


*California Public Utilities Commission ---
Consumer Protection & Services Division ---
Gas Safety & Reliability Branch -----*

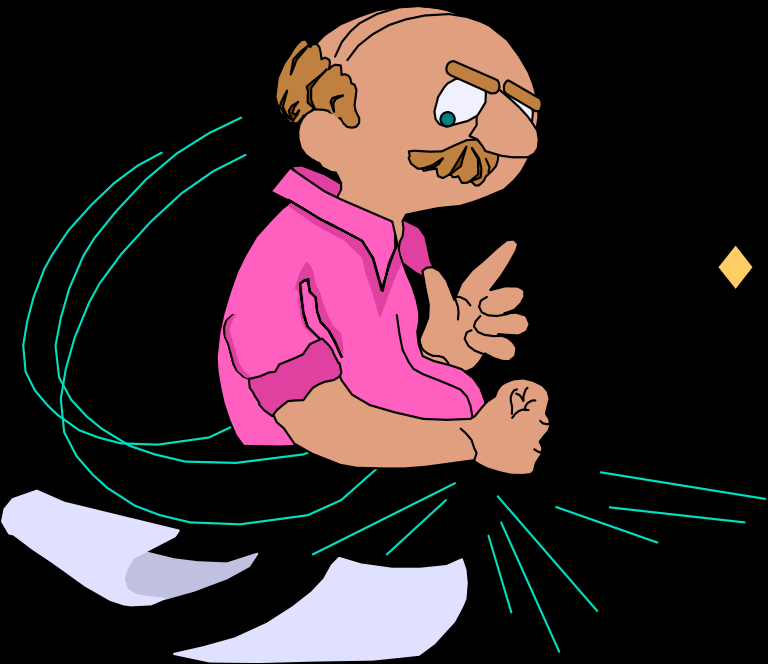


***Background
MHP/Propane Gas
System Inspection
Program***

*WMA Convention & Expo
Las Vegas, Nevada
October 17, 2012*

What new rules have the bureaucrats come up with now!?

- ◆ *The rules now being enforced are not new - --- in fact, they have been in effect since 1970*
- ◆ *The CPUC obtained jurisdiction of master-metered natural gas in 1990's and propane in 1995.*



What does the CPUC require from MHP/Propane operators?

- ◆ *Operate and Maintain a safe system*
 - *Maintain a written Operation, Maintenance and Emergency Plan (OM&E Plan or sometimes O&M Plan)*
 - *Perform Timely Leak Surveys*
 - *Annually Monitor Corrosion within the System*
 - *Atmospheric Corrosion*
 - *External Corrosion*
- ◆ *Timely filing of Annual Reports*
- ◆ *Compliance with CPUC directives*

Written Operating, Maintenance, & Emergency Plan (OM&E)

- ◆ *Examples of items that must be addressed within the OM&E Plan will be covered later.*
- ◆ *Essentially the OM&E requires that you put down in writing the common sense that you already may be using to operate and maintain your gas distribution system.*



Overview of what the OM&E Plan should be able to do

- ◆ *Convey to anyone, unfamiliar with your system, how your system is operated and maintained.*
- ◆ *Where various items such as shut-off valves, main line regulators, and cathodic protection facilities are located.*
- ◆ *Who does the operation and maintenance activities and at what intervals are these activities performed.*

Timely Leak Surveys



- ◆ *The Leak Survey is different from a “sniff” test.*
- ◆ *The Leak Survey must be conducted in a manner, and with equipment sensitive enough, to locate leaks.*
- ◆ *Depending on the age of the system and/or other factors, the Leak Survey must be conducted at least once every 1, 3, or 5 years (system and DIMP related).*

Monitoring Corrosion

- ◆ *It should be noted that all metallic pipes, even when protected, do corrode.*
- ◆ *Atmospheric Corrosion*
 - *Moderate surface rust*
 - *Severe wall loss*
- ◆ *External Corrosion*
 - *Isolated Pitting*
 - *Active Corrosion (Continuing corrosion , which, unless controlled, could result in a condition that is detrimental to public safety)*

Timely filing of Annual Reports

State of California
PUBLIC UTILITIES COMMISSION
Propane Operator's Annual Report
For the period _____ through _____

Form Prop-1
8/2007

(Please read instructions on the back of this form before filling anything in)

CPUC ID: _____ HCD ID: _____ DUC: _____

Section 1. General Information

a) Mailing name and address: _____
b) Entity name and address: _____
CA

Phone: _____ E-mail: _____ Phone: _____ E-mail: _____

NOTE: If any pre-printed information is incorrect, please make corrections on the back of this form.

Section 2. Information Regarding Propane System:

a) Number of lines on propane system: _____
b) Pipeline materials, please check appropriate boxes:
Coated Steel:
Bare Steel:
Polyethylene (PE):
Polyvinyl Chloride (PVC):
Other (specify): _____
Pipe Length (ft): _____

c) System pressure (p.s.i.): _____
d) Number of tanks in system: _____
e) Is cathodic protection installed (y/n):
If yes, indicate type of cathodic protection:
Impressed: Sacrificial:
f) Date propane system installed: _____
g) Date propane system expanded, modified, or replaced: _____

Section 3. Information Regarding Propane Leaks Found And Repaired For Period: _____ Through _____

a) Indicate number of leaks found by cause, pipeline type, and grade in table

Cause of Leaks	Underground Pipeline						Above ground Steel	
	Cathodic Protected		Unprotected		PE	PVC		
	Bare Steel	Coated Steel	Bare Steel	Coated Steel	1	2	1	2
Grade of Leaks	1	2	1	2	1	2	1	2
Outside Force								
Corrosion								
Material Defect								
Construction Defect								
Other								

b) Indicate number of leaks repaired by cause, pipeline type, and grade in table

Cause of Leaks	Underground Pipeline						Above ground Steel	
	Cathodic Protected		Unprotected		PE	PVC		
	Bare Steel	Coated Steel	Bare Steel	Coated Steel	1	2	1	2
Grade of Leaks	1	2	1	2	1	2	1	2
Outside Force								
Corrosion								
Material Defect								
Construction Defect								
Other								

Section 4. Information Regarding Operation And Maintenance

a) Do you have a map of propane (pipeline system)? (y/n)
b) Do you have a written Operation and Maintenance Plan? (y/n)
c) Do you have a written Emergency Plan? (y/n)

d) Leak Survey Information
Date of last leak survey: _____
Surveyor: _____
Phone: _____

e) Cathodic Protection (CP) Evaluation Information
Date of last CP Evaluation: _____
If CP evaluator is same as leak surveyor, write "same".
Evaluator: _____
Phone: _____

Section 5. Information Regarding Property Owner And Propane Supplier (please update on back of form):

a) Owner name, address, and phone: _____
b) Propane supplier name, address, and phone: _____
CA

Section 6. Signature And Title:
Failure to accurately and truthfully complete this form may result in a violation of the Public Utilities Code 4154 and subject the operator to a fine.

Prepared by: _____ Title: _____ Phone: _____
Signature: _____ Date: _____

NOTE: Failure to complete and return this form to the CPUC by the due date, shown at the top of the form, may subject the owner/operator to regulatory action and a possible penalty of \$1,000/day for late filing (up to a maximum of \$200,000) (PU Code, Section 4457).

- ◆ Annual Reports mailed, usually at the same time of the year the HCD permits must be renewed, to the Owner/Operator (not to the park).
- ◆ The Owner/Operator is ultimately responsible for the timely response and the correctness of the report.
- ◆ Electronic filing being explored by GSRB.

Gas System Inspection Report



CALIFORNIA PUBLIC UTILITIES COMMISSION
Utilities Safety and Reliability Branch
Mobilehome Park Gas / Propane System Inspection Report

Form MHP/Prop 11
Revision 9/08

Type of Inspection: MHP Propane CPUC ID: _____ HCD ID: _____ Inspection Date: _____

Entity Name: _____ Telephone: _____

Spaces Served: _____ Natural Gas / Propane Supplier: _____

Replacements / expansions since last audit? Yes No Replacement / expansion date: _____

Requirements	Circle one	Comments
1. O&M Plan within compliance - 192.605(b)	Y N	
2. O&M Plan reviewed and/or updated annually - 192.605(a)	Y N	
3. Current map of the distribution system - 192.605(b)(3)	Y N	
4. O&M Plan being followed - 192.13(c)	Y N	
5. Written Emergency Plan within compliance - 192.615(a)	Y N	
6. Public Awareness Program within compliance - 192.615	Y N	
7. Is Cathodic Protection (CP) installed? If CP is not installed, explain why	Y N	
8. CP system test/survey conducted as required - 192.465(a)	Y N N/A	
9. Rectifier(s) monitored / maintained within compliance - 192.465(b)	Y N N/A	
10. Prompt action taken to correct CP deficiencies - 192.465(d)	Y N N/A	
11. Leak surveys conducted as required - 192.723 or O&M Plan 192.13(c)	Y N	
12. Emergency (key) valves maintained - 192.747(a) or O&M Plan-192.13(c)	Y N	
13. Is there a written Operator Qualification Program? (Fill out OPS OQ Form)	Y N	
14. Annual Report Current - PU Code 4354 (MHP), PU Code 4454 (Propane)	Y N	
15. Propane surcharge payment current - PU Code 4458	Y N N/A	

Additional violations or comments:

CPUC Representative _____ Operator Representative (print) _____ Operator Representative's Signature _____

Instructions: If a violation has been cited, please submit to the Commission your plan for remedial action **within 30 days of receipt of this report. Mail your response to:**

<input type="checkbox"/> CPUC Attention: CPUC Representative 505 Van Ness Ave., Room 2-D San Francisco, CA 94102	<input type="checkbox"/> CPUC Attention: CPUC Representative 515 L Street, Suite 1119 Sacramento, CA 95814	<input type="checkbox"/> CPUC Attention: CPUC Representative 320 West 4th Street, Suite 500 Los Angeles, CA 90013
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California Public Utilities Code sections 4357 (MHP) and 4457 (Propane) provide that a violation of the rules or orders of the Commission is a misdemeanor punishable by a fine up to \$1,000/day, not to exceed \$200,000 for a single violation or a series of related violations.

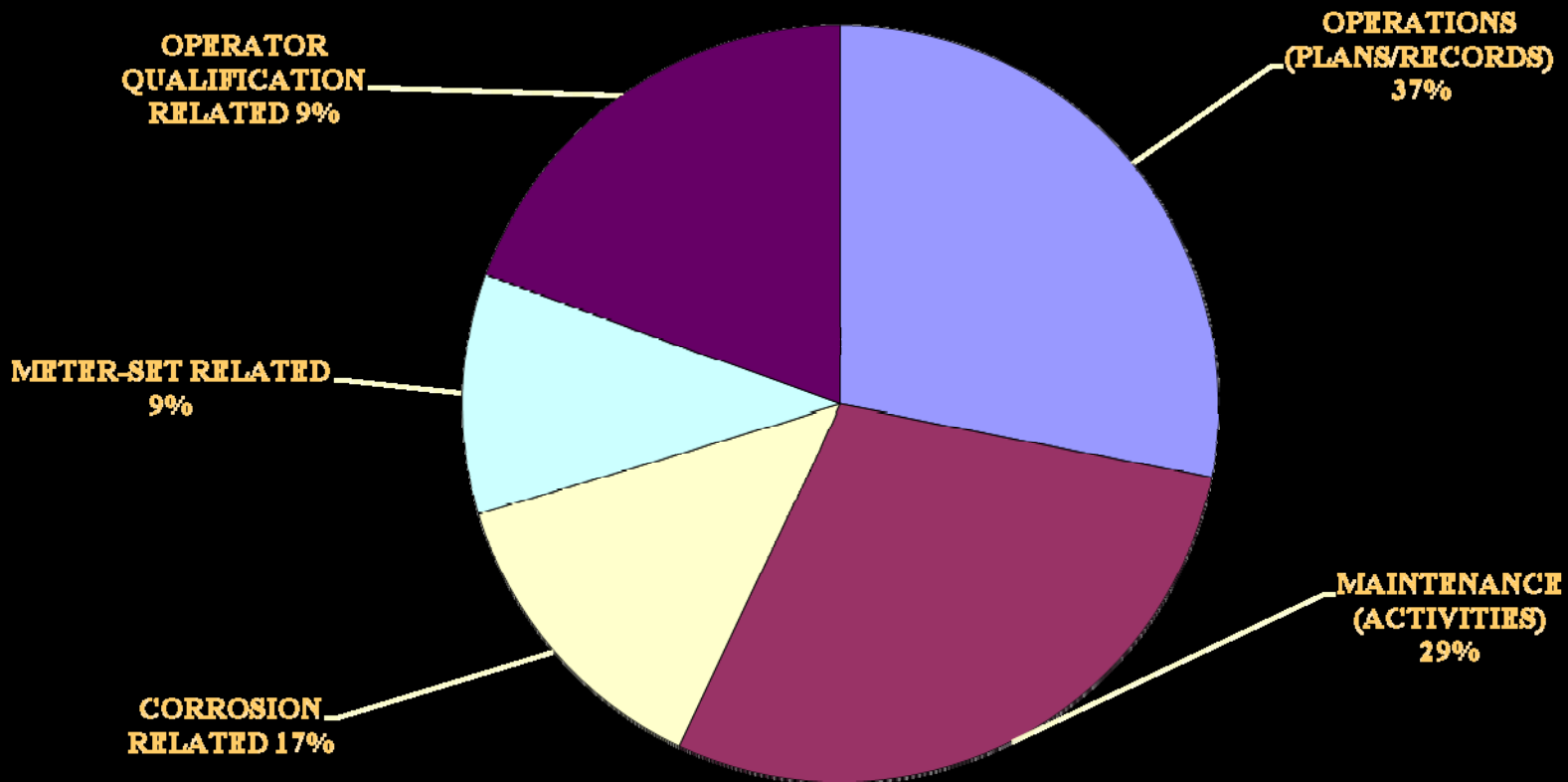
- ◆ *O&M Plan within compliance and being followed?*
- ◆ *O&M Plan reviewed annually?*
- ◆ *Is Cathodic Protection needed?*
- ◆ *If Cathodic Protection is installed, is it being monitored and maintained?*

Compliance with CPUC Directives

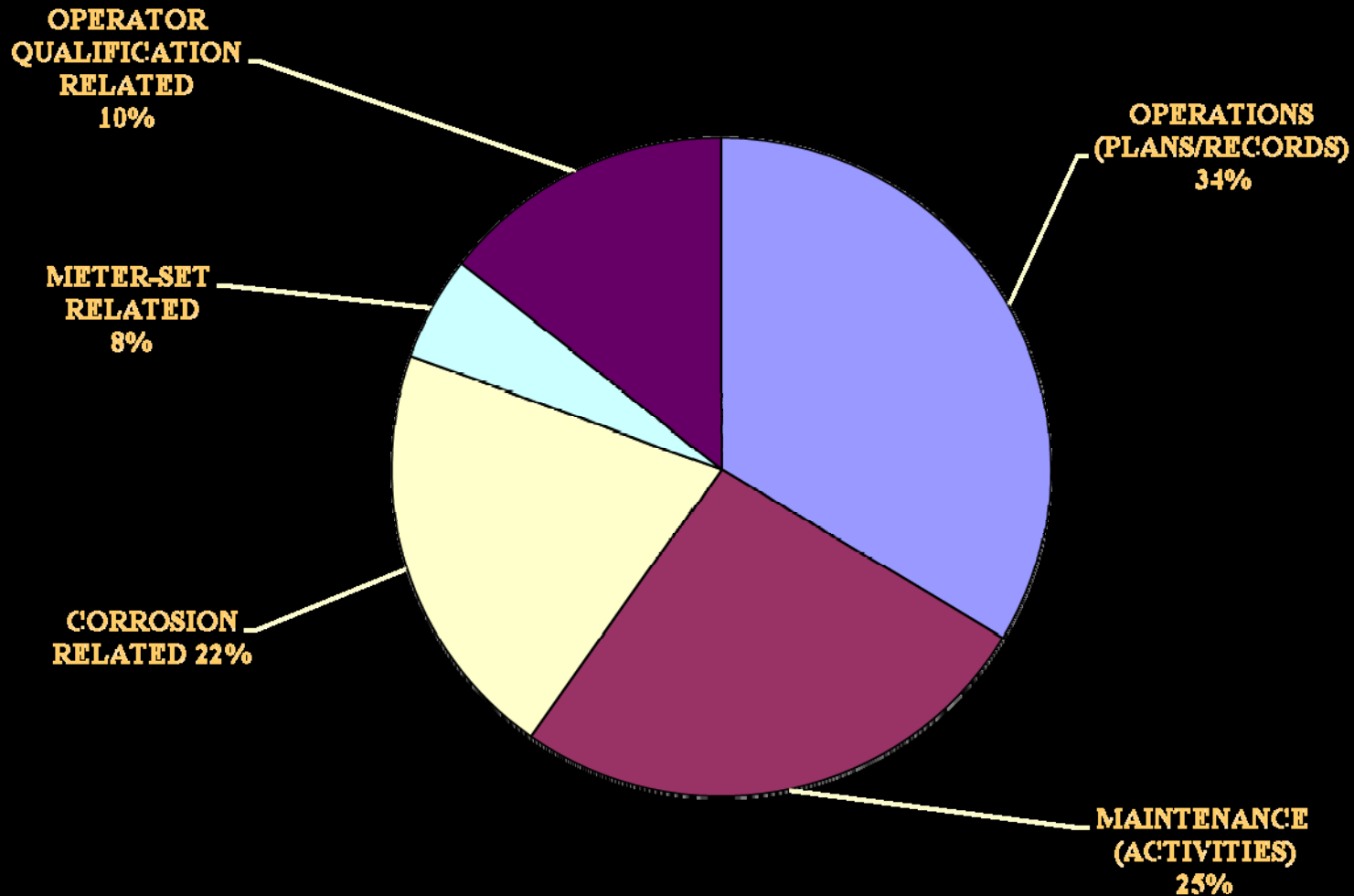
- ◆ *Have a representative available to meet with the inspector when notified of an inspection (the GSRB provides at least a two week notice to the mailing address on file).*
- ◆ *After the inspection, and within **30 days**, provide a response detailing progress being made, along with expected completion dates, to address the non-compliances noted by the inspector.*
- ◆ *Correct all non-compliances and keep the inspector updated on possible delays.*

Do not ever provide falsified information to the CPUC or its staff

Most Common Types of Natural Gas Violations (Since Program Inception)



Most Common Types of Propane Violations (Since Program Inception)

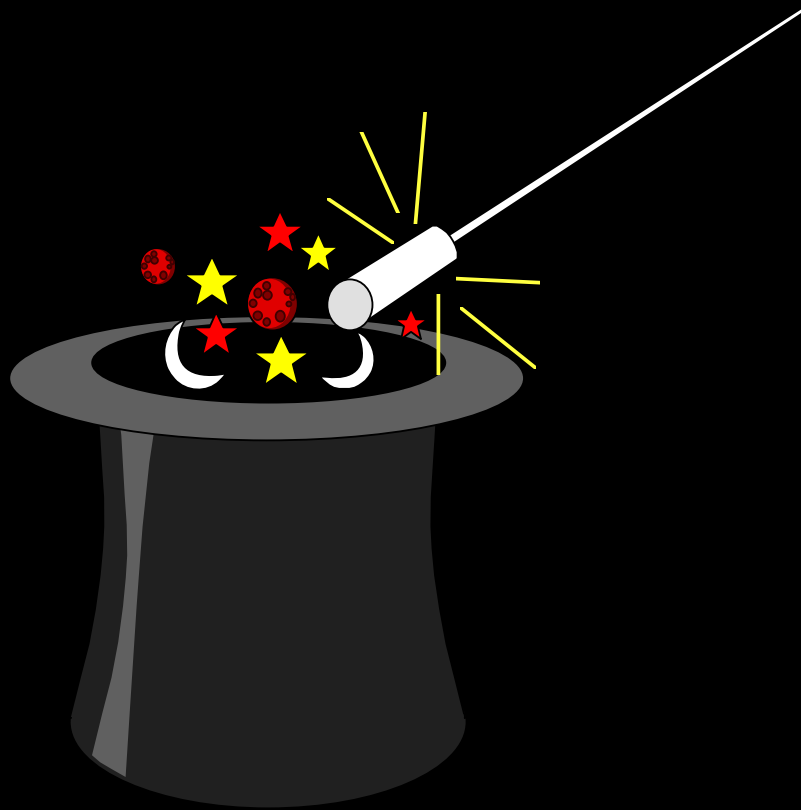


GSRB conducts annual seminars where the goal is to...



- ◆ *Encourage open, two-way, communication of information during the seminar and beyond;*
- ◆ *Help you become more informed about matters related to the operation and maintenance of your gas distribution systems;*
- ◆ *Clarify what the CPUC requires from MHP/Propane system operators.*

Always remember...



*There is no such
thing as a dumb
question--so,
please ask
questions.*