

CALIFORNIA LEGISLATURE
SENATE SELECT COMMITTEE ON MOBILEHOMES
SENATOR WILLIAM A. CRAVEN, CHAIRMAN

Transcript of Hearing on

**“GAS PIPELINE SAFETY
IN MOBILEHOME PARKS”**



August 28, 1989
State Capitol
Sacramento, California

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Senate Select Committee on Mobilehomes

SENATOR WILLIAM A. CRAVEN
CHAIRMAN

TRANSCRIPT OF HEARING

ON

"GAS PIPELINE SAFETY IN MOBILEHOME PARKS"

AUGUST 28, 1989

STATE CAPITOL

SACRAMENTO, CALIFORNIA



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SECTION III

B A C K G R O U N D P A P E R

SENATE SELECT COMMITTEE ON MOBILEHOMES

SENATOR WILLIAM A. CRAVEN, CHAIRMAN

HEARING ON GAS PIPELINE SAFETY IN MOBILEHOME PARKS

AUGUST 28, 1989, ROOM 3191, STATE CAPITOL, 2:30 P.M.

- BACKGROUND PAPER -

Under the Natural Gas Pipeline Safety Act of 1968, the U.S. Department of Transportation (DOT) has developed minimum standards for, and is responsible for regulating the safety of, transportation of gas by pipeline. This includes both interstate and intrastate liquid and natural gas pipeline systems, subject to regulations contained in Title 49 of the Code of Federal Regulations, Parts 190 through 195.

Most mobilehome parks in California are "master meter" customers of gas and electric utilities. As master meter customers, park operators own and are responsible for repairing and maintaining their own gas distribution systems, which normally run from the master meter through various underground pipelines in the park to sub-meters at each individual space. Each mobilehome is then hooked to the sub-meter at the time the mobilehome is installed on the space, and the mobilehome owner is responsible for any gas lines within his/her own unit. Public utilities are not responsible for privately owned sub-metered utility systems in mobilehome parks, except that they must provide emergency services to sub-meter customers comparable to those provided to other residential customers, beyond the meter, such as checking gas appliances for leaks.

The federal regulations pertain to all mobilehome park gas distribution systems serving 10 or more spaces. Until June, 1984, the federal government required gas pipeline operators to file an annual compliance report with DOT. In 1986, Assemblyman Elder introduced AB-3681, which established a new state reporting system in view of DOT's phaseout in monitoring the annual federal reports from mobilehome park owners.

ASSEMBLY BILL 3681 (ELDER)

The Elder bill, Chapter 728, Statutes of 1986, required every mobilehome park owner with a gas distribution system in the park which dispenses manufactured or natural gas, except propane, to file an annual report with the Department of Housing & Community Development (HCD), or a local enforcement agency, on the status of gas pipelines in the park, using designated federal DOT forms for that purpose. The bill required HCD to immediately transmit copies of these reports to the California Public

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Utilities Commission and required the Commission to examine the reports for any violation of designated federal regulations relating to gas pipeline safety. Safety violations, such as leaks, were then to be reported by the PUC to DOT, transmitted with notification and a copy of the report. Civil penalties of up to \$1,000 per day for each day failure to file the report continues, not to exceed \$200,000 for a single violation, were imposed by the Elder bill. AB-3681 is the current state law on this issue.

FEDERAL ENFORCEMENT DELEGATION

DOT's Office of Pipeline Safety regulates a multitude of intrastate gas pipeline systems, including municipal petroleum gas facilities, master meter systems, and privately owned (non-public utility) systems, among others. Although DOT no longer collects the annual reports, enforcement of gas pipeline safety in mobilehome parks continues on a complaint basis (in the U.S. Western Region from its offices in Lakewood, Colorado).

According to a representative of the Office of Pipeline Safety contacted by this committee, the federal agency has adopted a policy of "sharing" or attempting to delegate enforcement responsibilities to the states, usually through a state public utility commission or state fire marshal, for assuring safety of various intrastate as well as some interstate gas pipeline systems. Additionally, where such programs meet federal requirements, there is the prospect that some federal monies might be made available for an approved state enforcement program.

In this regard, the Chief of the Office of Director of the federal Office of Pipeline Safety, Richard Beam, in a November 20, 1987 letter to the California PUC, requested the Commission to "obtain authority" to assume responsibility for enforcing safety over at least 8 kinds of intrastate gas pipeline systems, including those in mobilehome parks. As such, the PUC requested Senator Craven to introduce SB-558 in early 1989, relating to such parks.

SENATE BILL 558 (CRAVEN)

Senate Bill 558, as originally introduced and sent to the Senate Energy & Public Utilities Committee, would have required every mobilehome park owner with a gas distribution system to submit annual reports directly to the PUC, rather than the Department of Housing & Community Development. The bill would have required the PUC to examine reports for any violations

of federal law and authorize the commission to undertake a triennial gas safety inspection program in mobilehome parks. The bill would have required the Commission to notify park owners to take steps to correct and repair any gas leaks, which posed health and safety risks to residents, and permitted the PUC to order termination of service at the master meter when an operator would not comply with the Commission's directive. Existing civil penalties, created by the Elder bill, were continued.

Due to opposition from the Western Mobilehome Association (WMA) and other park owner groups, who oppose assumption of the gas pipeline reporting and inspection by the PUC, negotiations were entered into at a series of meetings with the PUC, WMA, HCD, and representatives of various utilities. The results of these meetings were inconclusive, however, and, in an attempt to reach an agreement, SB-558 was amended on May 1, 1989 to simplify the thrust of the bill to a reporting requirement, where the PUC would be required to collect and examine DOT reports, notify park operators of discovered violations, and require park operators to repair gas pipeline safety defects. The May 1st amended version of the bill did not include the three year PUC inspection program but, rather, allowed the Commission to adopt whatever rules and regulations it deemed necessary to carry out the requirements of SB-558 to assure gas pipeline safety in mobilehome parks. With continued opposition to and no consensus on the Craven bill, SB-558 died earlier this session in the Senate Energy & Public Utilities Committee without a hearing.

WMA PROPOSAL

Mobilehome park operators, represented by the Western Mobilehome Association, favor a program of inspection of gas pipeline safety in mobilehome parks as a liability protection measure. However, they have remained opposed to PUC involvement in such a program and, rather, have proposed their own inspection program which would be overseen by the Department of Housing & Community Development. Under their plan, HCD would assume responsibility for enforcing the federal pipeline standards through the use of a private inspection system of Department approved third party entities who would perform such services for park owners on a fee for service basis. Such third party entities would be certified by the Department as having the qualifications to perform inspections as well as being free of conflict of interest. The current reports which are required by law would continue to be submitted to the Department or a local enforcement agency, but would now also include certification by a third party inspection entity pursuant to the conduct of an on-site gas safety inspection. Under WMA's proposal, the

frequency of inspection by third party entities would be determined by the age of the park, with parks less than 10 years of age inspected less often than those 10 to 20 years of age, or those 20 years of age or older. The penalty provisions for failure to submit reports contained in the Elder bill of 1986 would be continued.

PURPOSE OF HEARING

Although the federal government has established gas pipeline safety standards, DOT is no longer requiring reports and the adequacy of federal enforcement of safety requirements is in doubt. In California, we have a vacuum which allows the reports to continue to be collected by the state but with no meaningful enforcement by the state where safety problems exist. The Committee will hear testimony from some of the same parties mentioned in this paper about their proposals, as well as others who have meaningful commentary to make on this issue. The Committee is looking for some consensus on:

- 1) whether there is a need for a state pipeline safety enforcement program in parks; and,
- 2) what form legislation enacting such a state gas pipeline safety inspection program would take.

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SECTION IV

TRANSCRIPT OF TESTIMONY

SENATE SELECT COMMITTEE ON MOBILEHOMES HEARING TRANSCRIPT

GAS PIPELINE SAFETY IN MOBILEHOME PARKS

STATE CAPITOL, ROOM 3191

MONDAY, AUGUST 28, 1989, 2:30 P.M.

SENATOR CRAVEN: We call this meeting of the Senate Select Committee on Mobilehomes to order. Have you got a roll call there, Sally?... the members?... well, let the record show that Senator McCorquodale is present as is Senator Craven.

We want to welcome those of you who are here with us today to the Select Committee's Hearing on Gas Pipeline Safety in Mobilehome Parks. I am Bill Craven, the Chairman of the Committee. This will be, I think, a somewhat brief and technically oriented hearing in comparison to the usual format which we follow. Hopefully, you have seen copies of the background paper and agenda for this hearing, which should be up front, if you haven't already picked one up.

By way of introduction, let me acknowledge the other members of the staff on the dais. They are on my right, Sally Ridgeway, who is the Committee Secretary, and John Tennyson, who is the Consultant for the Committee. Because there are other committee hearings going on simultaneously, as well as the Floor Session, I might add, some members will be coming and going from our hearing.

As the background paper indicates, gas pipeline safety in mobilehome parks is regulated by a federal agency, the Office of Pipeline Safety (OPS) within the Department of Transportation. Senator Mello has just joined us. They monitor and take complaints on gas pipeline safety problems of all kinds. A few years ago, however, OPS stopped requiring reports on gas systems in mobilehome parks and, through Dave Elder's legislation, we enacted a state reporting requirement to fill the vacuum. Now we have park owners submitting reports to the State Housing people, who send the reports to the PUC to monitor as well as evaluate. The PUC, then, alerts OPS of the problems in particular parks and they, presumably, take enforcement action wherever they deem appropriate. The Feds, however, have been encouraging the states to take over enforcement jurisdiction within their respective boundaries for, at least, intrastate gas pipeline safety. In this regard, OPS has encouraged California, particularly the Public Utilities Commission, to take over enforcement. That's how we became involved in this issue.

Last December, the PUC came to us with a proposal to authorize the PUC to assume jurisdiction over gas pipeline safety in mobilehome parks. We felt the proposal had merit. The public utilities, like Southern California Gas, indicated that they would support such a bill. The Golden State Mobilehome Owners

League was supportive, the Department of Housing was neutral and, in fact, is pursuing their own legislation, by Assemblyman Ferguson, to drop HCD's own role in collecting gas pipeline reports, under the Elder bill, and turn it over to the PUC after the year 1990. But the Western Mobilehome Association, after our SB-558 was introduced, indicated in a letter to me, that they were unalterably opposed to PUC jurisdiction of mobilehome park gas pipelines. Several meetings were held and the bill was even watered down with amendments. This was all to no avail, however, as WMA remained opposed, seeking instead to have the bill amended to incorporate their own program of third party inspections under the auspices of HCD. Since we did not believe at that time HCD was the appropriate agency to handle oversight of gas pipeline inspection, no consensus could be reached and 558 died pursuant to Joint Rule 62(a).

In view of the above and what I've said, today we have convened this hearing to review the issue in a public forum. We might want to ask some questions which you may be hearing shortly coming either from Mr. Tennyson or myself. Where we have speakers, we would ask that they come forward, state their name, address, organization, persons that they represent, and what have you, because we're recording this and, in order to have the best transcription, we need that information. Also, we would ask that

please, if you have conversations out there in the audience, to keep them rather muffled, if at all possible, because, otherwise, we have a tendency to get feedback on our recording and that can sort of mess it up a little bit. I don't think there's anything beyond that. It shouldn't take too long to go through the material which we have. I don't want to rush you. That's not the intent of the Senators or myself. Take your time. But, we would like to try to restrict you, perhaps, to a maximum of ten minutes, which time should be sufficient for you to tell us exactly what you feel. Let's begin with Craig Biddle, representing the Western Mobilehome Association, WMA, and Dick Hamilton is with him, I presume,.. yes,.. he is.

CRAIG BIDDLE: Thank you Mr. Chairman and Members for the opportunity to present testimony at the hearing today. Let me just state initially that the Western Mobilehome Association, who Mr. Hamilton and I represent, has been involved with this issue for about 10 or 12 years, intimately, as far as the Safety Act is concerned in the federal law. Mr. Hamilton is my law partner and doesn't normally come over to the legislative arena. In fact, I will tell you, when I bring him over here, he often says that he doesn't want to come back too often, because he's a lawyer of a different breed than myself and doesn't participate in the legislative arena.

He has been, though, primarily charged with the responsibility of all of the PUC regulations and the laws and ratings in connection with mobilehome parks throughout the state for over 10 years, on behalf of the Western Mobilehome Association and, when the proposal, SB-558, came into being earlier this year, he became involved in it, as far as I was concerned, because of the legislative arena. So I've asked him to come over and testify today, and I'd like him to give you some of the history and the background of what's gone on in this area, and some of his reactions, and then the proposal which we've passed out, and each member should have, which is our solution to the problem and one which our industry is quite serious about and one which we think there is a need for. It's a major step in a chain where we are asking, our parks are asking, for inspections for the first time in the state, and, let me tell you, it's controversial within our association, but one which we're very concerned about. Now, let me turn it over to him and we'll make some comments when we close, give you a little bit about the history and, then, explain our situation and what we think is a good solution to the problem.

SENATOR CRAVEN: Very well, Mr. Hamilton.

DICK HAMILTON: Thank you. Your purpose today is to come up with a consensus as to whether or not there is a need for a state pipeline safety enforcement program and, then, to see if there's some consensus to a form of legislation that is appropriate. And, directing my attention first to the area of need, as Craig has stated, WMA wants to be counted on the side of "Yes, there is a need". Perhaps, by just a little further background about the Western Mobilehome Association, not only is it made up of entities, individuals that own mobilehome parks, it also has a service and industry membership which is available to businesses that do business with mobilehome park owners in the various responsibilities that they have in owning and operating a park.

A very strong segment of the service and industry members is a safety, gas safety, installation, metering and so forth, group of individuals throughout the state, companies that come out and survey systems and work with the park owners in completing reports that might be required. The enforcement, frankly, up until this point in time, has been either through park owners being aware that there is a problem and getting the service people out to work on the problem and correcting it or in completing this report that we have attached to our proposal.

If you look at that report, you'll very quickly recognize, as does any professional looking at it, that it is not designed for a mobilehome park. It is designed for a distribution system of some size that you might find in local rural communities and so forth. Remember, the federal government, with its enforcement regulations, regulates the largest down to, shall we say, the smallest like you might find in a mobilehome park. This report misses the mark. This report was reviewed back in 1986 when Senator Elder... pardon me, Assemblyman Elder had his bill and wanted to make sure that this report requirement, which had been discontinued by the federal government, continued in the State of California. And, we sat down with the PUC at that time and their representatives and we said this report was inadequate... they recognized it... we drafted a separate report. This report form was approved not only by the leadership in WMA but also by the PUC and was tailored to the mobilehome park setting in these submetered systems. It never got off the ground because of the compromises that came about with the Elder bill. I say that to you because there is an example of what the industry has done, recognizing the need to better focus the regulatory attention on these systems with mobilehome parks.

This is not a new problem, and, I think, if you have the impression here that all of a sudden something has happened that

is creating a vacuum, then you need to know that the federal government has been after the State of California, namely the PUC, since 1977 to get into the regulatory enforcement program with regard to these systems. Our files have recently been enhanced by copies of letters evidencing this request on the part of the Feds to get into the business of state takeover of the regulatory program. As I say, we have recognized the need, we have tried to improve this annual report requirement, and it hasn't gone anywhere as yet. There's some solace to this whole thing, though, and I think that those in the room can agree on this... that what has been in place hasn't presented officially any really serious problem. The reports that have come in to HCD and that have gone to the Public Utilities Commission and been reviewed by their staff have not revealed a large number of violations or suspected violations.

Most recently, the PUC staff sent 12 reports to the Feds, I think it was last year, and the federal government people reviewing those reports reported no observation of any problems at that time. The other thing that I... the reason why there hasn't been problems is because of the existing industry out there that services these mobilehome park systems, and they are in the parks on a regular basis and they know what the federal requirements are... not only is this annual report required but there are also

leak surveys that must be done on a little more than an annual basis. You have cathodic protection systems that have to be checked... cathodic protection systems are installed to halt the corrosion effects of metallic pipes in the ground... so, I think you have an industry out there that is policing itself.

Now, there's going to be exceptions, there's no question about it, and what WMA is proposing, with its third party inspection system, is to recognize that there is an effective means to bring enforcement to the gas metered, submetered systems in the mobilehome parks and require it, as a matter of formality, for others who have not availed themselves or don't avail themselves on a regular basis. The WMA program recognizes that, with your older systems, there may be a greater chance for leaks and problems, and it recognizes that, with a newer park, there is perhaps a less frequent need for inspections. The other aspect of the WMA proposal is that there are probably about... well, I can't put a number... about 20 percent of the parks are propane. The Public Utilities Commission has no jurisdiction over propane and are missed by the current version of SB-558, so I think that is an important factor, an additional factor, that is gained with the WMA proposal. I think that the WMA proposal puts teeth into enforcement, and, with regard to your second point, I think the consensus on behalf of WMA is that the proposal from our

association is worthwhile and would benefit the industry and would provide a certainty of enforcement.

SENATOR CRAVEN: Very good. Thank you Mr. Hamilton.

CRAIG BIDDLE: We have not, Senator Craven & Senator Mello... we have not inserted - if you'll look over on page three - the years... we're not wedded to any particular years. We believe... well, we believe, first of all, that there should be inspections. This has never been true. It's not a... there have never been inspections and we believe there should be inspections, not only for liability purposes, as far as the parks are concerned, but we think it should be done. We think that the older parks should be inspected more frequently, and we haven't set the years or frequency because we're not wedded to any particular years. For the park that was just built in 1988, obviously, it's just been inspected... it doesn't have to have as frequent inspections as one that was built back in the '60's or '50's and we think that should change. And, also, I think another feature of our program is this is not going to require any great big hiring of inspectors from the PUC or HCD or anyplace. Private industry is going to do this. Private industry's going to do it,.. come out and inspect the park, and we're going to pay private industry for the inspection, and there will be a quid pro quo at that time.

The state involvement will be two-fold; one, in some type of certification program for those private inspectors because they'll have to be certified, and, then, an overseeing of the entire program. We believe, as you said in your opening statements, Mr. Chairman, we believe that all of our relations are with HCD. We don't have any with the PUC now. We do all of... we could tie this even with the inspection programs we now have...

SENATOR CRAVEN: Let me ask a question, Craig. The people who you envision doing this work who, presumably, do it today...

CRAIG BIDDLE: They do it today.

SENATOR CRAVEN: Do they have a certification in their business irrespective of this that we're discussing today?

CRAIG BIDDLE: You mean some type of licensing?

SENATOR CRAVEN: Yes,.. uh-huh.

CRAIG BIDDLE: Generally, they would at least have a plumber's certification.

SENATOR CRAVEN: Would they? Is that the most appropriate thing to approximate what we're talking about? A plumber,.. plumbing?

CRAIG BIDDLE: I could be corrected, but I believe that is basically the industry that's involved with installing, joints, and what have you. But, I think they should be certified and qualified.

SENATOR CRAVEN: Well, the reason I mentioned that is, if we're going to turn it over to them, and I see no reason why we shouldn't do that, but, if we are, who is to say that they're qualified to pass the judgment? That's my only thought.

CRAIG BIDDLE: But, I think again, though, you have to have some state agency that says that they have to be qualified. Just as you know, in the manufactured homes, we have a third party inspection, and HCD qualifies them and certifies them.

SENATOR CRAVEN: Yes. So you have the same thought about this?

CRAIG BIDDLE: The same type of thing they would do here, and the people would have to be qualified, such as we have in ours, if you have a reinspection. You've got to have somebody to oversee it, but it would be paid for and funded. It wouldn't be a great

big appropriation to take care of this through the state, and the parks that get inspected pay for it at the time of the inspection, so the new parks wouldn't have to pay for it as much as the old parks.

SENATOR CRAVEN: And it would be the ownership of the park who would pay? So, we could keep it out of the purview of the state in any fiscal way?

CRAIG BIDDLE: Yes and, in all seriousness, if you did it any other way, all of the parks would be paying equal and we don't think they should. We think the parks that need the inspection should be paying more than those that...

SENATOR CRAVEN: Well, I think it was page 3 here, you talk about the onsite inspection shall be required "blank". Obviously, the older ones probably have more problems than the new ones. At least, I would presume so.

CRAIG BIDDLE: That's right, and I think they should pay for it more often, that's why the blank... we're not wedded to any particular years.

SENATOR CRAVEN: Well, we thank you both very much. Hopefully, you can stay around because we may have some questions come up. In fact, John has a question now. Do you want to ask it now, John?

JOHN TENNYSON: Yes, just one thought. I assume that any program, if the State Legislature decides to adopt a state inspection program, would have to pass federal muster, since we're talking about a delegation of federal authority. Do we have any idea what kind of program would meet the federal requirements at this point? Are we putting the cart before the horse, is what I'm asking. Shouldn't we find out what the feds require before we launch into a discussion of what kind of program we have, rather than trying to fit it backwards?

DICK HAMILTON: As you've indicated, the federal government has been trying to get out of the enforcement area, and they have entered into agreements with a number of states dealing with taking over the enforcement. Even now, there is a certification program that the State of California Public Utilities Commission undergoes, with respect to those areas where the state has taken over the program, and they come out annually and certify that the program does meet their standards. There is standards by which to go by and it's basically the rules and regulations that they

have adopted in parts. Was it 191, 192, so forth? But they have a regular standard certification program that they go through, in looking at state programs, to see if they pass muster. Just as a matter of interest, several months ago, I made contact with Mr. Overly in Denver, Department of Transportation, Pipeline Safety, and spoke with him about the new concept that WMA was proposing. He was most open to looking at it and considering it, and mentioned that he might even contact the HCD representatives that we have spoken with, who were taking an affirmative or an initial glance at our proposal, and discussed with them not only those standards but, also, the possibility that there might be some federal monies available to help the agency offset its cost in...

JOHN TENNYSON: Well, let me ask the question in another way. Do you know of any states to which the power has been delegated that have a third party system such as you're proposing?

DICK HAMILTON: I have written to about 7 states and only 3 have responded and none of those 3 have that type of program. One of the states that has not responded is New Mexico, and I understand that New Mexico does have a third party but I can't swear to that.

SENATOR CRAVEN: Okay... fine. Thank you very much. Next, we have Russ Copeland and Peter Arth, California Public Utilities Commission. Good afternoon. Thank you for being with us. We appreciate it.

PETER ARTH: Good afternoon. My name is Pete Arth and I'm an attorney with the State Public Utilities Commission and with me is Russ Copeland, who is Chief of the Utilities Safety Branch within the Commission's Safety Division. It was a pleasure, before we heard the first witnesses testify, to be here this afternoon. It's even more of a pleasure now because many of our comments were directed to the first issue raised in your committee background paper, "Is there a need for a state program?"

SENATOR CRAVEN: Yes.

PETER ARTH: We felt that there was and that is the reason the Commission asked you to sponsor SB-558. There now seems to be a growing consensus that, in fact, there ought to be a state safety program directed to the gas distribution system within mobilehome parks.

The problems that led us to asking for legislation such as SB-558 were that, under the existing Elder scheme, the Commission is now the final repository for these annual reports that are filed by the mobilehome parks within California, whereas the federal Department of Transportation used to have a more aggressive program. They've cut back considerably to where only complaints or instances with imminent safety hazards associated with them get the attention of the Department of Transportation. That was one problem that concerned the Commission and it was compounded by the fact that, of the different state agencies that have a relationship with the federal Department of Transportation, the Commission is currently certified by the federal DOT to do gas safety programs within the State of California, primarily for the pipelines associated with utilities we regulate that sell natural gas.

So, with that, we had in mind making the case for the need for the program, and, as I see it, that seems to be past us now. The second part of that was that the program, rather than simply being reactive to problems that were discovered, ought to be somewhat more proactive and include some sort of inspection element and, here again, we're pleased that listening to the proposal from the WMA, and Mr. Biddle and Mr. Hamilton, and that that is a part of their program now as well. So, having come

down the road as far as we have, I would simply like to have Mr. Copeland detail what is in our program and why we thought SB-558 was an appropriate response and then be available for any questions you might have.

SENATOR CRAVEN: Very well, Mr. Copeland.

RUSS COPELAND: Thank you. It's a pleasure to be here. Probably the best place to start would be to just envision what I had in mind at the time I sat down and helped draft language on what the responsibilities of the Public Utilities Commission would be. Our experience comes with dealing with the major utilities companies and, as part of that program, I meet quite often with the federal people, at least on an annual basis in meetings where all state people are together with the federal people to go over the program.

The type of program that the federal government has in place with all states that I'm aware of is a hands on delegation from the federal government to the state agency who carry out an inspection program. Although this is certainly worth considering, as far as I know, there are no third party inspection programs in any state. Part of the problem would come

about, with a program such as this, from the standpoint of the federal government, as I understand, would be a certification of these various third party inspectors. Before the federal government would sign off to any state agency, they would want to approve the program to know that the public safety is protected. There's a conflict of interest there when you delegate your program to a third party. The other is an intensive training that my people have to go through and, I would presume, that the federal government would want this to apply to a third party inspector.

I send my people to Oklahoma City, which is the Department of Transportation training facility there, and they undergo 7 courses that they have to take. Those are week long training sessions. It deals with a lot more than just cathodic protection systems and leak surveys. It goes into how a system operates and covers many things.

Let me tell you some of the things that we had envisioned that we wanted to have done if we were to be the administrator of the program. We would provide a comprehensive inspection program of mobilehome facilities. It would be a two part program. We would respond to complaints of the public, people who live in mobilehome parks, and attempt to resolve those things; that would

be on an issue by issue basis as it was brought to our attention. But far more important, I think, we would undergo an inspection program of all trailer park homes. We proposed to have done that on a 3 year basis under which we would visit a mobilehome park every 3 years. Not only would we look at the ... just the... well, here are the things we'd look at... as near as I can put together... we would look at the meter set assemblies to see that they are installed correctly and that they're functioning properly. We'd determine the adequacy of the cathodic protection program that was in place and we would do that by reviewing the system in place and reviewing the records that the mobilehome operators are required to maintain. We would look to see that the leak surveys are done and that they're done by qualified people. If they are, that would be the end of that. Hopefully, we would want to work with the mobilehome park association in conducting safety seminars, help the operators themselves understand what the requirements are, and we'd undertake that responsibility to help do that... work with the homeowners association and the mobilehome owners associations. We would have an inspection program, and they would be required to amend any infractions that we found. If an owner of a park thought one of my inspectors was out of line, he could ask for a hearing before the Public Utilities Commission, so there is some due process provided into our system.

Our program might touch on how we propose to transfer those costs. Our program's really based upon the review of 2 programs that I know of that are successes. One is the state of Texas, the other, the state of Arizona. And, basing our program on what their inspectors are able to do, essentially we were able to determine that any one inspector could visit and inspect approximately 2½ trailer parks a week, and, based on a program of what we estimate to be 3,500 mobilehome parks that require gas distribution systems in the ground, we arrived at a program that would require about 8 additional people to be assigned to my department to visit these mobilehome parks. That would mean an annual budget increase of some \$660,000. Now, I proposed in the legislation, when it was first being proposed, that this money be allocated through the Commission's, I believe it's called the Reimbursement Account. This is the fund that supports the Public Utilities Commission, and the Energy Commission, and it's in every one of the ratepayers' bills. What a person living in a mobilehome park is doing, he's already paying for a program that he's not receiving service on. For instance, if you live in your home, the utility company comes and inspects all the lines in the street as far as leaks, and maintains the cathodic protection system on them, and even the line that goes into your home. Those services are not being provided to people that live in a mobilehome park, yet they're required to pay that fee. So what

I'm proposing is that the \$660,000 fee be spread among all ratepayers, to provide some equity to those people who are already living there. If you do that, spread that among all ratepayers, that would amount to an increase of something like a nickel a year on your utility bill, which becomes very insignificant.

JOHN TENNYSON: We have a question on that. Don't the park owners receive a discount, though, on a master meter system and wouldn't that be discounted out?

RUSS COPELAND: Yes, they receive a discount but that's for the administrative work of rendering bills and that sort of thing. I don't think it has anything to do with the safety program built into it.

JOHN TENNYSON: Does it include the maintenance of the lines? Provisions for that? The amount of cost for that?

RUSS COPELAND: Well, that would be... I really don't know. That's included in the rent. That fee that comes through.

SENATOR CRAVEN: You look at it more administratively?

RUSS COPELAND: Right. That was my understanding in the past.

SENATOR CRAVEN: I see.

RUSS COPELAND: Uhh... I'll back off at that point. We don't look at the third party inspection as being an unworkable program. We can see there are problems there. Maybe it would be nice to test...

SENATOR CRAVEN: Well, I had some thoughts about that and one of which you kind of alluded to but, of course, having been around here and involved with the departmental menu, I come to find out that anytime we talk about increasing the numbers of people who work in departments, we invariably run into some kind of trouble. Either it's too many people, or, if it's the right amount of people, it's too much money. There's always some, you know, so and so who tells you... generally, they are housed in the Department of Finance, just in case you're wondering where they come from, and it never seems to fail to happen that,.. it creates a problem, even despite your very authoritative logic. They just seem to pay no attention to us, who seem to be voices crying in the wilderness. Have you experienced that in your long and tenured career.

RUSS COPELAND: Absolutely.

SENATOR CRAVEN: And, so when I think of turning it over to someone else, I think, gee, that sounds like a real good idea, particularly, when the people who are the park owners are involved in the expenditure of funds to retain those people. The problem, of course, is, as you have mentioned, the conflict of interest situation. If we have the same people repairing as we do certifying, then we have, I would think, some sort of a conflict. But, maybe Craig and Mr. Hamilton have some thoughts about that as well. That's why I wanted them to stick around. Okay. Thank you both very much.

Next is a gentleman that has helped us over a period of years from the Department of Housing and Community Development, Travis Pitts. Travis, nice to have you with us again.

TRAVIS PITTS: Thank you, Senator, Mr. Tennyson. Mr. Tennyson had asked for a brief history of our Department's involvement in the mobilehome parks program. Our earliest involvement dates back to 1929 under the old Auto Camp Act which has provided for the regulation of auto camps or auto trailer camps in unincorporated areas of the state. That was not extended to include incorporated areas of the state until 1947. Since that

approximate time, we've regulated the utility installations within what we now call mobilehome parks, previously, auto camps.

SENATOR CRAVEN: Since the '40's, would that be?

TRAVIS PITTS: Since 1947.

SENATOR CRAVEN: Yes. I don't remember '29 too well.

TRAVIS PITTS: Nor do I, Sir.

SENATOR CRAVEN: I remember it better than you do, I've got to be honest.

TRAVIS PITTS: We have spoken briefly about the Elder bill. Our department currently, under the provisions of Chapter 728 of 1986, collects forms that are executed by mobilehome park operators, with respect to the federal gas pipeline safety orders. That is the approximate limitation of our involvement with the exception of forwarding those forms to the Public Utilities Commission.

Lastly, Mr. Tennyson had asked for some statistics on gas system failures within mobilehome parks. This pertains to the

mobilehome parks within HCD jurisdiction, which is approximately 55 percent of the parks within the state, and we could go back for approximately 8 years with the information available in the office. During the period of time that we looked through the records on complaints, we have a history of 48 instances of gas system leakage within mobilehome parks, and this is in approximately 3,400 parks for 8 years. There have been 4 instances of the failure of gas systems within mobilehome parks, the failure meaning that there was an actual break in the pipeline, a significant leak in the system that required that the system be shut down for overall replacement or substantial replacement. There has been one instance of an explosion and one death resulted in that... that was approximately 2 years ago. The nature of the explosion was not clear from the report that I had access to, but it was definitely related to a fuel gas leak, and I would be happy to respond to any questions that you might have.

JOHN TENNYSON: What is the procedure that your people take when a complaint is received? I assume it's on a complaint basis, if there's a suspected gas leak in a mobilehome park. Do your people go out and inspect it? Do you contact the utility? What do you do?

TRAVIS PITTS: In the instance of an alleged leak in a mobilehome park, we actually do an inspection. We are inclined to send an inspector out as if that were an immediate hazard to health and safety. If a leak in the system is determined or readily evident, then we would contact the mobilehome park operator immediately if it's a master metered system, or the utility if it's PG&E, Southern California Gas.

JOHN TENNYSON: And, if it's a master metered system, you require them to shut it off, or repair it?

TRAVIS PITTS: It depends upon the nature of the leak. If it is a significant leak, we would require that that portion be isolated until such time as it could be repaired. Normally, the way the gas system is installed in any of the newer parks, portions of the parks, certain number of spaces, can be isolated. If it's fortunate enough that it's in an area that can be isolated, it wouldn't require a shut down of the entire system but, about 6 years ago, you may remember a major failure in West Sacramento where we did, in fact, have to require that the entire system be shut off and it was out for several days.

JOHN TENNYSON: Do you feel your people have the expertise to deal with gas line inspections if they were called upon to do so?

TRAVIS PITTS: I do not feel that we currently have the expertise under the Federal Gas Pipeline Safety Act. That includes a provision for cathodic protection that we have no experience in, at present, in even monitoring or the installation of - it's a provision that's unique to the federal law; it is not something that we currently have expertise in.

JOHN TENNYSON: So, if your department was directed to perform that kind of inspection on an annual, biennial, triennial, or five year basis, there would be a significant cost element involved.

TRAVIS PITTS: There would be a significant cost, I believe, for our department to do it. The preference would be to do it through third parties.

JOHN TENNYSON: I see. What would the third party cost be in relation to... and how would that be paid for?

TRAVIS PITTS: Well, the cost to the department would be negligible. I cannot speak to what the cost might be to the park operators. Under the system of third parties that the department has begun to employ, we would certify certain agencies, in this instance, a mechanical engineering firm that we determine,

through criteria yet to be developed, was qualified to make the federal gas pipeline certifications, and we would then require that park operators subject themselves to one or more of the list of certified inspection agencies. The fiscal arrangement would be between that entity and the park operator. We would only require the certification from the entity that it had been performed.

JOHN TENNYSON: There would be some cost for certification though, I would assume, to take actions in cases where there are complaints against the third party entity and what have you?

TRAVIS PITTS: There would be some costs involved with that. I would estimate, again, depending on the frequency of the WMA proposal, where the years are blank, I would have a better idea of how many we would be certifying from that. I would speculate that it could be done for less than a position within the department.

JOHN TENNYSON: One position could take care of certification?

TRAVIS PITTS: That's an opinion. That would be for the purpose of the initial certification and ongoing monitoring of third parties.

JOHN TENNYSON: There has been some talk here about conflict of interest in using a third party. Do you see any problems there?

TRAVIS PITTS: In the event that the third party is also the person or firm or corporation that would hold themselves out to repair the line, in my opinion, the mobilehome park industry could be substantially disadvantaged by a potential conflict of interest.

JOHN TENNYSON: Are we talking primarily about plumbing contractors doing this work?

TRAVIS PITTS: Plumbing contractors are those who typically install gas pipeline systems. Having been a plumbing contractor for a majority of my life, I don't believe that they're the best inspection agencies. I would be looking to a mechanical engineering firm, one with engineering expertise, that could look into the physical testing of the system, and, primarily, the cathodic protection, which is an area where we have no current expertise.

JOHN TENNYSON: Do we have sufficient private companies of this nature in California to deal with this kind of work in 5,000 mobilehome parks?

TRAVIS PITTS: I speculate that we have, although I have no evidence of that fact.

SENATOR CRAVEN: Very good. Thank you, Travis, very much. Next, a mobilehome owner, Ray Nelson. Ray?

RAY NELSON: I lived in a mobilehome park for a period... myself and my family... pardon me, I'm nervous... for a period of 8 years.

SENATOR CRAVEN: Where are you from Ray?

RAY NELSON: Chico, California. We lived in an older park that was established in November of '68. That park had an owner at the time we moved in that was upgrading the park. The fellow that bought it in '83 didn't do anything, which caused me to call the Department of HCD for an inspection. And I want to give some basis to this because it's what led me to call a gas pipe safety and OSHA. I asked for an inspection in December of '86 and, from that time 'til now, there's been approximately 20 inspections in that mobilehome park by the Department of HCD.

In '88, I asked them to look at the gas pipes, the gas tanks which were two 1,000 gallon LP gas tanks. We had smelled gas

from them. We had called the dealer that services them, and he told us there were cracks in the fittings through metal fatigue. They changed that but, because of that and a meter being broke off at a standpipe... a 3/4 inch pipe which ran open gas into the atmosphere for 15 minutes... I was very concerned with being close to those tanks. We also have photos of the owner smoking within 3 to 5 feet of those tanks, where the sign says "No Smoking".

The gentlemen from HCD that came up, all of them, never cited the gas tanks or, I believe, even inspected them because when OSHA came in, they did cite high pressure gas leaks in front of the regulator, old regulators. They also cited that the tanks were too close to our mobilehome. I believe 9 additional citations, one for debris in the area which was cited by HCD 7 or 8 months prior to that. So it either was that they didn't comply with taking care of the debris or they had, in fact, allowed the debris to build up. After that point in time, HCD said they didn't have jurisdiction within the park to inspect the system but only at the gas pipe, so I contacted the federal gas people in Lakewood, Colorado. They came in, and I haven't received a report but I understand that there was numerous violations, and there is because I've seen the process that compliance is bringing now. My point is, the owners are supposed to keep a

monthly inspection log of their system, and I believe it will show that our owner didn't do that, not even yearly.

SENATOR CRAVEN: Now, is that as a result of a federal regulation or state regulation, that they're supposed to do this?

RAY NELSON: Well, Senator, it's federal regulation but I believe that this is where the right hand doesn't know what the left hand is doing, and I believe it's very important, as those are federal regulations, they should be instilled in, somehow, into Title 25 that brings that to the notion, at least, or evidence, the park owners.

They're working out there, very ignorant. The majority of them don't have Title 25, they don't know what is required of them. It's a horrible mess. But if I can go down... gas pipe systems are very seldom inspected by HCD. I will prove that in the future by other parks that have contacted me, photos... horrendous violations... horrendous! There's a yearly report I think that was required before they get a renewed permit to operate. That would come to HCD, be boxed up, and go to the PUC. If they didn't see anything that would put a red flag on it, they would dispose of them. So there really is no record on file. If a park owner wants to lie, he can lie to them, he can lie to them

and nothing's done about it. And I believe that my park is critical or is a good representative of that process. And, is that park owner guilty of perjury? If, in fact, the Feds come in and find 25 violations, is this man... has he been subjecting the park tenants to these dangerous conditions all along?

SENATOR CRAVEN: You mean by virtue of reporting no problem?

RAY NELSON: Correct. I think that yearly reports should be required, accompanied by a report from a certified engineer. I don't think it should be left to the whim of the park owner, who wouldn't possibly want to spend the money. I don't understand it, because, if something blows up, he's liable.

SENATOR CRAVEN: So, your feeling then is a third party plays a rather important role in it, as long as that party isn't tied to, we'll say, park ownership by virtue of doing service for park ownership. Is that right?

RAY NELSON: Correct. And I believe there should be something in there that, if they were paid off, or, in that capacity that they're accountable for it by a stiff fine or imprisonment.

SENATOR CRAVEN: Oh, I'm sure that that would go without saying.

RAY NELSON: Okay. Our park was inspected 4 times and especially requested by Mr. Pitts as a complete park inspection. Also, Mr. Anderson asked for a complete park inspection.

SENATOR CRAVEN: Now, when you say complete park inspection, do you mean things other than the gas system?

RAY NELSON: Correct. I pointed out gas violations and, still, inspectors wouldn't cite them.

SENATOR CRAVEN: These are state inspectors? HCD inspectors?

RAY NELSON: Correct. In any allegations I make, I have proof to back it up. I called in OSHA on the two tanks, I think I expressed that... that they cited numerous high pressure gas leaks, debris still around. I called in the federal safety office, and they, also, cited numerous violations, one being gas meters not supported correctly. This is a violation that I spoke to an HCD inspector about and his... what they did was just put blocks under it, and I said that is not what Title 25 calls for, and he said that's the way it's done around the state. And, I don't want to get in on the qualifications of the HCD inspectors, but I do have a very passionate feeling on that, but, at this point, I don't think they're capable in any way to take on that type of a safety inspection.

SENATOR CRAVEN: You think that's beyond their level of expertise or background?

RAY NELSON: Far... far beyond it. We need a clear process that assures compliance to the gas system codes and a speedy handling for complaints. I really believe that, and the corrections of those violations. And I put in parenthesis, PUC. That's my feeling.

SENATOR CRAVEN: Do you think PUC would be a more appropriate body to take care of these complaints?

RAY NELSON: Yes, I do, and I talked to a Mr. Fortner in Washington, who is affiliated with the federal gas line safety office. He told me that Nevada had tried to bring in a party, something like HCD, and to them it's not acceptable. And they told them it was not.

SENATOR CRAVEN: I see. Let me just say something, Ray. I've not dealt directly with the PUC but I hear them mentioned, you know, every week in connection with something. Some of it is legislative and the other is just conversation, sometimes complaints. It's somewhat like a minor infraction in the City of Chico, and you go to the District Attorney and you say, why don't

you people move on this person who's doing that or these people who are doing that, and he says to you, Mr. Nelson, I've got a world of things to do and most all of them are more important than what you've brought to my attention. And that's the way I look at the PUC in dealing with these things. Now, I could be wrong. I'm not saying that what I say is correct or that you're wrong because you don't agree with me. That's not the question at all. I look at the PUC as sort of a... Well, when I think about them, I always look up for some reason or another, because they're somewhat ethereal, and they're up there somewhere on clouds, probably fleecy clouds, and, just so you know they're not down with the common fold... and they're talking about doing business with the Southern California Gas Company and San Diego Gas & Electric and all of the big people, and I wonder how much time they would have to spend with the little folk like you and me. And that's why I think, if we're going to hitch our wagon to their star, we've got a hell of a reach to make the connection. That's the way it impresses me.

Now, that's just a little bit of philosophy, which probably amounts to nothing at all, but it's the way I feel about it, and that's why I think, if we could keep it a little closer to home, we may have better control, because we don't tell the PUC what to do, in any instance, here as the Legislature, but we quite

frequently tell HCD what we think they should do and hope they are cooperative, and, generally speaking, I think they are. We can't move to overcome some of these problems with greater effectiveness, if we are vesting the authority or the executive quality of this in another more distant affair or group like the PUC. Does that confuse you completely?

RAY NELSON: No, it doesn't confuse me but I don't agree with it because ultimate jurisdiction lies with the Senate. If PUC does not do the job, it will fall back on the feds and I...

SENATOR CRAVEN: Yes, they are not the most notorious people in the world for expedition.

RAY NELSON: Let me say this, Senator. I have tried for three years with HCD. I got the feds OSHA, and I got the feds Gas Pipe Safety in there within a few months. Now, to me, they have been very efficient. I have spoken to Mr. Copeland, a man by the name of Joe McMann... all of these people represent themselves as very professional people. I haven't had, outside of Mr. Travis Pitts, I haven't had the same pleasure with HCD. I will say this, and I'll just say this. I would like an investigation of HCD and their competency of enforcement in mobilehome parks. I will not quit until somebody looks at that. It's a sham. It's a horrible

thing that people, old folks, and everybody else are going through out there. I've spent these last three years, and so have my family, and it has affected us greatly. But, going back to the gas, I believe that PUC as a governing agency, and the feds also believe it, are very capable, as they have people right now that can fall into place, and I think we need it fast, because, the same as the airline industry, both of these are about the same distance. Back in the 50's, they started gunning up. We're seeing people drop out of the skies, and you are going to see people blown up in mobilehome parks.

SENATOR CRAVEN: Well, I think the danger is there. It's latent, hopefully, I don't doubt that whatsoever. But, when I talk about the PUC people, as Russ Copeland mentioned, he said that, I think, there should be 6 or 8 positions, 8 positions, I think he said, and a total of almost \$700,000 budget-wise in order to effect that. I don't know whether that many people can effectively handle the job, frankly, because you've got a big long state in which they have to monitor and that's no small job. If it has been a big job for HCD, I don't know how many people... Travis, how many people would be involved with your inspection in this area? Uh-huh, I see. So, in other words, there's no routine prescription on the thing right now. Yes, very well.

RAY NELSON: Well, getting back to the inspection process, in our park of 16 units, there's been well over \$70,000 spent by HCD.

SENATOR CRAVEN: How many units did you say? Sixteen?. So that's a very small park actually?

RAY NELSON: Very small park. It should have been gone into and out of within 90 days for compliance.

SENATOR CRAVEN: Now this is a park that is about 20 years old, isn't it?

RAY NELSON: Yes, it is and there's been \$70,000... that would be one-tenth of the budget you're talking about...

SENATOR CRAVEN: Yes, that's right.

RAY NELSON: I'm very confident that PUC could take \$70,000 and do a great deal more than HCD could do.

SENATOR CRAVEN: Now, when you mentioned about the \$70,000, whose money was the \$70,000?

RAY NELSON: The taxpayers, and, if I can just go on to one more thing. If every inspection and every park was inspected throughout the State of California in the same manner, to have a budget to do the correct inspection, HCD would have to have \$654 million to conduct those inspections. Forgive me if I have offended you. I don't mean to...

SENATOR CRAVEN: Oh, you're not at all. Not at all.

RAY NELSON: I'm very passionate on this, and I will not quit. Thank you.

SENATOR CRAVEN: Very well, and I appreciate your comments and admire your tenacity. Alright. Now, a fellow who never has any trouble with anybody, Mr. Maury Priest, representing GSMOL.

MAURICE PRIEST: Senator Craven, Maurice Priest representing the Golden State Mobilehome Owners League. In response to the first question raised by the hearing report, we do believe, GSMOL does believe that there is definitely a need for a gas pipeline safety enforcement program in parks. We were in support of SB-558 which was introduced earlier this year. We also supported AB-3681 by Assemblyman Elder. But, we've had a brief opportunity, just since the commencement of this hearing, to look over the proposal by WMA, so we haven't had a chance to study that in detail.

SENATOR CRAVEN: Have you arrived at any thought? Just on a cursory glance at it?

MAURICE PRIEST: Yes I have,.. we would not have a problem with a third party inspector and we would certainly not have a problem with HCD being the state delegated agency to certify them. There is a big gap between the fines that are in the existing Elder bill and the WMA proposal. In other words, the only time the parks are being fined or sanctioned is if they failed to file the report. This was our remaining objection to the earlier Elder bill on the same subject. We don't have any objections to the filing of reports, certainly that's necessary and, unless there's an inspection, you don't know if you have a problem. But, there may be parks that are properly inspected and the reports are properly filled out, properly forwarded to the responsible agency, and then a problem occurs. What is the incentive for a park owner to promptly correct the defect once it surfaces? And, that's where there's a big gap, even a glowing gap, in the WMA proposal. We think that there must not only be an inspection and a filing of a report, but an incentive for a park owner to promptly correct the defect, once it's determined.

SENATOR CRAVEN: An incentive being as a sort of Sword of Damocles which would levy a fine or whatever, a judgment against them?

MAURICE PRIEST: I think that, to even apply the amount of fines that they've found acceptable when they fail to file the report, should certainly be at least applied when they've failed to timely correct the problem and that's going to obviously require a lot of discretion on the enforcement agency. In the WMA proposal, my brief thought and suggestion would be that, while the third party inspectors may be appropriate in doing the annual inspections and completing the reports, when a serious defect is found, there has to be a mechanism in place so that the complaint and notification can go directly to the enforcement agency, not routed through those third party inspectors. In other words, when, on a Friday night, a major leak is found in a park in West Sacramento, there's got to be a way to go directly to the enforcement agency that has the authority to require prompt corrective action.

Mr. Pitts made reference to a problem in West Sacramento six years ago, and I was personally involved as attorney for the residents of that park, Casa Mobile Park on Capitol Avenue, West Sacramento, and there was a serious, numerous serious gas leaks that were found in that location. At that time, the federal program in the federal office of the Department of Transportation was based in Burlingame, and there was an answering machine that would be used frequently when one designated federal officer was

trying to cover six western states, and, now, according to the background paper, that office that was in Burlingame is now in Lakewood, Colorado. But, going back to the West Sacramento problem, there was no prompt response or, really, authority or action at all on the part of the federal agency; on the other hand, when the problem was brought to the Department of Housing and Community Development, Mr. Roy Smart, who was in charge of Codes and Standards at that time and who, has since, retired, promptly had inspectors at the park that determined not only one but numerous leaks in the system.

So, from my personal experience in that, HCD acted promptly in terms of determining the problem. The real difficulty surfaced when there was no prompt attempt or apparent attempt to correct the system. And, so what I would like to focus the remainder of my remarks on is what happens if we get this in place and why any proposed legislation must put emphasis on the correction. What we finally had to do in Casa Mobile Park, when there had been no corrective steps taken within ten days after the complete shut down of the park - I mean ten days of complete shut down, at the time the pipeline system was between 20 to 25 years old, because it was a gas park, people had gas appliances, gas water heaters, gas stoves. They could not heat water, they could not cook, their major appliances would not function. After desperately

communicating with HCD who had found the problem and who had understandably shut down the system so that there would be no further risks, their hands were tied. The law didn't help us any further. We had to go to Yolo County Superior Court. We had to request an injunction directing all rent monies be paid to the court instead of the park owner to create the incentive for correction of the system. When we did that, within one week, ten days, finally the corrective work started.

To further frustrate that experience, we determined that PG&E had offered and was able, as a contractor, to repair the entire system within three weeks, but this park owner was unwilling to grant them an easement. PG&E required a certain delegation of right of responsibility to that pipeline system, once they corrected it, to PG&E. In other words, they would thereafter be responsible for doing what needed to be done. He wasn't willing to do that. He wanted to own his own pipeline system. So it took approximately two weeks before any corrective work started. It was six weeks from the date of shut off before the corrective work was completed within the park. In other words, some homes in the park were without gas for as much as six weeks time.

The experience that I gained at Casa Mobile Park is not to be taken as my criticism of HCD. I think that, under the

circumstances, just given that test (I'm not personally familiar with Mr. Nelson's experience with them or the details of that experience), where I was the attorney for the tenants, that it appeared to me that HCD's response was timely and appropriate but that they could do no more because of gaps in the law. And it also appeared that from that example, the federal government's involvement was totally inadequate to do anything.

So, I would hope that whatever proposal is submitted, whether it be WMA's proposal, I think that several aspects of their plan have merit so I'm not here to say everything that I read is unacceptable. I think the third party, to a certain extent, is acceptable as long as the consumer or other parties can go directly, in case of emergency, directly to the enforcement agency, which would have to have the personnel resources available to address emergency situations. I think that old parks should be inspected more frequently as WMA has proposed. I think that is a good example, because it seems to be that 20 to 35 years is the time when problems start to develop.

There's one other example or problem that I'd like to mention in closing. Rancho Murietta is certainly a newer type development than the one in West Sacramento and, in the early 1980's, that system also developed problems and was shut down rather than

corrected, apparently at the option of the park owner, who then notified the residents that you can get your own propane gas or convert to electric, whatever you want to do, but we're no longer going to maintain the system. I noticed in the background paper and in some of the proposals that, while certainly that's an option, to close down the master meter system, that shouldn't become the out for the park owner who may not want to be bothered any longer in maintaining the system. Some of them might welcome that, if that's the ultimate end, and there's no financial sanction or other incentive for them to correct the system, there's no teeth for them to require the correction. I don't think it can be allowed to be left at that, when they just terminate the master system. There has to be some type of fine or compensation payable to those who are affected by it.

In closing, I'd just like to say that, with regard to the cost, I think that once the enforcement agency - let's say that HCD was the responsible enforcement agency - I would not penalize the park owner because he happens to have a major gas leak. He should've maintained his system but there are going to be park owners there who are going to do everything they can to maintain a system, and they're still going to have a malfunction. I'm not here to say they should be immediately fined and run out of business, but when the enforcement agency determined that PG&E

could have corrected everything within three weeks, and the park owner has that option available and he unilaterally decides that because he wants to continue owning the system, he's going to go with a private contractor who's going to take six weeks, then there should be some penalty imposed for the additional damage and delay that he caused those homeowners between the time he could have had it corrected in three weeks and the six weeks ultimate delay. That's when I think some kind of sanction, within the discretion of the enforcement agency, would be entirely appropriate, and we would certainly be willing to support legislation that would include, or to encourage sponsors of legislation to include, the elements that I have mentioned.

SENATOR CRAVEN: Thank you, Maury, very much. Alright, now... Sure, Craig. This is Mr. Biddle again.

CRAIG BIDDLE: Just for clarification, mainly, more than anything else, you've mentioned several times about this potential conflict of interest. We would agree that if you have a certification program that the person or company that does the inspection would not be the company that would repair. We have no problem on that. And, if you have a reinspection, it wouldn't be the company that repairs, but I agree with you wholeheartedly that we wouldn't want to get caught in this conflict of interest problem and would assume that the legislation...

SENATOR CRAVEN: Well, I think John was going to make a point that I was going to... go ahead.

JOHN TENNYSON: I'm not sure that that's the conflict that we've been alluding to, Craig. I think the conflict that's concerned is that a cozy relationship develops between the third party inspection entity, whoever that happens to be, and a particular park owner over the years and, after a period of time, the question is, can we really rely on these reports?

CRAIG BIDDLE: Do you think another way to do that would be to say that you can't have the same inspector. You can have a different company inspect...

JOHN TENNYSON: Rotate them every few years?

CRAIG BIDDLE: That would be another way to do it, but we would have no problem in this conflict, whatever way. We don't want a conflict, we don't want even a potential conflict. We want it absolutely free. But, you must understand that today - forms that are filled out today - I can sign that form, you could sign that form, there's no qualification for the person that signs the form. The park owner himself can sign that form today and he says my park is fine. That's what's done today. We don't want

to have any possible conflict with it so whatever, a rotation system, whatever way you decide to do it or the HCD would decide to do it, we would support that because we don't even want to get caught up in a conflict. The second point I wanted to clarify, Mr. Priest said, I know he only had a short chance to look at our proposal, our proposal is a \$1,000 fine. It's a \$1,000 fine per day if you won't file a report or you don't comply with a directive of HCD. That's what ours is...

SENATOR CRAVEN: Excuse me, I'll be back shortly.

CRAIG BIDDLE: For the record, you can look at our proposal, over on page three, that section that talks about the \$1,000 fine... that's the federal law... we copied the federal law there. So it's not only for not filing the report but it's failing to comply with the directive of the enforcement agency, and that's what we're talking about. And, we would agree with Mr. Priest that you can't just have the failure to file the form but you have to have some teeth in it also so when HCD tells us to clean up the system, or change the system, or repair it, if we don't, it's a \$1,000 fine per day and we agree with that and that's why we have that language, stronger language necessary. Rather, we say comply with the directive of the enforcement agency.

JOHN TENNYSON: So, your plan would not necessarily foreclose a complaint process, whereby people could register a complaint with the enforcement agency - not a third party, but an enforcement agency, be that a local agency or HCD or whomever - and under an emergency situation, where there was a gas leak, let's say, as an example, that system would be corrected under their requirement.

CRAIG BIDDLE: Absolutely! They give us a directive to repair it and we don't, there's a \$1,000 fine per day. That's our proposal. Absolutely. I just want to clarify those and just to say that we're amenable to any of the conflict type things that we've talked about, so just wanted to clarify this.

JOHN TENNYSON: Do representatives of the PUC or anybody else have any further comments? Why don't you come up here and speak through the microphone so we can record it, please.

RUSS COPELAND: Russ Copeland again, with the Public Utilities Commission. Just one comment regarding how the federal government delegates responsibility to the states. The responsibility for gas safety programs either rests with the State Fire Marshal or, predominantly, what is done is with the Public Utilities Commission of that state. So, California is the only state where we presently have joint jurisdiction. In California,

the PUC has been responsible for the pipeline program and the State Fire Marshal responsible for the liquid pipeline program. If a third party inspection program, under the HCD, is implemented in California, then we would have a three party state program. I think there should be some consideration whether or not that is efficiency in state government to do that. Ultimately, there is going to be someplace where the federal government is going to require some kind of hands on the training program that is in place. Presently, we send both the state agencies - the State Fire Marshal's office and the CPUC, sends people to Oklahoma City to be trained. If it comes to the point where we're trying to send a third party inspection program, whether that be a consulting engineer or some kind of certified plumber, then I don't think the federal government is going to be able to respond to that. We'd be placing too much demand on their system.

JOHN TENNYSON: What do you mean? I don't think I'm quite following you. Couldn't they train third party inspection entities, too?

RUSS COPELAND: No. Not without an increase in their own federal budget. Right now, it's quite limited on getting people to the Oklahoma facility. We sign up a year in advance, the state

people that are going to be there and what courses they're going to be taking. So, if we start flooding the federal government with more people from California, it does put a burden on them to go out and have to have additional instructors, then we would get a rebuke, I think, from the federal government on that point.

JOHN TENNYSON: Is the PUC currently inspecting any pipelines at all under the federal act? Have you been delegated any authority? Any other kinds of pipelines?

RUSS COPELAND: Other than the utilities?

JOHN TENNYSON: Other than mobilehome park master meter systems? Municipal systems? Offshore systems? There's a whole multitude of different pipeline, natural gas pipeline systems.

RUSS COPELAND: No. As you are probably aware by the letters that have been received from the federal government, we've been requested to take over all programs. I think you're inferring that we already do work all the utility systems, aren't you?

JOHN TENNYSON: Well, I'm aware of that, but I'm talking about an inspection system in mobilehome parks. There are a number of other types of pipeline systems for which the intrastate system

is ... if you're talking about federal delegation, are we talking about more than just mobilehome parks? Are we talking about other kinds of pipeline systems as well?

RUSS COPELAND: Yes, the federal government would like us to take over all systems and that would include such things as maybe universities, where they have in place gas systems, municipalities, in California, there are municipalities that maintain their own gas systems, as well as the mobilehome parks.

JOHN TENNYSON: Are you prepared to do that as well? Do you have any proposals on that?

RUSS COPELAND: No, we're not asking for that authority at this time. I think, at this time, we're trying to address the problem we see as having the biggest potential for problems. In the case of universities, they do have people that look at that system. In the case of municipalities, they do have their own people who look at those systems. So, we're not asking to do that. Where we see the problem is within the mobilehome parks.

JOHN TENNYSON: Do you feel that your people have more expertise, in this area than, perhaps, the Department of Housing would, to deal with an inspection program of this nature?

RUSS COPELAND: At this point, yes, I believe we do. At least our people are trained and, if we were to undertake that program with additional people, we would have them trained, as well, within the DOT guidelines.

JOHN TENNYSON: Okay, thank you very much.

SENATOR CRAVEN: Russ, was it you who mentioned mechanical versus plumbing people? I said this to... you know, inspection certification and so forth?

RUSS COPELAND: No, I didn't.

SENATOR CRAVEN: Somebody did and I thought maybe it was... oh, it was Travis Pitts. How do you feel about that?

RUSS COPELAND: A plumber, as I understand, is trained in certain things. Certainly, he can find leaks that are above ground and he'd test for them and you'd probably (inaudible) ... soak test. Now, when you talk about a pipeline that's in the ground that requires somebody to make leak surveys, regarding plastic systems, be able to review those systems together, they don't always have that expertise, so you're going to have to look through a multitude of various agencies or various kinds of

consultants to do this third party inspection. You're just not going to go and hire one type of entity that's going to come in and do all the work.

SENATOR CRAVEN: Okay, thank you very much. We appreciate you being here, too, and tell Pete the same. There he is, thank you, Peter, very much.

Would anybody else like to give us the benefit of their expertise or feeling, whatever? It appears that there is no one else. Let me just say that we appreciate your being here and the comments which you have made. It's always very, very important that we hear from you regardless of what side of an issue you may put yourself on. None of us here hold ourselves out to be experts in everything, and, like what I guess Russ just said, it's very, very difficult to be sort of omniscient, and certainly we're not and that's why we need your help so desperately, quite frequently.

I'm going to ask that the Committee and John delve into the issues further. We've had a lot of good comment thought here today, but I think that there is some more research that we can make. One individual that we had asked to appear was our Fire Marshal, and that person was invited to make a presentation this

afternoon, but, due to a prior scheduled meeting, was unable to be with us. But I think we need to make some further contacts with the federal agencies, the Office of Pipeline Safety, in particular, to help answer some of the questions that have been posed today, and I think that we might check to see what they do in other states, as well, John. This information along with the transcript of the hearing and our conclusions will then be made available in report form sometime during the interim period, and we will see that each of you who have testified here receives a copy.

Like many mobilehome issues, this is another tough nut to crack, but I'm sure, in the final analysis, we'll all agree that we want to work toward preventing accidents, preventing hazards, and, perhaps, even preventing potential disasters brought about by deteriorating gas lines in mobilehome parks. To that end, I urge you to work together to find common ground in dealing with better enforcement of gas pipeline safety in these parks. I notice that among so many of you today, it's very, very nice to see that you are willing to cooperate and to stipulate certain points on either side. We want to thank you for being with us. As always, you are most welcome.

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SECTION V

C O M M E N T S A N D C O N C L U S I O N

- COMMENTS AND CONCLUSION -

Testimony at the hearing answered a few questions but still left the matter of how to resolve and establish an effective program for gas pipeline safety in mobilehome parks in doubt.

The testimony indicated that, out of some 5,000 mobilehome and travel trailer parks in California, over the past four years, less than 50 have had problems with natural gas pipelines, and only a few have had to shut down those gas systems entirely for repair or replacement. One park had an explosion, resulting from a gas leak and producing one fatality.

Although there was some disagreement on the effectiveness of the federal program, that is the responsiveness of federal officials under the Department of Transportation to respond to complaints on gas pipeline safety for master metered systems, there was a consensus that we should have a specific state program for gas pipeline safety enforcement in mobilehome parks.

There was no consensus, however, as to which state agency has the best "expertise" to deal with gas pipeline safety, the Department of Housing and Community Development or the Public Utilities Commission, or what kind of inspection program would be preferable - an inspection program with state personnel actually doing on-site physical inspections, or a private system of third

party inspections, where park owners pay certified plumbing or mechanical engineering contractors to inspect their systems and render reports which are forwarded on to the state for monitoring. Except for the PUC and one other witness, testimony seemed to favor the Western Mobilehome Association's proposal for private third party inspections, not governmental inspections. The Department of Housing's representative indicated that such a program would probably require HCD to hire one additional person to staff, certify, and monitor the program with little state money involved. The actual inspections would be paid by park owners to certified private contractors on a fee basis for the inspection and preparation of the annual report. The representative of the Golden State Mobilehome Owners League did not object to a third party private certification program, as long as there was some mechanism to assure that gas pipeline outages were rapidly repaired or jurisdiction assumed by public utilities, so that residents were not stranded for weeks or months without heating or cooking.

A major problem, however, is what system of inspection, which the state may take over from the federal government, would be acceptable to and approved by the Office of Pipeline Safety of the Department of Transportation, which ultimately must certify such delegation of authority to a state agency.

In speaking with officials from both the Washington, D.C. and Lakeland, Colorado offices of the federal agency, as well as officials in some other states which have assumed inspection jurisdiction for master metered systems, we have learned that OPS has a number of requirements or criteria which state agencies taking over enforcement of the federal program must certify to OPS. They must, among other requirements:

1. adopt federal gas pipeline safety standards;
2. enforce each federal standard through utilization of a checklist of inspection criteria;
3. enforce standards through a physical inspection program at least every three (3) years;
4. assure that inspectors are certified through a training program recognized by the OPS and operated by the Transportation Safety Institute in Oklahoma City.

Federal officials have indicated to us that of the states which have master meter inspection programs, none are known to utilize private third party inspection programs. Most use a Public Utilities Commission or State Fire Marshall to oversee the program.

Federal representatives expressed particular concern about the training requirements for a system of private third party inspectors. The state would have to establish requirements that private entities or individuals were trained and certified at the Transportation Safety Institute, in accordance with federal requirements, before such entities could be state certified.

Federal representatives questioned the adequacy of a program where only a handful of state employees certify and monitor the inspections. How could the state spot check the inspections to assure they were done properly? Would the state become no more than a depository for filing the reports?

One OPS official also questioned whether plumbing or mechanical engineering firms were in the best position to deal with gas pipeline safety. A suggestion was made that a contractual fee arrangement be made with public utilities serving their respective mobilehome parks. Utility employees, by virtue of the fact they are already conducting gas pipeline testing on their own equipment, may be better equipped and better able to meet the training requirements under the federal law. Michigan and New Hampshire have a program where contractual arrangements have been made with public utilities to conduct leak survey tests of master metered systems on a periodic basis.

Although federal representatives did not say "no" to a third party inspection system, their comments seemed to raise more questions than we have been able to answer from the testimony given at this hearing. Are we being asked to adopt a program before we know whether OPS will approve it? Hence, by letter to the director of OPS, the chairman has requested written direction from that agency of the acceptability of both the PUC and WMA proposals (see appendix).

Any state assumption of natural gas pipeline safety inspection from the federal government, whether a third party inspection system or not, would probably have to include at least some of the following elements:

- ° a provision for assuring there is no collusion or conflict of interest between the parks and the third party entities doing the inspections. This could include a requirement that state inspectors - or by contract, public utility personnel - spot check the inspections to assure accuracy. It might also require a rotation system - where the same inspection entities would not be permitted to serve the same parks more than once every five years. Lastly, it may require that inspection agencies and those who do the repair work not be the same entities.

- ° a provision for training of inspection personnel. Under a third party system, there would have to be a process for certification whereby personnel of private inspection entities would be scheduled for training at the federal facility as part and parcel of the state certification requirement. No private inspector, working for a private inspection entity, could be certified without documentation of a federal training certificate. Basically, not only the inspection entities but their inspectors would have to be licensed.

- ° a provision that an owner who fails to maintain the system would not only be subject to closure of the system or federal fines but subject to being required to provide alternative utility service to residents. Parks which close down their pipeline system could be required to either pay the cost of converting resident appliances to LPG or electricity or give an easement to the serving public utility to repair, replace and operate the natural gas pipeline system - thus serving tenants directly like other customers. Several other states have adopted these kind of provisions.

- ° a provision to assure that the state agency overseeing the gas pipeline inspection program has a mechanism for

responding to customer complaints about the pipeline system - billing problems, gas leaks, inadequate service, emergency calls, etc. This would require, not only state employees to answer phone calls but go into the field from time to time to follow-up on these complaints and assure gas systems are properly and expeditiously repaired.

- ° a provision for funding the increased level of governmental activity associated with monitoring the reports, taking complaints, doing field spot checks, and taking and follow-up on complaints and problems. This could be an increase in the annual park permit to operate fee, which goes into the Mobilehome Park Revolving Fund.

In conclusion, either the Department of Housing and Community Development or the Public Utility Commission could do the job of assuring adequate inspection of gas pipelines in mobilehome parks. Although the program may not have to require actual government inspectors to do the field work, from the input which this committee has so far received from OPS officials, and those in other states, any state program, in order to meet federal requirements, would have to be more than the seemingly "passive" approach which HCD and WMA representatives envisioned at the August 28th hearing.

SECTION VI

A P P E N D I X

(Selected Correspondence and Materials)

Current Law
STATUTES OF 1986

CHAPTER 728

An act to add Chapter 4 (commencing with Section 4351) to Division 2 of the Public Utilities Code, relating to gas.

[Approved by Governor September 14, 1986. Filed with Secretary of State September 15, 1986.]

The people of the State of California do enact as follows:

SECTION 1. Chapter 4 (commencing with Section 4351) is added to Division 2 of the Public Utilities Code, to read:

CHAPTER 4. GAS DISTRIBUTION SYSTEMS

4351. As used in this chapter, "gas" means natural or manufactured gas, except propane, used for light, heat, or power.

4352. As used in this chapter, "distribution system" means a system of pipes within a mobilehome park operated by a person or corporation, other than a public utility, which is connected to a meter or other measuring device under the control of a privately owned or publicly owned public utility, for purposes of distribution

of a commodity by the operator of a mobilehome park to the tenants of the mobilehome park who are the actual users of the commodity furnished through the meter or device to the operator by the public utility.

4353. As used in this chapter, "department" means the Department of Housing and Community Development.

4354. (a) Every operator of a mobilehome park with a gas distribution system shall prepare and submit annually, together with the annual application for a permit to operate the mobilehome park, a report on the distribution system to the department or the local enforcement agency designated pursuant to Section 18300 of the Health and Safety Code to enforce the Mobilehome Parks Act (Part 2.1 (commencing with Section 18200) of Division 13 of the Health and Safety Code). The report shall be prepared using United States Department of Transportation Form RSPA F 7100.1-1, as referenced in Section 191.11 of the Pipeline Safety Regulations (49 C.F.R. 191.11). With respect to reports submitted to the department, the department shall immediately transmit a copy of the report to the commission.

(b) Upon receipt of a copy of the report pursuant to subdivision (a), the commission shall examine the report for any indication of a violation of Section 192.453 or 192.723 of Title 49 of the Code of Federal Regulations. The commission shall notify the United States Department of Transportation of any suspected violations and shall transmit a copy of the report with that notification.

4355. (a) Any operator of a mobilehome park who fails to file the report required by Section 4354 is subject to a civil penalty of not more than one thousand dollars (\$1,000) for each day that the failure to file the report continues, but not to exceed two hundred thousand dollars (\$200,000) for a single violation or related series of violations. The department shall enforce this subdivision.

(b) Subdivision (a) does not apply until January 1, 1988, to any violation involving a gas distribution system which was in existence, or for which construction was commenced on or prior to January 1, 1987.

(c) Nothing in this chapter affects the tort liability of the operator of a gas distribution system.

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Senate Select Committee on Mobilehomes

SENATOR WILLIAM A. CRAVEN
CHAIRMAN

November 9, 1989

Mr. George Tenley, Director
Office of Pipeline Safety
U.S. Department of Transportation
400 Seventh Street, S.W.
Washington, D.C. 20590

Dear Mr. Tenley:

At the suggestion of Jack Overly with the Western Regional Office of OPS in Lakeland, Colorado, I am writing to obtain some guidance from your office concerning two proposed state inspection safety programs for master meter gas pipeline systems in California.

The California Public Utilities Commission (PUC) has proposed legislation to assume authority from OPS over gas pipeline safety in mobilehome parks, which is currently under the jurisdiction of OPS. Parks constitute the vast majority of master metered privately-owned gas pipeline systems in this state. The Public Utility Commission's proposal, however, has been opposed by the Western Mobilehome Association (WMA), an association of mobilehome park owners in California. They object to PUC jurisdiction over gas pipelines in mobilehome parks and have instead proposed their own plan to have the State Department of Housing and Community Development (HCD) establish a system of state certified third party private inspection entities, hired from a list by park owners, to inspect their parks.

This past year, I sponsored legislation on behalf of the PUC, SB 558, to authorize the implementation of their plan. Due to opposition from WMA, however, this legislation was not successful. Consequently, my committee held an interim hearing concerning this issue, and we heard testimony from both sides.

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November 9, 1989
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In summary terms, the PUC plan envisions the establishment of a PUC inspection program of parks every three years, utilizing PUC inspectors who would physically inspect one-third of California's mobilehome parks with master metered systems every year and test those systems for leaks and other problems related to gas pipeline safety. The PUC plan would give the Commission the power to direct repairs of master metered systems, exact fines and penalties for noncompliance and ultimately close down such gas systems if the owners refuse to comply. The plan would be financed through an increase in the present PUC user rate on natural gas by raising that fee a fraction of a cent per therm. PUC estimates that this would bring in approximately \$700,000 a year to run the program.

The Western Mobilehome Association's proposal would utilize a private inspection system of third party entities approved and certified by the Department of Housing and Community Development (HCD) as having the qualifications to perform the inspections. Reports submitted to HCD or a local enforcement agency operating in HCD's stead would include certification by the third party entity of an on-site gas safety inspection. Under WMA's proposal, the frequency of inspection by third party entities would be determined by the age of the park, with parks less than ten years of age inspected less often than those 10 years of age and older. Penalties for noncompliance would be similar to the PUC proposal. The measure would be self-financing in that private third party entities would charge park owners directly for the cost of the inspection. The cost to the state would be negligible and, according to a representative of the Department of Housing, would require one additional HCD employee to monitor the reports and operate the certification program.

Although, as a result of our hearing, there seems to be a consensus among all parties that the state needs to establish its own gas pipeline safety inspection program for mobilehome parks, as has been done in many other states, there appears to be no consensus on what form such a program should take. Moreover, our committee remains perplexed as to which of these programs, if either, would meet OPS certification requirements. My committee staff has spoken over the phone to OPS officials, both at the regional level and in Washington, as well as managers of inspection programs in other states, such as Arizona. These officials have indicated a preference for a governmentally run state inspection program, but have not said that a third party private system would be infeasible.

As such, although Sacramento appears ready to enact a gas pipeline safety program in mobilehome parks for California in

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1990, we need further guidance. I, for one, do not want to be in the position of authoring a program without knowing whether it has a good chance of certification by OPS. Otherwise, we will be flying in the blind.

Enclosed you will find copies of the PUC and WMA proposals as they were presented earlier this year. Although some of the details of financing, frequency of inspection and the like may be changed, the essence of these proposals will probably remain - a private third party system of inspection monitored by the state versus an inspection program operated by the state itself.

Your input and guidance on the direction which OPS believes the state is best advised to approach assumption of park gas pipeline inspections in this regard would be most helpful in our future deliberations on this issue.

If you need further information from us, please feel free to phone me or my consultant, John Tennyson, at (916) 324-4282. I am looking forward to your response.

Cordially,

original signed

WILLIAM A. CRAVEN
Chairman

WC/JT:me

Enclosures

Introduced by Senator Craven

February 21, 1989

An act to amend Section 4355 of, and to repeal and add Sections 4353 and 4354 of, the Public Utilities Code, relating to gas distribution systems.

LEGISLATIVE COUNSEL'S DIGEST

SB 558, as introduced, Craven. Gas distribution systems: mobilehome parks: reports.

(1) Under existing law, every operator of a gas distribution system in a mobilehome park is required to prepare and submit to the Department of Housing and Community Development or the designated local enforcement agency, an annual report on that distribution system, using a designated United States Department of Transportation form for that purpose. The department is required to transmit a copy of the report to the Public Utilities Commission, which is required to examine the report and notify the United States Department of Transportation of any suspected violations.

This bill would instead require every operator of a mobilehome park with a gas distribution system to prepare and submit an annual report to the commission on forms required by the commission. This bill would require the commission to examine the report for any violations of specified provisions of federal law, or for any gas safety problems within the park. This bill would delete the requirement that the commission notify the United States Department of Transportation of any suspected violations.

This bill would additionally require the commission to undertake a gas safety inspection of mobilehome parks with gas distribution systems served by privately owned gas corporations regulated by the commission. Under the program, inspection of the parks would be done every 3 years.

This bill would require the commission to furnish the park operator with a copy of the inspection report, and permit the operator to respond to the report within a specified period. This bill would require mobilehome park operators to provide necessary assistance to commission inspectors. It would require the commission to notify the park operator to take immediate steps to correct and repair gas leaks which pose a danger to the health and safety of the residents. It would permit the commission to order termination of service at the master meter if the operator does not comply with the commission's directive. This bill would permit the commission to adopt rules and regulations to carry out these provisions.

(2) Under existing law, a mobilehome park operator who fails to file the required report is subject to a civil penalty of not more than \$1,000 for each day that the failure to file the report continues, not to exceed \$200,000 for a single violation or related series of violations. The Department of Housing and Community Development enforces this provision. This bill would require the commission, instead of the department, to enforce this provision, and would additionally make a mobilehome park operator who fails to comply with a directive of the commission subject to the civil penalty.

(3) Since, under provisions of existing law, every person who fails to comply with any directive of the commission is guilty of a misdemeanor, a mobilehome park operator who fails to comply with a directive of the commission issued pursuant to the bill would also be guilty of a misdemeanor. Thus, this bill would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 4353 of the Public Utilities Code
2 is repealed.

3 ~~4353.~~ As used in this chapter, "department" means
4 the Department of Housing and Community
5 Development.

6 SEC. 2. Section 4353 is added to the Public Utilities
7 Code, to read:

8 4353. (a) Every operator of a mobilehome park with
9 a gas distribution system shall prepare and submit to the
10 commission annually, a report on the distribution system.
11 The report shall be prepared using forms required by the
12 commission.

13 (b) Upon receipt of the report, the commission shall
14 examine the report for any indication of a violation of
15 Section 192.453 or 192.723 of Title 49 of the Code of
16 Federal Regulations, or for any gas safety problems
17 within a mobilehome park.

18 SEC. 3. Section 4354 of the Public Utilities Code is
19 repealed.

20 ~~4354.~~ (a) Every operator of a mobilehome park with
21 a gas distribution system shall prepare and submit
22 annually, together with the annual application for a
23 permit to operate the mobilehome park, a report on the
24 distribution system to the department or the local
25 enforcement agency designated pursuant to Section
26 18200 of the Health and Safety Code to enforce the
27 Mobilehome Parks Act (Part 24 (commencing with
28 Section 18200) of Division 13 of the Health and Safety
29 Code). The report shall be prepared using United States
30 Department of Transportation Form RSPA F 7100-1A, as
31 referenced in Section 191-11 of the Pipeline Safety
32 Regulations (49 C.F.R. 191-11). With respect to reports
33 submitted to the department, the department shall
34 immediately transmit a copy of the report to the
35 commission.

36 (b) Upon receipt of a copy of the report pursuant to
37 subdivision (a), the commission shall examine the report
38 for any indication of a violation of Section 192.453 or

1 192.723 of Title 49 of the Code of Federal Regulations;
 2 The commission shall notify the United States
 3 Department of Transportation of any suspected
 4 violations and shall transmit a copy of the report with that
 5 notification.

6 SEC. 4. Section 4354 is added to the Public Utilities
 7 Code, to read:

8 4354. (a) The commission shall undertake a gas
 9 safety inspection program of mobilehome parks with gas
 10 distribution systems served by privately owned gas
 11 corporations regulated by the commission. Under the
 12 program, inspections shall be done every three years.

13 (b) The commission shall furnish the mobilehome
 14 park operator or an assigned representative with a
 15 written copy of the inspection report within 30 days of
 16 the inspection, and the operator shall have 30 days to
 17 respond to the report.

18 (c) The commission may require mobilehome park
 19 operators to provide necessary assistance to commission
 20 inspectors in surveying or uncovering portions of gas
 21 distribution facilities for purposes of inspection,
 22 verification, and testing.

23 (d) The commission shall notify the park operator to
 24 take immediate steps to correct and repair any gas leak
 25 which poses a significant or immediate danger to the
 26 health and safety of the park residents. The commission
 27 may direct the serving utility to terminate service at the
 28 master meter if a park operator does not comply with this
 29 requirement.

30 (e) The commission may adopt rules and regulations
 31 to carry out this section.

32 SEC. 5. Section 4355 of the Public Utilities Code is
 33 amended to read:

34 4355. (a) Any operator of a mobilehome park who
 35 fails to file the report required by Section ~~4254~~ 4353 or to
 36 *comply with a directive of the commission pursuant to*
 37 *Section 4354* is subject to a civil penalty of not more than
 38 one thousand dollars (\$1,000) for each day that the failure
 39 to file the report continues, but not to exceed two
 40 hundred thousand dollars (\$200,000) for a single violation

1 or related series of violations. The department
2 *commission* shall enforce this subdivision.

3 (b) Subdivision (a) does not apply until January 1,
4 1988, to any violation involving a gas distribution system
5 which was in existence, or for which construction was
6 commenced on or prior to January 1, 1987.

7 (c) Nothing in this chapter affects the tort liability of
8 the operator of a gas distribution system.

9 SEC. 6. No reimbursement is required by this act
10 pursuant to Section 6 of Article XIII B of the California
11 Constitution because the only costs which may be
12 incurred by a local agency or school district will be
13 incurred because this act creates a new crime or
14 infraction, changes the definition of a crime or infraction,
15 changes the penalty for a crime or infraction, or
16 eliminates a crime or infraction. Notwithstanding Section
17 17580 of the Government Code, unless otherwise
18 specified in this act, the provisions of this act shall become
19 operative on the same date that the act takes effect
20 pursuant to the California Constitution.

O

WESTERN MOBILEHOME ASSOCIATION
PROPOSED LEGISLATION
REGARDING
ENFORCEMENT OF FEDERAL PIPELINE SAFETY STANDARDS
FOR MOBILEHOME PARK OPERATORS

Add New Chapter to Health and Safety Code

CHAPTER ____ . ENFORCEMENT OF FEDERAL PIPELINE
SAFETY STANDARDS FOR MOBILEHOME PARK OPERATORS

18 ____ . (a) The United States Department of Transportation is mandated by the federal Natural Gas Pipeline Safety Act of 1968 to develop and enforce minimum safety regulations for the transportation of gases by pipeline, including, but not limited to, gas distribution systems in mobilehome parks, and has adopted regulations published in Title 49, Code of Federal Regulations, Parts 190, 191 and 192.

(b) These regulations apply to all mobilehome parks served by natural gas meters and liquefied petroleum gas (propane) systems that supply ten or more customers from a single source which are maintained and operated by the mobilehome park operator.

(c) These regulations require mobilehome park operators to conduct inspections, make necessary repairs, and prepare various reports, relying upon persons qualified by experience and training to assist the operator in such compliance.

(c) The U.S. Department of Transportation has requested that the State of California assume responsibility for enforcing the federal pipeline standards for mobilehome parks served by such systems within the State of California.

(d) It is the intent of the Legislature in enacting this chapter to ensure that the enforcement of the federal pipeline standards for affected mobilehome park operators within the State of California is properly conducted by the state agency which is responsible for the enforcement of this Act.

18 ____ . For the purposes of this chapter,

(a) "Gas distribution system" or "gas distribution facility" shall refer to the distribution of either natural gas or liquefied petroleum gas, commonly known as propane; and

(b) "Affected mobilehome park operator" is a mobilehome park operator who maintains and operates:

(1) A master-metered natural gas system, or

(2) A liquefied petroleum gas system that supplies ten or more mobilehome park lots.

18 ____ . (a) The department shall assume the responsibility of enforcing the federal pipeline standards for affected mobilehome park operators within the State of California. The department shall adopt regulations, which shall be at least as stringent as the regulations contained in Title 49, Code of Federal Regulations, Parts 190, 191 and 192, in order to protect the health and

safety of mobilehome park residents. Nothing herein shall prohibit the department from adopting more stringent standards than those adopted by the federal government.

(b) The department may, at the department's sole option, enforce these regulations through department-approved third party entities, including, but not limited to, all of the following criteria:

- (1) Freedom from any conflict of interest.
- (2) Qualifications of personnel.
- (3) Frequency of inspections or monitoring of gas distribution systems or facilities.
- (4) Involvement in collusive or fraudulent actions related to performance of activities required by Section _____.
- (5) Any other conditions of operations the department may reasonably require.

(c) The department may, at the department's sole option, establish the fees for services rendered by third-party entities in carrying out the provisions of this chapter.

18 _____. (a) Every affected mobilehome park operator with a gas distribution system shall prepare and submit and submit annually, together with the annual application for a permit to operate a mobilehome park, a report on the gas distribution system to the department or the local enforcement agency.

(b) When appropriate, such report shall also include the certification of a third-party entity according to the schedule contained in Section _____.

(c) The report shall be on a form approved by the department and shall contain such information as the department finds necessary to carry out the intent of this chapter.

(d) Upon receipt of the report, the enforcement agency shall examine the report for any indication of a violation of Section 192.453 or 192.723 of Title 49 of the Code of Federal Regulations.

(1) In the event that the enforcement agency believe that there may be a violation which poses a significant or immediate danger to the health and safety of the park residents, the agency shall notify the affected mobilehome park operator and shall require the operator to take immediate steps to correct and repair any such condition.

(2) In addition, when the report is prepared by a department-approved third party entity, in accordance with the schedule contained in Section _____, if the enforcement agency believes that there may be some violation of this chapter, and the rules and regulations pursuant thereto, the department may require that an additional third-party onsite inspection be conducted by an entity other than that which performed the initial inspection.

18 _____. (a) In addition to the annual report, the affected mobilehome park operator shall contract with a department-approved third party entity to conduct an on-site gas safety inspection of the park according to the following schedule:

1) For mobilehome parks 20 years of age or older, an onsite inspection shall be required _____.

(2) For mobilehome parks 10 years of age or older, an onsite inspection shall be required _____.

(3) For mobilehome parks 0-10 years of age, an on-site inspection shall be required _____.

(b) Except as specified in subdivision (c), following the onsite inspection, the third party entity shall prepare a report, as required by the department's rules and regulations, and shall furnish the affected mobilehome park operator with a written copy of the inspection report within 30 days of the inspection and the operator shall have 30 days to respond and correct any violations relating to the gas distributions system or gas distribution facility. Following the 30 day period, or a sooner period if the corrections have been made, the third-party entity shall conduct an additional on-site inspection to ensure that all violations have been corrected. A copy of that report shall be submitted with the application for the permit to operate by the affected mobilehome park operator in accordance with the schedule described in subdivision _____.

(c) If the third party entity finds during the inspection that there is any gas leak or other condition which poses a significant or immediate danger to the health and safety of the park residents, the third party shall notify the park operator and the enforcement agency, which shall require the park operator to take immediate steps to make the necessary corrections or repair.

18 _____. (a) Any operator of a mobilehome park who fails to file the report required by Section _____ or to comply with a directive of the enforcement agency pursuant to Section _____ is subject to a civil penalty of not more than one thousand dollars (\$1,000) for each day that the failure to file the report or comply with a directive continues, but not to exceed two hundred thousand dollars (\$200,000) for a single violation or related series of violations. The department shall enforce this subdivision.

(b) Subdivision (a) does not apply until January 1, 1991, to any violation involving a gas distribution system which was in existing, or for which construction was commenced on or prior to January 1, 1990.

(c) Nothing in this chapter affects the tort liability of the operator of a gas distribution system.

Proposed by:

Western Mobilehome Association
W. Craig Biddle, Legislative Advocate
442-7401
8/89

ANNUAL REPORT FOR CALENDAR YEAR
GAS DISTRIBUTION SYSTEM

Initial Report
 Supplemental Report

PART A - OPERATOR INFORMATION

1. NAME OF ESTABLISHMENT _____ TYPE OF ESTABLISHMENT _____
2. LOCATION _____ 4. OWNER or COMPANY _____
- Street and Mailing Address _____ Street and Mailing Address _____
- City/County/State/Zip _____ City/County/State/Zip _____
- Telephone _____ Telephone _____

PART B - SYSTEM DESCRIPTION

1. MAINS (Pipe diameter, material and length, date installed)

Dia.	Material and Length				Date Inst.	
	Coated Steel	Bare Steel	Plastic			Other
			PVC	PE		

2. SERVICES (Pipe diameter, material and length, date installed, number of services)

Dia.	Material and Length				Date Inst.	No. Svcs.	
	Coated Steel	Bare Steel	Plastic				Other
			PVC	PE			

----- TOTAL NUMBER OF SERVICES -----

3. NUMBER OF SUBMETERS _____
4. CATHODIC PROTECTION SYSTEM: YES _____ NO _____
 TYPE: MAGNESIUM ANODE _____ RECTIFIER _____
5. SERVED BY GAS COMPANY (Name): _____

PART C - SYSTEM MONITORING

1. DATE OF LAST GAS LEAK SURVEY _____
2. DATE OF LAST (a) CATHODIC PROTECTION SYSTEM TEST _____
or (b) CORROSION EVALUATION SURVEY _____

PART D - LEAK AND REPAIR SUMMARY

1. NUMBER OF LEAKS FOUND THIS YEAR: CORROSION _____ DAMAGE _____ OTHER _____
TOTAL _____
2. NUMBER OF LEAKS REPAIRED _____ SCHEDULED FOR REPAIR WITHIN 6 MOS. _____

PART E - COMMENTS OR ADDITIONAL INFORMATION

PART F - PREPARER AND AUTHORIZED SIGNATURE

1. PREPARED BY:
Name _____ Telephone _____ Date _____
Title or Position/Company _____
2. AUTHORIZED BY:
Signature _____ Telephone _____ Date _____
Name _____
Title/Company _____

(Please Type or Print)

AUG 25 1989

Mr. Wesley Franklin
Acting Executive Director
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102

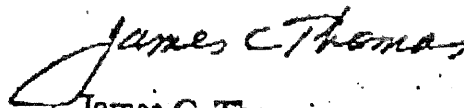
Dear Mr. Franklin:

In response to your letter of August 22, 1989, the Office of Pipeline Safety (OPS) supports and recommends that state agencies actively seek jurisdiction over all intrastate pipeline operators including master meter operators.

The OPS policy concerning master meter operators is to perform inspections only upon receipt of a complaint or knowledge of a pipeline safety problem. A review of annual reports was never intended nor is it an adequate method to determine compliance with the pipeline safety code and assess the safety of master meter systems. Onsite inspections of the pipeline and records is the acceptable method in making determinations as to the safety of the system. It is the policy of the OPS to emphasize to the state agencies each year through the letter to the Chairman, the need for each commission to seek additional jurisdiction in areas where they do not have full safety jurisdiction over intrastate facilities. We support legislation which would allow the California Public Utilities Commission to obtain pipeline safety jurisdiction for master meter operators in California.

Please contact me if you have any questions.

Sincerely,



James C. Thomas
Acting Director
Office of Pipeline Safety

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 22, 1989

U.S. Department of Transportation
Research & Special Programs Administration
400 Seventh Street, S.W.
Washington, D.C. 20590

Attention: Richard Beam, Director
Office of Pipeline Safety

Gentlemen:

Senate Bill 558 has been introduced in the California legislature on behalf of the California Public Utilities Commission (CPUC). This bill requests CPUC jurisdiction for the safety of gas distribution systems in mobile home parks and was in part necessitated by your agency's decision not to receive annual reports submitted by operators of master metered systems (Section 191.11(b)(2) of Title 49). Section 4354 of the California Public Utilities Code requires that every operator of mobile home parks in California with a gas distribution system file annually a report with the Department of Housing and Community Development on the status of its gas system using DOT Form RSPA 7100, 1-1. The forms are then forwarded to the CPUC for technical review. Reports requiring corrective action are to be forwarded to your agency for enforcement since the CPUC has no jurisdiction over mobile home parks. In November 1987 your agency began returning the reports we sent you citing the above change in your administrative procedures.

Since you no longer require submittal of annual reports from master meter systems there is no enforcement as defined in Section 4354 of the P.U. Code. This has triggered the need for the CPUC to seek jurisdiction over mobile home parks. However, the CPUC sponsored legislation is being opposed by the Mobile Home Park Association.

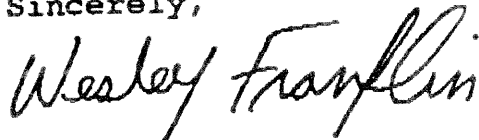
In preparation for legislative hearings on SB 558 we would appreciate receiving a letter from you stating that it is your policy not to review the mobile home annual reports we have been submitting to your agency. For clarification, the reports we have been sending you consist of incomplete reports, indications that leak surveys haven't been completed and indications that

U.S. Dept. of Transportation
August 22, 1989
Page 2

there is a lack of cathodic protection. We are aware that when any party brings to the attention of DOT a safety matter that constitutes immediate danger to health and safety, your agency will make an investigation. We are more concerned with what you do with those reports that do not pose an immediate threat to safety.

A timely response will be appreciated.

Sincerely,



WESLEY FRANKLIN
Acting Executive Director

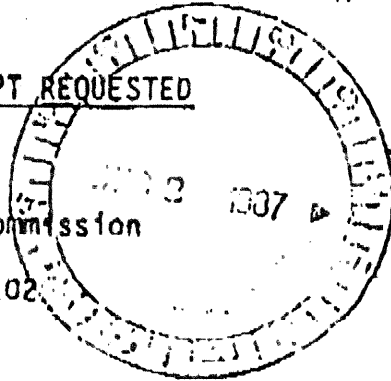


U.S. Department
of Transportation
Research and
Special Programs
Administration

NOV 20 1987

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Stanley Hulett
President
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102



Handwritten notes:
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12/31/88

Dear Mr. Hulett:

On April 4, 1987, Jack C. Overly, Chief, Western Region, Office of Pipeline Safety, conducted his annual review of the gas safety program being conducted by the Commission under its 5(a) Certification of the Natural Gas Pipeline Safety Act of 1968 (NGPSA), as amended. In addition, during the week of February 3, 1987, Mr. Overly observed a member of your Los Angeles staff, Mr. Jospel Soni, inspect the San Diego Gas and Electric Company. Thank you for the courtesies and cooperation extended to Mr. Overly during his visits.

As a result of these visits, I would like to bring the following items to your attention:


1. I have been advised that the inspection was conducted in a professional manner by Mr. Soni and cooperation with him by San Diego Gas and Electric was excellent.
2. As pointed out in past letters, the Commission lacks full safety jurisdiction over eight types of intrastate gas pipeline systems that are subject to the requirement of the NGPSA. The eight are municipal systems, petroleum gas facilities, master meter systems, privately owned facilities not public utilities, gathering lines in nonrural areas, transmission lines, other publicly owned distribution systems, and offshore facilities. You have partial jurisdiction over some of the eight types if they are part of a privately owned public utility. The Department of Transportation (DOT) continues to pursue a national policy which encourages state agency partners to assume full intrastate jurisdiction. In my opinion, public safety would

be significantly enhanced if the Commission had safety jurisdiction over all intrastate gas pipeline operators. I again urge the Commission to take appropriate steps to obtain authority to regulate pipeline safety for all operators subject to the NGPSA.

3. Pipeline Safety Grant funds available to the Commission are affected by program performance and intrastate jurisdiction. By a policy initiated in 1985 the amount of grant funds allocated to a state agency was decreased when certain factors relating to performance and intrastate jurisdiction were not up to expected standards. Therefore, your allocation was reduced in recent years. This policy will remain in effect for the foreseeable future.
4. The Commission has drafted but has not formalized your Administrative Enforcement Procedures. I urge you to finalize these procedures as quickly as possible. Mr. Overly is available to provide assistance, if requested.

Full jurisdiction and satisfactory performance are essential parts of an effective state gas safety program. Less than full jurisdiction affects the amount of reimbursement to states by us so it is doubly important. I would appreciate your comments on Items 2, 3, and 4 within 30 days of receipt of this letter. Your cooperation in pipeline safety matters is appreciated.

Sincerely,



Richard L. Beam
Director
Office of Pipeline Safety

LAW OFFICES OF
BIDDLE & HAMILTON

HOTEL SENATOR BUILDING
SUITE 510
1121 L STREET
SACRAMENTO, CALIFORNIA 95814
916-442-7401

W CRAIG BIDDLE
RICHARD L HAMILTON
CHRISTIAN M KEINER
WARREN C STRACENER

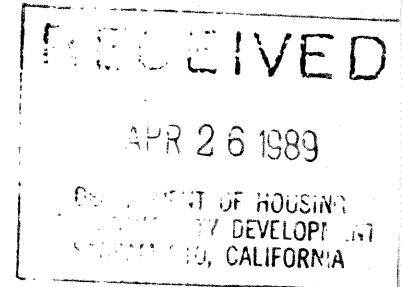
April 25, 1989

ORANGE COUNTY
51 TOWN & COUNTRY BUSINESS PLAZA
1111 TOWN & COUNTRY ROAD
ORANGE, CALIFORNIA 92668
714-541-3588

Professional Corporation

Mr. Travis Pitts, Deputy Director
DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT
Post Office Box 1407
Sacramento, California 95812-1407

Re: Enforcement of Federal Pipeline Safety
Standards Within Mobilehome Parks



Dear Travis:

Subsequent to our meeting of April 19, 1989 concerning the enforcement of the Federal Pipeline Safety regulations within mobilehome parks I have spoken with Jack Overly, Chief, Western Region, Office of Pipeline Safety, U.S. Department of Transportation.

I informed Mr. Overly of the direction of our meeting and WMA's legislative proposal to have the Department of Housing and Community Development oversee enforcement of the federal standards by way of certifying persons qualified to work on the gas distribution systems in mobilehome parks and to fill out required surveys and reports. Mr. Overly seemed receptive to the concept and is going to forward to me forms that the federal government would expect to be filed by the agency certifying the state assumption of enforcement responsibility.

I gave Mr. Overly your telephone number and he indicated that he might well stop by to see you and discuss further details.

During our conversation Mr. Overly stated that quite possibly your Department could recover up to 50% of your costs in the enforcement area through a federal grant program. I am sure that this is one topic you may well wish to pursue with Mr. Overly if WMA's proposal is ultimately accepted by the Legislature and signed into law.

Very truly yours, .

BIDDLE & HAMILTON

RICHARD L. HAMILTON

RLH:fo

cc: Jack Overly (U.S. Department of Transportation, 555 Zang St.,
Street, Lakewood, Colorado 80228, (303) 236-3424)



GAS PIPELINE SAFETY PROGRAM

5(a) CERTIFICATION FOR CALENDAR YEAR 1988

This certificate (including attachments) is submitted by the _____ (the State Agency) to the Secretary of Transportation (the Secretary) under Section 5(a) of the Natural Gas Pipeline Safety Act of 1968, as amended (49 USC 1671 et. seq.) (the Act).

Pursuant to Section 5(a) of the Act the State Agency hereby certifies to the Secretary that--

1. Except as set forth in Attachment 1, under the Constitution and laws of _____ it has regulatory jurisdiction over _____ (insert name of State) the safety standards and practices of all intrastate pipeline transportation within _____ as summarized on Attachment 1. _____ (insert name of State)
2. It has adopted, as of the date of this certification, each Federal safety standard established under the Act that is applicable to the intrastate pipeline transportation under its jurisdiction as set forth in paragraph 1 or, with respect to each such Federal safety standard established within one hundred and twenty days before the date of the certification, is taking steps pursuant to State law to adopt such standard. (The adoption by a State agency of a safety standard that is additional to or more stringent than the applicable Federal standard and is compatible with the Federal standards [see Section 3(a)(1) of the Act] does not prohibit that State Agency from certifying to the actions described in this paragraph.)
3. It is enforcing each standard referred to in paragraph 2.
4. It is encouraging and promoting programs designed to prevent damage to pipeline facilities as a consequence of demolition, excavation, tunneling, or construction activity.
5. It has authority to require each person who engages in the transportation of gas or who owns or operates pipeline facilities subject to its jurisdiction as set forth in paragraph 1, to establish and maintain records, to make reports, and to provide information, and that this authority is substantially the same as the authority provided in Section 14 of the Act.

6. It has authority to require each person who engages in the transportation of gas or who owns or operates intrastate pipeline transportation facilities, subject to its jurisdiction as set forth in paragraph 1, to file with it for approval a plan for inspection and maintenance substantially as described in Section 13 of the Act.

7. The laws of _____ provide for the enforcement of the safety standards referred to in paragraph 2 by injunctive and monetary sanctions substantially the same as those provided under Section 11 and 12 of the Act.
(insert name of State)

The State Agency furthermore agrees to cooperate fully in a system of Federal monitoring of the State program to assure that the program is being carried out in compliance with this certification.

The terms "intrastate pipeline transportation," "pipeline facilities," "transportation of gas," and "State," are used in this certification as defined in the Act. This certification is subject to termination by the Secretary in accordance with Section 5(a) of the Act if the Secretary determines that the State Agency is not satisfactorily enforcing compliance with Federal safety standards. Under Section 5(a), the Secretary, on reasonable notice and after opportunity for hearing, may reject the certification or take such other action as deemed appropriate to achieve adequate enforcement including assertion of Federal jurisdiction.

In witness whereof, the hand and seal of the _____
(insert name of State Agency)
is hereby affixed on _____
(date)

(insert name of State Agency)

BY

(Official Signature)

STATE:

Attachment 1

STATE JURISDICTION OVER INTRASTATE GAS FACILITIES AS OF DECEMBER 31, 19__.

Type of Intrastate Gas Facility	State Agency Has Jurisdiction Under Existing Law	State Agency Does Not Have Jurisdiction Under Existing Law	If State Does Not Have Jurisdiction, Please Check <input checked="" type="checkbox"/> Where Appropriate					Remarks
			State Does Not Want Jurisdiction	State Intends to Seek Jurisdiction	State Has Taken Action to Obtain Jurisdiction	State Expresses Intent to Obtain Jurisdiction by End of Next Calendar Year	None in State	
Gathering lines in non-rural areas.								
Transmission lines (intrastate) including transmission lines of distribution systems								
Privately owned distribution public utilities								
Privately owned facilities not public utilities under State law (industrial or farm tap, etc.)								
Municipally owned distribution systems								
Other publicly owned distribution systems (meter districts, highway districts, etc.)								
Pre-1973 gas facilities covered by 49 CFR 102.11								
Gas facilities beyond the master meter (master meter systems)								
Offshore facilities as defined in 49CFR 102.3								

STATE: _____

Attachment 2

Submit as Attachment 2 the business name and business address of each person (as defined in the Act) subject to the pipeline safety jurisdiction of the state agency as of December 31, 19____. Interstate agents should also attach a list of interstate operators inspected as agents of DCT. Designate the type of operator (Private, Municipal, LPG, Master Meter, Intrastate Transmission, etc.). Please also include the number of inspection units in each operator's pipeline facilities that are under the control of an administrative unit that provides sufficient communication and controls to ensure uniform design, construction, operation, and maintenance procedures for the facilities.

**SUMMARY OF STATE GAS PIPELINE
INSPECTIONS AND COMPLIANCE ACTIONS FROM
JANUARY 1 TO DECEMBER 31, 19_____ .**

Indicate the total number for each item listed below:	Intrastate	Interstate ^{3/}
No. of Jurisdictional Operators ^{1/}		
No. of Jurisdictional Inspection Units		
Inspection Persondays of Pipeline Facilities		
Operators Inspected		
Inspection Units Inspected		
Noncompliances		
Noncompliances Submitted for DOT Action ^{4/}		
Enforcement Actions Taken ^{2/}		
Penalties Assessed (Total Amount \$) ^{2/}		
Penalties Collected (Total Amount \$) ^{2/}		
Noncompliances Corrected / <small>Noncompliances corrected carried over from prior yrs.</small> /	/	/
Noncompliances to be Corrected <small>(including carry over and long term)</small>		

^{1/} Jurisdictional operators per DOT definitions.

^{2/} Not applicable if state has 5(b) agreement with DOT.

^{3/} Applicable only to states acting as interstate agents for DOT.

^{4/} Applicable only if state has 5(b) agreement with DOT or acts as interstate agent for DOT.

Attachment 4a

DEFINITIONS

1. Inspection Unit. All or part of an operator's pipeline facilities that are under the control of an administrative unit that provides sufficient communication and controls to ensure uniform design, construction, operation, and maintenance procedures for the facilities.
2. Inspection person-day. An inspection person-day is all or part of a day spent by a state agency representative in an onsite examination or evaluation of an operator or his system to determine if the operator is in compliance with the federal or state pipeline safety regulations, or in an onsite investigation of a pipeline incident, or in job-site training of an operator. Time expended on such activities should be reported as one inspection person-day for each day devoted to safety issues regardless of the number of operators visited during that day.
3. Noncompliance. A noncompliance is a violation or alleged violation of any section or, where a section is divided into subsections ((a), (b), (c), etc.), any subsection of federal or state pipeline regulations. Each numbered section should be counted separately. Multiple violations of a numbered section discovered on the same inspection should be counted as one noncompliance with multiple pieces of evidence.
4. Enforcement Action. An enforcement action is an action or series of sequential actions taken to enforce federal or state pipeline regulations. These actions may take the form of a letter warning of future penalties for continued violation, the imposition of an administratively imposed monetary sanction or order directing compliance with the regulations, an order directing corrective action under hazardous conditions, a show-cause order, a criminal sanction, a court injunction, or a similar formal action.

**RECORD MAINTENANCE REPORT
TO ENFORCE COMPLIANCE WITH THE GAS PIPELINE SAFETY STANDARDS**

The following is a listing of the records the State agency maintained pertaining to its gas pipeline safety program, during 19 _____ :

The following is a listing of the gas pipeline safety reports the State agency required from operators over which it had safety jurisdiction during 19 _____ :

STATE: _____

Attachment 6

STATE EMPLOYEES DIRECTLY INVOLVED IN THE GAS PIPELINE SAFETY PROGRAM AS OF DECEMBER 31, 19____

	Name	Title	Qualification Category (See Attachment 6a)	Approximate Percentage of Time Involved in Pipeline Safety
Supervisory Personnel who are directly engaged in the administration of the Gas Pipeline Safety Program				
Technical Personnel who conduct Pipeline Safety Inspections and Failure Investigations, and review I&M Plans, etc.				
Clerical Personnel who type, file, and perform other administrative duties directly related to Pipeline Safety				

- Note:**
- ① If an individual has duties other than pipeline safety such as electrical, water, etc., list only time spent in pipeline safety program. For example, if an employee spends 3% on electrical safety and the remaining time on pipeline safety, list 97% on this report.
 - ② If an individual performs both technical and supervisory duties, list name under both categories and percentage of time spent in each category.
 - ③ Do not list personnel who are indirectly involved in pipeline safety such as budget, accounting, legal and other administrative personnel.

STATE INSPECTOR QUALIFICATION CATEGORIES

- A. Has an engineering degree from an accredited engineering school or is a registered professional engineer; and has a minimum of three years of experience in gas or liquid pipelines or the enforcement of pipeline safety regulations at the Federal or state level; and has either completed all of the applicable training at the Transportation Safety Institute (TSI) or has received an exemption from the Director, Office of Pipeline Safety (OPS), for applicable training not taken.
- B. Has one or more of the following four backgrounds:
 - 1) Has an engineering degree from an accredited engineering school; and has either completed all of the applicable training at TSI or has received an exemption from the Director, OPS, for applicable courses not taken.
 - 2) Is a registered professional engineer; and has either completed all of the applicable training at TSI or has received an exemption from the Director, OPS, for applicable courses not taken.
 - 3) Has a minimum of five years of experience in gas or liquid pipelines or the enforcement of pipeline safety regulations at the Federal or state level; and has either completed all of the applicable training at TSI or has received an exemption from the Director, OPS, for applicable courses not taken.
 - 4) Has a minimum of ten years of experience in gas or liquid pipelines or the enforcement of pipeline safety regulations at the Federal or state level; and has completed at least half of the applicable training at TSI or has received an exemption from the Director, OPS, for those courses.
- C. Has a college degree; or has a minimum of five years of experience in gas or liquid pipelines or the enforcement of pipeline safety regulations at the federal or state level.
- D. Has less than five years of experience in gas or liquid pipelines or the enforcement of pipeline safety regulations at the federal or state level.
- E. Has less than one year of experience in gas or liquid pipelines or the enforcement of pipeline safety regulations at the federal or state level.

STATE: _____

Attachment 7

UNDERGROUND UTILITY DAMAGE PREVENTION PROGRAM

Please place an X where appropriate:

- 1. State has underground utility damage prevention law(s) which includes all or most persons. (Requires all or most persons who excavate to call.)

- 2. State has limited and/or localized underground utility damage prevention law(s).

- 3. State has a statewide one-call system, or localized one-call systems which provide statewide coverage to all persons. (Entire state is covered.)

- 4. State has localized one-call system(s). (Entire state is not covered.)

- 5. State does not have underground utility damage prevention laws.

- 6. State does not have one-call system(s).

