

PUBLIC UTILITIES COMMISSION

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September 20, 2019

Mathieu Fournier, VP of Eng/Ops
Wild Goose Storage
400, 607 – 8th Avenue S.W.
Calgary, Alberta, Canada T2P 0A7

GI-2018-08-WGS-36-14

SUBJECT: WGS Damage Prevention Program Inspection

Dear Mr. Fournier:

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 Wild Goose Storage's (WGS) Damage Prevention Program on August 8-10, 2018.¹ The inspection included a review of WGS' Damage Prevention Program and some related records for the period of 2016-through 2018. The inspection also included a field review of WGS' 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 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 WGS 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 WGS' subsurface gas pipeline facilities traverse the respectively defined territory of only USA North811, WGS 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 WGS needs to modify its plans, programs and damage prevention program to address the following:

- a) WGS 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. Moreover, WGS needs to be clear that its Operations and Maintenance Procedures Manual (O&M), Section 2.9, applies to WGS itself, as well as any contractors working for WGS.
- b) WGS Standards contain many sections which are indictive of WGS intentions to perform/conduct various activities; however, the intentions lack details on how the activities are to be performed, who performs them or how WGS will meet the intentions specified in the standards. This includes, but is not limited to, WGS procedures related to receiving and responding to planned excavation activities (e.g., O&M Section 2.8, DPP paragraph 6-8); WGS procedures related to excavation notifications it receives outside of USA notifications (e.g., O&M Section 2.8, DPP paragraph 12(b) where it appears the company intends to "spot the line" before excavator has notified USA); and O&M Section 2.9, Excavations, where it unclear who is expected to provide the notification discussed therein.
- c) Review of a few random USANorth Tickets processed by WGS indicated that M&L personnel are not consistently providing details on the ticket and/or ticket log as to who at the excavator's end was contacted to provide a response or what was communicated. This is required per WGS standards. Overall, WGS representatives indicated that WGS wants to treat each ticket, whether original or renewal, as an original. This means having its employees to review the proximity of work to WGS facilities and then making personal contact with excavator representative at contact info provided on notification. WGS needs to follow its procedures and maintain records which allow for clear determination of WGS's responses to all USA tickets received, including dates, entities with whom communications occurred and agreements reached.
- d) WGS indicated that it accepts vacuum excavation near its facilities; however, it has no written procedures for acceptance of vacuum excavations for which it may receive notice from an excavator. Per GC 4216, WGS, as an operator of facilities, must agree and allow vacuum excavation; therefore, it needs to have procedures to determine if there are instances in which vacuum excavation should not occur near its facilities.

- e) WGS record retention requirements contained in O&M Section 2.8, DPP, do not appear to comport with GC 4216 requirements, nor would they allow for compliance review during an SED inspection. WGS record retention requirements to maintain notes and hard copies of USA tickets for 3 years is insufficient. Though we believe WGS should maintain all mark and locate records for 6 years, WGS needs to maintain records for at least 4 years for current SED audit purposes. Also, within its DPP, WGS needs to mandate that subsurface abandoned facility records be retained indefinitely and clarify if the “Underground Service Alert equivalent” means the ticket itself.
- f) WGS DPP, paragraphs 6-7, need to be modified to make it mandatory to use CGA Best Practices, or more stringent and accurate in its mark and locate activities. As examples, WGS DPP paragraph 6(i), leaves it to the discretion of its locators as to how far to space temporary markers and paragraph 7 is unclear as to what its requirements apply to. WGS procedures need to minimize misinterpretation of its requirements by more clearly conveying to its personnel (e.g., through photographs diagrams, etc.) WGS’ 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.
- g) WGS DPP, paragraph 9, contains requirements WGS intends to apply to an excavator who would have legal basis to excavate near its facilities. However, language of 9a) and 9d) goes beyond what GC 4216 would allow WGS to require of such an excavator. WGS appeared to agree and indicated during the inspection that it would consider limiting this language to parts of its standards which apply to its own excavations and/or contractors.

II. Areas of Concern/Recommendations

- a) We recommend that WGS 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) Though it has not experienced any subsurface damages, we recommend that although WGS create procedures for submitting damage data into the CGA’s Damage Incident Reporting Tool (DIRT) excavation damage data collection process, and into the California DIRT data collection process. It would take almost no incremental resources for WGS to implement a process to submit excavation damage data into both DIRT and California DIRT, we recommend that WGS contact USA North 811 and learn what is necessary to implement reporting to both worthwhile damage prevention efforts.
- c) We recommend that WGS develop and utilize a specific standby form to document performance of its procedures, contained in in DPP paragraphs 9 and 10. This form should also capture the time durations that its personnel are on scene for standby activities during excavations and observations.
- d) We recommend that WGS review the service requirements for its locating equipment and assure that servicing occurs on the frequency recommended by the manufacturer.
- e) We recommend that WGS add the requirement for its personnel to notify fire department and/or law enforcement personnel, along with the California Safe Dig Board, if WGS encounters an entity performing unsafe excavation activities near its facilities which

present an imminent threat of damage or injuries to the public, and if the excavator refuses to cooperate in ceasing in such activities once alerted to the safety concerns.

- f) We recommend that WGS clarify its O&M Section 2.9, Excavations, by clearly stating in its purpose that the requirements contained therein are applicable to the activities of its own personnel, as well as contractors working for WGS.
- g) We recommend that in its DPP, paragraph 10(viii) require it contractor to wait two business days if the ticket renewal requires remarking of the excavation area due to original marks no longer being clear/visible.
- h) We recommend that WGS add requirements to its standards to document details related to discussions WGS 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.
- i) We recommend that WGS standards incorporate investigation of near miss mark and locate events and clearly identify who performs the reviews required by Section 5.6.20.
- j) We recommend that WGS modify its DPP, paragraph 11, 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.
- k) We recommend that WGS 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.
- l) We recommend that WGS 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.
- m) We recommend that WGS modify its Public Awareness Program (PAP) to include entities noted on USA tickets, who have continuously provided WGS excavation notices over a certain time period (i.e., two year or longer), for receiving PAP excavator stakeholder notices.