

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 6, 2020

Mr. Michael Lamond
Alpine Natural Gas
15 St. Andrews Road #7
Valley Springs, CA 95252

GI-2019-12-ANG-35-14

SUBJECT: Closure Letter for the 2019 Alpine Natural Gas (ANG) Damage Prevention Program Inspection

Dear Mr. Lamond:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission reviewed Alpine Natural Gas' (ANG) response letter dated March 2, 2020 for the findings identified during the General Order 112-F inspection of ANG's Damage Prevention Program Inspection, between December 4-6, 2019.

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 identified Violation and Area of Concern and Recommendation is attached.

This letter serves as the official closure of the 2019 GO 112-F Inspection of the ANG Damage Prevention Program Inspection, 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 Sunil K. Shori at (415) 703-2407 or by email at SKS@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Dennis Lee".

Dennis Lee, P.E.
Program and Project Supervisor
Gas Safety and Reliability Branch
California Public Utilities Commission

cc: Terence Eng, Sunil Shori, & Claudia Almengor

Post-Inspection Written Findings

Dates of Inspection: 12/04-06/2019

Operator: Alpine Natural Gas (ANG)

Operator ID: 31515

Inspection Systems: Distribution Operations

Assets (Unit IDs): Entire Operation

System Type: GD – Natural Gas

Inspection Name: Alpine Natural Gas (ANG) Damage Prevention

Lead Inspector: Sunil K. Shori

Operator Representative: Michael Lamond, Matt Helm and Luke Frey

I. Probable Violations

SUMMARY OF INSPECTION FINDINGS

49 CFR, Part 192, Section 192.614(a), in part, states: “... each operator of a buried pipeline shall carry out in accordance with this section a written program to prevent damage to that pipeline by excavation activities...An operator may perform any of the duties required by paragraph (b) of this section through participation in a public service program, such as a "one-call" system, but such participation does not relieve the operator of responsibility for compliance with this section.”

49 CFR, Part 192, Section 192.614(b), in part, states: “An operator may comply with any of the requirements of paragraph (c) of this section through participation in a public service program, such as a one-call system, but such participation does not relieve the operator of responsibility for compliance with this section. However, an operator must perform the duties of paragraph (c)(3) of this section through participation in a one-call system, if that one-call system is a qualified one-call system... An operator's pipeline system must be covered by a qualified one-call system where there is one in place...”

Finally, 49 CFR, Part 192, Section 192.614(c) requires: The damage prevention program required by paragraph (a) of this section must, at a minimum:

(1) Include the identity, on a current basis, of persons who normally engage in excavation activities in the area in which the pipeline is located.

(2) Provides for notification of the public in the vicinity of the pipeline and actual notification of the persons identified in paragraph (c)(1) of this section of the following as often as needed to make them aware of the damage prevention program:

(i) The program's existence and purpose; and

- (ii) How to learn the location of underground pipelines before excavation activities are begun.
- (3) Provide a means of receiving and recording notification of planned excavation activities.
- (4) If the operator has buried pipelines in the area of excavation activity, provide for actual notification of persons who give notice of their intent to excavate of the type of temporary marking to be provided and how to identify the markings.
- (5) Provide for temporary marking of buried pipelines in the area of excavation activity before, as far as practical, the activity begins.
- (6) Provide as follows for inspection of pipelines that an operator has reason to believe could be damaged by excavation activities:
 - (i) The inspection must be done as frequently as necessary during and after the activities to verify the integrity of the pipeline; and
 - (ii) In the case of blasting, any inspection must include leakage surveys.

Both one-call systems (regional notification centers) instrumental in the operation of California's one-call damage prevention program, USANorth811 and DigAlert, meet the requirements of 49 CFR, Part 198, Section 198.39 and almost the entirety of Section 198.37. Therefore, both one-call systems are considered as a "qualified one-call system" per federal regulations. Since ANG subsurface gas pipeline facilities traverse the respectively defined territory of only USANorth, ANG is a member of this one-call center.

I. Probable Violations

§192.13(c) states:

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

While ANG does have a damage prevention program in place, we believe some additional procedures are necessary and some existing procedures need to be more detailed in order to provide clarity, consistency and uniformity to ANG staff. We believe that ANG needs to modify procedures related to its Damage Prevention Program to address the following:

- 1) ANG needs to modify its Damage Prevention Plan to provide a clear statement that ANG will comply with all applicable state laws (including one-call) requirements in California Government Code Section 4216 (GC4216) applicable to ANG when it performs locates for its facilities, as well as when ANG is an excavator.

ANG Response 1: ...Alpine's revised OME policy 614-A and OME xxx Customer Service that addresses this finding. A clear statement of Alpine's compliance to applicable state laws including 4216 are now included.

SED Conclusion 1: SED accepts ANG's response.

- 2) ANG procedures do not provide details on its USA ticket receipt and assigning process. Specifically. ANG's Damage Prevention Plan lacks details as to what, when, whom, etc. related

to its procedure/process for the processing of USA tickets received and documenting of actions taken by ANG staff to close the USA ticket by providing various positive responses to the party providing notification. ANG needs to establish written procedures for its process for receiving, processing, completing and documenting excavation notices (USA tickets) it receives. ANG written procedures for conducting operations are required by regulations and would be essential towards training new employees and assuring uniformity and consistency in employee work activities. The procedures need to also provide for communication of a positive response to the notifying party noted on the USA ticket within two business days of the USA ticket notice, or by the legal start date noted on the USA ticket.

ANG Response 2: ...Alpine's revised OME policy 614-C and the new Appendix B-8 Utility Locating Request Form that addresses this finding and documents the process of receiving, processing completing, and documenting excavation locate tickets.

SED Conclusion 2: SED accepts ANG's response; however, we suggest that ANG modify its policy 614-C, page 30, header "MARKING" to "Marking for ANG excavations" and correct the typo in sub-paragraph (h).

- 3) ANG did not have any procedures related to horizontal drilling damage prevention. Though ANG has not performed horizontal drilling, SED discussed with ANG that it needs to give attention to providing details in its procedures as to what it requires from parties performing horizontal drilling activities near ANG facilities.

ANG indicated during the inspection that is considering modifying procedures and implementing a new form to capture more details related to mark and locate, as well as standby, activities. ANG's standby procedure needs to require the use of a detailed standby checklist which ANG develops; moreover, the checklist needs to record dates, observations, time on/off site, names of entities contacted, discussions, agreements, etc.

ANG Response 3: ...Alpine's revised OME policies 614-B & 614-C and the new Appendix B-8 Utility Locating Request Form as well as the revised Form 614 B 3rd Party Monitoring, that addresses this finding and documents the performance of excavator communication and 3rd Party Monitoring where it was determined to be required or appropriate. Appendix C-1 is the revised letter to excavators that is sent annually. While the Excavator letter stated we provide location services prior to horizontal boring we now include notification that a pre-excavation on-site meeting is required wherever horizontal boring or drilling will be employed.

SED Conclusion 3: SED accepts ANG's response.

- 4) SED's review found some records lacking details as to who or when a response was provided to a notifying party. ANG needs to develop a uniform procedure for including details to be recorded, related to the USA ticket, before closing it. Examples include: Names, dates, information communicated agreements between ANG and other parties, etc. It is suggested that ANG take photographs of marked location as evidence of markings in the event of damages being experienced.

ANG Response 4: ...Alpine's revised OME policy 614-C and Appendix B-8, Utility Locating Request Form that addresses this finding. Communication with caller when necessary and documentation of positive response by Alpine's operational personnel are emphasized in Appendix B-8.

SED Conclusion 4: SED accepts ANG's response.

- 5) ANG's Locating/Marking Underground Pipeline Procedure needs to develop specific, best practice marking practices and provide illustrative examples of how centerline, material type, material size, etc. are to be marked for conveying details in its subsurface facilities. ANG needs to incorporate the best practices from the latest version of the guidance provided by the Common Ground Alliance (CGA).

ANG Response 5: ...Alpine's revised OME policy 614-A, 614-C and the new Appendix B-8 Utility Locating Request Form that addresses this finding. While CGA Best practices were referenced in OME 1371 they have included in Damage Prevention as well.

SED Conclusion 5: SED accepts ANG's response and expects that ANG will annually review CGA Best Practices updates as they become available and appropriately incorporate changes in its own procedures/policies per state and federal regulations.

- 6) ANG needs to establish a procedure to identify excavators who perform routine excavation activities in its territory and include them in its awareness notices. We believe two consecutive years of data related to excavators would be a minimum. USA North811 should be a good source for such data.

ANG Response 6: ...Alpine's revised OME policy 616. Alpine reviews the excavator list annually and produces a revised list for distribution. Customer service and Record Keeping policy were revised to address this finding. Alpine will incorporate the use of USA ticket locate requests during the past two years to assist in developing this list.

SED Conclusion 6: SED accepts ANG's response.

- 7) ANG needs to make certain that its management of change process includes provisions to retrain its staff if its damage prevention plan is modified such that retraining is required.

ANG Response 7: ...Alpine's revised OME policy 1005, Operator Qualification Plan Attachment E and OME 605-B8 provides for the review of OQ covered tasks and the assessment of operational retraining as well as continuous quality improvement review of the covered tasks procedures by the system administrator.

SED Conclusion 7: SED reviewed the documents noted in ANG's response and believes that though those documents address aspects of annual reviews, what SED is discussing in this area is that ANG have a process which addresses changes that occur between annual reviews and/or which require immediate information or retraining being provided to impacted staff. Documentation of bulletins and/or meetings to inform/train staff of changes are examples of the types of process/provisions SED is seeking for ANG to provide. It is noted such process/provisions are not limited to just damage prevention but could also be applicable to changes in all aspects of ANG's operations.

- 8) USA ticket W915100658 (5/31/19) ANG had a late mark due to extensive work on the USA ticket and other locates at the time. ANG made no request with excavator to obtain mutual agreement to extend time and/or schedule locates to facilitate contractor work. ANG needs to

develop procedures for actions necessary to communicate to excavator if marks cannot be placed within the required legal start date shown on the USA ticket.

ANG Response 8: ...Alpine's new Appendix B-8 Utility Locating Request Form that addresses this finding.

SED Conclusion 8: SED accepts ANG's response.

- 9) SED field inspected USA ticket X933602288 marked by Mark on 12/04/19 and field observed USA ticket W933700562 marked on 12/06/19. ANG provides no utility name or facility size as part of its standard 614-C. As noted in Item 6 above, ANG needs to continually update its standard to incorporate CGA Best Practices related to marking guidelines. ANG also needs to modify its standards to capture and document more details of its activities undertaken to close a USA ticket.

ANG Response 9: ...Alpine's new Appendix B-8 Utility Locating Request Form that addresses this finding.

SED Conclusion 9: SED accepts ANG's response.

- 10) ANG needs to review its record retention requirements to confirm that they allow for SED audits currently anticipated to be performed every 3 years; therefore, ANG needs to maintain records for at least 4 years for current SED audit purposes. However, since GSRB schedules may extend beyond three years, we believe ANG should maintain mark and locate records for a minimum of 6 years.

ANG Response 10: ...Alpine's revised OME policy 614-C and OME 709.

SED Conclusion 10: SED accepts ANG's response.

- 11) ANG performs annual reviews of excavations damages to identify deficiencies and make improvements; however, it has no written procedure requiring this review and/or detailing the review process. This review needs to be proceduralized and details provided for how this review contributes to ANG's quality assurance/quality control activities.

ANG Response 11: ...Alpine's revised OME policy 1005 and OME 1371 Methane Leakage Abatement Plan. OME Manual Review/Revision 605-A1 and OME Work Review- Covered Tasks.

SED Conclusion 11: SED accepts ANG's response and notes that future damage prevention inspections will review excavation related damages incurred by ANG and expect documentation detailing investigation findings and actions taken to minimize the likelihood of future, similar, events/damages based on those findings.

II. Areas of Concern/Recommendations

- a) The requirement for ANG to perform a leak survey after any blasting operations occur near its facilities, is currently in ANG procedure 614-A (Third Party Excavation). ANG representatives indicated the company has not receive any notices or experienced any blasting operations near its facilities. SED suggests that in addition to the mandated post-blasting leak survey, ANG also include a need to perform a pre-blasting leak survey in order to have a before and after blasting comparison of leaks.

ANG Response a: ...Alpine's revised OME policies 614-A and 614-C as well as Form 614-B for 3rd Party Monitoring and the new Appendix B-8 Utility Locating Request Form that addresses this finding. Leak Surveys, Pre & Post excavation blasting activities, are required and will be documented in Appendix B-8 and Form 614-B.

SED Conclusion a: SED accepts ANG's response.

- b) SED suggests that ANG include in its USA ticket processing procedure the need for ANG staff receiving the USA ticket to review USA tickets for notations related to delineations of planned excavation locations and obtain any necessary clarification from excavator about work location and pending activity for which delineations have not been provided. We urge ANG to require white delineations for excavations areas as part of ANG's locate process. We also suggest that ANG review its marking requirements for marking on private vs. public areas and size of marks to limit the negative aesthetic aspects of marks while meeting safety mandates.

ANG Response b: ...Alpine's revised OME policy 614-C and the new Appendix B-8 Utility Locating Request Form that addresses this finding.

SED Conclusion b: SED accepts ANG's response.

- c) GC 4216.2.(a) states: *"Before notifying the appropriate regional notification center, an excavator planning to conduct an excavation shall delineate the area to be excavated. If the area is not delineated, an operator may, at the operator's discretion, choose not to locate and field mark until the area to be excavated has been delineated."*

Currently ANG allows its locators to proceed locating and marking its facilities, based on information on the USA ticket, even if no white delineations are noted as being provided on the USA ticket and/or provided in the field by the excavator per requirements of GC 4216.2.(a). We suggest that ANG initiate efforts to develop policy/procedures which balance safety while encouraging excavators to comply with 4216 requirements for excavators to provide delineations of work area before ANG proceeds with marking its facilities related to the USA ticket. Perhaps ANG could begin urging compliance by requiring excavators to provide delineations, when a USA ticket received by ANG or its contractor denotes that white delineations have not been provided, before proceeding to the field to mark that USA ticket.

ANG Response c: ...Alpine's revised OME policy 614-C and the new Appendix B-8 Utility Locating Request Form that addresses this finding. Delineation method of proposed area of excavation for all locate tickets are reviewed by both customer service and operational personnel. If delineation not provided, then Caller of the ticket will be contacted to provide the delineation.

SED Conclusion c: SED accepts ANG's response.