ☐ Needs Improvement ☐

f. Are inspection units broken down appropriately?

Yes ☐ No ☐ Needs Improvement ☒

Evaluator Notes:

These items are noted in section II of inspection procedures other than item f. Upon review of inspection units - improvement is needed in this area as the large LDC's do not appear to be broken down adequately and review is needed for PGE, SoCal gas including San Diego Gas and Electric.

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9 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

Provided additional checklists to help enhance inspection programs along with discussion on ways to break down inspection units for large operators.

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Total points scored for this section: 14  
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? (Director of State Programs may modify with just cause) Chapter 4.3 (A12) 5 5  
Yes = 5 No = 0

A. Total Inspection Person Days (Attachment 2):  
1412.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):  
220 X 15.91 = 3500.93

Ratio: A / B  
1412.00 / 3500.93 = 0.40

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

Evaluator Notes:

Inspector person days appears to have met requirements. Full points.

- 2 Has each inspector and program manager 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 DIMP*/IMP Training before conducting inspection as lead? *Effective Evaluation CY2013 | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Root Cause Training by at least one inspector/program 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:

All training requirements appear to be fulfilled. Reviewed exception reports and transcripts provided in SABA from TQ. Recommend thorough review as normal to ensure all things are covered.

- 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:

There are no issues in this area.

- 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:

Letter sent December 14, 2013 - received by state sometime during week following, response received Feb 15, 2013. This appears to be within 60 days as required due to mailing time and actual receipt of response.

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

Evaluator Notes:

October 11-2, Fresno, October 3-4 in Riverside. The last TQ seminars were in 2011. No issues

- 6 Did state inspect all types of operators and inspection units in accordance with time intervals established in written procedures? Chapter 5.1 (B3) 5 5  
Yes = 5 No = 0 Needs Improvement = 1-4

Evaluator Notes:

Time frames - MM, which are Mobile home parks in CA are listed on a seven year schedule. All others are on a three year requirement. It appears inspections have been done in the intervals established.

|   |   |   |   |
|---|---|---|---|
| 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 0 |
|---|---|---|---|

Evaluator Notes:

The inspections forms appear to cover all applicable code sections for both distribution and transmission on the inspections reviewed. They primarily use most recent version of federal forms. Found issues with SoCal Gas checklists - there was information included in the inspection checklists that crossed over unit areas. Information was cut and paste information incorrect for inspection unit. Also inspection forms for Gas storage fields were not consistent and was unable to determine who filled out what informations. Also, information relating as to what was looked at and reviewed on field portion of inspections was not clear other than handwritten notes. Improvement is needed on record keeping.

|   |  |   |   |
|---|--|---|---|
| 8 | Did the state review operator procedures for determining if exposed cast iron pipe was examined for evidence of graphitization and if necessary remedial action was taken? (NTSB) Chapter 5.1 (B7)<br>Yes = 1 No = 0 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

No issues, this is covered on inspection lists.

|   |   |   |   |
|---|---|---|---|
| 9 | Did the state review operator procedures for surveillance of cast iron pipelines, including appropriate action resulting from tracking circumferential cracking failures, study of leakage history, or other unusual operating maintenance condition? (Note: See GPTC Appendix G-18 for guidance) (NTSB) Chapter 5.1 (B8)<br>Yes = 1 No = 0 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

No issues, covered on federal form

|    |  |   |   |
|----|--|---|---|
| 10 | Did the state review operator emergency response procedures for leaks caused by excavation damage near buildings and determine whether the procedures adequately address the possibility of multiple leaks and underground migration of gas into nearby buildings Refer to 4/12/01 letter from PHMSA in response to NTSB recommendation P-00-20 and P-00-21? (NTSB) Chapter 5.1 (B9)<br>Yes = 1 No = 0 | 1 | 1 |
|----|--|---|---|

Evaluator Notes:

yes, covered on inspection form as part of inspection.

|    |   |   |   |
|----|---|---|---|
| 11 | Did the state review operator records of previous accidents and failures including reported third party damage and leak response to ensure appropriate operator response as required by 192.617? Chapter 5.1 (B10,E5)<br>Yes = 1 No = 0 | 1 | 1 |
|----|---|---|---|

Evaluator Notes:

Yes, covered on federal form of inspections under 192.617

|    |   |   |   |
|----|---|---|---|
| 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 (G6-9,G16)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----|---|---|---|

Evaluator Notes:

Database used to monitor Mobile home Parks (MM) and LPG operators on trends. Also information is reviewed by agency and put on CPUC web with information from LDC's to monitor trends and operator issues.

|    |  |   |   |
|----|--|---|---|
| 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 (G10-12)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 1 |
|----|--|---|---|

Evaluator Notes:



Improvement needed in this area, it appears information is inconsistently uploaded into database, although it appears inspections are being completed especially on OQ database. initiated action to make sure all employees have access needed to accomplish this.

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- |           |   |   |   |
|-----------|---|---|---|
| <b>14</b> | Has state confirmed intrastate transmission operators have submitted information into NPMS database along with changes made after original submission? (G14)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|
- 

Evaluator Notes:

This information appears to be up to date. No issues.

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- |           |  |   |   |
|-----------|--|---|---|
| <b>15</b> | 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|
- 

Evaluator Notes:

Yes, state has been conducting D&A inspections and verifying programs. no issues.

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- |           |  |   |   |
|-----------|--|---|---|
| <b>16</b> | Is state verifying operators OQ programs are up to date? This should include verification of any plan updates and that persons performing covered tasks (including contractors) are properly qualified and requalified at intervals determined in the operators plan. 49 CFR 192 Part N (I4-7)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|
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Evaluator Notes:

It appears program inspections are being conducted. Recommend thorough review to ensure no smaller LDC's are having issues. Plan review time frames should be specified.

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- |           |  |   |   |
|-----------|--|---|---|
| <b>17</b> | Is state verifying operator's gas transmission integrity management programs (IMP) are up to date? This should include a previous review of IMP plan, along with monitoring progress on operator tests and remedial actions. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 192 Subpart O (I8-12)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|
- 

Evaluator Notes:

record review and state law indicate up to date activities are take place. Again, should look for more formalized process in procedures

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- |           |   |   |   |
|-----------|---|---|---|
| <b>18</b> | Is state verifying operator's gas distribution integrity management Programs (DIMP)? This should include a review of DIMP plans, along with monitoring progress. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 192 Subpart P<br>DIMP ? First round of program inspections should be complete by December 2014<br><br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|---|---|---|
- 

Evaluator Notes:

No issues, these are in process and appear to be on schedule for completion as required on major utilities.

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- |           |  |   |   |
|-----------|--|---|---|
| <b>19</b> | 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 192.616 (I13-16)<br>PAPEI Effectiveness Inspections should be complete by December 2013<br><br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|
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Evaluator Notes:

These are also in process and appear to be on schedule for completion by end of year on all operators other than MM and LPG

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- |           |   |   |   |
|-----------|---|---|---|
| <b>20</b> | 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). (G20-21)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

CAPUC puts a great deal of information on website - no issues.

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- |           |  |   |   |
|-----------|--|---|---|
| <b>21</b> | Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3 (B6)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

Jerry Kennerson - regular communication. all appear up to date.

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- |           |   |   |   |
|-----------|---|---|---|
| <b>22</b> | Did the State ask Operators to identify any plastic pipe and components that has shown a record of defects/leaks and what those operators are doing to mitigate the safety concerns? (G13)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

No issues, appears to have been address back in 2011 with major utilities. All major utilities participate in PPDC. No issues.

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|-----------|---|---|---|
| <b>23</b> | Did the state participate in/respond to surveys or information requests from NAPS or PHMSA? (H4)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

Fully active. No issues.

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|-----------|--|-----------|-----------|
| <b>24</b> | General Comments:<br>Info Only = No Points | Info Only | Info Only |
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Evaluator Notes:

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Total points scored for this section: 43  
Total possible points for this section: 46



## 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:

appear ok, Procedures are outlines in procedures manual.

- 2 Did the state follow compliance procedures (from discovery to resolution) and adequately document all probable violations, including what resolution or further course of action is needed to gain compliance? Chapter 5.1 (B11,B18,B19) 4 2  
Yes = 4 No = 0 Needs Improvement = 1-3
- a. Were compliance actions sent to company officer or manager/board member 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:

Violation resolution and progress of review needs improvement. Violations reviewed appear to have reached a bottleneck in resolution of compliance process. Violations found in CY2012 have not been acted upon due to CPUC policy issues. Follow-up and initiation of compliance procedures are not being followed and need resolved as soon as possible.

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

Evaluator Notes:

Compliance actions, at least notifications, appear to have been issues for violations discovered.

- 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:

No issues with due process

- 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 Needs Improvement = 1

Evaluator Notes:

PM is very familiar with process and other civil penalty issues, bottlenecks have resulted in state initiating a self-reporting program that is yet to be worked out, but considerations to civil penalties are in forefront.

- 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:

They have demonstated fining authority. PGE - San Bruno.

- 7 General Comments:  
Info Only = No Points

Info OnlyInfo Only

Evaluator Notes:

Compliance process is in state of flux at this time, but process is there but bottleneck has occurred due to some growing pains of their process. These issues need resolved as soon as possible so program can close issues.

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Total points scored for this section: 13  
Total possible points for this section: 15



## PART E - Incident Investigations

Points(MAX) Score

- 1 Does state have adequate mechanism to receive and respond to operator reports of incidents, including after-hours reports? And did state keep adequate records of Incident/Accident notifications received? Chapter 6 (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:

No issues in this area. Well established mechanism and records are kept.

- 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:

Records reviewed of incidents for Southern California appear to have received necessary information if an on-site visit was not made. Most were visited.

- 3 Were all incidents investigated, thoroughly documented, and with conclusions and recommendations? (D5) 3 1

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

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

Evaluator Notes:

A review of incidents found a need for improvement in overall process and documentation of events leading up to incident along with operator follow-up after to ensure no recurrence. Reviewed several incidents in So. California with the following observations. ----

SoCal Gas - 3052 Lanfranco, LA 2-11-12 - Sewer line hit, need follow up with operator - although has program there should be communication to look at prevention of recurrence. Additional data and follow-up needed to find out progress of SLIP program and what actions had been taken in this geographic area.----

7/21/12 SoCal Gas E Duarte and S. 2nd Avenue in Arcadia, CA - indication of electrical arc cause hole in steel pipe. No supporting information to substantiate cause, draft report was not complete as of June 2013. Sooner follow up needed ----

12/18/12 So Cal Gas 2100 E. Ball Road in Anaheim, CA - Leaking Aldyl A coupling- no follow up, report information incomplete - need to review emergency response and time line of events. Questions if customer calls were reviewed along with other event and material questions are unanswered. Follow-up and review needed although incident report was not complete as of review date week of July 8, 2013.

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

Yes = 1 No = 0

Evaluator Notes:

Compliance actions had been initiated. Bottleneck issues addressed in other questions.

- 5 Did the state assist region office by taking appropriate follow-up actions related to the operator incident reports to ensure accuracy and final report has been received by PHMSA? (validate report data from operators concerning incidents/accidents and investigate discrepancies) Chapter 6 (D7) 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:  
no issues

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

Evaluator Notes:  
Actively shares information. No issues.

---

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

Evaluator Notes:  
See comments in previous questions.

---

Total points scored for this section: 7  
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? NTSB (E1)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

Item is addressed in procedures manual and during last inspection period has been added to inspection form. This is historically addressed for compliance in section 192.614 of which has always been on inspection checklist.

- |   |  |   |   |
|---|--|---|---|
| 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Also addressed in 192.614 and confirmed on checklists. no issues

- |   |   |   |   |
|---|---|---|---|
| 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

Outreach item in participation with California regional CGA's. No issues.

- |   |  |   |   |
|---|--|---|---|
| 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

major operators are required quarterly submission of damages. Information entered into database and reviewed. no issues.

- |   |  |           |           |
|---|--|-----------|-----------|
| 5 | General Comments:<br>Info Only = No Points | Info Only | Info Only |
|---|--|-----------|-----------|

Evaluator Notes:

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



## PART G - Field Inspections

Points(MAX) Score

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

Name of Operator Inspected:

San Diego Gas and Electric

Name of State Inspector(s) Observed:

Matthewson Epuna - Lead Inspector; Also in attendance - Joel Tran, Mike Robertson

Location of Inspection:

SGE Offices, Miramar Road, San Diego, CA

Date of Inspection:

July 15-18, 2013

Name of PHMSA Representative:

Rex Evans

Evaluator Notes:

An additional field audit took place in Northern California at Pacific Gas and Electric Modesto (Yosemite) Gas Division. This was conducted week of October 21, 2013.

- 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:

operator present during entire review for both sessions

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

Evaluator Notes:

During San Diego Gas audit, Checklists were available, but not necessarily used as a guide for the inspection. During the inspection it was observed that certain inspection items were reviewed and others skipped and not mentioned until I asked specifically about the compliance items. For example, no records of pressure tests or EFV installations on new installations were requested until mentioned. There would have been no way to confirm compliance if not. Drastic Improvement needed in this area. Deducting full two points due to the observations during evaluation. Checklists were also available during PGE Modesto audit. During review of information need to complete entire audit the inspection staff seems to lack ability to know all information needed to complete thorough records inspection.

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

Evaluator Notes:

I'm going to give a needs improvement status on this. During overall review of inspection records there is more need for detail and documentation of information viewed in field. Specific address of locations visited, observations documented and any other detail noted on field portion of inspection.

- 5 Did the inspector check to see if the operator had necessary equipment during inspection to conduct tasks viewed? (Maps, pyrometer, soap spray, CGI, etc.) (F5) 1 1  
Yes = 1 No = 0

Evaluator Notes:

San Diego Gas - Evaluation did not make it to any field verification or review of any field tasks. During the audit of PGE in Modesto it appeared necessary equipment was available.

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



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

Evaluator Notes:

We did not get to "field" during San Diego Gas and Electric audit. Field time spent at PGE in Modesto was disorganized. CPUC needs to evaluation what activities they are reviewing in field and what time they are spending on those various activities. No enough is being reviewed in field.

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

Evaluator Notes:

Matthewson Epuna was lead inspector in the audit of San Diego Gas and Electric. Although Mr. Epuna has nearly 20 years of inspection experience it was not apparent during this review that Mr. Epuna had not gathered enough information to ensure company (San Diego Gas and Elec) was in compliance with basic maintenance requirements. For example, upon review of code sections 192.747 (distribution valves), 192.739 (regulator station inspections), 192.455 (cathodic protection) and various other code sections, Epuna was prepared to accept most current year readings or inspection dates as confirmation of compliance. Compliance can not be confirmed without verification of previous reading or inspection dates to confirm maintenance was performed at the required interval. It was evident that Epuna was not prepared to ask for necessary information to confirm compliance until challenged to do so.

During PGE field evaluation in Modesto, the lead inspector Banu Acimus appeared to have knowledge of regulations but needs coaching on inspection approach and an understanding of how long it takes to conduct various inspections versus capturing all inspections in a time defined period.

- 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:

Neither inspection was totally complete, but certain areas of concern were discussed as time allowed.

- 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:

- 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 Info Only

Info Only = No Points

- a. Abandonment ☐
- b. Abnormal Operations ☐
- c. Break-Out Tanks ☐
- d. Compressor or Pump Stations ☐
- e. Change in Class Location ☐
- f. Casings ☐
- g. Cathodic Protection ☒
- h. Cast-iron Replacement ☐
- i. Damage Prevention ☐
- j. Deactivation ☐
- k. Emergency Procedures ☐
- l. Inspection of Right-of-Way ☐
- m. Line Markers ☐
- n. Liaison with Public Officials ☐

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

Evaluator Notes:

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Total points scored for this section: 5  
Total possible points for this section: 11



**PART H - Interstate Agent State (If Applicable)****Points(MAX)    Score**

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

- |          |  |   |    |
|----------|--|---|----|
| <b>4</b> | 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)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

- |          |  |           |           |
|----------|--|-----------|-----------|
| <b>8</b> | General Comments:<br>Info Only = No Points | Info Only | Info Only |
|----------|--|-----------|-----------|

Evaluator Notes:

CAPUC is not an interstate agent. N/A

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

**PART I - 60106 Agreement State (If Applicable)****Points(MAX)    Score**

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

Evaluator Notes:

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

Evaluator Notes:

- |          |   |   |    |
|----------|---|---|----|
| <b>3</b> | 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)<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

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

Evaluator Notes:

- |          |  |           |           |
|----------|--|-----------|-----------|
| <b>7</b> | General Comments:<br>Info Only = No Points | Info Only | Info Only |
|----------|--|-----------|-----------|

Evaluator Notes:

Not applicable

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