

PUBLIC UTILITIES COMMISSION505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

March 6, 2023

GI-2022-09-WCG-34-14-18

Mr. Mark Williams, Operations Manager
West Coast Gas Co. Inc.
9203 Beatty Drive
Sacramento, CA 95826

Subject: Closure letter for General Order (G.O.) 112-F Compliance Inspection of West Coast Gas Co., Inc. (WCG)'s Natural Gas Distribution Damage Prevention Program (DPP) and PIPES Act of 2020, Section 114 (Section 114) Compliance.

Dear Mr. Williams:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission (CPUC) reviewed WCG's response letter dated February 10, 2023, that addressed eight (8) areas of concern noted during G.O. 112-F compliance inspection of WCG's DPP and WCG's Section 114 compliance. This combined inspection was conducted on September 12, 13, 15 and 16, 2022.

Attached is a summary of SED's inspection findings, WCG's response to SED's findings, and SED's evaluation of WCG's response to the findings.

This letter serves as the official closure of the 2022 G.O. 112-F compliance inspection of WCG's DPP and WCG's Section 114.

If you have any questions, please contact Sann Naing, Senior Utilities Engineer (Specialist), at (213) 266-4723 or by email at sn1@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Matthewson Epuna".

Matthewson Epuna
Program & Project Supervisor
Gas Safety & Reliability Branch
Safety and Enforcement Division

CC: Terence Eng, SED/GSRB
Sann Naing, SED/GSRB
Kan Wai Tong, SED/GSRB
Claudia Almengor, SED/GSRB

Post-Inspection Written Preliminary Findings

Dates of Inspection: September 12, 13, 15, and 16, 2022

Operator: WEST COAST GAS CO INC

Operator ID: 31267 (primary)

Inspection Systems: West Coast Gas Natural Gas Distribution system

Assets (Unit IDs) with results in this report: West Coast Gas (88675)

System Type: GD

Inspection Name: 2022 WCG DDP and Section 114

Lead Inspector: Sann Naing

Operator Representative: Mark Williams, Operations Manager

Unsatisfactory Results

No Preliminary Findings.

Concerns

Public Awareness and Damage Prevention: Damage Prevention (PD.DP)

Question Title, ID Construction Marking, PD.DP.EXCAVATEMARK.P

Question 3. Does the process require marking proposed excavation sites to the Common Ground Alliance's (CGA) Best Practices or the use of more stringent and accurate requirements?

References 192.614(c)(5)

Assets Covered West Coast Gas (88675 (34))

Issue Summary 1. West Coast Gas (WCG) has a written Locate and Mark procedure and FORM 614-BP (Locating & Marking Best Practices). However, WCG's written procedure parallels the generic information contained in the National Common Ground Alliance (CGA) best practices. Notwithstanding WCG's locating practices, its procedure should describe its processes for receiving and recording the notifications from the One-Call center(s) and its locate & mark field personnel. Furthermore, West Coast Gas' procedure should describe its office staff communication processes with the One-Call center(s) including Electronic Positive Responds (EPR) as required by California Government Code (CGC), Section 4216. WCG should incorporate the reference materials and instructions into its procedures. WCG should include provisions to provide its pipeline maps to its field employees that perform the locate and mark.

WCG's Response:

WCG updated its OME to include Office personnel procedure under Requestors. See Attachment A, Normal Operations 614, page 103, attached.

SED's Conclusion:

SED has reviewed WCG's response and supporting documents and accepts WCG's remedial actions that it has articulated and implemented. However, SED may review the corrective actions, reference materials, and implementation of the stated actions during future inspections.

- 2. WCG's Damage Prevention procedure, "Normal Operations-614, Operations, Maintenance and Emergencies Procedural Manual", Section 13 states in part:

"Standby will be required when any of the following conditions exist:

- a) *A planned excavation is near a critical WCG facility...*
- b) *Trenchless Technology Methods – when the proposed work will cross perpendicular to WCG facilities and are within the approximate location."*

However, WCG's procedure did not define what is a "critical facility" and "approximate location". WCG should provide specific details to address the requirements of CGC Section 4216, including requirements for high priority subsurface installations (pipeline segments with MAOP higher than 60 psig). SED recommends that WCG revise its Damage Prevention procedures to address the information contained in the CGA best practices and CGC Section 4216 requirements.

WCG'S Response:

WCG believes the words "critical" and "approximate location" to be vague and have removed them. See Attachment B, Normal Operations 614, page 105, attached.

WCG does not have any pipeline within its territory with a MAOP of 60 psig or higher.

SED's Conclusion:

SED has reviewed WCG's response and supporting documents and accepts WCG's remedial actions that it has articulated and implemented. However, SED may review the corrective actions, reference materials, and implementation of the stated actions during future inspections.

Question Title, ID Documented Damage Prevention Program - TPD, PD.DP.TPD.P

- Question 4. Does the process specify how reports of Third-Party Activity and names of associated contractors or excavators are input back into the mail-outs and communications with excavators along the system?

References 192.614(c)(1)

Assets Covered West Coast Gas (88675 (34))

Issue Summary WCG's Damage Prevention procedure, "Normal Operations-614, Operations, Maintenance and Emergencies Procedural Manual, Instructions" section states in part:

"Upon receipt of USA locate requests from the One Call System all tickets will be logged to establish a data base of individuals and excavator companies engaged in activities requiring the locate and marking of WCG facilities. This list will be used to identify persons who normally engage in excavation activities in the area in which the pipeline is located and allow WCG to target these excavators with periodic safety awareness communications as necessary. This list will be reviewed and updated once each calendar year."

SED reviewed WCG's current excavator communication mail-out list (2021 Excavator List, provided on 9/12/2022), and noted that some of the excavators that performed excavation activities in the WCG's gas distribution service territories in 2019 and 2020 were not listed in its current mail-out list. Examples are D.E Sutton Plumbing (worked with USA Ticket W910100051-00W, created on 4/11/2019), Mckuin Pipeline (worked with USA Ticket X910502598-00X, created on 4/15/19), and Wood E & I (worked with USA Ticket X019103237-00X, created on 7/9/2020).

WCG stated that it uses a one-year record of USA call-out requests from USA North 811 center to create the current list. SED recommends WCG maintain at least three (3) years of USA call-out requests records and update the list frequently, instead of using only one-year records.

WCG'S Response:

WCG agrees to incorporate a 3-year list. See Attachment A, Normal Operations 614, page 103, attached.

SED's Conclusion:

SED has reviewed WCG's response and supporting documents and accepts WCG's remedial actions that it has articulated and implemented. However, SED may review the corrective actions, reference materials, and implementation of the stated actions during future inspections.

Question Title, ID Documented Damage Prevention Program - TPD/One Call, PD.DP.TPDONECALL.P

Question 5. Does the process specify how reports of TPD are checked against One-Call tickets?

References 192.614(c)(3)

Assets Covered West Coast Gas (88675 (34))

Issue Summary WCG indicated that it investigated incidents caused by excavation damage and documents it on "Form 615-4: Damage to facilities and gas loss". SED reviewed the incident records caused by excavation damage that occurred at ██████████ Way, Mather, CA on August 24, 2021, where WCG's gas pipeline was struck and damaged by an excavation contractor (Elite Service Experts). SED observed that WCG's personnel failed to document most of the required information on its form 615-4, such as "type of damage", "pipe condition", "equipment that caused the incident", "name of contractor", and "contractor information" (phone number, address, etc.). In addition, SED reviewed WCG's "Form Gen C1: Gas Odor/Leak report" and noted that the required information was not captured on the form.

SED recommends that WCG ensure that its Damage Prevention Program personnel complete the required forms and document all required information, during its investigation of Third-Party Damage (TPD).

WCG'S Response:

WCG has updated its OME to reflect this clarification. See Attachment C, Emergencies 615, page 128, attached.

SED's Conclusion:

SED has reviewed WCG's response and supporting documents and accepts WCG's remedial actions that it has articulated and implemented. However, SED may review the corrective actions, reference materials, and implementation of the stated actions during future inspections.

Public Awareness and Damage Prevention: Public Awareness (PD.PA)

Question Title, ID Educational Provisions, PD.PA.EDUCATE.R

Question 8. Did delivered messages specifically include provisions to educate the public, emergency officials, local public officials, and excavators on: (1) Use of a one-call notification system prior to excavation and other damage prevention activities; (2) Possible hazards associated with unintended releases from a gas pipeline facility; (3) Physical indications of a possible release; (4) Steps to be taken for public safety in the event of a gas pipeline release; and (5) Procedures to report such an event?

References 192.616(d) (192.616(f))

Assets Covered West Coast Gas (88675 (34))

Issue Summary SED reviewed the WCG "knowledge pamphlet and sniff card" messages that are delivered once a year to the public, emergency officials, local public officials, and excavators. WCG's messages lacked clear statements of potential hazards and consequences associated with natural gas release. Hazard awareness is important for personal safety, facility, and property safety. SED recommends that WCG revise its current message in the Knowledge Pamphlet to include the information of potential hazards and consequences associated with natural gas release, and the measures undertaken by WCG to prevent or mitigate the risks from pipeline incidents.

WCG'S Response:

WCG has updated its Knowledge Pamphlet to incorporate potential hazards and consequences. See Attachment D, Knowledge Pamphlet, attached.

SED's Conclusion:

SED has reviewed WCG's response and supporting documents and accepts WCG's remedial actions that it has articulated and implemented. However, SED may review the corrective actions, reference materials, and implementation of the stated actions during future inspections.

Section 114 : Section 114 - Gas Distribution (114.GD)

Question Title, ID Leaks & Releases - Venting, 114.114.LKRLSVENT.P (also presented in: 114.MM)

Question 6. Do procedures identify measures for minimizing natural gas release volumes associated with non-emergency venting and blowdowns from operations and maintenance?

References 49 U.S.C. 60108(a)

Assets Covered West Coast Gas (88675 (34))

Issue Summary WCG informed SED that it uses isolation valves in its natural gas distribution system to isolate small sections when it vents or blowdown segments of the gas pipelines. However, the use of isolation valves was not written in WCG's O&M plan. SED recommends that WCG update its OME plan to include the use of isolation valves to isolate pipeline segments that require venting or blowdown, to minimize natural gas release volumes associated with non-emergency venting and blowdowns.

WCG'S Response:

Isolation valves are in the WCG OME in Maintenance 747. WCG does not vent or blowdown. See Attachment E, Maintenance 747, attached.

SED's Conclusion:

SED has reviewed WCG's response and supporting documents and accepts WCG's remedial actions that it has articulated and implemented. SED further recommends that **non-emergency venting and blowdowns** be included as the venting during normal operations and maintenance repair activities. WCG should consider integrating these activities into its written Inspection and Maintenance procedural manual. SED may review this issue during future inspections.

Question Title, ID Leaks & Releases - Leak Data Collection and Analysis, 114.114.LKRLSLKDATA.P (also presented in: 114.MM)

Question 8. Do procedures include a methodology to collect, retain and analyze detailed information from detected natural gas leaks, including those eliminated by lubrication, adjustment, tightening or otherwise below thresholds for regulatory reporting?

References 49 U.S.C. 60108(a)

Assets Covered West Coast Gas (88675 (34))

Issue Summary WCG's Leakage Survey procedural manual required collection and retention of information pertaining to detected natural gas leaks. However, the Leakage Survey procedural manual did not indicate the method or process for analyzing the collected gas leak information. Analysis of the collected gas leak data may identify trends and enable WCG to understand which components or pipeline locations are prone to gas leaks. In addition, the results from the analysis will enhance WCG's knowledge of actions necessary to prevent or minimize gas releases and reduce greenhouse gas (GHG) emissions.

SED recommends that WCG revise its Leakage Survey procedural manual to include method and process for analyzing the collected gas leak information, including small leaks that are remediated on the spot.

WCG'S Response:

WCG maintains a comprehensive map of all natural gas leaks found during our leak survey. These leaks are color coded by class. WCG analyzes these maps years during our leak survey to determine if there are any areas of concern. In addition all leaks are inputted into the DIMP/SHRIMP program for further analyses.

WCG has revised its OME to clarify this procedure. See Attachment F, Maintenance 723 Page 173.

SED's Conclusion:

SED has reviewed WCG's response and supporting documents and accepts WCG's remedial actions that it has articulated and implemented. However, SED may review the corrective actions, reference materials, and implementation of the stated actions during future inspections.

Question Title, ID Leak Mitigation & Repair - Lost & Unaccounted for Gas, 114.114.LKMITRPLAUF.P (also presented in: 114.MM)

Question 11. Do procedures provide for review of Lost & Unaccounted for Gas (LAUF) and do procedures specify actions to reduce the associated volume?

References 49 U.S.C. 60108(a)

Assets Covered West Coast Gas (88675 (34))

Issue Summary WCG documents Lost & Unaccounted for Gas (LAUF) data in its Annual Distribution System Report. However, WCG's procedures did not indicate its review process for the LAUF and WCG did not specify actions to reduce the associated volume of LAUF. SED recommends that WCG modify its written procedures to indicate the review process for LAUF and actions to reduce the associated volume and minimize the GHG emissions.

WCG'S Response:

WCG documents and reviews its LAUF annually when it files the PHSMA Annual Gas Distribution Report and Cal e-GRRT reports. WCG would like clarification as to where the SED would like to see a procedure for the review and the corresponding CFR code.

SED's Conclusion:

SED has reviewed WCG's response and WCG's LAUF documents. Pursuant to the CPUC's General Order 112 F (G.O. 112 F), Reference Title 49 Code of Federal Regulations (CFR), Part 192, Section 123.2(i), the natural gas pipelines operators are required to report LAUF to CPUC in its Annual Reports.

The LAUF is an area for potential improvement in natural gas emissions and that trending of LAUF over time can indicate progress in the reduction of natural gas emissions. SED, therefore, recommend that WCG's procedures provide for review of the LAUF and specify actions to reduce the associated volume within its Inspection and Maintenance procedural manual. SED may review WCG's Inspection and Maintenance procedural manual during future inspections.

Question Title, ID Leak-Prone: Leaks & Releases, 114.LEAKPRONE.LKRLS.P (also presented in: 114.MM)

Question 17. What procedures are in place to monitor for and identify pipe segments that are leak-prone, and what criteria (e.g., frequency of leak or failure events) are specified for determining a pipeline segment is leak-prone?

References 49 U.S.C. 60108(a)

Assets Covered West Coast Gas (88675 (34))

Issue Summary WCG's Leakage Survey procedural manual addressed the record keeping of detected leaks. But the procedure did not indicate how it will identify the pipe segments that are leak-prone and what criteria will be used to determine a leak-prone pipeline segment.

SED recommends WCG to modify its Leakage Survey procedural manual to address the relevant criteria for determining/identifying a leak-prone pipeline segment.

WCG'S Response:

WCG does not believe it has leak-prone pipeline segments due to annual leak surveys and daily pipeline patrolling along with immediate repair/remediation of class 1 and 2 leaks.

SED's Conclusion:

SED has reviewed WCG's response and remedial action it has articulated and implemented. However, WCG should incorporate a process to document review of pipe leak and failure information to identify any systemic problems, even if it does not have known leak at this time, as the question stated, in its current procedure or an assigned job responsibility. WCG is not required to provide any further information regarding this item at this time, however, SED may review this issue during future inspections.