



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

1200 New Jersey Avenue SE  
Washington DC 20590

## 2017 Hazardous Liquid State Program Evaluation

for

CAL FIRE - OFFICE OF THE STATE FIRE MARSHAL

### Document Legend

#### PART:

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



2017 Hazardous Liquid State Program Evaluation -- CY 2017  
Hazardous Liquid

**State Agency:** California  
**Agency Status:**  
**Date of Visit:** 09/17/2018 - 09/20/2018  
**Agency Representative:** Ben Ho, Assistant Deputy Director; Jim Hosler, Assistant Program Manager; Doug Allen, Supervising Pipeline Safety Engineer  
**PHMSA Representative:** David Lykken, Transportation Specialist; C. David Appelbaum, Transportation Specialist  
**Commission Chairman to whom follow up letter is to be sent:**  
**Name/Title:** Dennis Mathisen, State Fire Marshal  
**Agency:** California State Fire Marshal  
**Address:** P.O 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 2017 (not the status of performance at the time of the evaluation). All items for which criteria have not been established should be answered based on the PHMSA representative's judgment. A deficiency in any one part of a multiple part question should be scored as needs improvement. Determine the answer to the question then select the appropriate point value. If a state receives less than the maximum points, include a brief explanation in the space provided for general comments/regional observations. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and OBJECTIVELY reflect state program performance. Increasing emphasis is being placed on performance. This evaluation together with selected factors reported in the state's annual progress report attachments provide the basis for determining the state's pipeline safety grant allocation.

**Field Inspection (PART G):**

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

**Scoring Summary**

PARTS	Possible Points	Points Scored
A Progress Report and Program Documentation Review	10	9.5
B Program Inspection Procedures	13	13
C Program Performance	42	40
D Compliance Activities	15	14
E Accident Investigations	11	11
F Damage Prevention	8	8
G Field Inspections	12	12
H Interstate Agent State (if applicable)	0	0
I 60106 Agreement State (if applicable)	0	0
<b>TOTALS</b>	<b>111</b>	<b>107.5</b>
<b>State Rating</b> .....		<b>96.8</b>

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

Evaluator Notes:

Reviewed the results of the Progress Report scoring summary spreadsheet. No issues found that would require a change to the previous year's progress report score. The number of operators and inspection units by operator type matched the records kept by the program. Inspection Unit totals by operator type and overall on Attachment 3 are consistent with the Inspection Unit totals on Attachment 1.

- |   |  |   |     |
|---|--|---|-----|
| 2 | Review of Inspection Days for accuracy - Progress Report Attachment 2<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 0.5 |
|---|--|---|-----|

Evaluator Notes:

Scored as needing improvement. Approximately 310 inspection field days not reported by the program in the original PR submittal. Errors corrected in a supplemental submission. The number of inspection days entered for each operator type and inspection type essentially match the records kept by the program. Records kept by the program are accurate and can be traced back to data stored in the programs Pipeline Information Management System (PIMS). In-office inspection time claimed is reasonable and accounted for.

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

Evaluator Notes:

The information entered for each operator and the operators' inspection units match the records kept by the program. Minor changes to number of operators reported in last year's progress report.

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

Evaluator Notes:

PDM reflected 14 federally-reportable incidents, but attachment #4 only showed 5. CASFM pointed out that instructional language on Attachment #4 and the PHMSA website, specific to the use of the word "significant," was ambiguous and caused confusion. PHMSA discussed the expectations of Attachment #4 and CASFM indicated federally reported incidents will be included accordingly in the future. No points were taken due to the reasonable confusion on progress report instructions.

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

Evaluator Notes:

The information entered for compliance activities match the records kept by the program. Reviewed inspection documentation/correspondence to verify number of PV's identified and corrected in CY2017.

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

Evaluator Notes:

Yes. As noted under question A2. Records now stored in the programs Pipeline Information Management System (PIMS). Transition from paper filing system to new PIMS occurred during CY2017.

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



Evaluator Notes:

The information verified with the training information found in SABA. Supervisory personnel listed in Attachment 7 assisted in inspection duties and inspection person days included in Attachment 2. Time spent as a Supervisor and Inspector/ Investigator apportioned accordingly.

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

Evaluator Notes:

State has automatic adoption by reference. Adoption dates aligned with federal effective dates listed.

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

Evaluator Notes:

Sufficient description of past and future accomplishments were provided. PHMSA encourage the CASFM to develop measurable metrics for initiatives and accomplishments of the program.

**10** General Comments: Info Only Info Only  
Info Only = No Points

Evaluator Notes:

A-2 Scored (.5) as needing improvement. Approximately 310 inspection field days not reported by the program in the original PR submittal. Errors corrected in a supplemental submission.

Total points scored for this section: 9.5  
Total possible points for this section: 10



# PART B - Program Inspection Procedures

Points(MAX) Score

- 1 Standard Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities.

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Inspection Planning Sec VII, Inspection and Post Inspection Activities Sec VIII

- 2 IMP Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities.

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Inspection Planning Sec VII, Inspection and Post Inspection Activities Sec VIII

- 3 OQ Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities.

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Inspection Planning Sec VII, Inspection and Post Inspection Activities Sec VIII

- 4 Damage Prevention Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities.

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Inspection Planning Sec VII, Inspection and Post Inspection Activities Sec VIII

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Embedded in new operator training, Sec VIII

Inspections are migrating to IA and procedures will be updated accordingly.

- 6 Construction Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities.

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Inspection Planning Sec VII Inspection and Post Inspection Activities Sec VIII.

- 7 Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements?

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



- a. Length of time since last inspection (Within five year interval) Yes  No  Needs Improvement
- b. Operating history of operator/unit and/or location (includes leakage, incident and compliance activities) Yes  No  Needs Improvement
- c. Type of activity being undertaken by operators (i.e. construction) Yes  No  Needs Improvement
- d. Locations of operators inspection units being inspected - (HCA's, Geographic area, Population Density, etc) Yes  No  Needs Improvement
- e. Process to identify high-risk inspection units that includes all threats - (Excavation Damage, Corrosion, Natural Forces, Outside Forces, Material and Welds, Equipment, Operators and any Other Factors) Yes  No  Needs Improvement
- f. Are inspection units broken down appropriately? Yes  No  Needs Improvement

Evaluator Notes:

- a. Section VII (Inspections Intervals)
- b. Section VII (Deploy risk matrix, PSD form 101)
- c. & d. Section VII
- e. Section VII

**8** General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

The CASFM has generally complied with the requirements of Part B of this evaluation.

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



# PART C - Program Performance

Points(MAX) Score

- 1** Was ratio of Total Inspection person-days to total person days acceptable? (Director of State Programs may modify with just cause) Chapter 4.3 5 5  
 Yes = 5 No = 0  
 A. Total Inspection Person Days (Attachment 2):  
 886.15  
 B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):  
 220 X 10.42 = 2291.67  
 Ratio: A / B  
 886.15 / 2291.67 = 0.39  
 If Ratio >= 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0  
 Points = 5

**Evaluator Notes:**

Scored as full points based on verification of revised inspection day count under Attachment 2 of the PR. New total of 920.75 inspection days. Ratio now at .40. Errors corrected in a supplemental submission.

- 2** Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines Appendix C for requirements) Chapter 4.4 5 5  
 Yes = 5 No = 0 Needs Improvement = 1-4
- a. Completion of Required OQ Training before conducting inspection as lead? Yes  No  Needs Improvement
  - b. Completion of Required IMP Training before conducting inspection as lead Yes  No  Needs Improvement
  - c. Root Cause Training by at least one inspector/prgram manager Yes  No  Needs Improvement
  - d. Note any outside training completed Yes  No  Needs Improvement
  - e. Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector. Yes  No  Needs Improvement

**Evaluator Notes:**

a) OQ training necessary for conducting OQ inspections. b) Inspection staff who have conducted IM inspections as lead have completed all necessary T&Q training. c) Multiple Supervisory/Inspection staff have completed the T&Q Root Cause training. d) Outside training attended included the NACE Coating CIP Course and Level 1 CP 1 Tester course. e) Inspectors who conducted standard inspections as lead have attend all necessary T&Q courses.

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

**Evaluator Notes:**

Yes. Although new to the position Chief Ho does have a background in hazardous liquid pipeline safety, hazardous material management and enforcement principles and methodologies. Chief Ho currently chairs the CASFM Pipeline Safety Advisory Committee responsible in part for informing local agencies and pipeline operators of changes in applicable laws and regulations affecting the operations of pipelines and reviewing proposed hazardous liquid pipeline safety regulations.

- 4** Did state respond to Chairman's letter on previous evaluation within 60 days and correct or address any noted deficiencies? (If necessary) Chapter 8.1 2 2  
 Yes = 2 No = 0 Needs Improvement = 1

**Evaluator Notes:**

Yes, Chief Mathisen's response letter to Zach Barrett was received on December 1, 2017. PHMSA's outbound letter was dated October 5, 2017, thus the State responded within the 60-day time requirement.

- 5** Did State conduct or participate in pipeline safety training session or seminar in Past 3 Years? Chapter 8.5 1 1  
 Yes = 1 No = 0

**Evaluator Notes:**

Yes. May 17-18, 2016. Long Beach, CA. Agenda reviewed.

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6	Did state inspect all types of operators and inspection units in accordance with time intervals established in written procedures? Chapter 5.1 Yes = 5 No = 0 Needs Improvement = 1-4	5	3
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Evaluator Notes:

Needed improvement - repeat from previous years. A number of operators have not had written plan reviews conducted for OQ, D&A, and IMP. A tracker has been developed to ensure that all operator types, units, and inspection types are completed within established timeframes.

Though the deficiency in satisfying this requirement continues, CASFM has made substantial improvements by developing and retaining qualified staff.

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7	Did inspection form(s) cover all applicable code requirements addressed on Federal Inspection form(s)? Did State complete all applicable portions of inspection forms? Chapter 5.1 Yes = 2 No = 0 Needs Improvement = 1	2	2
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Evaluator Notes:

Yes. Inspection forms appears to cover the minimum content required however it appeared that some forms were of a 2011 vintage and have not been revised to reflect changes made in 2015. Program has migrated to IA for conducting most types of inspections.

Inspection staff provide excellent, detailed notes in their inspection report summaries including findings of probable violations. However, staff provides little to no content with respect to observations made in the field or other substantive comments essential to support the inspector's rationale when determining satisfactory compliance. It was recommended that staff provide additional detail in their inspection checklists to support satisfactory inspection results.

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8	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)? Yes = 1 No = 0	1	1
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Evaluator Notes:

Yes, CASFM utilizes a field reporting database.

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

Yes, Part of standard inspection pre-planning process. As noted in prior program evaluation, operators required to submit an "annual questionnaire" which provides more detailed information than required in the federal annual report.

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

Yes, included in the standard inspection checklist in IA. Also operator required submissions to their State GIS.

PHMSA recommended to CASFM they revisit the "NPMS vs. Annual Report" report and reconcile any differences in stated mileage.

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11	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 Yes = 2 No = 0 Needs Improvement = 1	2	2
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Evaluator Notes:

The CASFM conducted four D&A inspections in CY2017 - No point deduction. Form used of a 2011 vintage and has not been revised to reflect changes made in 2015. Updated form downloaded from PHMSA forms library.

- |           |   |   |   |
|-----------|---|---|---|
| <b>12</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 195 Part G<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|---|---|---|

Evaluator Notes:

Yes. Conducted 5 OQ Plan Reviews and 6 Field Verification inspections in CY2017. With over 382 field days devoted to DTC, IM, and incident investigations in CY2017 a recommendation was made to increase the number of documented PHMSA Form-15 inspections conducted in the field.

- |           |   |   |   |
|-----------|---|---|---|
| <b>13</b> | Is state verifying operator's hazardous liquid integrity management (L IMP) Programs are up to date? This should include a previous review of LIMP plan, along with monitoring progress on operator tests and remedial actions. In addition, the review should take in to account program review and updates of operators plan(s). (Are the State's largest operators programs being contacted or reviewed annually? Are replies to Operator IM notifications addressed? (formerly part of Question C-10)). 49 CFR 195.452 Appendix C<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|---|---|---|

Evaluator Notes:

Needed improvements for this question has been addressed in C.6. - No point deduction. The program conducted 13 LIMP plan reviews and six field verification inspections in CY2017. Recommendation to utilize the PHMSA Form19 for documenting field verification visits.

- |           |   |   |   |
|-----------|---|---|---|
| <b>14</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. PAPEI Effectiveness Inspections should be conducted every four years by operators. 49 CFR 195.440<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|---|---|---|

Evaluator Notes:

Six plan reviews and effectiveness inspections were completed in 2017, and several effectiveness evaluation inspections were conducted in 2016. CASFM has not met all their inspection time intervals for PAPE, but that deficiency is described in C.6. - no point deduction.

- |           |  |   |   |
|-----------|--|---|---|
| <b>15</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).<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|--|---|---|

Evaluator Notes:

Yes, pipeline information available on CASFM web site include... Pipeline Staff Contact information; Hydrostatic testing information: Application Forms for Initial Application Approval as an Independent Hydrostatic Testing Firm; Notification of Proposed Pig Run or Hydrostatic Test; List of Approved Hydrostatic Testing Companies; Student manual for Pressure Testing Requirements for Hazardous Liquid Pipelines in California; Pipeline mapping information; and other relevant information.

- |           |   |   |   |
|-----------|---|---|---|
| <b>16</b> | Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3<br>Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

Five SRC's reported in CY2017 with three closed in the same year. Two remaining open to be closed in CY2018. Program has documentation related to the investigation of SRC's. Suggested the program develop a written procedure for receiving and processing of SRC's. Suggested language was provided to the program for inclusion into their written procedures.



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

Evaluator Notes:  
 Yes. No issues.

18 If the State has issued any waivers/special permits for any operator, has the state verified conditions of those waivers/special permits are being met? This should include having the operator amend procedures where appropriate. 1 1  
 Needs Improvement = .5 No = 0 Yes = 1

Evaluator Notes:  
 Beginning in early 2018, in response to last year's program evaluation findings, CASFM dedicated a resource to verify that conditions on waivers/special permits are being met.

The waiver from October 2009 - THUMS-Long Beach Company approval for Smart Pipe Installation - was inspected on June 13, 2018. The July 24, 1991 UNOCAL (now Phillips 66) continuous waiver was inspected May 21, 2018.

Because CASFM is current on these inspections, there's no point deduction. PHMSA also recommended CASFM enhance their procedures to ensure requirements for continuous waivers are met.

19 Did the state attend the National NAPSRS Board of Directors Meeting in CY being evaluated? 1 1  
 Needs Improvement = .5 No = 0 Yes = 1

Evaluator Notes:  
 CASFM attended the national NAPSRS meeting in Columbus, OH.

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

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

Evaluator Notes:  
 All of the metrics are trending in the direction of improvement. It was clear from the discussion with the Program Manager and Supervisors that the drivers of the trends are understood.

21 Discussion with State on accuracy of inspection day information submitted into State Inspection Day Calculation Tool (SICT) Has the State updated SICT data? 1 1  
 No = 0 Yes = 1

Evaluator Notes:  
 The PM satisfied with current data submission. SICT data has been updated. Does not anticipate making any changes. Currently 21 approved positions. 12 filled, 3 retire/rehires on staff, six vacancies.

22 Did the State verify Operators took appropriate action regarding Pipeline Flow Reversals, Product Changes and Conversions to Service? See ADP-2014-04 1 NA  
 Needs Improvement = .5 No = 0 Yes = 1

Evaluator Notes:  
 No pipeline flow reversals in 2017

23 General Comments: Info Only Info Only  
 Info Only = No Points

Evaluator Notes:  
 C-6 Two-point deduction as Needed improvement - repeat from previous years. A number of operators have not had written plan reviews conducted for OQ, D&A, and IMP. A tracker has been developed to ensure that all operator types, units, and inspection types are completed within established timeframes.



C-7 Inspection staff provide excellent, detailed notes in their inspection report summaries including findings of probable violations. However, staff provides little to no content with respect to observations made in the field or other substantive comments essential to support the inspector's rationale when determining satisfactory compliance. It was recommended that staff provide additional detail in their inspection checklists to support satisfactory inspection results.

C-10 PHMSA recommended to CASFM they revisit the "NPMS vs. Annual Report" report and reconcile any differences in stated mileage.

C-12 Conducted 5 OQ Plan Reviews and 6 Field Verification inspections in CY2017. With over 382 field days devoted to DTC, IM, and incident investigations in CY2017 a recommendation was made to increase the number of documented PHMSA Form-15 inspections conducted in the field.

C-13 Six field verification inspections conducted in CY2017. Only two occasions where the PHMSA Form-19 was used. Recommendation to utilize the PHMSA Form-19 for documenting field LIMP verification visits.

C-16 Suggested the program develop a written procedure for receiving and processing of SRC's. Suggested language was provided to the program for inclusion into their written procedures.

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Total points scored for this section: 40  
Total possible points for this section: 42



# 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<br>Yes = 4 No = 0 Needs Improvement = 1-3 | 4                                    | 4  |
| a. | Procedures to notify an operator (company officer) when a noncompliance is identified  | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Procedures to routinely review progress of compliance actions to prevent delays or breakdowns  | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| c. | Procedures regarding closing outstanding probable violations   | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

Section XI - Enforcement Program. In addition to sufficient procedures, the program has developed a spreadsheet which aids in the tracking/progress of compliance actions.

- |    |  |                                      |   |
|----|--|--------------------------------------|---|
| 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<br>Yes = 4 No = 0 Needs Improvement = 1-3 | 4                                    | 3   |
| a. | Were compliance actions sent to company officer or manager/board director if municipal/government system?  | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/>            |
| b. | Document probable violations   | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/>            |
| c. | Resolve probable violations  | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/>            |
| d. | Routinely review progress of probable violations   | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/>            |
| e. | Within 30 days, conduct a post-inspection briefing with the owner or operator of the gas or hazardous liquid pipeline facility inspected outlining any concerns; and   | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/>            |
| f. | Within 90 days, to the extent practicable, provide the owner or operator with written preliminary findings of the inspection.  | Yes <input type="radio"/>            | No <input type="radio"/> Needs Improvement <input checked="" type="radio"/> |

Evaluator Notes:

Issues well documented. Correspondence addressed to company official. The operator is instructed to provide a written response within a specified time period (30 days) for correcting probable violations. Remedial actions taken by operator to resolve non-compliance are routinely followed-up on. Exit briefings conducted at end of inspections. For CY2017 program slow to get NOPV correspondence out to operators with some taking up to a year to issue.

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

Evaluator Notes:

Yes. Reviewed inspection documentation and associated correspondence. Compliance actions correlate with numbers submitted under Attachment 5 of the Progress Report.

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

Evaluator Notes:

Yes. Correspondence to operators outline procedures for challenging where a penalty or corrective action has been recommended.

- |   |   |   |   |
|---|---|---|---|
| 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)<br>Yes = 2 No = 0 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

No issues - The PM understands the process for issuing civil penalties. Zero civil penalties assessed in CY2017 but does have history of issuing penalties for violations resulting in incidents/accidents. Civil penalties are considered for repeat violations.



6 Can the State demonstrate it is using their enforcement fining authority for pipeline safety violations? 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. As noted previously the program has used their fining authority to issue civil penalties in past calendar years. None issued in CY2017 but \$69,545.50 collected for prior year assessments.

7 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

D-2(f) One-point deducted needing improvement. For CY2017 program slow to get NOPV correspondence out to operators with some taking up to a year to issue.

Total points scored for this section: 14  
Total possible points for this section: 15



# PART E - Accident Investigations

Points(MAX) Score

- 1 Does the state have written procedures to address state actions in the event of an incident/accident? 2 2  
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Chapter X of the revised procedures outlines procedures for accident investigations.

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

CASFM clearly identifies these requirements when addressing train derailments. They will enhance their procedures to ensure all pipeline incidents/accidents are covered.

- 3 If onsite investigation was not made, did state obtain sufficient information from the operator and/or by other means to determine the facts to support the decision to not go on-site? Chapter 6 1 1  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Procedures chapter X covers this requirement.

In CY2017, CASFM had a number of OES notifications that did not yield a physical response. Procedures were followed in these occasions - no issues.

- 4 Were all accidents investigated, thoroughly documented, and with conclusions and recommendations? 3 3  
Yes = 3 No = 0 Needs Improvement = 1-2

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

Evaluator Notes:

Incidents investigations are well documented. Inspection staff make excellent use of photographs as part of the incident investigation reports. Investigation reports are thorough and complete.

- 5 Did the state initiate compliance action for violations found during any incident/accident investigation? 1 1  
Yes = 1 No = 0

Evaluator Notes:

Yes. Compliance actions were initiated as a result of issues identified.

- 6 Did the state assist Region Office or Accident Investigation Division (AID) by taking appropriate follow-up actions related to the operator accident reports to ensure accuracy and final report has been received by PHMSA? (validate report data from operators concerning incidents/accidents and investigate discrepancies) Chapter 6 1 1  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

AID had CASFM to review a number of operator 7001 reports in CY2017. State responded to all requests sufficiently - no issues.

---

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

Evaluator Notes:

Program shares their "state-of-the-state" during regional NAPS meetings - no issues.

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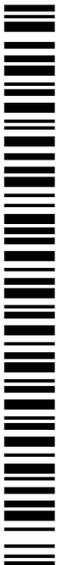
8 General Comments: Info Only Info Only  
Info Only = No Points

Evaluator Notes:

The CASFM has generally complied with the requirements of Part E of this evaluation.

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



## PART F - Damage Prevention

Points(MAX) Score

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

Evaluator Notes:

CASFM has a question on their inspection form (IA) for protection from directional boring.

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- |          |  |   |   |
|----------|--|---|---|
| <b>2</b> | Did the state inspector verify pipeline operators are following their written procedures pertaining to notification of excavation, marking, positive response and the availability and use of the one call system?<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

Yes, CASFM has questions in IA about receiving notice of excavation, marking and follow up on locate requests.

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- |          |  |   |   |
|----------|--|---|---|
| <b>3</b> | 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.)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

CASFM participates in regional CGA meetings and other venues. Additionally, California has recently established damage prevention enforcement authority and the CASFM is an active participant and stakeholder in that process.

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- |          |  |   |   |
|----------|--|---|---|
| <b>4</b> | 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)<br>Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

There are a limited number of HL excavation damages, and therefore, CASFM has no issues at this time assessing trends. CASFM took last year's recommendation and collaborated with the CPUC to assess their damage trends to natural gas assets. This has helped them better understand excavation threats, behaviors and challenges in the same general areas where HL assets exist.

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

Evaluator Notes:

The CASFM generally complied with the requirements of Part F of this evaluation.

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

# PART G - Field Inspections

Points(MAX) Score

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

Name of Operator Inspected:

1. Shell Pipeline Mormon Island 2. Plains All American Pipeline

Name of State Inspector(s) Observed:

1., Andy Chau, Sampson Tang, Tran Tuan 2. Sampson Tang, Tran Tuan

Location of Inspection:

1. 100 Falcon Street, Wilmington, CA 2. North Redondo Beach, CA

Date of Inspection:

1. 9/19/2018 2. 9/20/2018

Name of PHMSA Representative:

David Lykken, David Appelbaum

Evaluator Notes:

Observed a portion of the CASFM's standard field inspection of Shell Oil's 470G Pipeline and a LIMP field validation inspection of the Plains All American 408A pipeline.

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

Evaluator Notes:

Yes. Company was notified several weeks prior to visit and company officials were present each day.

**3** Did the inspector use an appropriate inspection form/checklist and was the form/checklist used as a guide for the inspection? (New regulations shall be incorporated) 2 2  
 Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Lead inspector used appropriate hardcopy forms (i.e., form 15) while the second inspector used their mobile IA to record facility location information and pictures. The hardcopy forms were used as a checklist to ensure questions were not missed. The final inspection results are recorded in the IA.

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

Evaluator Notes:

Yes, sufficient notes were captured and several photos were uploaded via their mobile IA.

**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) 1 1  
 Yes = 1 No = 0

Evaluator Notes:

Yes, testing and safety equipment calibrations/dates were verified.

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

- a. Procedures
- b. Records
- c. Field Activities
- d. Other (please comment)

Evaluator Notes:

OQ records reviewed. Written procedures for tasks performed were on site and reviewed before tasks performed.



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

Evaluator Notes:

Inspectors demonstrated sufficient knowledge of program requirements and relevant regulations.

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) 1 1  
 Yes = 1 No = 0

Evaluator Notes:

Yes, inspectors provided appropriate feedback on findings, concerns, recommendations and expectations. Inspectors displayed a good command presence while remaining courteous and professional.

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

Evaluator Notes:

Concerns were relayed to operator during exit. Potential NOPV's to be determined.

10 General Comments: 1) What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) 2) Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) 3) Other Info Only 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

Evaluator Notes:

Inspectors did a good job identifying the absence of offset indications on a number of pipeline markers. PHMSA encouraged inspectors to remember to look around site locations and not narrow their focus just the task/s being performed.

Location #2: LIMP Verification digs. Inspectors reviewed dig sheets, elevation profiles, A+ Composite Wrap coating application procedures. Checked operator and contractor (TUV SUD) OQ cards. Creaform Portable 3-D NDT Scanner utilized for corrosion anomaly assessments. Magnetic Particle testing used on other discontinuities.

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Total points scored for this section: 12  
Total possible points for this section: 12



**PART H - Interstate Agent State (if applicable)**

**Points(MAX) Score**

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

Evaluator Notes:  
N/A. Not a Interstate Agent.

**2** Are results documented demonstrating inspection units were reviewed in accordance with "PHMSA directed inspection plan"? 1 NA  
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:  
N/A. Not a Interstate Agent.

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

Evaluator Notes:  
N/A. Not a Interstate Agent.

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

Evaluator Notes:  
N/A. Not a Interstate Agent.

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

Evaluator Notes:  
N/A. Not a Interstate Agent.

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

Evaluator Notes:  
N/A. Not a Interstate Agent.

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

Evaluator Notes:  
N/A. Not a Interstate Agent.

**8** General Comments: Info OnlyInfo Only  
Info Only = No Points

Evaluator Notes:  
N/A. Not a Interstate Agent.

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



**PART I - 60106 Agreement State (if applicable)**

**Points(MAX) Score**

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

Evaluator Notes:  
N/A. Does not have a 60106 agreement.

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

Evaluator Notes:  
N/A. Does not have a 60106 agreement

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

Evaluator Notes:  
N/A. Does not have a 60106 agreement

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

Evaluator Notes:  
N/A. Does not have a 60106 agreement

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

Evaluator Notes:  
N/A. Does not have a 60106 agreement

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

Evaluator Notes:  
N/A. Does not have a 60106 agreement

**7** General Comments: Info Only Info Only  
Info Only = No Points

Evaluator Notes:  
N/A. Does not have a 60106 agreement

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

