

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on the Commission's Own  
Motion to Adopt New Safety and Reliability  
Regulations for Natural Gas Transmission and  
Distribution Pipelines and Related Ratemaking  
Mechanisms.

Rulemaking 11-02-019  
(Filed February 24, 2011)

**CALIFORNIA SAFETY PLAN OF WEST COAST GAS  
COMPANY**

**WEST COAST GAS COMPANY**

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Dated: July 20, 2012

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**INTRODUCTION AND BRIEF BACKGROUND**

1. West Coast Gas Corporation (WCG) respectfully submits to the California Public Utilities Commission (Commission) its Safety Plan (Plan) in compliance with the Decision Amending Scope of Rulemaking 11-02-019 and Adding Respondents, dated April 20, 2012 (D.12-04-010).

2. In February 2011, the Commission opened Rulemaking 11-02-019 to coordinate pipeline safety efforts, obtain public input, and propose any necessary rule and/or policy changes.<sup>1</sup>

3. In October 2011, the California Legislature passed Senate Bill (SB) 705, which was subsequently codified as Sections 961 and 963 of the California Public Utilities Code. The regulations require, among other things, that each gas corporation operating in

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<sup>1</sup> D.12-04-010. at p.8-9.

California develop a plan for the “safe and reliable operation of its commission-regulated gas pipeline facilities subject to approval, modification and adequate funding by the commission.” The Commission<sup>2</sup> must review and accept, modify or reject each utility’s plan by December 31, 2012.

4. In D.12-04-010, the Commission addressed the requirements of Public Utilities Code §§961 and 963 by requiring all California gas system operators to file a safety plan no later than June 29, 2012. Through the safety plans, operators must demonstrate how they address each element of Public Utilities Code §§961 and 963.<sup>3</sup>

5. WCG operates two Commission jurisdictional distribution systems. One is located in Sacramento County at the former Mather Air Field and the other is located Merced County at the former Castle Air Force Base. The Maximum Allowed Operating Pressures of between 7 and 50 psig. Its customers consist of 1,300 residential customers and 200 commercial customers. WCG has operated and maintained these two distributions since for over 16 years. During that time period WCG has not experienced an emergency situation that resulted in injury to any customer, employee, or the public or damage to any stakeholders’ property. WCG does not operate any intra or interstate pipelines.

#### **WEST COAST GAS COMPANY’S CALIFORNIA SAFETY PLAN.**

6. Attached hereto and incorporated herein as Exhibit “A” is West Coast Gas’ Safety Plan.

7. Based upon the foregoing, and in response to D.12-04-010, WCG respectfully requests that the Commission approve its Plan on or before December 31, 2012.

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<sup>2</sup> Public. Util. Code §961(b)(1); Id. at §961(b)(2).

<sup>3</sup> D.12-04-010 at p. 17.

8. West Coast Gas Company furthers requests that the Commission grant such further relief as it deems appropriate.

Respectfully submitted July 20, 2012 at San Francisco, California.

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By */s/ James D. Squeri*

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**Exhibit A**  
**SAFETY PLAN**

**1. PURPOSE AND SCOPE**

O u r C o m m i t m e n t t o S a f e t y  
R e g u l a t i o n R e q u i r e m e n t s  
O b j e c t i v e s  
A p p l i c a b o n i a y d R e m p l e m e n t a t

**2. PLAN PROVISIONS .....2 1**

O p e r a t i o n s M a n u a l  
E m e r g e n c y P l a n M a n u a l  
O p e r a t o r Q u a l i f i c a t i o n P l a n  
S a f e t y M a n u a l o n P A o g r d e m t P r e  
D r u g a n d A l c o h o l P l a n

**3. SYSTEM CAPACITY AND RELIABILITY COMMITMENT.....3 1**

**4. EMPLOYEE SAFETY AND WORK PROCESS.....4 1**

**5. PLAN REVIEW REQUIREMENTS.....5 1**

# WCG SAFETY PLAN

## PURPOSE AND SCOPE

### 1.1 OUR COMMITMENT TO SAFETY

- 1.1.1 WCG is committed to providing safe and reliable natural gas service. The safety of our customers and their property, the safety our employees and the public is and will continue to be the top priority of WCG. While we have an excellent safety record, we continuously strive to improve our operations by acquiring new technology and equipment and through continues employee training.
- 1.1.2 In order to protect people and property, WCG is proactive in identifying and resolving potential problems before they occur. The reliability of our distribution systems is ensured through proper design, safe construction practices, integrity management programs, routine patrolling, inspection, maintenance, and through improvement projects.
- 1.1.3 We also maintain a relationship with public safety and emergency response agencies within the communities we serve. These partnerships help to ensure immediate and effective emergency response in the event of a natural gas related incident.
- 1.1.4 We have developed this Safety Plan to help communicate how our various policies, procedures, standards, and manuals support our commitment to safety. The continued commitment to safety depends not only on knowledge, skills and work performance, but on the identification of potential issues and the swift and specific reaction to any emergency situation that may arise.

### 1.2 REGULATION REQUIREMENTS

- 1.2.1 WCG's Safety Plan (Plan) was prepared in order to comply with the California Public Utility Commission (CPUC) requirements as set forth in R.11 02 019 and the mandates of Senate Bill (SB) 705 as codified in the California Public Utilities Code Sections 961 and 963:
  - 1.2.1.1 The Company shall implement and utilize its Plan upon CPUC approval. The Plan will clearly document and define Company policies and procedures related to:
    - Safety Systems {CA Public Utilities Code § 961(d)(1)(2)} are those policies and procedures that identify and minimize hazard and system risk. Emergency Response {CA Public Utilities Code § 961(d)(5)(6)(8)} are those policies and procedures that limit the

damage from accidents, provide for timely response to reports of leaks, hazardous conditions, and emergency events and prepare for and respond to earthquakes and other major events.

- State and Federal Pipeline Regulations {CA Public Utilities Code § 961(d)(7)(9),(c)} establish a minimum baseline for pipeline safety in the United States.
- Continuing Operations {CA Public Utilities Code § 961(b)(3),(d)(3)(4)(10)} are those that ensure the safety of the public and Company employees, provide for transportation capacity to safely and reliably deliver gas to all customers, provide for effective patrol and inspection to detect leaks, and to ensure an adequately sized, qualified and properly trained Company workforce.
- Emerging Industry Issues {CA Public Utilities Code § 961 (d)(11)} are any additional matters that the CPUC or Company determines should be included in this Plan.

1.2.1.2 The Company shall periodically review and update the Plan.

1.2.1.3 The Plan shall be consistent with federal pipeline safety statutes as set forth in Chapter 601 of Subtitle VIII of Title 49 of the United States Code and the regulations and the best practices in the natural gas industry.

1.2.1.4 The Plan shall set forth how the Company will implement the Plan.

1.2.1.5 The Company shall provide opportunities for ongoing participation by the Company's workforce in the development and implementation of the Plan, with the objective of creating a culture of safety within the Company and to minimize the potential for accidents, explosions, fires, and dangerous conditions.

### **1.3 OBJECTIVES**

1.3.1 The Company will implement its Plan actions:

1.3.1.1 Protect people and property by identifying and minimizing hazards and risks in order to minimize the likelihood of accidents, explosions, fires, and dangerous conditions.

***{CA Public Utilities Code § 961(d)(1)}***

1.3.1.2 Identify and implement improvements to pipeline safety systems that may be deployed to minimize hazards, including adequate documentation of gas pipeline facility history and capability.

***{CA Public Utilities Code § 961(d)(2)}***

1.3.1.3 Provide adequate transportation and storage capacity to reliably and safely deliver gas to all customers consistent with rules authorized by the CPUC governing core and noncore reliability and curtailment, including provisions for expansion, replacement, preventative maintenance, and reactive maintenance and repair of gas piping facilities.

***{CA Public Utilities Code § 961(d)(3)}***

1.3.1.4 Perform effective patrols and inspections of gas pipeline facilities to detect leaks and other compromised facility conditions and make timely repairs.

***{CA Public Utilities Code § 961(d)(4)}***

1.3.1.5 Provide appropriate and effective system controls, with respect to both equipment and personnel procedures, to limit the likelihood of damage from accidents, explosions, fires, and dangerous conditions.

***{CA Public Utilities Code § 961(d)(5)}***

1.3.1.6 Provide timely response to customer and employee reports of leaks or abnormal operating conditions and emergency events.

***{CA Public Utilities Code § 961(d)(6)}***

1.3.1.7 Include appropriate protocols for determining maximum allowable operating pressures for transmission pipeline segments.

***{CA Public Utilities Code § 961(d)(7)}***

1.3.1.8 Prepare for and respond to earthquakes and other major events to minimize damage.

***{CA Public Utilities Code § 961(d)(8)}***

1.3.1.9 Meet or exceed the minimum standards for safe design, construction, installation, operation, and maintenance of gas transmission and distribution facilities prescribed by regulations issued by the United States Department of Transportation in Part 192 (commencing with Section 192.1) of Title 49 of the Code of Federal Regulations.

***{CA Public Utilities Code § 961(d)(9)}***

1.3.1.10 Ensure an adequately sized, qualified, and properly trained gas corporation workforce to carry out the Plan.

***{CA Public Utilities Code § 961(d)(10)}***

a. 1.3.1.11 Include any additional matters that the CPUC determines should be included in the Plan.

***{CA Public Utilities Code § 961(d)(11)}***



#### 1.4 APPLICABILITY, IMPLEMENTATION AND REVISION

- 1.4.1 This Plan applies to all Company and contractor personnel who perform covered tasks. This includes, but is not limited to field employees, field supervision, and contractors.
- 1.4.2 WCG's Plan will be effective upon CPUC approval. Implementation of the Plan is through application of reference documents which address all of the elements set forth in the regulation. Initial implementation will occur through specific overview training with all affected personnel identified in the Plan. Training will be documented in accordance with DOT and CPUC guidelines. Annual review of the Plan will involve Company management and affected covered employees. Each new employee will receive training on the purpose, scope and detailed policies and procedures contained in the WCG Plan.
- 1.4.3 The Plan references other existing Company policies, procedures, programs and plans. These referenced documents are reviewed annually and updated as needed. The Plan will be reviewed annually in conjunction with these referenced documents. In addition, the Plan will be revised based upon changes to regulatory requirements, policies or procedural changes, editorial changes or as determined by the Company.

<b>Manual/Program/Plan</b>	<b>CA Public Utilities Code</b>	<b>R.11-02-019 Topic</b>
Operations Manual (OPM)	<i>CA Public Utilities Code § 961(d)(1)-(9), § 963(b)(3)</i>	Safety Systems Emergency Response State and Federal Regulations Continuing Operations
Distribution Integrity Management Program (DIMP)	<i>CA Public Utilities Code § 961(d)(1)(2)(9), § 963(b)(3)</i>	Safety Systems State and Federal Regulations Continuing Operations
Damage Prevention Program (DPP)	<i>CA Public Utilities Code § 961(c), (d)(1)(2)(9)</i>	Safety Systems State and Federal Regulations
Public Awareness Program (PA)	<i>CA Public Utilities Code § 961(d)(1)(2)(5)(9)</i>	Safety Systems Emergency Response State and Federal Regulations
Emergency Plan Manual (EPM)	<i>CA Public Utilities Code § 961(d)(2)(5)(6)(8)(9)</i>	Safety Systems Emergency Response State and Federal Regulations
Operator Qualification Plan (OQ)	<i>CA Public Utilities Code § 961(c),(d)(10)</i>	State and Federal Regulations Continuing Operations
Safety Manual	<i>CA Public Utilities Code § 961(d)(1)(2)(5)(10)</i>	Safety Systems Emergency Response Continuing Operations
Customer Service Manual (CSM)	<i>CA Public Utilities Code § 961(d)(1)(2)(4)(5)(6)(9), § 963(b)(3)</i>	Safety Systems Emergency Response State and Federal Regulations Continuing Operations
Material Specifications	<i>CA Public Utilities Code § 961(d)(1)(2)(9)</i>	Safety Systems State and Federal Regulations
Drug and Alcohol Plan (D&A)	<i>CA Public Utilities Code § 961(c),(d)(10)</i>	State and Federal Regulations Continuing Operations

## 2. PLAN PROVISIONS

The WCG Plan embodies the policies and procedures specified in the WCG's manuals, plans and programs listed below.

### 2.1 OPERATIONS MANUAL

2.1.1 WCG's Operations Manual contains policies and procedures for the operations and maintenance of the Company's distribution system meeting or exceeding the minimum standards set forth in U.S. Department of Transportation regulation *Title 49 CFR Part 192*.

2.1.2 The Operations Manual contains procedures for leak surveys, leak detection, patrolling requirements, emergency response requirements, identification of abnormal and unusual operating conditions, corrosion control requirements, measurement and control requirements, design standards, and general operational standards for CG's distribution facilities.

### 2.1.3 Distribution Integrity Management Program

- The Company's Distribution Integrity Management Program (DIMP) is based on a risk based process that attempts to identify and prioritize the risks in order to insure the safety and integrity of the to WCG's distribution systems.
- The Company has acquired and uses a web based DIMP analysis program called SHRIMP. SHRIMP was developed by the American Public Gas Association for its members who are predominately small natural gas distribution entities.

### 2.1.4 Damage Prevention Program

- "Call Before You Dig" call center along with an vigilant program to monitor all excavator is the key to prevent damage to underground distribution facilities. WCG has an aggressive program to monitor all excavations within its service territory and to continuously inform its customers to the dangers of excavating on their property without fist requesting the Company to locate its gas facilities.
- The Company is committed to designing, constructing, operating, and maintaining its pipelines in a manner that ensures long term safety and product reliability to the public, its customers, contractors, and employees. This includes minimizing service interruptions and negative impacts caused by excavation damage.

### 2.1.5 Public Awareness Program

The Company developed a Public Awareness Program to comply with the American Petroleum Institute (API) recommended practice RP1162. WCG's Public Awareness Program includes requirements from U.S. Department of Transportation regulation *Title 49 CFR Parts 192.605, 192.614, 192.615, and 192.616* to enhance messages, methods, procedures, and documentation.

## 2.2 EMERGENCY RESPONSE PLAN

- 2.2.1 When any emergency arises that affects the normal, safe distribution of gas to customers, it is essential that a predetermined course of action and the means necessary to accomplish these actions be immediately taken to protect customers and their property, employees, contractors, first responders and the public in general. WGG's Emergency Response Plan describes the procedures and policies for accomplishing these objectives. All personnel are trained, drilled, and critiqued on emergency preparedness in order to maintain effective and timely responses to natural gas related emergencies.

## 2.4 OPERATOR QUALIFICATION PLAN

- 2.4.1 The Operator Qualification (OQ) plan was developed and implemented to comply with U.S. Department of Transportation regulation *Title 49 CFR Part 192, Subpart N ± Qualification of Pipeline Personnel*. WCG's Operator Qualification plan identifies covered employees and defines covered tasks and the required qualifications for all work that meets the four part test: (1) The activity is performed on a distribution facility, (2) The activity is an operations or maintenance task, (3) The activity is performed as a requirement of *Title 49 CFR Part 192*, and (4) The activity affects the operation or integrity of the pipeline. The Company administers the OQ plan for all approved contractors and Company employees that perform work for the Company on its distribution facilities.

## 2.5 SAFETY MANUAL & ACCIDENT PREVENTION PROGRAM

- 2.5.1 The Company maintains a comprehensive employee safety program for covered employees. As part of the program, the Company has developed the Safety Policies and Procedures contained in the Safety Manual, and has also developed a written Accident Prevention Program. These publications outline the safety responsibilities of all employees, including general safety rules and specific safety requirements. All employees are encouraged to read them carefully, become familiar with them and strictly adhere to all safety rules and procedures that apply to their job. In addition, the Company provides each employee with the proper tools and equipment to do their job safely, as well as personal protective equipment to use without hesitation. The employee safety program meets or exceeds the requirements for occupational safety regulatory compliance in each state.

## 2.6 CUSTOMER SERVICE MANUAL

- 2.6.1 The Customer Service Manual (CSM) contains policies and procedures for the installation of above ground customer facilities.
- 2.6.2 The CSM provides policies and procedures for turning on and off gas service to commercial and residential customers, appliance service, leak investigation, leak detection equipment, carbon monoxide investigation, emergency response requirements, identification of abnormal and unusual operating conditions, customer service, hot change device and usage, pressure testing, purging, meter set assembly, and appliance service bulletins. Components of the CSM are included throughout the Operations Manual and other referenced manuals.

## 2.7 MATERIAL SPECIFICATIONS

- 2.7.1 The Company's Material Specifications denote the requirements that must be met for

all natural gas carrying components utilized in WCG's distribution system. These specifications include the material; applicable standards (national, federal or other), terminology, materials and manufacturing standards, material performance requirements, dimensions and tolerances, inspection, certification, Material Safety Data Sheet (MSDS) information, product marking and labeling, packaging, stock classification descriptions, and approved manufacturers or product suppliers.

## 2.9 DRUG AND ALCOHOL PLAN

2.10.1 The Company's Anti Drug and Alcohol Misuse Prevention (D&A) Plan provides policies, procedures, and protocols for drug and alcohol testing of individuals who perform covered tasks including operations, maintenance, or emergency response functions on natural gas facilities. The Company's retains an outside testing laboratory that conducts random drug tests of all WCG's employees who perform covered tasks.

## 4. EMPLOYEE SAFETY AND WORK PROCESS

4.1.1 Any employee or contractor who perceives a breach of safety requirements is authorized to stop work immediately and communicate the breach to their management. Additionally, employees are required to report immediately any regulatory violations, suspected regulatory violations, or potentially harmful or dangerous.

## 5. PLAN REVIEW REQUIREMENTS

5.1.1 This Plan will be distributed to all affected personnel through the existing electronic manual distribution. Personnel are encouraged to actively evaluate the effectiveness and provide feedback, where applicable, on all sections of the Plan as well as through regular manual, policy and procedure review processes.