

PUBLIC UTILITIES COMMISSION

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September 20, 2019

Stephen Wassell, VP Storage Peaking & Ops
Central Valley Gas Storage
10 Peachtree Place NE, Suite 1000
Atlanta, GA 20209

GI-2018-11-CVS-39-14

SUBJECT: CVGS Damage Prevention Program Inspection

Dear Mr. Wassell:

As you know, failure of excavators to notify one-call centers prior to starting, or not utilizing best practices when performing, excavations continues to be a leading cause of damages to subsurface facilities nationwide. California is no exception as lack of enforcement of California Government Code Section 4216 (GC 4216), historically, did not incentivize compliance with the law. To address this issue, in 2016 California modified GC 4216 to include the California Underground Facilities Safe Excavation Board (Board) authorized to develop processes, and utilize education and penalty components, in order to enforce GC 4216 on all members of the excavation community.

Increased enforcement of GC 4216 has long been advocated by the Pipeline Hazardous Material and Safety Administration (PHMSA) and the CPUC. Therefore, the CPUC will interface with the Board and anticipates that increased compliance with GC 4216 will reduce the potential for excavation related injuries and damages. Moreover, within its June 2015 Decision 15-06-044, adopting General Order 112-F (GO 112-F), the CPUC included requirements for natural gas utilities to annually report details on their excavation damage prevention related data which will aid in better understanding respective utility programs and identifying areas for future improvements in GC 4216. These reports will now begin to be submitted starting in March 2018.

The Safety and Enforcement Division (SED) of the California Public Utilities Commission supports the new statewide effort to improve excavation safety and is developing a routine inspection 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 review of Central Valley Gas Storage's (CVGS) Damage Prevention Program on April 18-20, 2018.¹ The inspection included a review of CVGS' Damage Prevention Program and some related records for the period of 2016-through 2018. The inspection also included a field review of CVGS' pipeline right-of-way.

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

Within 30 days of your receipt of this letter, please provide a written response indicating the measures taken by CVGS 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

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. Moreover, since CVGS subsurface gas pipeline facilities traverse the respectively defined territory of only USANorth811, CVGS is a member of only this notification 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."

We believe that CVGS needs to modify its plans, programs and damage prevention program (Standards within CVGS Procedure 3.01) to address the following:

- a) CVGS needs to provide a clear statement within its Damage Prevention Program (DPP) that it will comply with all requirements of California Government Code 4216 (GC 4216) applicable to facility operators as well as excavators.
- b) CVGS Standards contain many sections which are indicative of CVGS intentions to perform/conduct various activities; however, the intentions are not procedures and/or lack details on how the activities are to be performed, who performs them or how CVGS will meet the intentions specified in the standards. Sections 5.1.2, 5.3, 5.4, 5.6.2, 5.6.7, 5.6.9, 5.6.11-5.6.21, 5.7, 5.9.4 – 5.9.6, 5.10, and 6.1 are examples of this. Overall, we believe CVGS needs to modify its Procedure 3.01 to include more specific requirements and details (e.g., who, what, when, how, etc.) that allow for clear and uniform interpretation of CVGS's procedural expectations by various personnel involved in implementation of this procedure.
- c) References within CVGS Standards 5.5.2 were found to be outdated. The references were to Year 2007 versions of Government Code Section 4216 (GC 4216) and Common Ground Alliance (CGA) Best Practices. Also, though CVGS standards (Section 5.6.8) address "High Priority" facilities, these standards provide few details or procedural requirements for communications between excavators and CVGS related to the scheduling and conduct of field meetings related to these facilities. CVGS standards also reference a common 800 phone number, for both USA North 811 and Dig Alert, which is not used. Moreover, CVGS indicated it accepts vacuum excavation near CVGS facilities, but it has no written procedures for a vacuum agreement as addressed in GC 4216. Finally, CVGS record retention requirements contained in Section 7.1. do not appear to comply with GC 4216 requirements
- d) CVGS Standards Section 5.6.13 needs to be modified to make it mandatory to use CGA Best Practices, or more stringent and accurate in its mark and locate activities. CVGS procedures need to more clearly convey to its personnel (e.g., through photographs diagrams, etc.) CVGS' expectations for uniformity in the placement of marks (e.g., when a diameter is marked or not or how bends are conveyed) and how marks should appear after a given USA ticket is considered close.

- e) CVGS Standards Section 6.2, which specifies company requirements for pipelines operating below 30% SMYS, in non-high consequence areas within Class 3 and 4 locations, is non-compliant with GO 112-F which classifies all Class 3 and 4 locations as high consequence areas.
- f) CVGS Section 7.2, which requires records retention on CVGS Form 3.01B for five years is non-compliant with GO 112-F, Section 145.1 which requires repair records to be retained for the life of the pipeline for repairs to pipe and at a minimum of 75 years for non-pipe. Also, though we believe CVGS should maintain all mark and locate records for 6 years, CVGS needs to maintain records for at least 4 years for current SED audit purposes.

II. Areas of Concern/Recommendations

- a) We recommend that CVGS implement a written mandate within its standards to take photographs to document its field locates. We believe this would be a good practice that could aid in any quality control efforts, as well as any investigations of incidents or near miss events.
- b) We are concerned that although CVGS is submitting data into the CGA's Damage Incident Reporting Tool (DIRT) excavation damage data collection process, CVGS does not have a developed process to also submit the same data for any damages into the California DIRT data collection process. Since it would take almost no incremental resources for CVGS to implement a process to submit excavation damage data into both DIRT and California DIRT, we recommend that CVGS contact USA North 811 and learn what is necessary to implement reporting to both worthwhile damage prevention efforts.
- c) We recommend that CVGS standby procedures be modified to have its standby forms record the time durations that its personnel are on scene for standby activities during excavations and observations made by these personnel while on standby.
- d) We recommend that CVGS clarify what is meant by "anticipated" within Section 5.6.1. and "vicinity" within Section 5.5.1.
- e) We recommend that CVGS add requirements to Section 5.6.2 to document details related to discussions CVGS personnel have with excavators, especially those related to marking to be performed later than the mandate of two business days. At a minimum, details should include full names of excavator representatives contacted, times/dates of contacts, information conveyed, agreements made between parties, etc.
- f) We recommend that CVGS Standard Section 5.6.20 incorporate investigation of near miss mark and locate events and clearly identify who performs the reviews required by Section 5.6.20.
- g) We recommend that CVGS modify its procedures, Section 5.8, to require a leak survey be performed in areas in which it receives notice of blasting operations prior to any blasting, as well as after blasting operations, as currently required by regulations. The results of leak surveys prior to blasting can then be compared to post blasting to confirm the presence of any new leaks that blasting operations may have initiated.

- h) We recommend that CVGS consider including GPS locations of conflict USA Tickets within its pipeline GIS in order to improve its ability to monitor and assess third-party threats to its pipeline facilities.
- i) We recommend that CVGS perform a semi-annual or annual Quality Assurance (QA)/ Quality Control (QC) review to routinely confirm that its Mark and Locate (M&L) activities are progressing as its procedures require.