



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

1200 New Jersey Avenue SE
Washington DC 20590

2010 Hazardous Liquid State Program Evaluation

for

CDF/OFFICE OF STATE FIRE MARSHAL

Document Legend

PART:

- O -- Representative Date and Title Information
- A -- General Program Qualifications
- B -- Inspections and Compliance - Procedures/Records/Performance
- C -- Interstate Agent States
- D -- Accident Investigations
- E -- Damage Prevention Initiatives
- F -- Field Inspection
- G -- PHMSA Initiatives - Strategic Plan
- H -- Miscellaneous
- I -- Program Initiatives



2010 Hazardous Liquid State Program Evaluation -- CY 2010
Hazardous Liquid

State Agency: California

Agency Status:

Date of Visit: 09/19/2011 - 09/21/2011

Agency Representative: Bob Gorham

PHMSA Representative: Jim Anderson

Rating:

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

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

Name/Title: Tonya Hoover, Acting State Fire Marshal

Agency: California State Fire Marshal

Address: PO Box 944246

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

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 2010 (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 certification/agreement attachments provide the basis for determining the state's pipeline safety grant allocation.

Field Inspection (PART F):

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 F, the PHMSA representative should include a written summary which thoroughly documents the inspection.

Scoring Summary

PARTS	Possible Points	Points Scored
A General Program Qualifications	26	26
B Inspections and Compliance - Procedures/Records/Performance	24	24
C Interstate Agent States	7	7
D Accident Investigations	6	6
E Damage Prevention Initiatives	9	9
F Field Inspection	9	9
G PHMSA Initiatives - Strategic Plan	10	10
H Miscellaneous	3	3
I Program Initiatives	9	9
TOTALS	103	103
State Rating		100.0



PART A - General Program Qualifications

Points(MAX) Score

1	Did the state submit complete and accurate information on the attachments to its most current 60105(a) Certification/60106 (a) Agreement? (NOTE: PHMSA Representative to verify certification/agreement attachments by reviewing appropriate state documentation. Score a deficiency in any one area as "needs improvement". Attachment numbers appear in parenthesis) Previous Question A.1, Items a-h worth 1 point each Yes = 8 No = 0 Needs Minor Improvement = 3-7 Needs Major Improvement = 2	8	8
	a. State Jurisdiction and agent status over Hazardous Liquid and CO2 facilities (1)		<input checked="" type="checkbox"/>
	b. Total state inspection activity (2)		<input checked="" type="checkbox"/>
	c. Hazardous Liquid facilities subject to state safety jurisdiction (3)		<input checked="" type="checkbox"/>
	d. Hazardous Liquid pipeline incidents (4)		<input checked="" type="checkbox"/>
	e. State compliance actions (5)		<input checked="" type="checkbox"/>
	f. State record maintenance and reporting (6)		<input checked="" type="checkbox"/>
	g. State employees directly involved in the Hazardous Liquid pipeline safety program (7)		<input checked="" type="checkbox"/>
	h. State compliance with Federal requirements (8)		<input checked="" type="checkbox"/>

SLR Notes:

2011 Certification was completed and filled out properly.

2	Did the state have an adequate mechanism to receive operator reporting of incidents to ensure state compliance with 60105(a) Certification/60106(a) Agreement requirements (accident criteria as referenced in 195.50? - Mechanism should include receiving "after hours" reports) (Chapter 6) Previous Question A.2 Yes = 1 No = 0	1	1
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SLR Notes:

Communications with California Emergency Management Agency with letter dated April 12, 2011 with current employee phone numbers. State law requires for operators to contact the EMA for leaks on their system.

3	Has the state held a pipeline safety T & Q seminar(s) in the last 3 years? (NOTE: Indicate date of last seminar or if state requested seminar, but T&Q could not provide, indicate date of state request for seminar. Seminars must be held at least once every 3 calendar years.) (Chapter 8.5) Previous Question A.5 Yes = 2 No = 0	2	2
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SLR Notes:

CA SFM conducted a TQ seminar in May 2008 and again in May 2011.

4	Were pipeline safety program files well-organized and accessible?(NOTE: This also includes electronic files) (Chapter 5) Previous Question A.6 Yes = 1 No = 0	1	1
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SLR Notes:

Working toward a paperless record keeping system. CA SFM has its own server located in Sacramento, CA and it is backed up nightly.

5	Did state records and discussions with the state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations? (Chapter 4.1, Chapter 8.1) Previous Question A.7 Yes = 2 No = 0 Needs Improvement = 1	2	2
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SLR Notes:

Yes. Bob Gorham has been program manager for many years and was the Chair of the NAPSRL Liaison Committee in 2010.

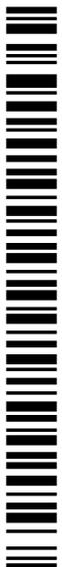
6	Did the state respond in writing within 60 days to the requested items in the Chairman's letter following the Region's last program evaluation? (No response is necessary if no items are requested in letter and mark "Yes") (Chapter 8.1) Previous Question A.9 Yes = 1 No = 0	1	1
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SLR Notes:

Yes - letter to CA SFM was dated 8/19/2011 and response letter was dated 10/4/2011.

7	What actions, if necessary, did the State initiate as a result of issues raised in the Chairperson's letter from the previous year? Did actions correct or address deficiencies from previous year's evaluation? (Chapter 8.1) Previous Question A.10 Yes = 1 No = 0	1	1
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SLR Notes:



- 1 - In 2009, CASFM did not get the minimum 85 inspection days per person year. In 2010, the CASFM did meet the required 85 inspection days per person year.
- 2 - In 2009, the CASFM did not send interstate agent inspection documentation to the Western Region within 60 days. In 2010, although the documentation was not sent within the 60 days, communication with the Western Region about the inspection was conducted within 60 days to ask for an extension.
- 3 - In 2009, statistics/data was not kept on pipeline damages for each one thousand locate request. Not kept in 2010, more of a gas distribution data keeping.
- 4 - In 2009, OQ inspections were not entered into the PHMSA database. In 2010, OQ inspections were entered into the OQ database.

Personnel and Qualifications

- 8** Has each inspector fulfilled the 3 year T&Q training requirement? If No, has the state been granted a waiver regarding T&Q courses by the Associate Administrator for Pipeline Safety? (NOTE: If the State has new inspectors who have not attended all T&Q courses, but are in a program which will achieve the completion of all applicable courses within 3 years of taking first course (5 years to successfully complete), or if a waiver has been granted by the applicable Region Director for the state, please answer yes.) (Chapter 4.4) Previous Question A.11 3 3
- Yes = 3 No = 0

SLR Notes:

TQ's SABA reports all inspectors employed by the CASFM for more than 3 years have completed all training for conducting HL standard inspections. In 2007, TQ required all HL IMP inspectors to take the PL 3306 course. None of the CASFM inspectors have taken this course.

- 9** Brief Description of Non-T&Q training Activities Info Only Info Only
- Info Only = No Points
- For State Personnel:
- For Operators:
- For Non-Operator Entities/Parties, Information Dissemination, Public Meetings:

SLR Notes:

- 10** Did the lead inspectors complete all required T&Q OQ courses and Computer Based Training (CBT) before conducting OQ Inspections? (Chapter 4.4.1) Previous Question A.13 1 1
- Yes = 1 No = 0

SLR Notes:

Yes.

- 11** Did the lead inspectors complete all required T&Q Integrity Management (IMP) Courses/Seminars and CBT before conducting IMP Inspections? (Chapter 4.4.1) Previous Question A.14 1 1
- Yes = 1 No = 0

SLR Notes:

All, but PL 3306 (ECDA). ECDA is not allowed by state law in CA.

- 12** Was the ratio acceptable of Total inspection Person-days to Total Person-days charged to the program by state inspectors? (Region Director may modify points for just cause) (Chapter 4.3) Previous Question B.14 5 5
- Yes = 5 No = 0
- A. Total Inspection Person Days (Attachment 2):
549.01
- B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 6.00 = 1320.00
- Ratio: A / B
549.01 / 1320.00 = 0.42
- If Ratio >= 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0
Points = 5

SLR Notes:

Yes.

- 13** Have there been modifications or proposed changes to inspector-staffing levels? (If yes, describe) Previous Question B.13 Info Only Info Only

Info Only = No Points

SLR Notes:

No.

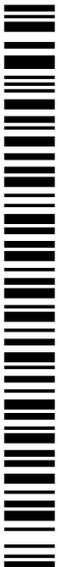
14 Part-A General Comments/Regional Observations

Info Only Info Only

Info Only = No Points

SLR Notes:

Total points scored for this section: 26
Total possible points for this section: 26



PART B - Inspections and Compliance - Procedures/Records/ Performance

Points(MAX) Score

Inspection Procedures

- 1** Does the State have a written inspection plan to complete the following? (all types of operators) (Chapter 5.1) Previous Question B.1 + Chapter 5 Changes 6.5 6.5
Yes = 6.5 No = 0 Needs Improvement = 50% Deduction
- a Standard Inspections (Including LNG) (Max points = 2) Yes No Needs Improvement
 - b IMP Inspections (Including DIMP) (Max points = .5) Yes No Needs Improvement
 - c OQ Inspections (Max points = .5) Yes No Needs Improvement
 - d Damage Prevention (Max points = .5) Yes No Needs Improvement
 - e On-Site Operator Training (Max points = .5) Yes No Needs Improvement
 - f Construction Inspections (Max points = .5) Yes No Needs Improvement
 - g Incident/Accident Investigations (Max points = 1) Yes No Needs Improvement
 - h Compliance Follow-up (Max points = 1) Yes No Needs Improvement

SLR Notes:

Yes, these are listed in the procedures manual taht was updated in 2010. Received an electronic copy for file.

- 2** Did the written Procedures for selecting operators adequately address key concerns? (Chapter 5.1) Previous Question B.2, items a-d are worth .5 point each 2 2
Yes = 2 No = 0 Needs Improvement = 50% Deduction
- a Length of time since last inspection Yes No Needs Improvement
 - b History of Operator/unit and/or location (including leakage , incident and compliance history) Yes No Needs Improvement
 - c Type of activity being undertaken by operator (construction etc) Yes No Needs Improvement
 - d For large operators, rotation of locations inspected Yes No Needs Improvement

SLR Notes:

Yes, in Section 3.14 of the procedures manual.

Inspection Performance

- 3** Did the state inspect all types of operators and inspection units in accordance with time intervals established in its written procedures? (Chapter 5.1) Previous Question B.3 2 2
Yes = 2 No = 0

SLR Notes:

Yes.

- 4** Did the state inspection form cover all applicable code requirements addressed on the Federal Inspection forms? (Chapter 5.1 (3)) Previous Question B.5 1 1
Yes = 1 No = 0

SLR Notes:

Yes, CA SFM used the federal hazardousliquid inspection form.

- 5** Did state complete all applicable portions of inspection forms? (Chapter 5.1 (3)) Previous Question B.6 1 1
Yes = 1 No = 0

SLR Notes:

Yes, checked Kinder Morgan 1400B-SFPP, LP Watson to Norwalk and Kinder Morgan 1400B-SFPP, LP Concord to Sacramento line reports.

- 6** Did the state initiate appropriate follow-up actions to Safety Related Condition Reports? (Chapter 6.3) Previous Question B.7 .5 0.5
Yes = .5 No = 0

SLR Notes:

Yes, checked Pipeline Data Mart prior to inspection and all SLRs were closed.

7	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) Previous Question B.8 Yes = .5 No = 0	.5	0.5
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SLR Notes:

Yes, this is covered in using the federal inspection form. Operatorspick this up on smart pig runs and CASFM review test results.

8	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) Previous Question B.9 Yes = .5 No = 0	.5	0.5
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SLR Notes:

Yes, operators notify the CASFM for lines taken out of service or abandon.

9	Is the state aware of environmentally sensitive areas traversed by or adjacent to hazardous liquid pipelines? (reference Part 195, review of NPMS) Previous Question B.16 Yes = .5 No = 0	.5	0.5
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SLR Notes:

Yes.

10	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)? Previous Question B.11 Yes = 1 No = 0	1	1
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SLR Notes:

yes, there were 4 in 2010 and of these 3 were significant.

27	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) Info Only = No Points	Info Only	Info Only
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SLR Notes:

28	Part B: General Comments/Regional Observations Info Only = No Points	Info Only	Info Only
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SLR Notes:

Compliance - 60105(a) States

11	Did the state adequately document sufficient information on probable violations? (Chapter 5.2) Previous Question B.13 Yes = 1 No = 0 Needs Improvement = .5	1	1
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SLR Notes:

Yes, reviewed a VENOCO and Chevron inspection report thru compliance actions.

12	Does the state have written procedures to identify the steps to be taken from the discovery to the resolution of a probable violation as specified in the "Guidelines for State Participating in the Pipeline Safety Program"? (Chapter 5.1) Previous Question C(1).1 Yes = 1 No = 0 Needs Improvement = .5	1	1
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SLR Notes:

Yes, it is in the procedures manual Chapter 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 a vice president or general manager. This notice will follow the procedures outlined in Title 19 of the California Public Safety Code of Regulations, Chapter 14, Article 6.



13 Does the state have written procedures to notify an operator when a noncompliance is identified as specified in the "Guidelines for States Participating in the Pipeline Safety Program"? (Chapter 5.1(4)) Previous Question C(1).2 1 1
 Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

Yes, it is in the procedures manual Chapter 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 a vice president or general manager. This notice will follow the procedures outlined in Title 19 of the California Public Safety Code of Regulations, Chapter 14, Article 6.

14 Does the state have a written procedure for routinely reviewing the progress of compliance actions to prevent delays or breakdowns of the enforcement process, as required by the "Guidelines for States Participating in the Pipeline Safety Program"? (Chapter 5.1(5)) Previous Question C(1).3 1 1
 Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

Yes, it is in the procedures manual Chapter 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 a vice president or general manager. This notice will follow the procedures outlined in Title 19 of the California Public Safety Code of Regulations, Chapter 14, Article 6.

15 Has the State issued compliance actions for all probable violations discovered? (Note : PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation) Previous Question C(1).4 1 1
 Yes = 1 No = 0

SLR Notes:

Yes, on all report reviewed.

16 Did the state follow its written procedures for reviewing compliance actions and follow-up to determine that prompt corrective actions were taken by operators, within the time frames established by the procedures and compliance correspondence, as required by the "Guidelines for States Participating in the Pipeline Safety Program"? Previous Question C(1).5 1 1
 Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

Yes, has documentation in notebook for all NCs back to 2006.

17 If compliance could not be established by other means, did state pipeline safety program staff request formal action, such as a "Show Cause Hearing" to correct pipeline safety violations? (check each states enforcement procedures) Previous Question C(1).6 1 NA
 No = 0 Yes = 1

SLR Notes:

NA for 2010.

18 Did the state adequately document the resolution of probable violations? (Chapter 5.1 (6)) Previous Question C(1).7 1 1
 Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

Yes, CASFM keeps good records on probably violations.

19 Were compliance actions sent to a company officer? (manager or board member if municipal/government system) (Chapter 5.1(4)) Previous Question C(1).8 .5 0.5
 Yes = .5 No = 0

SLR Notes:

Yes, it is in their procedures manual in Chapter 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 a vice president or general manager. This notice will follow the procedures outlined in Title 19 of the California Public Safety Code of Regulations, Chapter 14, Article 6.

20 Did the compliance proceedings give reasonable due process to all parties? (check each states enforcement procedures) Previous Question C(1).9 1 1
 Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:



Yes, CASFM followed state law.

Compliance - 60106(a) States

21 Did the state use the current federal inspection form(s)? Previous Question C(2).1 1 NA
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

NA

22 Are results adequately documented demonstrating inspection units were reviewed in accordance with state inspection plan? Previous Question C(2).2 1 NA
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

NA

23 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.) Previous Question C(2).3 1 NA
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

NA

24 Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? Previous Question C(2).4 1 NA
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

NA

25 Did the state give written notice to PHMSA within 60 days of all probable violations found? Previous Question C(2).5 1 NA
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

NA

26 Did the state initially submit adequate documentation to support compliance action by PHMSA on probable violations? Previous Question D(2).6 1 NA
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

NA

Total points scored for this section: 24
Total possible points for this section: 24



PART C - Interstate Agent States

Points(MAX) Score

- 1** Did the state use an inspection form that was approved by the Regional Director? Previous Question C(3).1 1 1
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

Yes, CA SFM uses federal hazardous liquid inspection form.

- 2** Are results documented demonstrating inspection units were reviewed in accordance with "PHMSA directed inspection plan"? Previous Question C(3).2 1 1
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

Yes, CA SFM provided evaluator a PHMSA directed inspection plan for 2010.

- 3** Did the state submit documentation of the inspections within 60 days as stated in its latest Interstate Agent Agreement form? Previous Question C(3).3 1 1
Yes = 1 No = 0

SLR Notes:

Communication with Western Region about inspections were conducted within the 60 day time frame. Actual report sent after 60 days.

- 4** 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.) Previous Question C(3).4 1 1
Yes = 1 No = 0

SLR Notes:

2 probable violations were found during the inspections and both were submitted to the PHMSA Western Region and documented on the 2011 HL Certification.

- 5** Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? Previous Question C(3).5 1 1
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

Yes.

- 6** Did the state give written notice to PHMSA within 60 days of all probable violations found? Previous Question C(3).6 1 1
Yes = 1 No = 0

SLR Notes:

Yes.

- 7** Did the state initially submit documentation to support compliance action by PHMSA on probable violations? Previous Question C(3).7 1 1
Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:

Yes.

- 8** Part C: General Comments/Regional Observations Info Only Info Only
Info Only = No Points

SLR Notes:

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



PART D - Accident Investigations

Points(MAX) Score

1 Are state personnel following the procedures for Federal/State cooperation in case of an accident? (See Appendix in "Guidelines for States Participating in the Pipeline Safety Program") (Chapter 6.1) Previous Question D.1
 Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:
 Yes.

2 Are state personnel familiar with the jurisdictional authority and Memorandum of Understanding between NTSB and PHMSA? (See Appendix in "Guidelines for States Participating in the Pipeline Safety Program") (Chapter 6 ? Appendix D) Previous Question D.2
 Yes = .5 No = 0

SLR Notes:
 Yes, this is reference in the procedures manual in Chapter 8 - Enforcement Procedures - Section 8.04.

3 Did the state keep adequate records of accident notifications received? Previous Question D.3
 Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:
 Yes.

4 If an onsite investigation of an accident was not made, did the state obtain sufficient information by other means to determine the facts and support the decision not to go on-site? Previous Question D.4
 Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:
 NA

5 Were investigations thorough and conclusions and recommendations documented in an acceptable manner? Previous Question D.5, , comprehensive question worth 2 points total
 Yes = 2 No = 0 Needs Improvement = 1

- a. Observations Yes No Needs Improvement
- b. Contributing factors Yes No Needs Improvement
- c. Recommendations to prevent recurrences where appropriate Yes No Needs Improvement

SLR Notes:
 Yes, very good records kept.

6 Did the state initiate enforcement action for violations found during any accident investigation(s)? Previous Question D.6 Variation
 Yes = 1 No = 0 Needs Improvement = .5

SLR Notes:
 Yes, Chevron was fined \$10,000 for a noncompliance found during an accident investigation.

7 Did the state assist region office by taking appropriate follow-up actions related to the operator accident (and forward to PHMSA within 10 Days per 195.58) reports to ensure accuracy and final report has been received by PHMSA? (validate annual report data from operators concerning incidents/accidents and investigate discrepancies) (Chapter 6) Previous Question D.7/D.8 and A.4
 Yes = .5 No = 0

SLR Notes:
 Yes.

8 Part D: General Comments/Regional Observations Info Only Info Only
 Info Only = No Points

SLR Notes:



Total points scored for this section: 6
Total possible points for this section: 6



PART E - Damage Prevention Initiatives

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? Previous Question B.12
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

SLR Notes:

Yes. Shell IVEC line beneath I-5 - Line# 409. Also during construction inspections which are mostly relocation of pipelines.

- | | | | |
|----------|--|---|---|
| 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? New 2008
Yes = 2 No = 0 | 2 | 2 |
|----------|--|---|---|

SLR Notes:

Yes. During standard inspections and during USA North/South meetings. 12 damage prevention activity days conducted in 2010.

- | | | | |
|----------|---|---|---|
| 3 | Did the state encourage and promote the adoption of the Common Ground Alliance Best Practices document to its regulated companies as a means of reducing damages to all underground facilities? Previous Question A.8
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

SLR Notes:

Yes, Bob Gorham and staff are actively involved in CGA meeting and conference calls.

- | | | | |
|----------|---|---|---|
| 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? New 2008
Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

SLR Notes:

We have confirmed with CPUC that they are collecting this information, This issue was addressed in our response to Zach Barrett after last year's evaluation.

- | | | | |
|----------|---|---|---|
| 5 | Did the state review operators' records of accidents and failures due to excavation damage to ensure causes of failure are addressed to minimize the possibility of recurrence as required by 195.402 (c)(5)?
Yes = 2 No = 0 | 2 | 2 |
|----------|---|---|---|

SLR Notes:

Yes. Last major incident was in 2010 - City of Long Beach vs. BP. Accident file line # 143

- | | | | |
|----------|---|-----------|-----------|
| 6 | Part E: General Comments/Regional Observations
Info Only = No Points | Info Only | Info Only |
|----------|---|-----------|-----------|

SLR Notes:

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



PART F - Field Inspection

Points(MAX) Score

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

Name of Operator Inspected:

Kinder Morgan

Name of State Inspector(s) Observed:

Doug Allen

Location of Inspection:

Fairfield, CA

Date of Inspection:

September 19, 2011

Name of PHMSA Representative:

Jim Anderson

SLR Notes:

2 Was the operator or operator's representative notified and/or given the opportunity to be present during inspection? New 2008 1 1
Yes = 1 No = 0

SLR Notes:

Yes, several employees including Steve Marositz, Manager, Pipeline Safety - Pacific Region.

3 Did the inspector use an acceptable inspection form/checklist and was the form/checklist used as a guide for the inspection? (New regulations shall be incorporated) Previous Question E.2 2 2
Yes = 2 No = 0

SLR Notes:

Yes, used federal form.

4 Did the inspector thoroughly document results of the inspection? Previous Question E.3 2 2
Yes = 2 No = 0

SLR Notes:

Yes.

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.) New 2008 1 NA
Yes = 1 No = 0

SLR Notes:

NA

6 What type of inspection(s) did the state inspector conduct during the field portion of the state evaluation? (i.e. Standard, Construction, IMP, etc) New 2008 Info Only Info Only
Info Only = No Points

SLR Notes:

Office visit for records.

7 Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) New 2008, comprehensive question worth 2 points total 2 2
Yes = 2 No = 0 Needs Improvement = 1

- a. Procedures
- b. Records
- c. Field Activities/Facilities
- d. Other (Please Comment)

SLR Notes:



Yes.

8 Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Liaison will document reasons if unacceptable) Previous Question E.8 2 2
Yes = 2 No = 0

SLR Notes:

Yes.

9 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) Previous Question E.10 1 NA
Yes = 1 No = 0

SLR Notes:

NA at this time during the inspection.

10 During the exit interview, did the inspector identify probable violations found during the inspections? Previous Question E.11 1 NA
Yes = 1 No = 0

SLR Notes:

NA

11 What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) Info Only Info Only
Info Only = No Points

SLR Notes:

No field inspection was observed.

12 Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) Info Only Info Only
Info Only = No Points

SLR Notes:

13 Field Observation Areas Observed (check all that apply) 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
- p. MOP
- q. MAOP
- r. Moving Pipe
- s. New Construction
- t. Navigable Waterway Crossings



- u. Odorization
- v. Overpressure Safety Devices
- w. Plastic Pipe Installation
- x. Public Education
- y. Purging
- z. Prevention of Accidental Ignition
- A. Repairs
- B. Signs
- C. Tapping
- D. Valve Maintenance
- E. Vault Maintenance
- F. Welding
- G. OQ - Operator Qualification
- H. Compliance Follow-up
- I. Atmospheric Corrosion
- J. Other

SLR Notes:

14 Part F: General Comments/Regional Observations

Info Only Info Only

Info Only = No Points

SLR Notes:

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



Risk base Inspections - Targeting High Risk Areas

1 Does state have process to identify high risk inspection units? 1.5 1.5
 Yes = 1.5 No = 0
 Risk Factors (criteria) to consider may include:
 Miles of HCA's, Geographic area, Population Density
 Length of time since last inspection
 History of Individual Operator units (leakage, incident and compliance history, etc.)
 Threats - (Excavation Damage, Corrosion, Natural Forces, Other Outside Forces, Material or Welds, Equipment, Operations, Other)

SLR Notes:

Yes, it is in the procedures manual - Section 3.14 - Criteria for Establishing Inspection Priority. For Standard inspections:

1. The length of time since the last inspection.
2. The history of the inspection unit (leak history, prior noncompliance, accident/incident history, etc.)
3. Internal and external events affecting the inspection unit (construction, recent changes in operator personnel or operating procedures, etc.)
4. On large operators, rotation of locations inspected.
5. All interstate inspections agreed to in the Interstate Inspection Plan

For other types of Inspections:

1. OQ inspections will be performed on a continuing basis to follow-up and verify compliance. This includes a review of their OQ Plan (New operators) and review and an ongoing review of their field compliance. Emphasis is on performing a field verification of all operators utilizing Protocol 9 inspection Form. Thereafter, random OQ inspections will be performed. All OQ inspections conducted will be uploaded into the PHMSA OQ database in a timely manner.
2. Construction inspections will be conducted on a routine basis. Construction projects are tracked and assigned to inspectors. New pipeline construction will receive a higher inspection priority. Additionally, replacement projects by small operators will be closely monitored.
3. Field review of Integrity Management Plans and programs will be reviewed based on availability of staff and workload. All pipeline integrity test results received in the office will be reviewed by inspection staff for adequacy and timeliness. All IMP inspections will be uploaded to the PHMSA database in a timely manner.
4. Accidents will be investigated as they occur.
5. Damage prevention activities ? Inspectors will respond to requests from operators to assist in educating contractors and other entities from encroaching on their pipeline rights-of-way or failure to use the one-call center. Participation in one-call and CGA contractor awareness meetings as schedule permits.

2 Are inspection units broken down appropriately? (see definitions in Guidelines) .5 0.5
 Yes = .5 No = 0

SLR Notes:

Yes, Units are evaluated by inspectors in field to determine if changes are needed.

3 Does state inspection process target high risk areas? .5 0.5
 Yes = .5 No = 0

SLR Notes:

The PSD maintains a database to track inspection history of each pipeline and pipeline operator. The database is populated primarily through inspection activity and operator data submissions including testing records and accident investigations. This database contains an overall profile of each operator's inspection units. These profiles can be reviewed and prioritized by risk.
 The PSD utilizes a risk-based inspection approach in establishing inspection priorities.

Use of Data to Help Drive Program Priority and Inspections

4 Does state use data to analyze effectiveness of damage prevention efforts in the state? (DIRT or other data, etc) .5 0.5
 Yes = .5 No = 0

SLR Notes:

Yes, reviews leak reports.

5 Has state reviewed data on Operator Annual reports for accuracy? .5 0.5
 Yes = .5 No = 0

SLR Notes:

Yes ? reviews from OPS site and those that are received from operator. (limited value)



6 Has state analyzed annual report data for trends and operator issues? .5 0.5
Yes = .5 No = 0

SLR Notes:

Yes, when received.

7 Has state reviewed data on Incident/Accident reports for accuracy? .5 0.5
Yes = .5 No = 0

SLR Notes:

Yes, Form 7000-1 reports reviewed.

8 Does state do evaluation of effectiveness of program based on data? (i.e. performance measures,trends,etc.) .5 0.5
Yes = .5 No = 0

SLR Notes:

Yes, looks at trends from operators. Refocus inspection efforts if necessary.

9 Did the State input all operator qualification inspection results into web based database provided by PHMSA in a timely manner upon completion of OQ inspections? .5 0.5
Yes = .5 No = 0

SLR Notes:

Yes, reviewed PHMSA's webpage prior to evaluation.

10 Did the State submit their replies into the Integrity Management Database (IMDB) in response to the Operators notifications for their integrity management program? .5 0.5
Yes = .5 No = 0

SLR Notes:

Yes, Hydrotest and ILI results and reviewed PHMSA's webpage prior to evaluation.

11 Have the IMP Federal Protocol forms been uploaded to the IMDB? Previous Question B.17 .5 0.5
Yes = .5 No = 0

SLR Notes:

Yes, PHMSA Form 19 - Hazardous Liquid IMP Field Verification Inspection.

12 Did the State use the Federal Protocols to conduct IMP Inspections? (If the State used an alternative inspection form(s) please provide information regarding alternative form(s)) Previous Question C(2).6 .5 0.5
Yes = .5 No = 0

SLR Notes:

Yes, CA SFM uses federal inspection forms.

13 Has state confirmed transmission operators have submitted information into National Pipeline Mapping System (NPMS) database along with any changes made after original submission? .5 0.5
Yes = .5 No = 0

SLR Notes:

Yes, SFM has its own liquid pipeline mapping system. They notified NPMS of inadequacy of there data verification process.

Accident/Incident Investigation Learning and Sharing Lessons Learned

14 Has state shared lessons learned from incidents/accidents? (i.e. NAPSRS meetings and communications) .5 0.5
Yes = .5 No = 0

SLR Notes:

Yes, at Western Region NAPSRS meetings and TQ seminars.

15 Does the State support data gathering efforts concerning accidents? (Frequency/Consequence/etc) .5 0.5



Yes = .5 No = 0

SLR Notes:

Yes, CA SFM reviews 7000-1 reports and keeps in communication with the Western Region and notes changes as needed.

16 Does state have incident/accident criteria for conducting root cause analysis?

Info Only Info Only

Info Only = No Points

SLR Notes:

Not yet ? PS Engineers know operators need to do it.

17 Does state conduct root cause analysis on incidents/accidents in state?

Info Only Info Only

Info Only = No Points

SLR Notes:

No ? up to operator to conduct. SFM reviews and is involved.

18 Has state participated on root cause analysis training? (can also be on wait list)

.5 0.5

No = 0 Yes = .5

SLR Notes:

Chuck McDonald has successfully taken the course. Five inspectors are on the TQ waitlist for attendance.

Transparency - Communication with Stakeholders

19 Other than pipeline safety seminar does State communicate with stakeholders? (Communicate program data, pub awareness, etc.)

.5 0.5

Yes = .5 No = 0

SLR Notes:

Yes ? on CA SFM website.

20 Does state share enforcement data with public? (Website, newsletters, etc.)

.5 0.5

Yes = .5 No = 0

SLR Notes:

Yes ? on CA SFM website.

21 Part G: General Comments/Regional Observations

Info Only Info Only

Info Only = No Points

SLR Notes:

Total points scored for this section: 10

Total possible points for this section: 10



PART H - Miscellaneous

Points(MAX) Score

- 1** What were the major accomplishments for the year being evaluated? (Describe the accomplishments, NAPS R .5 0.5
Activities and Participation, etc.) Previous Question A.15
Yes = .5 No = 0

SLR Notes:

Hired one engineer in 2010. Bob Gorham is on the NAPS R Board and has been the Liaison Committee Chair for 4 years. Leak rates remain low. Refer to SFM annual report for other accomplishments.

- 2** What legislative or program initiatives are taking place/planned in the state, past, present, and future? (Describe .5 0.5
initiatives (i.e. damage prevention, jurisdiction/authority, compliance/administrative, etc.) A.16
Yes = .5 No = 0

SLR Notes:

San Bruno Gas explosion has created numerous statewide initiatives and proposed legislative changes. While mostly directed at the CPUC and natural gas operators, the CASFM has been active in seeking a statewide website where emergency response plans, mapping information and contact numbers can be assessed 24 hours a day through a secure website. The California CGA is actively working on developing an enforcement model for one call dig law violations. Working on a letter/advisory to operators concerning a recent uptick in internal corrosion leaks.

- 3** Any Risk Reduction Accomplishments/Projects? (i.e. Replacement projects,bare steel,third-party damage .5 0.5
reductions, HCA's/USA mapping, internal corrosion, etc.)
Yes = .5 No = 0

SLR Notes:

Major leaks are down. Focusing on in plant piping and facility leaks.

- 4** Did the state participate in/respond to surveys or information requests from NAPS R or PHMSA? 1 1
Yes = 1 No = 0

SLR Notes:

Yes to NAPS R/PHMSA and OIG surveys.

- 5** Sharing Best Practices with Other States - (General Program) .5 0.5
Yes = .5 No = 0

SLR Notes:

Yes, at NAPS R meetings.

- 6** Part H: General Comments/Regional Observations Info Only Info Only
Info Only = No Points

SLR Notes:

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



PART I - Program Initiatives

Points(MAX) Score

Drug and Alcohol Testing (49 CFR Part 199)

- | | | | |
|----------|---|---|---|
| 1 | Has the state verified that operators have drug and alcohol testing programs?
Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

SLR Notes:

Yes, during standard inspections.

- | | | | |
|----------|--|----|-----|
| 2 | Is the state verifying that operators are conducting the drug and alcohol tests required by the operators program (random, post-incident, etc.)
Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

Yes, sent Stan Kastanas a Drug Inspection Report on February 18, 2011.

- | | | | |
|----------|---|----|-----|
| 3 | Is the state verifying that any positive tests are responded to in accordance with the operator's program?
Yes = .5 No = 0 | .5 | 0.5 |
|----------|---|----|-----|

SLR Notes:

Yes, no positive tests were found in 2010.

Qualification of Pipeline Personnel (49 CFR Part 195 Subpart G)

- | | | | |
|----------|---|---|---|
| 4 | Has the state verified that operators have a written qualification program?
Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

SLR Notes:

Yes, during OQ inspections.

- | | | | |
|----------|--|----|-----|
| 5 | Has the state reviewed operator qualification programs for compliance with PHMSA rules and protocols?
Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

Yes.

- | | | | |
|----------|--|----|-----|
| 6 | Is the state verifying that persons who perform covered tasks for the operator are qualified in accordance with the operator's program?
Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

Yes, during maintenance, replacement projects and at standard inspections.
5 OQ inspections conducted in 2010.

- | | | | |
|----------|--|----|-----|
| 7 | Is the state verifying that persons who perform covered task for the operator are requalified at the intervals specified in the operator's program?
Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:

Yes.

Hazardous Liquid Pipeline Integrity Management (49 CFR Part 195.452)

- | | | | |
|----------|---|---|---|
| 8 | Has the state verified that all operators with hazardous liquid pipelines have adopted an integrity management program (IMP)?
Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|

SLR Notes:

Yes.

- | | | | |
|----------|--|----|-----|
| 9 | Has the state verified that in determining whether a plan is required, the operator properly applied the definition of a high consequence area?
Yes = .5 No = 0 | .5 | 0.5 |
|----------|--|----|-----|

SLR Notes:



Yes, state's mapping program identifies HCA's and is used to verify line jurisdiction and testing requirements. Under state law all portion of pipeline are tested.

10	Has the state reviewed operator IMPs for compliance with 195.452? Yes = .5 No = 0	.5	0.5
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SLR Notes:
Yes.

11	Is the state monitoring operator progress on the inspections, tests and remedial actions required by the operator's IMP, which includes the manner and schedule called for in its IMP? Yes = .5 No = 0	.5	0.5
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SLR Notes:
Yes, state law requires all intrastate pipeline test results to be submitted to CA SFM for review. CA SFM goes to all SRC and immediate dig-ins.

12	Is the state verifying operators are periodically examining their hazardous liquid pipelines for the appearance of new HCAs? Yes = .5 No = 0	.5	0.5
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SLR Notes:
Yes, state's mapping program identifies HCA's and is used to verify line jurisdiction and testing requirements. Under state law all portion of pipeline are tested.

Public Awareness (49 CFR Section 195.440)

13	Has the state verified that each operator has developed a continuing public awareness program (due date was 6/20/06 for most operators, 6/20/07 for certain very small operators)? Yes = .5 No = 0	.5	0.5
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SLR Notes:
3 inspectors went to PHMSA Public Awareness seminars to become more knowledgeable in assisting operators on a more effective public awareness program.

14	Has the state reviewed the content of these programs for compliance with 195.440 (by participating in the Clearinghouse or by other means)? Yes = .5 No = 0	.5	0.5
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SLR Notes:
Yes.

15	Is the state verifying that operators are conducting the public awareness activities called for in its program? Yes = .5 No = 0	.5	0.5
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SLR Notes:
Yes, during inspections and as needed.

16	Is the state verifying that operators have evaluated their public awareness programs for effectiveness as described in RP1162? Info Only = No Points	Info Only	Info Only
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SLR Notes:

17	Part I: General Comments/Regional Observations Info Only = No Points	Info Only	Info Only
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SLR Notes:

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

