

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 4, 2020

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

GI-2019-12-ANG-35-14

SUBJECT: 2019 Alpine Natural Gas (ANG) Damage Prevention Program Inspection

Dear Mr. Lamond:

National statistics indicate that efforts and programs targeted towards reducing damages to subsurface facilities are providing positive results. However, it's well established that such promising improvements primarily result from effective enforcement of states' respective one-call laws and the commitment of all excavation community stakeholders to establish and follow procedures related to excavation activities detailed in Best Practices Manual of the Common Ground Alliance (CGA). Though California Government Code Section 4216 (GC 4216), known as California's one-call law, has long incorporated CGA guidance, lack of enforcement greatly contributed to California trailing national statistics in not experiencing improvements in reducing damages to subsurface facilities, especially those related to entities not mandated by state and federal regulations to have damage prevention programs.

Effective one-call laws and enforcement of these laws has long been advocated by Pipeline Hazardous Material and Safety Administration (PHMSA) and the California Public Utilities Commission (CPUC). In fact, PHMSA now evaluates states' one-call laws and those it determines as being ineffective can be negatively impacted and/or entail PHMSA actions related to enforcement. To address this issue, in 2018 the California Underground Facilities Safe Excavation Board (Board) commenced operations and began establishing procedures towards California beginning to effectively enforce compliance with GC 4216. This does not impact the authority the CPUC has always had to enforce the damage prevention programs which operators jurisdictional to the CPUC have always been required to maintain and follow per CPUC General Order 112 (currently GO 112-F).

The Safety and Enforcement Division (SED) of the CPUC supports the new statewide effort to improve excavation safety and is continuing with its inspections to closely review operator' damage prevention programs. This inspection confirms that the operator's program complies with 49 CFR Part 192, Section 192.614, referenced by GO 112-F, and assures the operator's program has procedures for directional drilling/boring that include actions to protect its facilities from dangers posed by such trenchless technologies, and includes review of the operator's quality control process for confirming the adequacy of its internal performance measures regarding persons performing locating services and quality assurance programs. Our goal is to use information learned through this program, along with information from other SED investigations and that reported by the operators through GO 112-F requirements, towards

assuring that the damage prevention efforts of all excavation stakeholders continue to be targeted appropriately.

SED conducted a General Order 112-F inspection of Alpine Natural Gas' (ANG) Damage Prevention Programs on December 4-6, 2019. ¹ The inspection included a review of the ANG's current Damage Prevention Programs, some related records for the period of 2017-through present, as well as field review of locates.

SED's findings of this inspection are noted in the Summary of Inspection Findings (Summary) which is enclosed with this letter. The Summary reflects only those records and pipeline facilities that SED reviewed during the inspection.

Within 30 days of your receipt of this letter, please provide a written response indicating the measures taken by ANG to address the violations and observations noted in the Summary.

If you have any questions, please contact Sunil Shori at (415) 703-2407 or by email at Sunil.Shori@cpuc.ca.gov.

Sincerely,



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

CC: Terence Eng, Kan-Wai Tong, Sunil Shori, & Claudia Almengor – SED

Enclosure: Summary of Inspection Findings

¹ General Order 112-F was adopted by the Commission on June 25, 2015 via Decision 15-06-044.

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.
- 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.
- 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.

- 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.
- 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).
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.

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.
- 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.
- 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.