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

September 27, 2019

Mr. Mark Williams, President
West Coast Gas Company, Inc.
9203 Beatty Drive
Sacramento, CA 95826

GI-2019-05-WCG-34-02-03-04-05-06

SUBJECT: SED's Closure Letter for the 2019 General Order 112-F Gas Inspection of West Coast Gas Company

Dear Mr. Williams:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission reviewed West Coast Gas Company's (WCG) response letter dated August 6, 2019 for the findings identified during the General Order 112-F inspection of West Coast Gas Company which was conducted on May 20 through May 24, 2019.

A summary of the inspection findings documented by the SED, WCG's response to our findings, and SED's evaluation of WCG's response taken for each identified Violation and Area of Concern and Recommendation is attached.

This letter serves as the official closure of the 2018 GO 112-F Inspection of WCG 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: Ray Czahar, WCG (rczahar@aol.com)
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Post-Inspection Written Findings

Dates of Inspection: 05/20/2019 – 05/24/2019

Operator: WEST COAST GAS CO INC

Operator ID: 31267

Inspection Systems: All

Assets (Unit IDs): West Coast Gas (88675)

System Type: GD

Inspection Name: WCG

Lead Inspector: Jason R. McMillan

Operator Representative: Mark Williams

Unsatisfactory Results

No Preliminary Findings.

Concerns

Procedures : Customer and EFV Installation Notification (PRO.SUBACUSTEFV)

Question Text: Is there an adequate excess flow valve (EFV) installation and performance program in place?

References: 192.383(b) (192.381(a), 192.381(b), 192.381(c), 192.381(d), 192.381(e), 192.383(a), 192.383(c))

Assets Covered: West Coast Gas (88675 (34))

Issue Summary	Currently, there is no procedure to collect data for annual reporting of the EFV installations. However, WCG has not installed any new EFVs since the new reporting requirement has been in effect. WCG should develop and implement a procedure for collecting EFV data for annual reporting going forward. Additionally, WCG currently does not have a customer notification in place that satisfies the EFV requirements. Although they have a draft notification ready to post on their website and to include in the billing statements which are mailed to customers, WCG should post the notification as soon as possible. Please provide a copy of the notification to SED when it is in place.

WCG Response	*"WCG has updated its Design/Construction 381/383 to reflect the addition of EFV reporting the annual Gas Distribution Report to PHMSA.* *WCG has also updated its Normal Operations 616 to include the notification of EFV on our web site in our billing statements."* On August 22, 2019 a representative of WCG informed SED that WCG had added a customer notification regarding EFVs to their website. SED explored the website and found the message under the "Programs" tab. The message on the website matches the message in the newly revised procedure.
SED's Conclusion	SED has reviewed the response and revised procedures from WCG and determined that the corrective actions articulated by WCG sufficiently address SED's concern. SED may opt to inspect the records of EFV data collection in the future to ensure implementation of the corrective actions.

Procedures : Distribution System Patrolling & Leakage Survey (PRO.SUBMPATROLDIST)

Question Text Does the process require distribution system patrolling to be conducted?

References 192.721(a) (192.721(b))

Assets Covered West Coast Gas (88675 (34))

Issue Summary	WCG's procedure "Maintenance 721; Facility Patrolling" states that patrolling is performed within "residential and commercial districts at least 4 times per year, at intervals not to exceed 4-$^{1}/_{2}$ months." The procedure also defines what a commercial district is. It can be argued that WCG's Herlong subsystem is neither within a residential district nor within a commercial district, as is defined by the procedure. Therefore, the Herlong subsystem is not subject to this procedure, and is not included within the stated maintenance schedule for patrolling. SED suggests that WCG amend the current procedure to ensure all parts of their gas pipelines are included in the patrolling requirement. SED notes that WCG performs patrol of the Herlong subsystem regularly, and SED is not concerned with the actual work performed on the pipeline. SED is merely concerned that the procedure in question does not adequately capture the entirety of WCG's pipeline assets.
WCG Response	*"WCG has revised its Maintenance 721 to reflect the addition of Herlong FCI."*
SED's Conclusion	SED has reviewed the response from WCG and has determined that the corrective actions articulated by WCG sufficiently address SED's concern.

Records : Reporting (PRR.REPORT)

Question Text Have complete and accurate Annual Reports been submitted?

References 191.11(a)

Assets Covered West Coast Gas (88675 (34))

Issue Summary	SED reviewed the PHMSA Annual Report for calendar year 2016, 2017 and 2018 which were submitted by WCG. The reports were submitted before March 15th of each following year, but there were some factual discrepancies on the annual reports due to clerical error. SED requests that WCG verify the accuracy of all information on the annual report before submission.
WCG Response	*"Due to the ambiguity of the instructions, WCG's and the SED's interpretation differed. WCG thanks the SED for clarification and will endeavor to ensure our reporting accuracy."*
SED's Conclusion	SED has reviewed the response from WCG and has no further concerns

Records : Operations And Maintenance (PRR.OM)

Question Text Do records indicate periodic review of the work done by operator personnel to determine the effectiveness, and adequacy of the processes used in normal operations and maintenance and modifying the processes when deficiencies are found?

References 192.605(a) (192.605(b)(8))

Assets Covered West Coast Gas (88675 (34))

Issue Summary	WCG Procedure "General 605-B8; Work Review" outlines the requirements that are in line with this regulation. The frequency of this task currently states that "All pipeline operations and maintenance work must be reviewed for effectiveness and adequacy at an interval not to exceed 15 months, but at least once each calendar year." WCG performs this review annually during the review of O&M procedures but has not made any record of reviewing specific work performed on the pipeline system. SED discussed this requirement in depth during the inspection and suggests that WCG develop a process to document the review of a representative sample of maintenance and operational work performed on their pipeline system.
WCG Response	*"WCG has created the form Gen F 1: Work Review and has updated its General 605-B8 procedure."*
SED's Conclusion	SED has reviewed the response from WCG and determined that the corrective actions articulated by WCG sufficiently address SED's concern. SED may opt to inspect these records of review in the future to ensure implementation of the corrective actions.

Drug and Alcohol Misuse Program

Question Text Verify that the Alcohol Misuse Prevention Program assures for providing educational materials that explain alcohol misuse requirements and the operator's policies and procedures with respect to meeting those requirements.

References 199.239(a)

Assets Covered West Coast Gas (88675 (34))

Issue Summary	WCG provides the material required by 199.239(a) in their Drug & Alcohol training and OME but it is not included in the employee handbook. Since the drug and alcohol training might not occur until after the pre-employment drug and alcohol tests, SED suggests that the educational material required by 199.239(a) be included in the new employee handbook and made available to prospective employees prior to the pre-employment drug and alcohol testing.

WCG Response	*"Federal Code makes all reference regarding the requirement for educational material to be distributed to 'covered employees.' It is WCG's opinion that a prospective employee is not a covered employee and therefore is not subject to this requirement prior to successfully completing drug and alcohol pre-employment screening as well as all other pre-employment requirements. WCG is committed to providing a work place free of drug and alcohol misuse and will provide this material to all new employees on their first day of employment to meet the federal requirement."*
SED's Conclusion	SED has reviewed the response from WCG and has reviewed Title 49 of the Code of Federal Regulations Part 199. SED agrees with WCG that Federal law does not require operators to provide drug or alcohol misuse program educational information during pre-employment. SED offered this is a recommendation to provide information in advance to prospective employees; however, SED does not have further concerns with WGC's current process.