PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

October 23, 2017

Mr. Mike Lamond, Administrator
Alpine Natural Gas
15 Saint Andrews Road, Suite 7
Valley Springs, CA 95252

GI-2017-03-ANG35-02C, 05, 06, & 07

Re: SED's closure letter for the General Order (GO) 112 Gas Inspection of Alpine Natural Gas's Leak Patrol and Surveying Activities, Drug and Alcohol Misuse Policy, Public Awareness Program, and Operator Qualification Program

Dear Mr. Lamond:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission reviewed the Alpine Natural Gas (ANG) response letter dated June 14, 2017 for the findings identified during the General Order 112 inspection of ANG's Leak Patrol and Surveying Activities, Drug and Alcohol Misuse Policy, Public Awareness Program, and Operator Qualification Program which was conducted from March 27 to March 30, 2017.

A summary of the inspection findings documented by the SED, ANG's response to our findings, and SED's evaluation of ANG's response taken for each finding are outlined for each identified violation.

This letter serves as the official closure of the 2017 GO 112 inspection of ANG's Leak Patrol and Surveying Activities, Drug and Alcohol Misuse Policy, Public Awareness Program, and Operator Qualification Program, and any matters that are being recommended for enforcement will be processed through the Commission's Citation Program or a formal proceeding.

Thank you for your cooperation in this inspection. If you have any questions, please contact Jason McMillan at (916) 928-2271 or by email at Jason.McMillan@cpuc.ca.gov.

Sincerely,

Dennis Lee

Dennis Lee, P.E.
Program and Project Supervisor
Gas Safety and Reliability Branch
Safety and Enforcement Division

Cc: Kenneth Bruno, SED
Terence Eng, SED
Kelly Dolcini, SED

Enclosure: Summary of Inspection Findings

SUMMARY OF INSPECTION FINDINGS

I. Probable Violations

A. SED Findings

1. General Order 112-F, Section 143.1 states in part:
"A gas detector survey must be conducted in business districts and in the vicinity of schools, hospitals and churches, including tests of the atmosphere in gas, electric, telephone, sewer and water system manholes, at cracks in pavement, and sidewalks, and at other locations providing an opportunity for finding gas leaks, at intervals not exceeding 15 months, but at least once each calendar year."

   SED reviewed leak survey records and found 3 instances where plat maps in ANG's business district were surveyed at intervals greater than 15 months. A table of the maps and survey dates is included in the Appendix as Table 1. ANG failed to perform leak surveys at the minimum prescribed frequency in these business districts, and is in violation of GO 112-F, Section 143.1.

   ANG's Response:

   "The March 27—30th 2017 G.O. 112, SED "Inspection included a review of the operation and maintenance records related to Patrolling and leak surveys for years 2014 through 2016". It is important to note that two of the three instances cited were for deficiencies in the Leak Survey schedule for 2012-2013. In 2012 Alpine established a new system to improve efficiency and assure that all surveys were completed in timely manner. Map 73043 had caused some confusion as to whether it was in the business district. Since map 73003 is in proximity to the school entrance and that was being performed at the prescribed frequency. Alpine has subsequently revised its documentation to assure that Leak Survey of map 73043 & 73004 will be included along with 73003 in this Business District Survey performed annually.

   Map 73044 remains designated as a business district. The frequency was 20 months between 2012-2013. Alpine takes this opportunity to refine its operations and stress the need to perform Leak Surveys at the prescribed frequencies."

   SED's Conclusion:

   SED recognizes that two of the cited examples of the violation were out of the scope of this inspection. SED has opted not to impose a fine or penalty at this time since ANG has created a plan that will ensure compliance in the future and the violation did not result in a hazardous condition to ANG employees and the public.

2. Title 49 CFR §192.365(a) states in part:
"Each service-line valve must be installed upstream of the regulator or, if there is no regulator, upstream of the meter"

   During the field inspection, SED observed that at the residential service at 942 Saint Andrews Drive, Valley Springs, ANG had installed two valves; one of which was downstream of the meter, resulting in a violation of §192.365(a). Based on SED's finding, ANG personnel removed the downstream valve later the same day.

ANG's Response:

"Alpine's OME procedure Normal Ops 365 was revised to include:

Visually inspect piping upstream from meter to point of entry into residence or business to assure that no other valve or AOC exists. This meter installation was performed July 5, 2001 as a conversion from propane so it is believed that this existing customer piping to the residence including a secondary valve was connected to Alpine's meter. The operator at the time (2001) did not identify this AOC. This AOC had not been noted previously, including, during Patrolling or meter reading activities. This AOC is believed to be, by current OQ personnel, an isolated incident, however, Alpine OQ are alerted, to the possibility, but have yet to find another occurrence."

SED's Conclusion:

SED has opted not to impose a fine or penalty at this time since ANG corrected the violation immediately, ANG has created the necessary corrective action plan, and the violation did not result in a hazardous condition to ANG employees and the public.

3. Title 49 CFR §192.365(b) states in part:
"Each service line must have a shutoff valve in a readily accessible location that, if feasible, is outside of the building"

During the field inspection, SED observed that the residential service at 66 Saint Andrews Drive, Valley Springs, had the service valve partially buried in concrete, and therefore not readily accessible. This is a violation of §192.365(b). Based on SED's finding, ANG personnel created a work ticket to fix the problem.

ANG's Response:

"Alpine's Normal Ops 365 requires a visual inspection of a valves proper operation. Concrete partially burying the valve had not been noted previously, including, during Patrolling or meter reading activities. A service order was created and the work was performed to raise the meter and service valve to accommodate proper operation and correct this AOC."

SED's Conclusion:

SED has opted not to impose a fine or penalty at this time since ANG has created the necessary corrective action plan, and the violation did not result in a hazardous condition to ANG employees and the public.

4. Title 49 CFR §192.605(a) states in part:
"Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response."

During the field inspection, a leak was found at 150 St. Andrews Road, Valley Springs, and ANG personnel decided to repair it while on site. During the leak repair, ANG personnel closed the service valve without attempting to notify the resident. The crew then opened the service valve after the leak repair without turning off the appliances' valves inside. SED requested ANG to close the service valve and contact the resident so that a safety check of the house could be performed. The resident was home, and ANG

performed a relight of the services after ensuring there was no unintentional release of gas in the house.

ANG procedure "Normal Ops 365" is applicable to operating service valves during maintenance. The procedure states in part:

"Prior to Opening or Closing a Valve… If possible, notify the following personnel that may be affected by this operation:
i. Operating Personnel
ii. Customers"

By not attempting to notify anyone inside before turning off the service valve, ANG personnel did not follow ANG procedure "Normal Ops 365"; therefore, ANG is in violation of §192.605(a).

ANG's Response:

"Alpine's OME procedure Normal Ops 365, was revised to include:

a. Before shutting off gas attempt to notify customer to explain need for maintenance procedure and estimated duration.

Alpine's OME procedure Customer Service –Closing Service Riser Valve also addresses need to notify customer prior to shutting off gas.

Alpine's OME procedure Normal Ops 365, was revised to include procedure, once flow of gas is restarted, to insure the safe operation of all gas appliances inside the home."

SED's Conclusion:

SED acknowledges that ANG has revised their procedures to address the concerns raised during the inspection. SED requests ANG keep documentation to show that ANG has communicated the procedure changes to individuals performing the covered tasks affected by the change in accordance with Title 49 CFR §192.805(f). SED will check for the retention and completeness of the documentation during the next inspection.

5. Title 49 CFR §192.723(b)(2) states in part:
"A leakage survey with leak detector equipment must be conducted outside business districts as frequently as necessary, but at least once every 5 calendar years at intervals not exceeding 63 months."

SED reviewed leak survey records and found 88 instances where plat maps in ANG's residential areas were surveyed at intervals greater than 63 months. A table of the maps and survey dates is included in the Appendix as Table 2. ANG failed to perform leak surveys at the minimum prescribed frequency in these residential areas, and is therefore in violation of §192.723(b)(2).

ANG's Response:

"Alpine's Operations Maintenance and Emergencies procedure manual provides for the Leak Surveys to be performed in the frequency as prescribed in Title 49 CFR §192.723(b)(2) and Alpine's internal documentation system put in place in 2012 provides Operations personnel the ability to do so proficiently."

SED's Conclusion:

SED acknowledges that ANG's procedure *Maintenance 723* **(**revised on 12/29/2012) does state that any portion of the gas system outside of business districts "must be instrument (FID/CGI or DP-IR) surveyed at an interval not exceeding 5 years." ANG has explained that the survey intervals greater than 63 months that SED found correspond the period of time when ANG was transitioning from a leak survey contractor to performing their own leak surveys.

Within the 88 instances where plat maps in ANG's residential areas were surveyed at intervals greater than 63 month, SED found 13 instances where the survey interval was at least 3 years longer than allowed by federal law; 29 instances where the survey interval was at least 2 years, but less than 3 years, longer that allowed by federal law; and an additional 28 instances where the survey interval was at least 1 year, but less than 2 years, longer that allowed by federal law. A table of the maps and survey dates is included in the Appendix as Table 2.

Leak surveying natural a gas line system is a critical tool to ensure public safety and system integrity, and the minimum survey frequencies were established to guide operators to best practices with regards to safety and integrity.

Whether ANG employs a contractor to perform leak surveys, or the survey is done by ANG employees, ANG is responsible to perform leak surveys as prescribed by the minimum requirements within Federal Law. A transition between the entities performing the leak survey is not a reason to dismiss the minimum safety and compliance standards; and the transition should have been planned to meet the minimum safety and compliance standards.

SED may opt to issue a citation to ANG for violating Title 49 CFR §192.723(b)(2). The citation will be delivered separately from this letter.

6. Title 49 CFR §192.616(c) states in part:
"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."

SED reviewed the Public Awareness Message (PAM) distribution records and ANG could not provide a record showing the PAM was sent in 2015 to Emergency Officials or non-customer residents along ANG's service line. API RP 1162 (incorporated by reference) recommends that operators distribute their PAM to Emergency Officials, and non-customer residents along service lines annually. ANG failed to follow the guidelines of API RP 1162 and is therefore in violation of §192.616(c).

ANG's Response:

"Could not locate documentation of letter sent to Non-Customers and Emergency Officials in 2015. This activity is performed at frequency prescribed for many classes of customers the tracking and documentation of the activity is believed to be adequate to assure compliance in the future."

SED's Conclusion:

SED has opted not to impose a fine or penalty at this time since the violation did not result in a hazardous condition to ANG employees and the public.

SED will ensure during future inspections that ANG has delivered their Public Awareness message to local Emergency Officials and to non-customers annually. Failure to do so may result in a citation.

7. Title 49 CFR §199.101(a) states in part:
"Each operator shall maintain and follow a written anti-drug plan that conforms to the requirements of this part and the DOT Procedures"

Title 49 CFR §40.25(b) states in part:
"[As an employer] You must request the information listed in this paragraph (b) from DOT-regulated employers who have employed the employee during any period during the two years before the date of the employee's application or transfer:

(1) Alcohol tests with a result of 0.04 or higher alcohol concentration;
(2) Verified positive drug tests;
(3) Refusals to be tested (including verified adulterated or substituted drug test results);
(4) Other violations of DOT agency drug and alcohol testing regulations; and
(5) With respect to any employee who violated a DOT drug and alcohol regulation, documentation of the employee's successful completion of DOT return-to-duty requirements (including follow-up tests). If the previous employer does not have information about the return-do-duty process (e.g., an employer who did not hire an employee who tested positive on a pre-employment test), you must seek to obtain this information from the employee."

ANG's D&A policy does not contain any procedures for verifying an employee's history for previous DOT regulated employers. ANG's failure to maintain and follow an anti-drug plan that conforms to these requirements is a violation of Title 49 CFR §199.101(a).

ANG's Response:

"See; ANG's Alcohol & Drug Policy Article II:

ARTICLE II.
EMPLOYER'S DUTY TO REQUEST INFORMATION

Company must request the following information from DOT-regulated employers who have employed an Employee during the period within two (2) years of the date of that Employee's application or transferred employment to Company:

A. Alcohol tests with a result of 0.04 or higher alcohol concentration;
B. Verified positive drug tests;
C. Refusals to be tested (including verified adulterated or substituted drug test results);
D. Other violations of DOT agency drug and alcohol testing regulations; and
E. If you have violated a DOT drug and alcohol regulation, Company must seek documentation of your successful completion of DOT return-to-duty requirements (including follow-up tests) from your previous employer. If your previous employer does not have information about your

return-to-duty process (e.g., your previous employer did not hire you after testing positive on a pre-employment test), Company must request, and you must provide, information regarding any violations of a DOT drug and alcohol regulation."

SED's Conclusion:

SED has opted not to impose a fine or penalty at this time since ANG has amended their policy and procedures to maintain compliance, and the violation did not result in a hazardous condition to ANG employees and the public.

8. Title 49 CFR §199.101(a) states in part:
"Each operator shall maintain and follow a written anti-drug plan that conforms to the requirements of this part and the DOT Procedures"

Title 49 CFR §40.67 states in part:
"(a) As an employer, you must direct an immediate collection under direct observation with no advance notice to the employee, if:
(1) The laboratory reported to the MRO that a specimen is invalid, and the MRO reported to you that there was not an adequate medical explanation for the result;
(2) The MRO reported to you that the original positive, adulterated, or substituted result had to be cancelled because the test of the split specimen could not be performed; or
(3) The laboratory reported to the MRO that the specimen was negative-dilute with a creatinine concentration greater than or equal to 2 mg/dL but less than or equal to 5 mg/dL, and the MRO reported the specimen to you as negative-dilute and that a second collection must take place under direct observation (see § 40.197(b)(1)).
(b) As an employer, you must direct a collection under direct observation of an employee if the drug test is a return-to-duty test or a follow-up test…
(d)
(1) As the employer, you must explain to the employee the reason for a directly observed collection under paragraph (a) or (b) of this section."

ANG's D&A policy does not include any provisions or requirements to direct specimen collection under direct observation; therefore, ANG is in violation of Title 49 CFR §199.101(a).

ANG's Response:

"See; ANG's Alcohol & Drug Policy Article V, Section D:

ARTICLE V.
ALCOHOL AND DRUG TESTING OF EMPLOYEES

D. Direct Testing Under Direct Observation. Employee acknowledges that Company must direct an immediate collection under direct observation with no advance notice to an Employee if any of the following conditions exist:
1. A laboratory reported to the medical review officer ("MRO") that a specimen is invalid, and the MRO reported to Company that there was not an adequate, medical explanation for the result; or

2. The MRO reported to Company that the original positive, adulterated, or substituted result had to be cancelled because the test of the split specimen could not be performed; or
3. The laboratory reported to the MRO that the specimen was negative dilute with a creatinine concentration greater than or equal to 2 mg/dL but less than 5 mg/dL and the MRO reported the specimen to Company as negative-dilute and that a second collection must place under direct observation
4. Company is conducting a return-to-duty test; or
5. Company is conducting a follow-up test
In the event Company conducts a direct test under direct observation, Company must explain to the Employee the reason for a directly observed collection."

SED's Conclusion:

SED has opted not to impose a fine or penalty at this time since ANG has amended their policy and procedures to maintain compliance, and the violation did not result in a hazardous condition to ANG employees and the public.

9. Title 49 CFR §199.101(a) states in part:
"Each operator shall maintain and follow a written anti-drug plan that conforms to the requirements of this part and the DOT Procedures"

Title 49 CFR §40.333 states:
"(a) As an employer, you must keep the following records for the following periods of time:
(1) You must keep the following records for five years:
(i) Records of employee alcohol test results indicating an alcohol concentration of 0.02 or greater;
(ii) Records of employee verified positive drug test results;
(iii) Documentation of refusals to take required alcohol and/or drug tests (including substituted or adulterated drug test results);
(iv) SAP reports; and
(v) All follow-up tests and schedules for follow-up tests.
(2) You must keep records for three years of information obtained from previous employers under §40.25 concerning drug and alcohol test results of employees.
(3) You must keep records of the inspection, maintenance, and calibration of EBTs, for two years.
(4) You must keep records of negative and cancelled drug test results and alcohol test results with a concentration of less than 0.02 for one year.
(b) You do not have to keep records related to a program requirement that does not apply to you (e.g., a maritime employer who does not have a DOT-mandated random alcohol testing program need not maintain random alcohol testing records).
(c) You must maintain the records in a location with controlled access.
(d) A service agent may maintain these records for you. However, you must ensure that you can produce these records at your principal place of business in the time required by the DOT agency. For example, as a motor carrier, when an FMCSA inspector requests your records, you must ensure that you can provide them within two business days.
(e) If you store records electronically, where permitted by this part, you must ensure that the records are easily accessible, legible, and formatted and stored in an organized manner. If electronic records do not meet these criteria, you must convert them to printed

documentation in a rapid and readily auditable manner, at the request of DOT agency personnel."

ANG's D&A policy includes minimal language concerning record keeping and no requirements concerning record retention; therefore, ANG is in violation of Title 49 CFR §199.101(a).

ANG's Response:

"See; ANG's Alcohol & Drug Policy Article VIII, Section A (Paragraphs 1(a-e), 2(a), 3(a) and 4(a)) and Section D:

ARTICLE VIII.
RECORD KEEPING

A. Employee acknowledges that Company must keep the following records for the following periods of time

1. Company must maintain the following records for five years

a. Records of Employee's alcohol test results indicating alcohol concentration of 0.02 or greater;
b. Records of Employee's verified positive drug test results;
c. Documentation of refusals to take required alcohol and/or drug tests (including substituted or adulterated drug test results);
d. SAP reports;
e. Records that demonstrate compliance with the recommendations of a SAP;
f. All follow-up tests and schedules for follow-up tests; and
g. Management Information System annual report data

2. Company must maintain the following records for three years

a. Information obtained from previous employers under Article II of this Policy;
b. Records of Company's decisions not to administer a post-accident Employee drug test;
c. Records that demonstrate that Company's drug and alcohol testing collection procedures conform to CFR 199.117; and
d. Records confirming that Company's supervisors and Employees have been trained as required by CFR 199.117

3. Company must maintain the following records for two years

a. Records of inspection, maintenance and calibration of evidential breath testing devices.

4. Company must maintain the following records for one year

a. Records of passed, negative and cancelled drug test results;
b. Records of alcohol test results with a concentration of less than 0.02;…

D. Records will be kept in a controlled access location. The records will be easily accessible, legible, formatted and organized in a rapidly and readily auditable manner at the request of DOT personnel. Further, all records shall be capable of being produced by Company at Company's principal place of business within the amount of time required by any DOT agency requesting such records."

SED's Conclusion:

SED has opted not to impose a fine or penalty at this time since ANG has amended their policy and procedures to maintain compliance, and the violation did not result in a hazardous condition to ANG employees and the public.

10. Title 49 CFR §199.101(a) states in part:
"Each operator shall maintain and follow a written anti-drug plan that conforms to the requirements of this part and the DOT Procedures. The plan must contain -
    (1) Methods and procedures for compliance with all the requirements of this part, including the employee assistance program;
    (2) The name and address of each laboratory that analyzes the specimens collected for drug testing; and
    (3) The name and address of the operator's Medical Review Officer, and Substance Abuse Professional; and,
    (4) Procedures for notifying employees of the coverage and provisions of the plan."

ANG's D&A policy does not contain the name and address for each laboratory, the name and address of the Medical Review Officer (MRO) or the Substance Abuse Professional (SAP); therefore, ANG is in violation of 49 CFR §199.101(a).

ANG explained that they use a third party to collect and analyze samples, and it is this third party that employs the MRO and SAP. ANG also produced drug and alcohol test results that include the names and address or the MRO who analyzed the tests. ANG should obtain a list of the lab facilities and a list of personnel used by the third party to ensure that any drug and alcohol test results that ANG receives are being properly screened and analyzed by the listed labs and MRO.

ANG's Response:

"Response: See; ANG's Alcohol & Drug Policy Article V, Section N.

The name and address appear on all Federal Testing and Control Testing Forms. Currently,

Clinical Reference Laboratory 8433 Quivira Lenexa, Kansas 66215

U.S. HealthWorks 10335 N. Scottsdale Rd. Scottsdale AZ 85253

> *ARTICLE V.*
> *ALCOHOL AND DRUG TESTING OF EMPLOYEES*
>
> *N. Laboratory and Medical Review Officer Information: Company uses a third-party to collect and analyze samples, and such third-party also employs an MRO and a Substance Abuse Professional ("SAP"). This third-party uses the following laboratory facilities located at the address provided, and employs the following personnel to conduct analysis of the of the samples collected:*
>
> *• Third Party Collection Agent: US HealthWorks, 1429 W. Fremont Street, Stockton, CA 95203*
> *• Third Party Lab Facility: Clinical Reference Laboratory 8433 Quivira Lenexa, Kansas 66215*

• Medical Review Officer: U.S. HealthWorks 10335 N. Scottsdale Rd. Scottsdale AZ 85253
• Substance Abuse Professional: https://www.naadac.org/sap-directory"

SED's Conclusion:

SED has opted not to impose a fine or penalty at this time since ANG has amended their policy and procedures to maintain compliance, and the violation did not result in a hazardous condition to ANG employees and the public.

11. Title 49 CFR §199.101(a) states in part:
"Each operator shall maintain and follow a written anti-drug plan that conforms to the requirements of this part and the DOT Procedures"

Title 49 CFR §199.105(b) states in part:
"(1) As soon as possible but no later than 32 hours after an accident, an operator must drug test each surviving covered employee whose performance of a covered function either contributed to the accident or cannot be completely discounted as a contributing factor to the accident. An operator may decide not to test under this paragraph but such a decision must be based on specific information that the covered employee's performance had no role in the cause(s) or severity of the accident.
(2) If a test required by this section is not administered within the 32 hours following the accident, the operator must prepare and maintain its decision stating the reasons why the test was not promptly administered. If a test required by paragraph (b)(1) of this section is not administered within 32 hours following the accident, the operator must cease attempts to administer a drug test and must state in the record the reasons for not administering the test."

ANG's D&A policy does not include the required 32 hour limit to test its employees after an accident. It also does not include the requirement to record the reasons for not administering the test (if not administered within 32 hours). Therefore, ANG is in violation of Title 49 CFR §199.101(a).

ANG's Response:

"See; ANG's Alcohol & Drug Policy Article V, Section G (Paragraphs 1 and 2:

ARTICLE V.
ALCOHOL AND DRUG TESTING OF EMPLOYEES

G. Post-Accident Drug Testing.
1. As soon as possible, but no later than thirty-two (32) hours after an accident, Company must drug test each surviving, Covered Employee whose performance of a covered function either contributed to the accident or cannot be completely discounted as a contributing factor to the accident. Company reserves the right not to test under this Paragraph 1, but exercising such right must be based on specific information that the Covered Employee's performance had no role in the cause(s) or severity of the accident.
2. If a test required by Paragraph 1 above is not administered within the thirty-two (32) hours following the accident, Company must prepare and maintain a decision stating the reasons why the test was not promptly

administered. If a test required by Paragraph 1 above is not administered within the thirty-two (32) hours following the accident, Company must cease attempts to administer a drug"

SED's Conclusion:

SED has opted not to impose a fine or penalty at this time since ANG has amended their policy and procedures to maintain compliance, and the violation did not result in a hazardous condition to ANG employees and the public

12. Title 49 CFR §199.101(a) states in part:
"Each operator shall maintain and follow a written anti-drug plan that conforms to the requirements of this part and the DOT Procedures"

Title 49 CFR §199.117 states in part
(a) Each operator shall keep the following records for the periods specified and permit access to the records as provided by paragraph (b) of this section:
- *(1) Records that demonstrate the collection process conforms to this part must be kept for at least 3 years.*
- *(2) Records of employee drug test that indicate a verified positive result, records that demonstrate compliance with the recommendations of a substance abuse professional, and MIS annual report data shall be maintained for a minimum of five years.*
- *(3) Records of employee drug test results that show employees passed a drug test must be kept for at least 1 year.*
- *(4) Records confirming that supervisors and employees have been trained as required by this part must be kept for at least 3 years.*
- *(5) Records of decisions not to administer post-accident employee drug tests must be kept for at least 3 years*

(b) Information regarding an individual's drug testing results or rehabilitation must be released upon the written consent of the individual and as provided by DOT Procedures. Statistical data related to drug testing and rehabilitation that is not name-specific and training records must be made available to the Administrator or the representative of a state agency upon request.

ANG's D&A policy includes minimal language concerning record keeping, and no requirements concerning record retention; therefore, ANG is in violation of Title 49 CFR §199.101(a).

ANG's Response:

"See; ANG's Alcohol & Drug Policy Article VIII, Section A (Paragraphs 1(f) and (g), 2(b-d) and 4(b)) and Section B:

ARTICLE VIII.
RECORD KEEPING

A. Employee acknowledges that Company must keep the following records for the following periods of time

1. Company must maintain the following records for five years

a. Records of Employee's alcohol test results indicating alcohol concentration of 0.02 or greater;
b. Records of Employee's verified positive drug test results;
c. Documentation of refusals to take required alcohol and/or drug tests (including substituted or adulterated drug test results);
d. SAP reports;
e. Records that demonstrate compliance with the recommendations of a SAP;
f. All follow-up tests and schedules for follow-up tests; and
g. Management Information System annual report data

2. Company must maintain the following records for three years
a. Information obtained from previous employers under Article II of this Policy;
b. Records of Company's decisions not to administer a post-accident Employee drug test;
c. Records that demonstrate that Company's drug and alcohol testing collection procedures conform to CFR 199.117; and
d. Records confirming that Company's supervisors and Employees have been trained as required by CFR 199.117

3. Company must maintain the following records for two years
a. Records of inspection, maintenance and calibration of evidential breath testing devices.

4. Company must maintain the following records for one year
a. Records of passed, negative and cancelled drug test results;
b. Records of alcohol test results with a concentration of less than 0.02;

B. Information regarding an Employee's drug testing results or rehabilitation must be released upon the written consent of the Employee and as provided by DOT Procedures. Statistical data related to drug testing and rehabilitation that is not name-specific and training records must be made available to the Administrator or the representative of a state agency upon request."

SED's Conclusion:

SED has opted not to impose a fine or penalty at this time since ANG has amended their policy and procedures to maintain compliance, and the violation did not result in a hazardous condition to ANG employees and the public.

13. Title 49 CFR §199.101(a) states in part:
"Each operator shall maintain and follow a written anti-drug plan that conforms to the requirements of this part and the DOT Procedures"

Title 49 CFR §199.209(b) states in part:
"Operators may, but are not required to, conduct pre-employment alcohol testing under this subpart. Each operator that conducts pre-employment alcohol testing must-
(3) Conduct the pre-employment tests after making a contingent offer of employment or transfer, subject to the employee passing the pre-employment alcohol test;"

ANG's plan does not include provisions to conduct the pre-employment tests after making a contingent offer of employment or transfer, subject to the employee passing the pre-employment alcohol test. Therefore, ANG is in violation of Title 49 CFR §199.101(a).

ANG's Response:

"See; ANG's Alcohol & Drug Policy Article V, Section B:

ARTICLE V.
ALCOHOL AND DRUG TESTING OF EMPLOYEES

B. Pre-Employment Alcohol & Drug Test. Company will conduct a pre-employment alcohol and drug test only after making a contingent offer of employment or transfer to a safety sensitive function, subject to Employee passing the pre-employment alcohol and drug test."

SED's Conclusion:

SED has opted not to impose a fine or penalty at this time since ANG has amended their policy and procedures to maintain compliance, and the violation did not result in a hazardous condition to ANG employees and the public.

14. Title 49 CFR §199.101(a) states in part:
"Each operator shall maintain and follow a written anti-drug plan that conforms to the requirements of this part and the DOT Procedures"

Title 49 CFR §199.215 states in part:
"Each operator shall prohibit a covered employee from reporting for duty or remaining on duty requiring the performance of covered functions while having an alcohol concentration of 0.04 or greater. No operator having actual knowledge that a covered employee has an alcohol concentration of 0.04 or greater shall permit the employee to perform or continue to perform covered functions."

ANG's D&A policy states:
"An employee whose blood alcohol content is .08% or more by blood or the equivalent mg per dl or more by urine will be deemed 'under the influence.' "

ANG's D&A policy is less stringent than the federal requirement for DOT covered employees. Therefore, ANG is in violation of Title 49 CFR §199.101(a).

ANG's Response:

"See; ANG's Alcohol & Drug Policy Article III, Section A:

ARTICLE III.
ALCOHOL AND DRUG RULES

The following are very important rules. An Employee who violates any one of them, will be disciplined up to and including discharge.

A. Alcohol. Possessing, using, transferring, offering for sale, selling, or being under the influence of any intoxicating liquor while on Company property, Company time, Company jobsites (such as on customers' premises and projects), in any vehicle used on Company business, or in other circumstances(such as when representing the Company) Company believes might adversely affect Company's operations,

safety or reputation is prohibited. A three-dayunpaid suspension will result for the first offense and termination for any second alcohol-related offense within any 12-month period. An Employee whose blood alcohol content is .04% or more by blood or the equivalent mg per dl or more by urine will be deemed "under the influence." IMPORTANT: This rule prohibits the consumption of any intoxicating liquor within at least four (4) hours prior to reporting to work, or returning to work from breaks or meal periods."

SED's Conclusion:

SED has opted not to impose a fine or penalty at this time since ANG has amended their policy and procedures to maintain compliance, and the violation did not result in a hazardous condition to ANG employees and the public.

15. Title 49 CFR §199.101(a) states in part:
"Each operator shall maintain and follow a written anti-drug plan that conforms to the requirements of this part and the DOT Procedures"

Title 49 CFR §199.225(a) states in part:
"Each operator shall conduct the following types of alcohol tests for the presence of alcohol:

(a) Post-accident.

(1) As soon as practicable following an accident, each operator must test each surviving covered employee for alcohol if that employee's performance of a covered function either contributed to the accident or cannot be completely discounted as a contributing factor to the accident. The decision not to administer a test under this section must be based on specific information that the covered employee's performance had no role in the cause(s) or severity of the accident.

(2)

(i) If a test required by this section is not administered within two hours following the accident, the operator shall prepare and maintain on file a record stating the reasons the test was not promptly administered. If a test required by paragraph (a) is not administered within eight hours following the accident, the operator shall cease attempts to administer an alcohol test and shall state in the record the reasons for not administering the test."

ANG's D&A policy does not include a provision for the operator to prepare and maintain records stating reasons in the event that post-accident alcohol tests were not administered within the first two hours after an accident. The policy does not include provisions that if an alcohol test is not administered within the first eight hours after an accident, the operator must cease attempts and state in a record why an alcohol test was not administered. These omissions result in ANG's violation of Title 49 CFR §199.101(a).

ANG's Response:

"See; ANG's Alcohol & Drug Policy Article V, Section H, Paragraphs 1 and 2:

ARTICLE V.
ALCOHOL AND DRUG TESTING OF EMPLOYEES

H. Post-Accident Alcohol Testing.

1. As soon as practicable following an accident Company must test each surviving Covered Employee for alcohol if that Employee's performance of a covered function either contributed to the accident or cannot be completely discounted as a contributing factor to the accident. The decision not to administer a test under this Paragraph 1 must be based on specific information that the Covered Employee's performance had no role in the cause(s) or severity of the accident.

2. If a test required by Paragraph 1 above is not administered within two (2) hours following the accident, then Company shall prepare and maintain on file a record stating the reasons the test was not promptly administered. If a test required by Paragraph 1 above was not administered within eight (8) hours following the accident, then Company shall cease attempts to administer an alcohol test and shall state in the record the reasons for not administering the test."

SED's Conclusion:

SED has opted not to impose a fine or penalty at this time since ANG has amended their policy and procedures to maintain compliance, and the violation did not result in a hazardous condition to ANG employees and the public.

16. Title 49 CFR §199.101(a) states in part:

"Each operator shall maintain and follow a written anti-drug plan that conforms to the requirements of this part and the DOT Procedures"

Title 49 CFR §199.225(b) states in part:

"(b) Reasonable suspicion testing.

(1) Each operator shall require a covered employee to submit to an alcohol test when the operator has reasonable suspicion to believe that the employee has violated the prohibitions in this subpart.

(2) The operator's determination that reasonable suspicion exists to require the covered employee to undergo an alcohol test shall be based on specific, contemporaneous, articulable observations concerning the appearance, behavior, speech, or body odors of the employee. The required observations shall be made by a supervisor who is trained in detecting the symptoms of alcohol misuse. The supervisor who makes the determination that reasonable suspicion exists shall not conduct the breath alcohol test on that employee.

(3) Alcohol testing is authorized by this section only if the observations required by paragraph (b)(2) of this section are made during, just preceding, or just after the period of the work day that the employee is required to be in compliance with this subpart. A covered employee may be directed by the operator to undergo reasonable suspicion testing for alcohol only while the employee is performing covered functions; just before the employee is to perform covered functions; or just after the employee has ceased performing covered functions.

(4)

(i) If a test required by this section is not administered within 2 hours following the determination under paragraph (b)(2) of this section, the operator shall

prepare and maintain on file a record stating the reasons the test was not promptly administered. If a test required by this section is not administered within 8 hours following the determination under paragraph (b)(2) of this section, the operator shall cease attempts to administer an alcohol test and shall state in the record the reasons for not administering the test. Records shall be submitted to PHMSA upon request of the Administrator."

ANG's D&A policy does not state that "reasonable suspicion testing" can only be asked for while the employee is performing covered functions, just before the employee is to perform covered functions, or just after the employee has ceased performing covered functions. Therefore, ANG is in violation of Title 49 CFR §199.101(a).

ANG's D&A policy does not contain a provision to prepare and maintain the required records if the "reasonable suspicion" alcohol tests are not administered within certain time frames after a determination of reasonable suspicion has been made; therefore, ANG is in violation of 49 CFR §199.101(a).

ANG's Response:

"See; ANG's Alcohol & Drug Policy Article V, Section F, Paragraphs 3 and 4:

ARTICLE V.
ALCOHOL AND DRUG TESTING OF EMPLOYEES

F. "Suspicion" Testing.

1. When an Employee is acting in an abnormal manner and Company has "reasonable suspicion" to believe that the Employee is under the influence of controlled substances and/or alcohol, Company shall require the Employee to go to a medical clinic to provide a urine specimen for laboratory testing (or a blood test if alcohol use is suspected).

2. "Reasonable suspicion" means suspicion based on specific, contemporaneous, articulable observations that Company's representative can describe concerning the appearance, behavior, speech, or the breath odor of the Employee. Suspicion is not reasonable, and thus not a basis for testing, if it is based solely on the observations and reports of third parties. The grounds for reasonable suspicion will be documented.

3. Reasonable suspicion alcohol testing is authorized only if the observations required in Paragraph 2 above are made during, just preceding or just after the period of the Employee's workday. Further, the Employee can only be asked to undergo suspicion testing while the Employee is performing covered functions, just before the Employee is to perform covered functions, or just after the Employee has ceased performing covered functions.

4. If suspicion testing is not administered within two (2) hours following the determination that there is reasonable suspicion, then Company shall prepare and maintain on file a record stating the reasons the test was not promptly administered. If a test required by this Section F is not administered within eight (8) hours following the determination that there is reasonable suspicion, then Company shall cease attempts to administer an

alcohol test and shall state in the record the reasons for not administering the test. Records shall be submitted to the PHMSA upon request of the PHMSA."

SED's Conclusion:

SED has opted not to impose a fine or penalty at this time since ANG has amended their policy and procedures to maintain compliance, and the violation did not result in a hazardous condition to ANG employees and the public.

17. Title 49 CFR §199.101(a) states in part:
"Each operator shall maintain and follow a written anti-drug plan that conforms to the requirements of this part and the DOT Procedures"

Title 49 CFR §199.225(c) states in part:
(c) Return-to-duty testing. Each operator shall ensure that before a covered employee returns to duty requiring the performance of a covered function after engaging in conduct prohibited by §§199.215 through 199.223, the employee shall undergo a return-to-duty alcohol test with a result indicating an alcohol concentration of less than 0.02."

ANG's D&A policy does not include provisions concerning return to duty alcohol testing; therefore, ANG is in violation of Title 49 CFR §199.101(a).

ANG's Response:

"See; ANG's Alcohol & Drug Policy Article V, Section I:

ARTICLE V.
ALCOHOL AND DRUG TESTING OF EMPLOYEES

I. Return-to-Duty Alcohol Testing. Company shall ensure that before a Covered Employee returns to duty requiring the performance of a covered function after engaging in conduct as described by Paragraphs 1 – 5 below, and as prohibited by Section 199.215 through 199.223 of part 199.225(c) of Title 49, the Employee shall under a return-to-duty alcohol test with a result indicating an alcohol concentration of less than 0.02.

1. Employee was found to have had an alcohol concentration of 0.04 or greater at the time the employee reported for duty or was on duty;
2. Employee was found to have used alcohol while performing covered functions;
3. Employee was found using alcohol within four (4) hours prior to performing covered functions, or if employee is called to duty to respond to an emergency, within the time period after the employee has been notified to report to duty;
4. Based on Company's actual knowledge, employee was found to have been in an accident in which his or her performance of covered functions has not been discounted by the Company as a contributing factor to the accident;
5. Employee has refused to undergo a required alcohol test."

SED's Conclusion:

SED has opted not to impose a fine or penalty at this time since ANG has amended their policy and procedures to maintain compliance, and the violation did not result in a hazardous condition to ANG employees and the public.

18. Title 49 CFR §199.101(a) states in part:
"Each operator shall maintain and follow a written anti-drug plan that conforms to the requirements of this part and the DOT Procedures"

Title 49 CFR §199.231 states in part:
"(b) A covered employee is entitled, upon written request, to obtain copies of any records pertaining to the employee's use of alcohol, including any records pertaining to his or her alcohol tests. The operator shall promptly provide the records requested by the employee. Access to an employ's records shall not be contingent upon payment for records other than those specifically requested."

ANG's D&A policy does not include any provisions to furnish employee alcohol test records to employees upon request; therefore, ANG is in violation of Title 49 CFR §199.101(a).

ANG's Response:

"See; ANG's Alcohol & Drug Policy Article VIII, Section C:

ARTICLE VIII.
RECORD KEEPING

C. A Covered Employee is entitled, upon written request, to obtain copies of any records pertaining to the Employee's use of alcohol, including any records pertaining to his or her alcohol tests. Company shall promptly provide the records requested by the Employee. Access to an Employee's records shall not be contingent upon payment for records other than those specifically requested."

SED's Conclusion:

SED has opted not to impose a fine or penalty at this time since ANG has amended their policy and procedures to maintain compliance, and the violation did not result in a hazardous condition to ANG employees and the public.

19. Title 49 CFR §199.101(a) states in part:
"Each operator shall maintain and follow a written anti-drug plan that conforms to the requirements of this part and the DOT Procedures"

Title 49 CFR §199.237(a) states in part:
"(a) No operator shall permit a covered employee tested under the provisions of §199.225, who is found to have an alcohol concentration of 0.02 or greater but less than 0.04, to perform or continue to perform covered functions, until:
(1) The employee's alcohol concentration measures less than 0.02 in accordance with a test administered under §199.225(e); or

(2) The start of the employee's next regularly scheduled duty period, but not less than 8 hours following administration of the test."

ANG's D&A policy has no provisions concerning the response to employees found to have an alcohol concentration of 0.02 or greater but less than 0.04; therefore, ANG is in violation of Title 49 CFR §199.101(a).

ANG's Response:

"See; ANG's Alcohol & Drug Policy Article VI, Section D:

ARTICLE VI.
EFFECT OF POSITIVE TEST

D. Company shall not permit a Covered Employee tested under Article V, Sections F, H or I of this Policy, who is found to have an alcohol concentration of 0.02 or greater, but less than 0.04 to continue to perform covered functions until:

1. The Covered Employee's alcohol concentration measures less than 0.02 in accordance with a test administered under CFR 49 § 199.225(e); or

2. The start of the Covered Employee's next regularly scheduled duty period, but not less than eight (8) hours following administration of the test."

SED's Conclusion:

SED has opted not to impose a fine or penalty at this time since ANG has amended their policy and procedures to maintain compliance, and the violation did not result in a hazardous condition to ANG employees and the public.

II. Areas of Concern/ Observations/ Recommendations

1. SED observed a leak repair performed by ANG personnel at 150 Saint Andrews Drive, Valley Springs. After the leak was repaired, the ANG crew opened the service valve without turning off the appliances' valves inside, because the ANG personnel assumed no one was home. SED raised concern that the service valve was not "tagged out" if ANG personnel believed there was no one at home. When questioned about it, ANG staff replied that they were unaware of a specific tag-out procedure.

   SED attempted to find a lock-out/tag-out procedure, and a relighting procedure within the ANG Operations and Maintenance (O&M) Manual (Revision Date: June 30, 2016). There are procedures that instruct personnel to hang "Meter Shut-Off tags" on meters that have been shut-off due to a suspected leak *inside* a building, or for non-payment. "Normal Ops 365" (Revision date: 10/28/13) has a section concerning the opening of valves, but the procedure does not include ensuring that inside appliances valves are closed before opening the service valve.

   Turning the valve back on after the repair without checking the appliance valves inside the home could have had hazardous results. SED recommends that ANG modify their

procedures and provide instruction to verify inside appliances valves closed before opening the service valve.

ANG's Response:

"Alpine's OME procedure Normal Ops 365 was revised to include: Verification of gas valves on appliances being closed prior to opening of gas meter valve."

SED's Conclusion:

SED acknowledges that ANG has revised their procedures to address the concerns raised during the inspection. SED requests ANG keep documentation to show that ANG has communicated the procedure changes to individuals performing the covered tasks affected by the change in accordance with Title 49 CFR §192.805(f). SED will check for the retention and completeness of the documentation during the next inspection.

2. Section 8 of API RP 1162 outlines several methods that use representative data collection to determine the effective outreach, and the understandability of the PAM. These methods include small survey postcards included with the PAM, phone call surveys concerning the PAM message, and focus groups or interview panels performed at liaison meetings. SED found that ANG determines the effectiveness of their PAM outreach by counting the number of envelopes returned as undeliverable by the post office, and by performing informal surveys when customers visit the ANG office.

   SED does note that the ultimate goal of ANG's Public Awareness Program (PAP) is to reduce third party damage on their pipeline; and damage to the pipes has been decreasing year over year since 2012. However, without proper representative data concerning the reach and the understandability of the PAM and other public awareness measures, the decrease in damage cannot be attributed to an effective PAP. SED recommends that ANG develop a more representative way to determine the effectiveness of the PAM outreach and understandability, as outlined in API RP 1162.

   ANG's Response:

   "Alpine has under consideration, a PAP survey card to help assist Alpine determine effectiveness of program and the understanding of the Public Awareness communications and materials provided to the various groups."

   SED's Conclusion:

   SED acknowledges that ANG is making progress towards a more representative way to determine the effectiveness of the PAM outreach and understandability. SED has opted not to impose a fine or penalty at this time since the violation did not result in a hazardous condition to ANG employees and the public.

3. ANG's D&A policy states that if ANG decides that rehabilitation is an option for an employee who tested positive for drugs or alcohol, ANG will follow the "return to duty" requirement found in Title 49 CFR §40, Subpart "O", and that employees will be provided with a list of SAP available. The policy has no language concerning "return-to-duty" drug tests, and how they are to be administered. SED recommends that ANG include the specific requirement to perform any return-to-duty tests deemed necessary by an SAP.

ANG's Response:

"Refer to the revised Alcohol and Drug Plan."

SED's Conclusion:

SED has opted not to impose a fine or penalty at this time since ANG has amended their policy and procedures to maintain compliance, and the violation did not result in a hazardous condition to ANG employees and the public.

4. Upon further investigation of the San Joaquin County Employee Assistance Program (EAP) listed in ANG's D&A policy, SED found that the phone number listed for the EAP is actually linked to a residential treatment program designed for pregnant women and women with children. The proper contact to begin the treatment process in San Joaquin County is the Central Intake unit. SED recommends ANG update their D&A plan with the proper contact information.

ANG's Response:

"Refer to the revised Alcohol and Drug Plan."

SED's Conclusion:

SED has opted not to impose a fine or penalty at this time since ANG has amended their policy and procedures to maintain compliance, and the violation did not result in a hazardous condition to ANG employees and the public.

Appendix:

Table 1: Business District Areas; Plat Map Numbers and Leak Survey Dates with intervals longer than 15 months.

Map Number	Initial Survey	Subsequent	Interval length (months)
73043	04/09/2012	12/27/2013	20
73043	03/13/2015	09/02/2016	18
73044	04/09/2012	12/27/2013	20

Table 2: Residential Areas; Plat Map Numbers and Leak Survey Dates with intervals longer than 63 months.

Map Number	Initial Survey	Subsequent	Interval length (months)
70017	4/8/2008	8/14/2014	76
72007	4/8/2008	9/6/2013	64
72008	4/8/2008	9/6/2013	64
72009	4/8/2008	9/6/2013	64
72010	4/8/2008	9/20/2013	65
72011	4/8/2008	10/25/2013	66
72012	4/8/2008	9/27/2013	65
72013	4/8/2008	10/25/2013	66
72014	4/8/2008	10/25/2013	66
72015	4/8/2008	11/15/2013	67
72016	4/8/2008	11/4/2013	66
72017	4/8/2008	11/22/2013	67
72018	4/3/2008	12/6/2013	68
72019	4/3/2008	1/10/2014	69
72020	4/4/2008	1/17/2014	69
72021	4/4/2008	4/10/2014	72
72022	4/4/2008	5/16/2014	73
72023	4/15/2008	5/30/2014	73
72024	4/15/2008	8/15/2014	76
72025	4/15/2008	8/8/2014	75
72031	4/8/2008	9/22/2014	77
72032	4/8/2008	9/22/2014	77
72033	4/8/2008	4/24/2015	84
72034	4/8/2008	3/20/2015	83
72035	4/7/2008	4/17/2015	84
72036	4/7/2008	3/20/2015	83
72037	4/7/2008	4/24/2015	84
72047	4/8/2008	4/17/2015	84
73001	3/29/2007	9/23/2014	89
73002	3/29/2007	9/22/2014	89
73004	3/29/2007	9/22/2014	89
73005	4/9/2008	5/8/2015	84

73006	4/9/2008	5/8/2015	84
73007	4/9/2008	5/1/2015	84
73008	4/10/2008	5/1/2015	84
73009	4/10/2008	5/1/2015	84
73010	4/10/2008	5/1/2015	84
73011	4/11/2008	5/12/2015	85
73012	4/11/2008	5/12/2015	85
73013	4/11/2008	5/8/2015	84
73014	4/14/2008	5/8/2015	84
73015	4/14/2008	5/15/2015	85
73016	4/14/2008	5/14/2015	85
73018	4/15/2008	5/14/2015	84
73019	4/15/2008	5/15/2015	85
73020	4/15/2008	5/14/2015	84
73023	4/15/2008	6/5/2015	85
73024	11/5/2009	5/14/2015	66
73026	3/29/2007	10/17/2014	90
73027	4/16/2008	5/29/2015	85
73028	4/16/2008	10/9/2015	89
73029	4/16/2008	10/30/2015	90
73032	4/16/2008	4/4/2016	95
73034	4/16/2008	7/15/2016	99
73035	4/16/2008	7/15/2016	99
73036	4/16/2008	7/15/2016	99
73037	4/16/2008	3/10/2016	94
73038	4/16/2008	3/10/2016	94
73039	4/16/2008	3/10/2016	94
73040	4/16/2008	2/5/2016	93
73041	4/16/2008	11/13/2015	90
73058	4/16/2008	3/15/2016	95
74002	4/16/2008	4/14/2016	96
74004	4/16/2008	4/16/2016	96
74005	4/16/2008	4/5/2016	95
74006	4/16/2008	6/7/2016	97
74007	4/16/2008	5/31/2016	97
74008	4/16/2008	7/18/2016	99
74009	4/16/2008	6/3/2016	97
74010	4/16/2008	4/27/2016	96
74011	4/16/2008	6/2/2016	97
74012	4/16/2008	4/27/2016	96
74013	4/16/2008	6/14/2016	98
74015	4/16/2008	6/9/2016	97
74016	4/16/2008	6/27/2016	98
74017	4/16/2008	6/9/2016	97
74018	4/16/2008	8/17/2016	100
74019	4/16/2008	8/10/2016	99

74020	4/16/2008	7/22/2016	99
74021	4/16/2008	8/17/2016	100
74022	4/16/2008	8/11/2016	99
74023	4/16/2008	8/9/2016	99
74024	4/16/2008	8/10/2016	99
74025	4/16/2008	8/16/2016	100
74026	4/16/2008	8/15/2016	100
74027	4/16/2008	8/11/2016	99
74030	4/16/2008	8/31/2016	100
74032	4/16/2008	8/10/2016	99