

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

November 4, 2013

GA2013-05

Mark Williams  
Operations Manager  
West Coast Gas Company  
9203 Beatty Drive  
Sacramento, CA 94826

Subject: General Order 112-E Audit

Dear Mr. Williams:

On behalf of the Safety and Enforcement Division (SED) of the California Public Utilities Commission (Commission), Mahmoud Intably, Alin Podoreanu, Maria Solis, Mohammad Ali, and Banu Acimis conducted a General Order (GO) 112-E audit of West Coast Gas Company's (WCG) Operations, Maintenance, and Emergency Plans (OM&E), Distribution Integrity Management Program (DIMP), Operator Qualification Program (OQ), Drug Prevention and Alcohol Misuse Program (Drug & Alcohol), and Public Awareness Program (PAP) on April 29-30 and May 1-2, 2013.

A Summary of Audits Findings (Summary), which contains probable violations and areas of concerns and recommendations identified by SED staff, is included as an attachment to this letter. Please provide SED a written response indicating the measures taken by WCG to address the probable violations and areas of concerns and recommendations SED noted within 30 days from the date of this letter. SED will notify WCG of the enforcement actions it plans to take in regard to each of the violations found during the audit, pursuant to Commission Resolution ALJ-274, after it has an opportunity to review WCG's response to the findings included in the Summary.

For any questions related to this matter, please contact Banu Acimis at (916) 928-3826 or by email at [banu.acimis@cpuc.ca.gov](mailto:banu.acimis@cpuc.ca.gov).

Sincerely,

A handwritten signature in blue ink that reads "Michael Robertson".

Michael Robertson, Program Manager  
Gas Safety and Reliability Branch  
Safety and Enforcement Division  
California Public Utilities Commission

Enclosure: Summary of Audit Findings

cc: Ray Czahar, WCG

## Summary of Audit Findings

### OPERATIONS AND MAINTENANCE PLAN AND EMERGENCY PLAN

#### AREAS OF VIOLATIONS

#### **I- Title 49, Code of Federal Regulations (CFR), §192.605 Procedural manual for operations, maintenance, and emergencies.**

(a) *General.* Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted. (Emphasis added)

SED reviewed WCG's Quality Management and Operating and Maintenance Program (O&M) and Emergency Plan and noted that WCG did not review and update its O&M and Emergency Plans once a year not exceeding 15 months in 2009, 2010, 2011, and 2012; therefore, WCG is in violation of CFR, §192.605 (a).

WCG must review and revise its plans in order to ensure that its plans are up-to-date and any changes to its policies and procedures are identified and incorporated into the plans in accordance with CFR, §192.605 (a). WCG must also keep related records to demonstrate that it has reviewed and updated its manuals of written procedures for conducting operations and maintenance activities and emergency response.

#### **II- Title 49, CFR, §192.605 Procedural manual for operations, maintenance, and emergencies.**

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and subpart M of this part.

SED reviewed WCG's O&M Plan and determined the following deficiencies:

##### 1. Leakage Surveys, Gas Leak Repair Reports, and Gas Leak Monitoring

A- WCG explained to SED inspectors that WCG's contractor, Heath Consultants (Heath), performs gas leak surveys on an as needed bases. Part E of WCG's O&M Plan does not describe Heath's gas leak survey procedures and leak survey equipment used.

WCG must add the following details to its O&M Plan about the gas leaks surveys:

- Name of the contractor who performs the gas leak surveys
- Frequency of the surveys conducted by the contractor

- Contractor's leak detection equipment used for the surveys, gas leak grading criteria, and the forms that the contractor fills out for the surveys and leaks discovered.
- B- SED found that WCG no longer utilizes Flame Ionization equipment (Flame Pack). Instead, WCG purchased and started using Detecto Pak-Infrared (DP-IR) equipment to conduct leak surveys. WCG must update related parts of its O&M Plan to reflect gas leak detection equipment changes.
- C- SED also noted that WCG must review and modify its Gas Leak Repair Reports (GLRR) to include the most up-to-date information such as leak detection equipment type (DP-IR) and remove some check boxes that are not applicable to WCG's operations such as Flame Pack leak detection equipment, transmission pipeline, and cast iron pipe information, etc. Similarly, WCG needs to add gas leak monitor information to its GLRRs to document that it monitors and records open leaks in its system properly and timely as required by its O&M Plan.
- D- SED noted that there were no calibration records of the equipment that WCG personnel used for operation and maintenance of its gas pipeline system.

SED determined that this is a repeat violation which the Consumer Safety and Protection (CPSD), predecessor to SED, previously identified as a result of the audit it conducted in 2009. On June 10, 2009, CPSD's GO 112-E audit letter stated the following:

*"We noted that the following areas of WCG's O&M Plan need to be reviewed, revised and the frequency of the following maintenance activities needs to be updated:*

*B. All equipment used by WCG personnel are required to be maintained and properly calibrated according to the manufacturer's recommendations. WCG O&M Plan does not contain any section(s) for maintenance and calibration of equipment used by its personnel. Examples of equipments requiring maintenance and calibration are:*

- *Flame Ionization Units,*
- *Combustible Gas Indicators,*
- *Underground pipe locating equipment,*
- *Copper-copper sulfate half cells*
- *Voltmeters.*

*WCG needs to include the frequency of maintenance and calibration service of all equipment used by the personnel in its O&M Plan and follow the instructions given by the manufacturers to perform periodic maintenance/calibration or send the equipment to the manufacturer."*

SED determined that WCG is in violation of CFR, §192.605 (b) for not complying the requirements of equipment calibration and record keeping.

WCG must include the frequency of maintenance and calibration of its equipment that its personnel use in its O&M Plan and follow the instructions given by the manufacturers to perform periodic maintenance and calibration by WCG or the manufacturer. WCG must also keep maintenance and calibration records accordingly.

### III- Title 49, CFR, §192.605 Procedural manual for operations, maintenance, and emergencies

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(2) Controlling corrosion in accordance with the operations and maintenance requirements of subpart I of this part.

SED determined that WCG's O&M Plan does not contain the following maintenance and normal operations procedures related to corrosion control:

1. Procedure that describes how WCG performs examination of buried pipeline when exposed for evidence of external corrosion as required by CFR, §192.459.

WCG must establish a procedure for the examination of exposed buried pipeline for evidence of external corrosion. WCG must also include a procedure in its O&M Plan describing remedial measures required by CFR, §192.483 that are necessary to take such as applying external protective coating, cathodically protecting a segment of buried or submerged metallic pipe when replaced due to external corrosion.

2. Procedure that specifies the external corrosion control protective coating requirements as required under CFR, §192.461 which describes the protective coating specifications, inspection requirements prior to installation of buried pipe, and protection requirements from damage for buried pipe.

WCG must establish a procedure to describe the specification, inspection, and protection of protective coating requirements from damage resulting from conditions and supporting blocks that adversely affect buried pipe.

3. SED noted that WCG's O&M Plan does not clearly identify the applicable cathodic protection (CP) criteria it uses as required by CFR, §192.463(a), which states:

"Each cathodic protection system required by this subpart must provide a level of cathodic protection that complies with one or more of the applicable criteria contained in appendix D of this part. If none of these criteria is applicable, the cathodic protection system must provide a level of cathodic protection at least equal to that provided by compliance with one or more of these criteria."

WCG's Operation and Maintenance Manual states in part:

*"Periodic readings are taken to insure that these two CP systems are operating to meet the -0.85 requirements of 49 CFR § 192.457..."*

*"It must have a cathodic protection system designed to produce a cathodic potential of at least -0.85..."*

WCG must clearly define which applicable criteria contained in Appendix D of Part 192 it uses to specify the level of protection that it designs its CP system to achieve.

4. SED found that WCG's O&M Plan does not have a procedure that specifies how to inspect rectifiers to ensure that they are operating as required by CFR, §192.465.

On May 2, 2012, SED and WCG inspected the rectifier located in the Castle service area. The gauge on the rectifier, that indicates current flow, showed units of volts instead of amperes. SED observed WCG take a voltage reading of 15.4 mV across a 50 mV/60 amp shunt resistor and calculated an incorrect value of 30 amps for current output. The accurate calculation of the current output should have been 18.48 amps.

Similarly, WCG's O&M Plan states that WCG performs an instantaneous on/off IR Drop test at least once each year; however, the procedure does not explain how to perform the test. WCG must establish a procedure that specifies how to inspect its rectifiers to ensure that they are operating properly and to verify that they are providing adequate levels of external corrosion protection for its buried steel gas distribution pipeline systems located at Mather and Castle. WCG must also include a procedure to its O&M Plan to describe how to perform instantaneous on/off IR drop test. WCG must train its personnel who are in charge of inspecting rectifiers and performing IR drop tests.

5. Part K of WCG O&M Plan states:

*"Checking atmospheric corrosion. Complete the appropriate WCG form when above ground piping is inspected for corrosion from atmospheric conditions or corrosive conditions than cannot be controlled by cathodic protection. Inspection all exposed piping every three years for atmospheric corrosion. (192.479, 192.481, 192.491)"*

SED noted that WCG's O&M Plan does not contain any procedures that describe how to inspect aboveground pipeline for evidence of atmospheric corrosion as required by CFR, §192.481(b).

WCG must establish a procedure for inspecting aboveground pipeline by specifying details required by CFR, §192.481(b) such as giving particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbonded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.

Additionally, WCG's O&M Plan states that the minimum inspection cycle is every 3 years; however, WCG must include the requirement of not exceeding 39 months in its O&M Plan for atmospheric corrosion evaluation interval as required by CFR, §192.481(a).

WCG must also include a requirement to take necessary remedial actions to protect its pipeline against atmospheric corrosion at places where identified as a result of inspections as required by CFR, §192.479.

6. WCG's O&M Plan does not specify a retention period for corrosion control records as required by CFR, §192.491(c) which states:

(c) Each operator shall maintain a record of each test, survey, or inspection required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that a corrosive condition does not exist. These records must be retained for at least 5 years, except that records related to CFR, §§ 192.465 (a) and (e) and 192.475(b) must be retained for as long as the pipeline remains in service.

WCG must specify the retention period for corrosion control records in its O&M Plan.

7. SED noted that WCG does not have any provisions for Internal Corrosion in its O&M Plan.

Title 49, CFR, §192.475 Internal corrosion control: General states:

(a) Corrosive gas may not be transported by pipeline, unless the corrosive effect of the gas on the pipeline has been investigated and steps have been taken to minimize internal corrosion.

(b) Whenever any pipe is removed from a pipeline for any reason, the internal surface must be inspected for evidence of corrosion. If internal corrosion is found—

(1) The adjacent pipe must be investigated to determine the extent of internal corrosion:

(2) Replacement must be made to the extent required by the applicable paragraphs of CFR, §§ 192.485, 192.487, or 192.489; and,

(3) Steps must be taken to minimize the internal corrosion.

WCG must do the following for Internal Corrosion Control:

A- Since WCG transports natural gas from Pacific Gas and Electric (PG&E), WCG must demonstrate that the natural gas that it transports to its distribution system is not corrosive. WCG must obtain gas quality characteristics from PG&E in order to demonstrate that PG&E's gas that WCG is transporting is not corrosive as required by CFR, §192.475 (a).

B- WCG's O&M Plan must include an internal corrosion inspection procedure which it follows whenever it removes a section of pipeline for any reason. The internal corrosion inspection procedure should also include provisions for the inspection of adjacent pipe as per CFR, §192.475 (b)(1),(2), and (3) when internal corrosion is found.

#### **IV- Title 49, CFR, §192.13 What general requirements apply to pipelines regulated under this part?**

Section 192.13(c) requires that "Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part."

During the review of WCG's O&M Plan, SED identified the following deficiencies:

1. WCG, Part E, Leakage surveys states in part "If not repaired, the leak should be reevaluated during the next scheduled survey, or within 15 months of the date reported or discovered, whichever occurs first, until the leak is re-graded or no longer results in a reading."

SED found that WCG does not document findings when it monitors open Grade 2 and Grade 3 gas leaks.

As required by its O&M Plan, WCG must document necessary information when performing rechecks of open leaks to be able to record essential data such as recheck date, gas concentration (% gas or % LEL), location, condition, migration etc. WCG must also determine if the previous grading has changed (upgraded or downgraded) or not changed and take

necessary preventive and mitigation actions accordingly. Additionally, as mentioned under Item II.1.C, the GLRR forms should show the captured data recorded during field rechecks.

2. On May 2, 2013, SED and WCG conducted a field check of one repaired and several open leaks at locations in Castle (Atwater) and took gas leak concentration readings.

Since WCG did not document gas leak monitor data on the GLRRs for the open leaks during past field rechecks, SED determined that WCG could not demonstrate that it monitored any of the pending Grade 3 leaks given below during annual leak surveys following the discovery of the leaks.

- A- WCG did not record any recheck information for the Grade 3 leak discovered on 4/21/10 by WCG at C Street, North corner of C Street and Aviation, in Castle. On 5/2/13, SED and WCG visited the site and observed that WCG dug up the underground leak but did not repair it. WCG recorded 429 parts per million (ppm) during the field check. SED noted that WCG should have reevaluated this leak during the next scheduled surveys in 2011 and 2012 until the leak was re-graded, no longer resulted in reading, or repaired as per WCG's O&M Plan.

WCG must recheck all open leaks and record required information to take necessary remedial actions properly. Please inform us of the actions taken for this pending underground gas leak.

- B- Similarly, WCG did not monitor or document any recheck information for the Grade 3 leak discovered on 4/22/10 by WCG at Heritage Dr. on south corner of Building 1340 in Castle. SED and WCG visited the site and observed that the underground leak was exposed. WCG measured the gas concentration at 16,000 ppm gas in the air during the field check. WCG should have re-evaluated and documented findings about this leak during its next scheduled surveys in 2011 and 2012 until the leak was re-graded, no longer resulted in reading, or repaired as per WCG's O&M Plan. WCG must repair this gas leak and document the leak repair information properly.

- C- On 6/3/11, Heath discovered a main line gas leak in the amount of 60% gas in air and classified it as a Grade 3 at Heritage Drive at A Street in Castle. WCG monitored the leak by potholing and found low gas readings but did not record any recheck information. SED and WCG confirmed the low gas concentrations during the field check on 5/2/13 at this location. When WCG conducts any follow up leak checks, it must document it. SED reviewed the Heath Leakage Control Report Field Survey form that it filled out and noted the following concerns:

1. If Heath chooses to use its own gas leak survey form, then WCG needs to make sure that all essential gas leak information such as date and time of survey, percent of gas in air, or percent LEL, or ppm, location of gas leak, leak classification, type of area and survey, equipment used, new leak or recheck information etc. is properly documented on the form.
2. If WCG is unclear about any of the findings reported by Heath, WCG must contact Heath and request more information about the leaks to be able to take the appropriate remedial action.
3. As mentioned under Item II.1.A WCG must include the leak grading criteria that Heath follows in its O&M Plan or require Heath to use the same gas leak criteria

that WCG uses. The O&M Plan should define the leak grading criteria for hazardous and other type of leaks that WCG contractors use and describe the follow up actions with allowed time interval.

Heath recorded 60% gas in air at Heritage Drive at A Street in Castle and classified it as a Grade 3 leak. SED is concerned about the classification of this leak since it may conflict with WCG's leak grading criteria and may have been more severe. The leak may have been a Grade 2 based on WCG's grading criteria and required reevaluation every six months until cleared as per WCG O&M Plan. WCG must ensure that the contractors it hires to conduct leak surveys of its gas system classify all leaks discovered in a consistent manner so that WCG takes proper follow up action in a timely manner.

Therefore, WCG must either ensure that Heath uses the same leak grading criteria as WCG or add the criteria that its contractors use for grading leaks to its O&M Plan. WCG must also document leak recheck information and keep records.

- D- On 4/7/09, WCG discovered a Grade 3 leak at Stratofortress Ave., Building # 712, Castle. WCG explained that it repaired the leak in 2011; however, SED did not find any repair or recheck records.

On May 2, 2013, SED and WCG visited the site and confirmed that WCG repaired the leak; however, WCG was still unable to provide gas leak repair records for the leak. SED noted that according to WCG's O&M Plan, WCG should have reevaluated the leak in 2010 before WCG repaired it in 2011 and maintained leak repair records of the repair.

WCG must record and maintain leak repair records that contain essential leak repair information such as date and type of repair, specifications of the new pipe installed, pressure, name of personnel who performed the repair, and other data such as post repair actions and field verifications if applicable such as pressure testing, supervisor recheck, etc.

#### **V- Title 49, CFR, §192.353 Customer meters and regulators: Location**

(a) Each meter and service regulator, whether inside or outside a building, must be installed in a readily accessible location and be protected from corrosion and other damage, including, if installed outside a building, vehicular damage that may be anticipated. However, the upstream regulator in a series may be buried.

On 5/2/13, during its field check, SED noted that the service riser located at 2345 Jetway in Castle requires protection from vehicular traffic. WCG must install protective barriers to protect the service riser at this location.

#### **VI- Title 49 CFR, §192.465 External corrosion control: Monitoring**

(d) Each operator shall take prompt remedial action to correct any deficiencies indicated by the monitoring.”

SED reviewed WCG corrosion control records and noted that WCG did not take prompt remedial action to correct deficiencies found as a result of external corrosion monitoring at Valve #39 in the Mather housing location as required by CFR, §192.465(d). Table 1 shows the pipe-to-soil (P/S) readings that WCG recorded in the field; however, WCG did not take prompt remedial action to

correct the corrosion control deficiencies indicated by corrosion control monitoring; therefore, WCG is in violation of CFR, §192.465(d).

Table 1- Four consecutive low P/S readings

Date	03/29/2011	05/09/2011	07/25/2011	09/12/2011
P/S read	-804 mV	-800 mV	-819 mV	N/A

**VII-Title 49 CFR, §192.479 Atmospheric corrosion control: General**

- (a) Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.

On May 3, 2013, SED found atmospheric corrosion under disbonded coating on the riser at location #2804 in the Mather industrial service area.

WCG must take necessary remedial actions to protect its pipeline against atmospheric corrosion.

**VIII- Title 49, CFR, §192.491 Corrosion control records**

Section 192.491 (c) states: "Each operator shall maintain a record of each test, survey, or inspection required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that a corrosive condition does not exist..."

In May 2009, the Utilities Safety and Reliability Branch (USRB) of CPSD conducted a GO 112-E audit of WCG's manuals of written procedures for conducting O&M activities and Emergency response. As a result of the audit, CPSD issued a letter to WCG which identified deficiencies requiring remedial actions. One of the violations CPSD listed in its letter was that WCG did not document its Atmospheric Corrosion evaluations.

In its letter to WCG, CPSD stated the following:

*"WCG did not provide records, required to be maintained per Section 192.491(c) to show that it performs atmospheric corrosion evaluations per the requirements of Section 192.481(a). This is a repeat violation which was previously identified by Mr. Shori as a result of USRB's gas safety audit conducted in 2007. In a letter dated August 24, 2007, WCG explained that it would create a separate maintenance record in order to identify atmospheric corrosion problems and conduct quarterly inspections beginning in October 2007. Additionally, WCG O&M Plan indicates that there is an annual program for atmospheric evaluation. However, our audit in 2009 did not find any records related to atmospheric corrosion monitoring."*

In its response dated July 22, 2009, WCG stated that:

*"WCG will complete this record for each residence and building at Mather and Castle where WCG pipe is exposed to the atmosphere. The examination and corrective actions will be completed by October 31, 2009 and once every 3 years thereafter and be made a part of the permanent records."*

SED reviewed WCG atmospheric corrosion records and determined that WCG completed the initial atmospheric corrosion control monitoring survey in 2009; however, it did not properly document atmospheric corrosion control survey findings and remedial actions taken for the deficiencies identified in its system within 3 years, not exceeding 39 months after the initial survey.

CPSD brought this violation to the attention of WCG twice in the past. As a result of 2013 gas pipeline safety audit, SED determined that WCG continues to not comply with CFR, §192.491(c).

WCG must conduct an atmospheric corrosion control survey of its pipeline system exposed to the atmosphere once every 3 years and maintain records showing survey date, findings, and remedial actions taken for any deficiencies identified.

Please provide a status report within 30 days of this letter and provide records to demonstrate that WCG completed the atmospheric corrosion control survey and documented findings properly. Please inform SED upon completion of all atmospheric corrosion related corrective actions.

**IX- Title 49, CFR, §192. 615 Emergency plans.**

- (a) Each operator shall establish written procedures to minimize the hazard resulting from a gas pipeline emergency. At a minimum, the procedures must provide for the following:
  - (1) Receiving, identifying, and classifying notices of events which require immediate response by the operator.
  - (2) Establishing and maintaining adequate means of communication with appropriate fire, police, and other public officials.
  - (3) Prompt and effective response to a notice of each type of emergency, including the following:
    - (i) Gas detected inside or near a building
    - (ii) Fire located near or directly involving a pipeline facility
    - (iii) Explosion occurring near or directly involving a pipeline facility
    - (iv) Natural disaster
- (b) Each operator shall:
  - (1) Furnish its supervisors who are responsible for emergency action a copy of that portion of the latest edition of the emergency procedures established under paragraph (a) of this section as necessary for compliance with those procedures.
  - (2) Train the appropriate operating personnel to assure that they are knowledgeable of the emergency procedures and verify that the training is effective.

SED reviewed WCG Emergency Plan (EP) and identified the following deficiencies:

- 1. WCG EP does not have any procedures for prompt and effective response to a notice of a fire located near or directly involving a pipeline facility, explosion occurring near or directly involving a pipeline facility and natural disaster. SED noted this deficiency for both WCG pipeline systems located in Mather and Castle.

SED determined that this is a repeat violation of CFR, §192.615 (a)(3) which was previously identified as a result of CPSD's audit conducted in 2007.

On August 24, 2007, in its GO 112-E audit response letter to CPSD, WCG stated the following:

*“WCG will restructure its written and operating procedures for receiving, identifying and classifying notices of events which require immediate response. WCG will revise the form it uses to record the*

receipt of a notice of a gas emergency, as defined in §192.615.a.3, so as to document at a minimum the following:

- a. Date and time the notice was received.
- b. Name(s) of WCG personnel assigned to respond to the office.
- c. Actions taken by WCG personnel responding to the notice including the time personnel arrived at the scene.
- d. The date and time the event was resolved.”

WCG must establish necessary written procedures for prompt and effective response to a notice of each type of emergency listed under CFR, §192.615 (a)(3) and follow its procedures in order to minimize the hazard resulting from a gas pipeline emergency.

WCG must also include a map of its gas pipeline system showing the location of the emergency shut-off valves in its EP for pipeline systems located in Mather and Castle.

2. SED also found that WCG’s EP does not have any reference of the distribution system in Castle. The EP describes the emergency equipment, emergency condition, and how to respond to emergencies when gas is detected inside or near a building in Mather, but it has no mention of the Castle system.

On August 24, 2007, in its GO 112-E audit response letter to CPSD, WCG stated the following:

*“WCG has hired a part-time individual, who resides near Castle and could be on scene within a few minutes. This individual has years of experience as a facilities maintenance technician at Castle. The sole responsibility of this part-time employee will be to respond to notices of a gas emergency as defined in 192.615.a.3. WCG is in the process of training this individual in emergency response procedures and the equipment used to mitigate a gas emergency. This employee will be deployed at Castle no later than October 1, 2007.”*

SED determined that this is a repeat violation of CFR, §192.615 (a) which was previously identified as a result of CPSD’s audit conducted in 2007.

WCG must do the following:

- Include prompt and effective emergency response procedures to any emergency situations in its pipeline system in Castle.
- Identify individuals who are in charge of emergency response action for its pipeline system in Castle in its EP.

3. SED also determined that WCG does not have any training program for its emergency response personnel to assure that they are knowledgeable of the emergency response procedures. SED determined that this is a repeat violation of CFR, §192.615 (b)(2), which was previously identified as a result of CPSD’s audit conducted in 2009.

Additionally, WCG’s EP listed Evan Rahilly as the emergency contact in Castle in the Emergency Notification List. However, WCG did not train Mr. Rahilly to assure that he is knowledgeable of the emergency procedures.

On June 10, 2009, CPSD’s GO 112-E audit letter stated the following:

*“There was no written Emergency Exercises available for the years 2007 and 2008. Participation of WCG employees in such exercises is essential in order to ensure that employees are properly trained to respond to emergencies in an effective and timely manner.*

*This is a repeat violation which was previously identified by Mr. Carter as a result of USRB's gas safety audit conducted in 2005. In its response on February 26, 2006, WCG stated the following: "WCG will schedule, conduct and critique an annual Emergency Response drill for each covered employee in March and September of 2006..."*

*WCG needs to conduct Emergency Exercise drills as frequently as necessary but at least once every year. Please advise us on this item and explain how frequently WCG will conduct Emergency Exercise drills."*

On July 22, 2009, in its response to CPSD, WCG stated the following:

*"WCG will conduct its 2009 Emergency Exercise in August 2009. It will prepare a written record of the emergency exercise. WCG will conduct an annual Emergency Exercise thereafter."*

Additionally, SED determined that WCG has not evaluated the effectiveness of its table top Emergency exercise that is required annually.

WCG must provide training to all emergency personnel (both part-time and full time) who are responsible for responding emergencies as to the requirements of the emergency plan and WCG must also verify the effectiveness of its training as required by CFR, §192.615 (b)(2). Training should include emergency response procedures, how to recognize and react to emergencies in both pipeline systems located in Mather and Castle.

Please provide a status report within 30 days of this letter regarding the actions WCG will take to correct its EP related deficiencies identified under Item IX and please also inform SED upon completion of all EP related corrective actions.

**X- Title 49, CFR, §192.625 Odorization of gas.**

(f) To assure the proper concentration of odorant in accordance with this section, each operator must conduct periodic sampling of combustible gases using an instrument capable of determining the percentage of gas in air at which the odor becomes readily detectable. Operators of master meter systems may comply with this requirement by —

- (1) Receiving written verification from their gas source that the gas has the proper concentration of odorant; and
- (2) Conducting periodic "sniff" tests at the extremities of the system to confirm that the gas contains odorant.

Part J, Measuring the Odorization of Gas of WCG's O&M Plan states in part:

*"This part of the Utilities O&M Plan details the procedure used to measure the odorization of gas at the Natural Gas distribution system. At the present time, odorizing equipment is not available within the Natural Gas distribution system; however, the following procedure is set forth for the information and guidance of WCG distribution system personnel..."*

*"WCG will conduct periodic "sniff tests" to insure that odorization levels are adequate. To conduct "sniff tests" WCG personnel, at various locations will smell the gas at an open valve or gas oven burner..."*

CFR, §192.625 (f) requires gas operators to conduct periodic testing of combustible gases using an instrument to determine that the percentage of gas in air at which the odor becomes readily detectable. As detailed in the code, only operators of master meter systems are not required to use an instrument to comply with this code section.

SED reviewed quarterly odorization test records and confirmed that WCG has been using sniff testing without an instrument. Since WCG gas pipeline system is not a master meter system, WCG is not exempt from the requirement of using an instrument to conduct odorization testing; therefore, WCG cannot conduct periodic “sniff” tests at the extremities of the system to confirm that the gas contains odorant without an instrument.

In order to comply with CFR, §192.625 (f), WCG must use an instrument capable of determining the percentage of gas in air at which the odor becomes readily detectable.

WCG must update its O&M Plan to include the new instrument and specify the frequency of the odorization checks in the O&M Plan. WCG must also calibrate the instrument as per manufacturer’s instructions and keep the calibration records. WCG must also provide training for its personnel to use the instrument for odorant testing.

**XI- Title 49, CFR, §192.739 Pressure limiting and regulating stations: Inspection and testing.**

(a) Each pressure limiting station, relief device (except rupture discs), and pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is -

- (1) In good mechanical condition;
- (2) Adequate from the standpoint of capacity and reliability of operation for the service in which it is employed;
- (3) Except as provided in paragraph (b) of this section, set to control or relieve at the correct pressure consistent with the pressure limits of CFR, §192.201(a); and
- (4) Properly installed and protected from dirt, liquids, or other conditions that might prevent proper operation.

WCG records showed that it conducted the last pressure limiting and regulator station inspection and testing of its Housing-Capehart Regulation Station on 3/6/09. SED noted that WCG checks and verifies the main line and by-pass line pressures on a monthly basis. However, WCG failed to perform annual maintenance of its Housing-Capehart Regulation Station in 2010, 2011, and 2012; therefore, WCG is in violation of CFR, §192.739 (a).

WCG must inspect and test its regulator station at intervals not exceeding 15 months, but at least once each calendar year to ensure that it is in good mechanical condition, properly installed and protected, has adequate capacity and reliability and also confirm that the regulator and monitor are set to control or relieve at the correct pressures. Please provide records demonstrating that WCG performed these activities in 2013 in its response to SED.

**OPERATIONS AND MAINTENANCE PLAN AND EMERGENCY PLAN**

**OBSERVATIONS AND CONCERNS**

**I- Title 49, CFR, §192.463 External corrosion control: Cathodic protection.**

(a) Each cathodic protection system required by this subpart must provide a level of cathodic protection that complies with one or more of the applicable criteria contained in Appendix D of this part. If none of these criteria is applicable, the cathodic protection system must provide a level of cathodic protection at least equal to that provided by compliance with one or more of these criteria.

On May 3, 2013, SED and WCG took several P/S readings on WCG gas pipeline system at the locations shown in Table 2. SED noted that the P/S readings did not meet the minimum 0.85 volts criteria; therefore, WCG did not have its gas pipeline system at these locations adequately protected against external corrosion.

WCG must take prompt remedial action in order to correct the CP deficiencies at the locations in Table 2. Please provide SED with a status report upon completion of the external corrosion related corrective actions.

Table 2- P/S field readings

<b>Mather Industrial Area</b>	
<b><i>Location</i></b>	<b><i>P/S Read (mV)</i></b>
2804	-535
2844	-520
4844	-419
7052	-464
Valve #36	-777
<b>Mather Housing Area</b>	
Valve #39	-821

## PUBLIC AWARENESS PROGRAM

### AREAS OF VIOLATIONS

SED reviewed WCG's Public Awareness Program (PAP) and found the following deficiencies:

#### **I- Title 49, CFR, §192.616 Public awareness.**

(a) Except for an operator of a master meter or petroleum gas system covered under paragraph (j) of this section, each pipeline operator must develop and implement a written continuing public education program that follows the guidance provided in the American Petroleum Institute's (API) recommended Practice (RP) 1162 (IBR, see §192.7).

(b) The operator's program must follow the general program recommendations of API RP 1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

SED noted that WCG's PAP does not contain an assessment of unique attributes and characteristics of the operator's pipeline and facilities.

WCG must include a map of its gas distribution systems and describe types and characteristics of its pipeline system in its PAP.

#### **II- Title 49, CFR, §192.616 Public awareness**

(c) The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162 unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.

(i) The operator's program documentation and evaluation results must be available for periodic review by appropriate regulatory agencies.

1. Part H, Annual Internal Audit of WCG's PAP states *"WCG will maintain detailed records of its Public Awareness Program. Files will be maintained on each bill stuffer mailing, meeting with emergency response agencies and contacts with contractor/excavator within WCG's service territory. On an annual basis (February of the following year), WCG will prepare an internal audit of its Public Awareness Program activities. The audit will summarize and verify that the activities listed in the WCG PAP have been carried out."*

WCG's PAP proposes annual audits of its PAP activities; however, WCG did not perform any audits of its PAP in 2010 and 2012.

WCG must identify and document necessary changes and/or modifications to its PAP based on the results and findings of its annual internal audit of program effectiveness evaluation.

2. WCG PAP also states *"In addition, the audit report will include feedback from the public on the effectiveness of WCG program and any changes in the program for the upcoming year. The primary method to gain insight on the effectiveness of the WCG PAP will be a sample set of written and oral interviews of WCG customers, facility managers at Mather and Castle Airport, emergency officials, first responders and local government officials."*

*The objective of the survey is to determine if the baseline message was understood, that it included information that was relevant and useful to the target audience, and to gain insights on how the baseline message can be improved. WCG will conduct oral interviews with stakeholders primarily by phone and the internet. Based on the results of those interviews, WCG will adjust its message and means of communication to insure that it's PAP accomplishes the stated goal of increased public awareness."*

SED determined that WCG neither conducted any survey nor performed any periodic evaluation of its PAP's implementation and effectiveness to ensure that its PAP accomplishes the stated goal of increased public awareness. Additionally, WCG did not assess the percentage of the intended stakeholders that understood and retained the key information in the messages received.

WCG must conduct an effectiveness evaluation of its PAP and document the method used to perform the evaluation such as internal assessment, by third party contractor review, regulatory inspections, etc., and maintain records.

SED also noted that WCG's PAP does not clarify whether or not all stakeholders are contacted to fill out effectiveness survey. If WCG does not cover 100 % of stakeholders for the survey, then WCG should justify the statistical sampling.

WCG must also identify how it determines the sample size for audiences in performing its effectiveness evaluation.

3. SED also noted that there was no documentation demonstrating that WCG established and maintained liaison with appropriate fire, police, and other public officials to learn the responsibility and resources of each government organization that may respond, acquaint the officials with the operator's ability in responding to a pipeline emergency, identify the types of pipeline emergencies of which the operator notifies the officials, and plan how the operator and other officials can engage in mutual assistance to minimize hazards to life or property.

WCG must confirm and track actual PAP outreach for each stakeholder and systems covered by its program.

WCG must also consider measuring affected public's perception of the safety of the operator's pipeline, bottom-line results of its PAP by tracking third-party incidents and consequences including: near misses, excavation damages resulting in pipeline failures, and excavation damages that do not result in pipeline failures.

### **III- Title 49, CFR, §192.616 Public awareness.**

(d)The operator's program must specifically include provisions to educate the public, appropriate government organizations, and persons engaged in excavation activities on –

- (1) Use of a one-call notification system prior to excavation and other damage prevention activities;
- (2) Possible hazards associated with unintended releases from a gas pipeline facility;
- (3) Physical indications that such a release may have occurred;
- (4) Steps that should be taken for public safety in the event of a gas pipeline release; and
- (5) Procedures for reporting such an event.

(e)The program must include activities to advise affected municipalities, school districts, businesses, and residents of pipeline facility locations.

(f)The program and the media used must be as comprehensive as necessary to reach all areas in which the operator transports gas.

WCG’s PAP does not contain any provisions of advising affected municipalities, school districts, businesses, and residents of pipeline facility locations as required CFR, §192.616 (e).

WCG’s PAP stated that it identified a noncustomer entity, office building and the Mather airport runway, which are located near WCG’s pipeline facility and proposed to provide information to the Mather Airport manager; however, it did not specify the frequency of the informational mail.

According to API RP 1162, Baseline Recommended Message Deliveries referenced in CFR, §192.616, WCG must provide information to residents along its local distribution system on an annual basis, see Table 3 below.

Table 3- Comparison of API RP 1162 Baseline\* Recommended Message Deliveries with WCG’s PAP

Stakeholder Audience (LDCs)	Baseline Message Frequency (starting from effective date of Plan)	WCG Public Awareness Message Frequency
Residents Along Local Distribution System	Annual	N/A
LDC Customers	Twice annually	Twice annually
Emergency Officials	Annual	Annual
Public Officials	3 years	3 years
Excavator and Contractors	Annual	Constant or Annual
One-Call Centers	As required of One-Call Center	N/A

\* Refer to API RP 1162 for additional requirements, including general program recommendations, supplemental requirements, recordkeeping, program evaluation, etc.

WCG must establish methods and include activities into its PAP to advise affected municipalities, school districts, businesses, and residents of pipeline facility locations.

WCG must document the message type and content, and delivery method and frequency for each stakeholder audience. Additionally, WCG’s PAP documentation must properly and adequately reflect implementation of its PAP requirements.

## OPERATOR QUALIFICATION

### AREAS OF VIOLATIONS

#### **Subpart N—Qualification of Pipeline Personnel**

##### **Title 49, CFR, §192.801 Scope.**

- (a) This subpart prescribes the minimum requirements for operator qualification of individuals performing covered tasks on a pipeline facility.
- (b) For the purpose of this subpart, a covered task is an activity, identified by the operator, that:
  - (1) Is performed on a pipeline facility;
  - (2) Is an operations or maintenance task;
  - (3) Is performed as a requirement of this part; and
  - (4) Affects the operation or integrity of the pipeline.

##### **Title 49, CFR, §192.803 Definitions.**

*Abnormal operating condition* means a condition identified by the operator that may indicate a malfunction of a component or deviation from normal operations that may:

- (a) Indicate a condition exceeding design limits; or
- (b) Result in a hazard(s) to persons, property, or the environment.

*Evaluation* means a process, established and documented by the operator, to determine an individual's ability to perform a covered task by any of the following:

- (a) Written examination;
- (b) Oral examination;
- (c) Work performance history review;
- (d) Observation during:
  - (1) Performance on the job,
  - (2) On the job training, or (3) Simulations;
- (e) Other forms of assessment.

*Qualified* means that an individual has been evaluated and can:

- (a) Perform assigned covered tasks; and
- (b) Recognize and react to abnormal operating conditions.

**Title 49, CFR, §192.805 Qualification program.**

Each operator shall have and follow a written qualification program. The program shall include provisions to:

- (a) Identify covered tasks;
- (b) Ensure through evaluation that individuals performing covered tasks are qualified;
- (c) Allow individuals that are not qualified pursuant to this subpart to perform a covered task if directed and observed by an individual that is qualified;
- (d) Evaluate an individual if the operator has reason to believe that the individual's performance of a covered task contributed to an incident as defined in Part 191;
- (e) Evaluate an individual if the operator has reason to believe that the individual is no longer qualified to perform a covered task;
- (f) Communicate changes that affect covered tasks to individuals performing those covered tasks;
- (g) Identify those covered tasks and the intervals at which evaluation of the individual's qualifications is needed;
- (h) After December 16, 2004, provide training, as appropriate, to ensure that individuals performing covered tasks have the necessary knowledge and skills to perform the tasks in a manner that ensures the safe operation of pipeline facilities; and
- (i) After December 16, 2004, notify the Administrator or a state agency participating under 49 U.S.C. Chapter 601 if the operator significantly modifies the program after the Administrator or state agency has verified that it complies with this section.

**Title 49, CFR, §192.807 Recordkeeping.**

Each operator shall maintain records that demonstrate compliance with this subpart.

(a) Qualification records shall include:

- (1) Identification of qualified individual(s);
- (2) Identification of the covered tasks the individual is qualified to perform;
- (3) Date(s) of current qualification; and
- (4) Qualification method(s).

(b) Records supporting an individual's current qualification shall be maintained while the individual is performing the covered task. Records of prior qualification and records of individuals no longer performing covered tasks shall be retained for a period of five years.

**Title 49, CFR, §192.809 General.**

- (a) Operators must have a written qualification program by April 27, 2001. The program must be available for review by the Administrator or by a state agency participating under 49 U.S.C. Chapter 601 if the program is under the authority of that state agency.
- (b) Operators must complete the qualification of individuals performing covered tasks by October 28, 2002.

- (c) Work performance history review may be used as a sole evaluation method for individuals who were performing a covered task prior to October 26, 1999.
- (d) After October 28, 2002, work performance history may not be used as a sole evaluation method.
- (e) After December 16, 2004, observation of on-the-job performance may not be used as the sole method of evaluation.

SED evaluated WCG Operator Qualification (OQ) Plan and found the following deficiencies:

1. WCG's OQ Plan does not have a complete list of covered tasks as required by CFR, §192.805 (a). WCG included a list of Covered Staff Job Descriptions; however, these job descriptions do not match the training and qualification records that WCG maintains.

SED found that WCG's OQ Plan does not define covered task specific Abnormal Operation Conditions (AOC).

SED determined that this is a repeat violation which CPSD previously identified as a result of its audits conducted in 2007 and 2009.

On June 10, 2009, CPSD's audit letter sent to WCG stated the following:

*"WCG OQ plan does not have any list of Abnormal Operating Conditions (AOC) for each covered task described in Section 192.801 (b)."*

*WCG needs to identify general and task specific AOCs for each covered task in its OQ plan. This is a repeat violation which was previously identified by Mr. Shori as a result of USRB's gas safety audit conducted in 2007."*

On July 22, 2009, in its GO 112-E audit response letter to CPSD, WCG stated the following:

*"While WCG O&M Plan does have examples of AOC for many of its covered tasks, we agree that it will be useful to list AOCs under each covered task listed in Part Q (Attachment 6) and we will update to include these examples under each covered task by August 2009."*

SED determined that WCG has not taken the necessary corrective action; therefore, WCG is still not in compliance with Subpart N requirements of CFR, Part 192, even though CPSD identified the same deficiency in WCG's OQ Plan twice in past audits.

WCG must identify all covered tasks in its OQ Plan defined by CFR, §192.801 (b) which its employees and contractors perform on its gas pipeline system.

Additionally, WCG must also identify all covered task specific AOCs that may reasonably be anticipated and establish provisions to train covered employees on how to recognize and appropriately react to the AOCs for the purpose of qualifying individuals.

2. WCG's OQ Plan does not have any provisions to require its contractors be OQ qualified when performing covered task on behalf of WCG.

SED determined that WCG also failed to establish provisions to communicate the OQ plan to contractors and ensure that contractors are following the OQ plan.

This is a repeat violation which CPSD also identified as a result of its 2005 and 2009 gas safety audits.

On June 10, 2009, CPSD's audit letter sent to WCG stated the following:

*"WCG did not provide qualification records for some of the contractors it hired to perform certain tasks related to its gas system. WCG must qualify all contractors performing covered tasks on its gas system in accordance with its OQ Plan. In addition, WCG needs to review and approve each contractor's OQ Plan and qualification records for the covered tasks they perform..."*

*This is a repeat violation which was previously identified by Mr. Carter as a result of USRB's gas safety audit conducted in 2005."*

WCG must have provisions in its OQ Plan to require its contractors to either follow its OQ Plan or WCG can approve the contractors' OQ plan and require contractors to evaluate employees' performance and provide qualification records for the covered tasks that they are hired to perform on WCG's gas pipeline system.

SED also noted that WCG did not identify its contractors in the plan.

For example, Heath Consultant conducts gas leak surveys for WCG; however, the OQ plan did not identify this contractor.

WCG did not have any OQ records for its part-time employee, Evan Rahilly, who WCG employed to respond to gas emergencies in its pipeline system at Castle. SED determined that WCG neither trained Mr. Rahilly to perform the covered tasks that he is responsible for nor did it evaluate his performance to determine if he had the knowledge, skills, and abilities to perform the covered tasks, recognize, and react to AOCs since the beginning of his employment on October 1, 2007.

In its letter to WCG on June 10, 2009, CPSD stated that there were no OQ records for Mr. Rahilly.

WCG response stated the following in its response on July 22, 2009:

*"There are four areas of the OQ plan that WCG has selected for annual training:*

- 1. O&M Plan- annual testing to insure revisions to O&M Plan are understood.*
- 2. Emergency Field Training.*
- 3. Pressure Regulation.*
- 4. Unsafe condition.*

*WCG will conduct the required annual training in these four areas in August and September 2009."*

However, in its 2013 GO 112-E audit, SED did not find any training or operator qualification records for Mr. Rahilly for the years from 2009 through 2013.

WCG must ensure through evaluation that its employees and contractors performing covered tasks are qualified per CFR, §192.805 (b) and must keep all contractors' OQ records. Please provide SED with the OQ records of Evan Rahilly within 30 days of this letter. If WCG has hired

other personnel for emergency response in Castle, please provide the OQ records of them as well.

WCG must also establish provisions to communicate the requirement of its OQ Plan to contractors to ensure that the contractors follow the OQ Plan.

Additionally, WCG must identify in its OQ Plan how changes to procedures, tools, standards, and other elements used by individuals in performing covered tasks are communicated to the individuals, including contractor individuals, and how these changes are implemented in the evaluation methods as required by CFR, §192.805 (f).

3. WCG did not establish and document evaluation methods for individuals performing covered tasks in its OQ Plan.

SED determined that this is a repeat violation which CPSD previously identified as a result of its audits conducted in 2005 and 2009.

On June 10, 2009, CPSD's audit letter sent to WCG stated the following:

*"The WCG OQ plan does not have any evaluation methods that are used to determine knowledge, skills, and abilities (KSA) of its personnel.*

*This is a repeat violation which was previously identified by Mr. Carter as a result of USRB's gas safety audit conducted in 2005.*

*WCG needs to document its evaluation method for each covered task."*

On July 22, 2009, in its GO 112-E audit response letter to the CPSD, WCG stated the following:

*"WCG does test covered employees KSA by giving a set of "classroom" instructions, based on many sources of information such as 49 CFR 192, instruction contained in manufactures product descriptions and applications. After the "classroom" instruction WCG tests the covered employee in the field by observing the employee performing the tasks."*

SED determined that even though CPSD identified the same deficiency twice in the past audits, WCG has not included the evaluation method for each covered task in its OQ Plan; therefore, WCG is in violation of CFR, §§192.805 and 192.809.

WCG must have an evaluation method for each covered task listed in its OQ Plan. Since WCG did not have any records of evaluations in 2009, 2010, 2011, and 2012, SED could not evaluate the effectiveness of training provided for its employees.

As stated in CFR, §§192.809 (d) and (e), WCG may not use work performance history and observation of on-the-job performance as the sole method of evaluation.

WCG must revise its OQ Plan to satisfy the provision of the code sections CFR, §§192.805, 192.807, and 192.809.

4. SED determined that WCG's OQ Plan does not have any provisions for initial qualification, retraining and reevaluation of individuals performing covered tasks as required by CFR, §192.805(h).

SED determined that this is a repeat violation which CPSD previously identified as a result of its audits conducted in 2005 and 2009.

On June 10, 2009, CPSD's audit letter sent to WCG stated the following:

*"Some of WCG personnel require more training to improve their KSAs. An example relative to WCG's OQ Plan is shown below. This is necessary to better prepare them, not only to perform the covered tasks that they are qualified for, but also to be able to recognize and react to general or task specific AOCs..."*

*This is a repeat violation which was previously identified by Mr. Carter as a result of USRB's gas safety audit conducted in 2005."*

On July 22, 2009, in its GO 112-E audit response letter to the CPSD, WCG stated the following:

*"WCG agrees and we will strive to improve the skill sets of all of our field employees and provide more complete documentation of the training and testing of all covered employees."*

SED noted the following example to demonstrate that lack of training is still an issue with WCG covered employees. On May 2, 2013, SED and WCG inspected the rectifier located in the Castle service area. The gauge on the rectifier, used to indicate current flow, showed units of volts instead of amperes. SED observed WCG take a voltage reading of 15.4 mV across a 50 mV/60 amp shunt resistor and calculated an incorrect value of 30 amps for current output instead of 18.48 amps which was the correct current output.

SED determined that even though CPSD identified the same deficiency twice in the past audits, WCG has not taken necessary corrective action to properly train its covered employees for the covered tasks that they perform; therefore, WCG violated CFR, §192.805(h) for the third time. WCG must provide training, as appropriate; to ensure that individuals performing covered tasks have the necessary knowledge and skills to perform the tasks in a manner that ensures the safe operation of pipeline facilities.

5. SED noted that WCG's OQ Plan does not have provisions:

- To allow individuals that are not qualified pursuant to this subpart to perform a covered task if directed and observed by an individual that is qualified as required by CFR, §192.805(c);
- To evaluate an individual if the operator has reason to believe that the individual's performance of a covered task contributed to an incident as defined in Part 191, as required by CFR, §192.805(d);
- To evaluate an individual if the operator has reason to believe that the individual is no longer qualified to perform a covered task as required by CFR, §192.805(e).

WCG must revise its OQ Plan to satisfy the provisions of the code sections CFR, §§192.805 (c),(d), and (e).

6. SED determined that WCG does not have a process requiring evaluation of its OQ program and implementation of improvements to enhance the effectiveness of the program as required by CFR, §§192.605(a) and (b)(8).

WCG must evaluate its OQ program to implement improvements and evaluate effectiveness.

7. SED also noted that WCG needs to review its OQ Plan regularly and update it as needed. SED determined that this is a repeat violation which CPSD previously identified as a result of its audits conducted in 2005 and 2009.

On June 10, 2009, CPSD's GO 112-E audit letter to WCG stated the following:

*"We determined that WCG's Operator Qualification (OQ) Plan is outdated and has not been updated recently. The OQ plan mentions employees Mr. Miller, assistant field operations supervisor and Mr. Decker, the trainer for new employees who are no longer with the company. WCG needs to review its OQ Plan and update it as needed to reflect the most up-to-date information. This is a repeat violation which was previously identified by Mr. Carter as a result of USRB's gas safety audit conducted in 2005."*

WCG must review and update its OQ Plan to reflect the most up-to-date changes in the plan and communicate the changes with its employees.

**SUBPART P–GAS DISTRIBUTION PIPELINE INTEGRITY MANAGEMENT**

**AREAS OF VIOLATIONS**

**I- Title 49, CFR, §192.1007 What are the required elements of an integrity management plan?**

A written integrity management plan must contain procedures for developing and implementing the following elements:

- (a) Knowledge. An operator must demonstrate an understanding of its gas distribution system developed from reasonably available information.
    - (1) Identify the characteristics of the pipeline's design and operations and the environmental factors that are necessary to assess the applicable threats and risks to its gas distribution pipeline.
    - (2) Consider the information gained from past design, operations, and maintenance.
    - (3) Identify additional information needed and provide a plan for gaining that information over time through normal activities conducted on the pipeline (for example, design, construction, operations or maintenance activities).
  
  - (d) Identify and implement measures to address risks. Determine and implement measures designed to reduce the risks from failure of its gas distribution pipeline. These measures must include an effective leak management program (unless all leaks are repaired when found).
  
  - (e) Measure performance, monitor results, and evaluate effectiveness.
    - (1) Develop and monitor performance measures from an established baseline to evaluate the effectiveness of its IM program. An operator must consider the results of its performance monitoring in periodically re-evaluating the threats and risks...”
1. WCG Distribution Integrity Management Program (DIMP), Section 11.2 “List of Answers and Data Sources from SHRIMP Interviews” lists the data sources used by WCG to develop an understanding of its gas distribution system. SED noted that WCG’s DIMP does not identify any data sources from the past design and environmental factors used to gain information of the system.
- WCG must consider information gained from past design and environmental factors of its system or document whether or not such information is reasonably available and establish a plan for collection of relevant information as required by CFR, §192.1007 (a)(1) and (2).
2. SED reviewed WCG’s DIMP and did not find a written procedure to identify and collect additional information needed to fill gaps due to missing, inaccurate, or incomplete records.
- WCG must include a procedure in its DIMP to identify additional information required and provide a plan for gaining that information over time through normal activities conducted on its pipeline such as design, construction, operations, and maintenance activities as required by CFR, §192.1007 (a)(3).
3. SED determined that even though WCG ranked external corrosion and third party damages as the primary risks, WCG’s DIMP did not indicate any additional actions to address these risks.

WCG must identify and implement measures to address risks from failure of its gas distribution pipeline as required by CFR, §192.1007 (d). WCG must also include an effective leak management program to its risk mitigation and preventive measures.

4. SED found that Section 7.3, Monitor Results and Evaluate Effectiveness of WCG's DIMP does not have any provisions for developing and measuring performance measures and how WCG evaluates the effectiveness of its DIMP as required by CFR, §192.1007 (e)(1).

WCG must include provisions for evaluating the effectiveness of preventive measures used to reduce risk from an established baseline and document the results of its performance monitoring efforts.

WCG must also have provisions for considering the results of performance monitoring in periodically re-evaluating the threats and risks.

## **II- Title 49, CFR, §192.13 What general requirements apply to pipelines regulated under this part?**

Section 192.13(c) requires that "Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part."

SED reviewed WCG's DIMP and noted that the operators procedure Chapter 8 "Periodic Evaluation and Improvement" requires a re-evaluation of the plan on an annual basis. Chapter 11.4 "Plan Re-evaluation Log" indicates that WCG revised its Plan on March 27, 2012; however, SED found the following statement in Chapter 11 – Attachments:

*"This is the July 2011 first DIMP effort. We will need to update this DIMP by mid February 2012"*

SED found numerous other procedures within WCG's DIMP where it established February 2012 as the target completion date for re-evaluation; however, WCG failed to update its DIMP procedures by February 2012.

WCG must maintain and modify as appropriate the plans, procedures and programs under DIMP by the dates it establishes for completion.

## **PART 199, DRUG AND ALCOHOL TESTING**

### **AREAS OF VIOLATIONS**

#### **I- Title 49, CFR, §199.3 Definitions.**

As used in this part—

Covered employee, employee, or individual to be tested means a person who performs a covered function, including persons employed by operators, contractors engaged by operators, and persons employed by such contractors. (Emphasis added)

WCG, Part R, Covered Employee Drug and Alcohol Testing (DAT) Program of O&M Plan states:

*“Part 199 of 49 CFR requires that WCG have a drug and alcohol testing program for persons who perform the following on WCG’s gas distribution systems:*

- 1. Operating*
- 2. Maintenance, or*
- 3. Emergency Response Functions.*

*WCG employees, who perform all or any of the functions listed above are, for the purposes of this program, “covered-employees”.*

SED determined that WCG does not comply with CFR, §199.3 to define its covered employees.

WCG must consider contractors engaged by WCG and persons employed by such contractors as “covered employees”; therefore, WCG must include contractor employees to its DAT Program.

#### **II- Title 49, CFR, §199.115 Contractor employees.**

With respect to those employees who are contractors or employed by a contractor, an operator may provide by contract that the drug testing, education, and training required by this part be carried out by the contractor provided:

- (a) The operator remains responsible for ensuring that the requirements of this part are complied with; and
- (b) The contractor allows access to property and records by the operator, the Administrator, and if the operator is subject to the jurisdiction of a state agency, a representative of the state agency for the purpose of monitoring the operator's compliance with the requirements of this part.

#### **Title 49, CFR, §199.245 Contractor employees.**

- (a) With respect to those covered employees who are contractors or employed by a contractor, an operator may provide by contract that the alcohol testing, training and education required by this subpart be carried out by the contractor”.
- (b) The operator remains responsible for ensuring that the requirements of this subpart and part 40 of this title are complied with; and
- (c) The contractor allows access to property and records by the operator, the Administrator, any DOT agency with regulatory authority over the operator or covered employee, and, if the operator is

subject to the jurisdiction of a state agency, a representative of the state agency for the purposes of monitoring the operator's compliance with the requirements of this subpart and part 40 of this title.

WCG, Part R, DAT Program of WCG's O&M Plan indicates that alcohol and drug tests are performed on covered employees; however, the plan does not contain any provisions for the employees of WCG's contractors and persons employed by contractors who perform covered tasks on WCG's pipeline system.

As per CFR, §§199.115 and 199.245, WCG is required to establish a program designed to help prevent accidents causing injuries, death and loss of properties resulting from the misuse of drug and alcohol by covered employees including contractors or persons employed by contractor.

Therefore, WCG must include a provision in its DAT Program and clearly define who is responsible for drug and alcohol testing, training, and education for contractor employees. If WCG chooses to have a contract with a contractor that performs the alcohol testing, training, and education, WCG must clearly state this in its DAT Program and keep the records accordingly.

### **III- Title 49, CFR, §199.105 Drug tests required.**

Each operator shall conduct the following drug tests for the presence of a prohibited drug:

- a) Pre-employment testing.
- (b) Post-accident testing.
- (c) Random testing.
- (d) Testing based on reasonable cause.
- (e) Return-to-duty testing.
- (f) Follow-up testing.

### **Title 49, CFR, §199.225 Alcohol tests required.**

Each operator shall conduct the following types of alcohol tests for the presence of alcohol:

- (a) Post-accident.
- (b) Reasonable suspicion testing.
- (c) Return-to-duty testing.
- (d) Follow-up testing.
- (e) Retesting of covered employees with an alcohol concentration of 0.02 or greater but less than 0.04.

On August 24, 2007, in its response to CPSD's gas safety audit it conducted in 2007, WCG stated the following:

*“WCG has hired a part-time individual, who resides near Castle and could be on scene within a few minutes. This individual has years of experience as a facilities maintenance technician at Castle. The sole responsibility of this part-time employee will be to respond to notices of a gas emergency as defined in 192.615 (a)(3). WCG is in the process of training this individual in emergency response procedures and the equipment used to mitigate a gas emergency. This employee will be deployed at Castle no later than October 1, 2007.”*

SED noted that WCG hired Evan Rahilly to respond to emergencies in WCG gas pipeline system in Castle as a result of CPSD's 2007 audit. However, SED did not find any records demonstrating that WCG administered any of the drug and alcohol tests required by CFR, Part 199 for Mr. Rahilly since the beginning of his employment in 2007. Therefore, WCG is in violation of CFR, §§199.105 and 199.225.

WCG must administer all required drug and alcohol testing for Mr. Rahilly and inform SED of the actions taken within 30 days of this letter. WCG must also include Mr. Rahilly to its pool of covered employees that it tests for drug and alcohol and train him as required by CFR, Parts 199 art 40.

#### **IV- Title 49, CFR, §199.113 Employee assistance program.**

(a) Each operator shall provide an employee assistance program (EAP) for its employees and supervisory personnel who will determine whether an employee must be drug tested based on reasonable cause. The operator may establish the EAP as a part of its internal personnel services or the operator may contract with an entity that provides EAP services. Each EAP must include education and training on drug use. At the discretion of the operator, the EAP may include an opportunity for employee rehabilitation.

(b) Education under each EAP must include at least the following elements: display and distribution of informational material; display and distribution of a community service hot-line telephone number for employee assistance; and display and distribution of the employer's policy regarding the use of prohibited drugs.

#### **Title 49, CFR, §199.117 – Record Keeping**

(a) Each operator shall keep the following records for the periods specified and permit access to the records...:

(4) Records confirming that supervisors and employees have been trained as required by this part must be kept for at least 3 years.

#### **Title 49, CFR, §199.239 – Operator Obligation to Promulgate a Policy on the Misuse of Alcohol**

(a) *General requirements.* Each operator shall provide educational materials that explain these alcohol misuse requirements and the operator's policies and procedures with respect to meeting those requirements.

(1) The operator shall ensure that a copy of these materials is distributed to each covered employee prior to start of alcohol testing under this subpart, and to each person subsequently hired for or transferred to a covered position.

(2) Each operator shall provide written notice to representatives of employee organizations of the availability of this information.

(b) The materials to be made available to covered employees shall include detailed discussion of at least the following:...

(11) Information concerning the effects of alcohol misuse on an individual's health, work, and personal life; signs and symptoms of an alcohol problem (the employee's or a coworker's); and

including intervening evaluating and resolving problems associated with the misuse of alcohol including intervening when an alcohol problem is suspected, confrontation, referral to any available EAP, and/or referral to management.

**Title 49, CFR, §199.227 Retention of records.**

(a) General requirement. Each operator shall maintain records of its alcohol misuse prevention program as provided in this section. The records shall be maintained in a secure location with controlled access.

(b) Period of retention. Each operator shall maintain the records in accordance with the following schedule:

(2) *Two years.* Records related to the collection process (except calibration of evidential breath testing devices), and training shall be maintained for a minimum of two years.

WCG, Part R, Section of E of its DAT Program states the following:

*“WCG will provide employees with an employee assistance program (EAP). The purpose of the EAP is to provide employees with education and training on drug use. In addition, WCG will provide rehabilitation assistance to any employee who seeks help for drug related problem.*

*WCG will conduct at least 1 one-hour training secession each year on drug abuse issues. All employees are required to attend these training secessions and must sign the attached Drug Abuse Training forms at the completion of the training secession.*

*The WCG Maintenance Supervisor and the Chief Financial Officer will attend a training session provided by a professional in the field of “reasonable cause” drug testing. This training will include at least 60 minutes of training on the specific contemporaneous physical, behavioral, and performance indicators of probable drug use.”*

SED evaluated WCG’s DAT Program and found the following deficiencies:

1. WCG did not provide an EAP for its employees and supervisory personnel to help with education and training on drug abuse issues and rehabilitation assistance as required by CFR, §199.113 (a) and (b),
2. WCG has never conducted any training on drug abuse issues as per its DAT Program,
3. WCG’s DAT Program does not have any provisions to provide any materials to its employees regarding alcohol misuse and WCG did not provide any educational materials that explain alcohol misuse requirements and its policies and procedures with respect to meeting those requirements as required by CFR, §199.239 (a) and (b) (11).

SED determined that WCG must do the following:

1. WCG must establish an EAP for its employees and supervisory personnel and explanation of its drug policies, which may also include an opportunity for employee rehabilitation as per CFR, §199.113 (a),

2. WCG must also provide education and training on use of prohibited drugs and rehabilitation assistance under its EAP which must include at least the elements listed under CFR, §199.113 (b),
3. WCG must maintain all training records for at least 3 years according to CFR, §199.117 (a) (4),
4. WCG must add provisions to its DAT Program to provide the EAP for its employees regarding alcohol misuse as required by CFR, §199.239 (a) and also provide educational materials concerning the effects of an alcohol misuse on an individual's health, work, and personal life; signs and symptoms of an alcohol problem (the employee's or a coworker's); and including intervening evaluating and resolving problems associated with the misuse of alcohol as required by CFR, §199.239 (b) (11).
5. WCG must also keep training records as per CFR, §199.227 (b) (2).

Please inform SED of the actions taken to correct the deficiencies identified above along with relevant records within 30 days of this letter.

**V- Title 49, CFR, §199.113 Employee assistance program.**

Training under each EAP for supervisory personnel who will determine whether an employee must be drug tested based on reasonable cause must include one 60-minute period of training on the specific, contemporaneous physical, behavioral, and performance indicators of probable drug use.

**Title 49, CFR, §199.117 Record Keeping.**

Section 199.117 (a) Each operator shall keep the following records for the periods specified and permit access to the records...:

- (4) Records confirming that supervisors and employees have been trained as required by this part must be kept for at least 3 years.

**Title 49, CFR, §199.241 Training for supervisors.**

Each operator shall ensure that persons designated to determine whether reasonable suspicion exists to require a covered employee to undergo alcohol testing under § 199.225(b) receive at least 60 minutes of training on the physical, behavioral, speech, and performance indicators of probable alcohol misuse.

**Title 49, CFR, §199.227 Retention of records.**

(a) General requirement. Each operator shall maintain records of its alcohol misuse prevention program as provided in this section. The records shall be maintained in a secure location with controlled access.

(b) Period of retention. Each operator shall maintain the records in accordance with the following schedule:

- (2) *Two years.* Records related to the collection process (except calibration of evidential breath testing devices), and training shall be maintained for a minimum of two years.

(c) Types of records. The following specific records shall be maintained:

(6) Records related to education and training:

(iii) Documentation of training provided to supervisors for the purpose of qualifying the supervisors to make a determination concerning the need for alcohol testing based on reasonable suspicion.

(iv) Certification that any training conducted under this subpart complies with the requirements for such training.

SED evaluated WCG's DAT Program and determined the following deficiencies about supervisor training:

1. WCG's DAT Program does not contain any requirement to provide at least 60-minute training to persons designated to determine whether an employee must be drug tested based on reasonable cause must include one 60-minute period of training on the specific, contemporaneous physical, behavioral, and performance indicators of probable drug use.

WCG has never provided any 60-minute training to its supervisory personnel to determine that its employees must be drug tested based on reasonable cause; therefore, WCG is in violation of CFR, §199.113.

2. WCG's DAT Program does not contain any requirement to provide at least 60-minute training to persons designated to determine whether reasonable suspicion exists to require a covered employee to undergo alcohol testing under CFR, §199.225(b) and receive at least 60 minutes of training on the physical, behavioral, speech, and performance indicators of probable alcohol misuse.

WCG has never provided any 60-minute training to its supervisory personnel to determine whether reasonable suspicion exists to require a covered employee to undergo alcohol testing; therefore, WCG is in violation of CFR, §199.241.

SED determined that WCG must do the following:

1. WCG must add at least 60-minute supervisor training requirement to its DAT Program to recognize the symptoms of use of prohibited drugs and determine whether reasonable cause exists to require its employees to undergo drug testing,
2. WCG must provide at least 60-minute training to its supervisors to educate supervisors on the specific, contemporaneous physical, behavioral, and performance indicators of probable drug use as required by CFR, §199.113 and keep training records as per CFR, §199.117,
3. WCG must add at least 60-minute supervisor training requirement to its DAT Program to recognize the symptoms of alcohol misuse and how to determine whether suspicious cause exists to require its employees to undergo alcohol testing,
4. WCG must provide at least 60-minute training to its supervisors to educate supervisors on how to recognize the physical, behavioral, speech, and performance indicators of probable alcohol misuse and determine the need to administer alcohol testing for its employees as required by CFR, §199.241 and keep training records as per CFR, §199.227.